

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Ind AS Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to

The Board of Directors

AXISCADES Technologies Limited (formerly AXISCADES Engineering Technologies Limited)

1. We have reviewed the accompanying Statement of Unaudited Consolidated Ind AS Financial Results of AXISCADES Technologies Limited (formerly AXISCADES Engineering Technologies Limited) (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate for the quarter ended September 30, 2020 and year to date from April 01, 2020 to September 30, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities as stated in Note 11 of the Statement.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. **Emphasis of Matter**
 - i. We draw attention to Note 3 of the Statement, which describes Management's assessment of the impact of uncertainties caused by COVID-19 pandemic and its consequential impact it may have on the operations of the Group. Our opinion is not modified in respect of this matter.

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- ii. We draw attention to Note 6 to the Statement in respect of dispute between the Company and Shareholders of Mistral Solutions Private Limited in relation to the implementation of the Share Purchase Agreement ('SPA') dated 1 December 2017. The matter is pending before the Arbitral Tribunal and the final outcome of the matter is not known currently. Our opinion is not modified in respect of this matter.
7. The accompanying Statement includes the unaudited Ind AS financial results and other unaudited financial information, in respect of eleven subsidiaries, whose unaudited Ind AS financial results include total assets of Rs. 32,109.10 lakhs as at September 30, 2020, total revenues of Rs 4,787.95 lakhs and Rs 8,537.91 lakhs, total net profit after tax of Rs. 341.85 lakhs and Rs. 433.06 lakhs, total comprehensive income of Rs. 324.15 lakhs and Rs. 411.89 lakhs, for the quarter ended September 30, 2020 and the period ended on that date respectively, and net cash outflows of Rs. 287.82 lakhs for the period from April 1, 2020 to September 30, 2020, as considered in the Statement which have been reviewed by their respective independent auditors.

The independent auditor's reports on Ind AS financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

8. The accompanying Statement includes unaudited interim financial results and other unaudited financial information in respect of one associate, whose interim financial results includes the Group's share of net profit of Rs. 8.92 lakhs and Rs 31.41 lakhs and Group's share of total comprehensive income of Rs. 8.92 lakhs and Rs. 31.41 lakhs for the quarter ended September 30, 2020 and for the period ended on that date respectively.

The unaudited interim financial results and other unaudited financial information of the associate have not been reviewed by any auditor and have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of the associate, is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our conclusion on the Statement in respect of matters stated in paragraphs 7 and 8 above is not modified with respect to our reliance on the work done and the reports of the other auditors.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

SUNIL
GAGGAR

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Date: 2020.11.12
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per Sunil Gaggar

Partner

Membership No.: 104315

UDIN: 20104315AAAADK6478

Place: Bengaluru

Date: November 12, 2020

| AXISCADES Technologies Limited (formerly AXISCADES Engineering Technologies Limited) | | | |
|---|--|-----------------------------------|-----------------------------|
| CIN NO: L72200KA1990PLC084435 | | | |
| Regd. Office: Block C, Second Floor, Kirloskar Business Park, Bengaluru - 560024, Karnataka, India | | | |
| Website: www.axiscades.com, Email: info@axiscades.com, Tel: +91 80 4193 9000, Fax: +91 80 4193 9099 | | | |
| (₹ in lakhs) | | | |
| Unaudited consolidated statement of assets and liabilities | | | |
| SI No | Particulars | As at | |
| | | September 30, 2020 (Unaudited) | March 31, 2020 (Audited) |
| | Assets | | |
| A | Non-current assets | | |
| | Property, plant and equipment | 5,321.40 | 5,414.80 |
| | Right of use assets | 9,884.45 | 9,343.58 |
| | Goodwill on consolidation | 12,334.03 | 16,778.36 |
| | Other intangible assets | 3,650.40 | 3,943.61 |
| | Intangible assets under development | 39.42 | 56.22 |
| | Investment in an associate | 219.88 | 188.47 |
| | Financial assets | | |
| | Investments | 639.01 | 374.03 |
| | Loans | 783.85 | 881.02 |
| | Other financial assets | 565.67 | 587.95 |
| | Deferred tax assets, net | 2,883.60 | 3,012.24 |
| | Non-current tax asset, net | 1,693.22 | 2,876.48 |
| | Other non-current assets | 2,057.12 | 2,060.94 |
| | Total non-current assets | 40,072.05 | 45,517.70 |
| B | Current assets | | |
| | Inventories | 2,452.98 | 1,961.43 |
| | Financial assets | | |
| | Investments | 3,035.33 | 2,874.53 |
| | Trade receivables | 13,559.76 | 16,640.89 |
| | Cash and cash equivalents | 8,659.23 | 4,477.69 |
| | Bank balances other than cash and cash equivalents | 2,723.01 | 2,538.30 |
| | Loans | 72.67 | 251.42 |
| | Other financial assets | 4,657.29 | 7,425.34 |
| | Other current assets | 3,866.96 | 4,169.86 |
| | Total current assets | 39,027.23 | 40,339.46 |
| | Total assets (A+B) | 79,099.28 | 85,857.16 |
| | Equity and liabilities | | |
| C | Equity | | |
| | Equity share capital | 1,889.51 | 1,889.51 |
| | Other equity | 28,175.04 | 29,623.46 |
| | Non controlling interests | 468.10 | 444.33 |
| | Total equity | 30,532.65 | 31,957.30 |
| D | Non-current liabilities | | |
| | Financial liabilities | | |
| | Borrowings | 3,094.12 | 3,893.07 |
| | Lease Liabilities | 2,245.58 | 1,749.76 |
| | Other financial liabilities | 4,304.22 | 6,269.40 |
| | Provisions | 1,011.00 | 1,036.76 |
| | Other non-current liabilities | 27.82 | 27.82 |
| | Non-current liabilities | 10,682.74 | 12,976.81 |
| E | Current liabilities | | |
| | Financial liabilities | | |
| | Borrowings | 6,851.06 | 8,325.74 |
| | Lease Liabilities | 1,057.78 | 1,026.88 |
| | Trade payables | | |
| | (a) Total outstanding dues of micro and small enterprises | 167.53 | 154.04 |
| | (b) Total outstanding dues of creditors other than micro and small enterprises | 5,245.21 | 4,827.57 |
| | Other financial liabilities | 19,601.45 | 20,029.02 |
| | Provisions | 823.21 | 755.65 |
| | Current tax liability, net | 288.70 | 486.89 |
| | Other current liabilities | 3,848.95 | 5,317.26 |
| | Total current liabilities | 37,883.89 | 40,923.05 |
| | Total equity and liabilities (C+D+E) | 79,099.28 | 85,857.16 |

For AXISCADES Technologies Limited
(formerly AXISCADES Engineering Technologies Limited)

Director

Statement of unaudited consolidated financial results for the quarter and half year ended September 30, 2020

| Particulars | Quarter ended | | | Half year ended | | Year ended |
|---|--------------------|------------------|--------------------|--------------------|--------------------|------------------|
| | September 30, 2020 | June 30, 2020 | September 30, 2019 | September 30, 2020 | September 30, 2019 | March 31, 2020 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| I. Revenue | | | | | | |
| (a) Revenue from contracts with customers | 14,257.61 | 10,389.49 | 15,656.45 | 24,647.10 | 30,924.93 | 66,497.83 |
| (b) Other operating income | 56.79 | 243.94 | 125.13 | 300.73 | 294.82 | 788.55 |
| (c) Other income | 407.86 | 428.72 | 269.63 | 836.58 | 396.29 | 761.80 |
| Total revenue | 14,722.26 | 11,062.15 | 16,051.21 | 25,784.41 | 31,616.04 | 68,048.18 |
| II. Expenses | | | | | | |
| (a) Cost of materials consumed | 3,831.58 | 782.04 | 1,837.94 | 4,613.62 | 4,334.85 | 10,255.05 |
| (b) Employee benefits expense | 6,372.14 | 6,714.55 | 9,404.49 | 13,086.69 | 17,936.08 | 36,116.86 |
| (c) Finance costs | 596.65 | 659.73 | 697.84 | 1,256.38 | 1,398.46 | 2,830.39 |
| (d) Depreciation, amortisation and impairment loss | 715.72 | 674.48 | 667.82 | 1,390.20 | 1,409.16 | 3,273.78 |
| (e) Other expenses | 2,339.00 | 2,275.88 | 2,751.88 | 4,614.88 | 5,602.93 | 11,749.28 |
| Total expenses | 13,855.09 | 11,106.68 | 15,359.97 | 24,961.77 | 30,681.48 | 64,225.36 |
| III. Profit / (Loss) before non-controlling interest / share in net profit of associate (I-II) | 867.17 | (44.53) | 691.24 | 822.64 | 934.56 | 3,822.82 |
| IV. Share in net profit of associate | 8.92 | 22.49 | 5.77 | 31.41 | 13.07 | 15.72 |
| V. Profit/(loss) before non-controlling interest and after share in net profit of associate (III+IV) | 876.09 | (22.04) | 697.01 | 854.05 | 947.63 | 3,838.54 |
| VI. Exceptional items, net (refer note 7) | (2,097.46) | - | - | (2,097.46) | - | - |
| VII. Profit/(loss) before tax and non controlling interest | (1,221.37) | (22.04) | 697.01 | (1,243.41) | 947.63 | 3,838.54 |
| VIII. Tax expense: | | | | | | |
| - Current tax | 262.88 | 73.11 | 255.62 | 335.99 | 410.87 | 1,157.98 |
| - Deferred tax charge/(credit) | 59.81 | (10.28) | (25.96) | 49.53 | (38.80) | (348.95) |
| IX. Profit/(loss) after tax | (1,544.06) | (84.87) | 467.35 | (1,628.93) | 575.56 | 3,029.51 |
| X. Other Comprehensive Income, net of tax [(loss)/profit] | | | | | | |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods: | | | | | | |
| a) Remeasurement losses in defined benefit plans | (22.90) | (9.29) | (9.46) | (32.19) | (18.92) | (79.15) |
| Income tax effect | 5.69 | 2.34 | 2.76 | 8.03 | 5.51 | 20.52 |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods: | | | | | | |
| a) Gain/(losses) on cash flow hedges | 150.03 | 123.22 | (36.29) | 273.25 | (76.01) | (297.31) |
| Income tax effect | (38.27) | (31.45) | 10.63 | (69.72) | 21.80 | 76.02 |
| b) Exchange differences on translation of foreign operations | (95.68) | 99.93 | 16.73 | 4.25 | 84.35 | 328.00 |
| Income tax effect | - | - | - | - | - | - |
| XI. Total comprehensive income/(loss) for the period/year | (1,545.19) | 99.88 | 451.72 | (1,445.31) | 592.29 | 3,077.59 |
| Total profit/(loss) attributable to | | | | | | |
| Owners of the Company | (1,555.29) | (97.41) | 453.70 | (1,652.70) | 548.18 | 2,975.41 |
| Non controlling interest | 11.23 | 12.54 | 13.65 | 23.77 | 27.38 | 54.10 |
| Total comprehensive income attributable to | | | | | | |
| Owners of the Company | (1,556.42) | 87.34 | 438.07 | (1,469.08) | 564.91 | 3,023.49 |
| Non controlling interest | 11.23 | 12.54 | 13.65 | 23.77 | 27.38 | 54.10 |
| XII. Paid up equity share capital (₹ 5/- each) | 1,889.51 | 1,889.51 | 1,889.51 | 1,889.51 | 1,889.51 | 1,889.51 |
| XIII. Other equity | | | | | | 29,623.46 |
| XIV. Earnings per share ('EPS') (of ₹ 5 each) (not annualised) | | | | | | |
| Basic EPS (in ₹) | (4.12) | (0.26) | 1.20 | (4.38) | 1.45 | 7.87 |
| Diluted EPS (in ₹) (refer note 10) | (4.12) | (0.26) | 1.19 | (4.38) | 1.44 | 7.69 |

For AXISCADES Technologies Limited
(formerly AXISCADES Engineering Technologies Limited)


Director

Statement of unaudited consolidated financial results for the quarter and half year ended September 30, 2020

Notes

1. In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the aforesaid Statement of unaudited consolidated financial results for the quarter and half year ended September 30, 2020 of the AXISCADES Technologies Limited (formerly AXISCADES Engineering Technologies Limited) (the "Holding Company" or the "Company") and its subsidiaries (the Holding Company and its subsidiaries together hereinafter referred to as "the Group") has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 12, 2020. The aforesaid unaudited consolidated financial results for the quarter and half year ended September 30, 2020 have been subjected to a limited review by the statutory auditors of the Company.

2. The unaudited consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013, as amended read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019.

3. The World Health Organization declared COVID-19 to be a pandemic which has impacted the business activities of the Group. The Group has been taking various precautionary measures to protect employees and their family from COVID-19. The Group has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these consolidated Ind AS financial results, in determination of the recoverability and carrying value of the assets. Similarly, the Group has also evaluated its ability to meet the financial commitments to its lender etc. in view of the expected adverse impact of COVID-19 on its revenue and profitability. Based on the current estimates, the Group expects the carrying amount of these assets will be recovered. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates which may differ from that considered as at the date of approval of these Ind AS consolidated financial results. Given the nature of the pandemic, the Group will continue to closely monitor any material changes to future economic conditions.

4. The financial results of the Company on standalone basis is as follows:

| Particulars | Quarter ended | | | Half year ended | | Year ended |
|--|--------------------|---------------|--------------------|--------------------|--------------------|----------------|
| | September 30, 2020 | June 30, 2020 | September 30, 2019 | September 30, 2020 | September 30, 2019 | March 31, 2020 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| Total revenue (including other income) | 3,485.44 | 3,431.61 | 5,577.58 | 6,917.05 | 11,085.17 | 23,475.01 |
| Loss before tax | (1,782.97) | (384.84) | (388.02) | (2,167.81) | (606.86) | (100.49) |
| Loss after tax | (1,740.54) | (367.52) | (388.02) | (2,108.06) | (606.86) | (448.32) |
| Total Comprehensive Loss for the period/year ended | (1,668.57) | (295.58) | (417.39) | (1,964.15) | (643.33) | (696.17) |

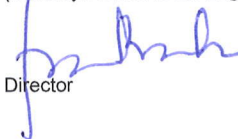
5. The segment reporting of the Group has been prepared in accordance with Ind AS-108 on 'Operating Segments'. The business segments of the Group comprises of (a) "Engineering Design Services" and (b) "Strategic Technology Solutions".

Segment wise revenue, results, assets and liabilities

| Particulars | Quarter ended | | | Half year ended | | Year ended |
|---|--------------------|------------------|--------------------|--------------------|--------------------|------------------|
| | September 30, 2020 | June 30, 2020 | September 30, 2019 | September 30, 2020 | September 30, 2019 | March 31, 2020 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1. Segment revenue | | | | | | |
| (a) Engineering design services | 9,244.95 | 9,070.79 | 12,348.58 | 18,315.74 | 24,458.98 | 50,374.08 |
| (b) Strategic technology solutions | 5,069.45 | 1,582.64 | 3,433.00 | 6,632.09 | 6,780.77 | 16,912.30 |
| Total | 14,314.40 | 10,653.43 | 15,781.58 | 24,947.83 | 31,239.75 | 67,286.38 |
| Less: inter segment revenue | - | - | - | - | - | - |
| Net sales/income from operations | 14,314.40 | 10,653.43 | 15,781.58 | 24,947.83 | 31,239.75 | 67,286.38 |
| 2. Segment results | | | | | | |
| (Profit/(Loss) before tax, interest and other income from each segment) | | | | | | |
| (a) Engineering design services | 661.97 | 401.41 | 1,270.36 | 1,063.38 | 2,369.69 | 4,734.77 |
| (b) Strategic technology solutions | 681.75 | (3.27) | 91.43 | 678.48 | 43.71 | 2,045.48 |
| (c) Unallocable | - | - | - | - | - | - |
| Total | 1,343.72 | 398.14 | 1,361.79 | 1,741.86 | 2,413.40 | 6,780.25 |
| Less: i) Interest expenses | (596.65) | (659.73) | (697.84) | (1,256.38) | (1,398.46) | (2,830.39) |
| ii) Share in net profit of associate | 8.92 | 22.49 | 5.77 | 31.41 | 13.07 | 15.72 |
| iii) Exceptional items (refer note 7) | (2,097.46) | - | - | (2,097.46) | - | - |
| iv) Other unallocable expenditure | (287.76) | (211.66) | (242.34) | (499.42) | (476.67) | (888.84) |
| Add: i) Other income | 407.86 | 428.72 | 269.63 | 836.58 | 396.29 | 761.80 |
| Total profit/(loss) before tax | (1,221.37) | (22.04) | 697.01 | (1,243.41) | 947.63 | 3,838.54 |

| Particulars | Quarter ended | | | Half year ended | | Year ended |
|------------------------------------|--------------------|------------------|--------------------|--------------------|--------------------|------------------|
| | September 30, 2020 | June 30, 2020 | September 30, 2019 | September 30, 2020 | September 30, 2019 | March 31, 2020 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 3. Segment assets | | | | | | |
| (a) Engineering design services | 29,886.12 | 31,106.86 | 29,720.10 | 29,886.12 | 29,720.10 | 30,820.12 |
| (b) Strategic technology solutions | 30,455.42 | 34,609.05 | 31,482.28 | 30,455.42 | 31,482.28 | 36,540.75 |
| (c) Unallocable assets | 18,757.74 | 19,244.17 | 18,527.05 | 18,757.74 | 18,527.05 | 18,496.29 |
| Total | 79,099.28 | 84,960.08 | 79,729.43 | 79,099.28 | 79,729.43 | 85,857.16 |
| 4. Segment liabilities | | | | | | |
| (a) Engineering design services | 15,922.53 | 17,411.01 | 17,038.31 | 15,922.53 | 17,038.31 | 17,544.22 |
| (b) Strategic technology solutions | 31,665.84 | 34,359.25 | 31,592.79 | 31,665.84 | 31,592.79 | 35,198.80 |
| (c) Unallocable liabilities | 978.26 | 1,110.87 | 1,767.81 | 978.26 | 1,767.81 | 1,156.84 |
| Total | 48,566.63 | 52,881.13 | 50,398.91 | 48,566.63 | 50,398.91 | 53,899.86 |

For AXISCADES Technologies Limited
(formerly AXISCADES Engineering Technologies Limited)


Director

Statement of unaudited consolidated financial results for the quarter and half year ended September 30, 2020

6. The Company entered into a Share Purchase Agreement ('SPA') on December 1, 2017, to acquire 100% stake in Mistral Solutions Private Limited ('MSPL') along with its subsidiaries ('MSPL Group') in a phased manner. MSPL Group is headquartered in Bengaluru, India and is engaged in rendering end to end services for product design and development in the embedded space. The Company acquired control on MSPL effective December 01, 2017.

Pursuant to the requirements of SPA, during the quarter ended June 30, 2018, the Company has filed an application with National Company Law Tribunal ('NCLT') for amalgamation of Explosoft Tech Solutions Pvt Ltd, a shareholder of MSPL ('Explosoft') with the Company, on receipt of observation letter conveying 'no objection' from BSE Limited and the National Stock Exchange. Further, vide order dated March 8, 2019, NCLT, Bengaluru bench has approved the scheme of amalgamation ('Scheme'). As the registered office of the Explosoft Tech Solutions Pvt. Ltd. is situated in the state of Maharashtra, the scheme has also been filed by Explosoft on 15th May, 2018, with NCLT, Mumbai for approval. Pending necessary approval from NCLT Mumbai Bench, no effect is given to aforesaid scheme of amalgamation.

The shareholders of MSPL have demanded for discharge of purchase consideration of Phase II of SPA aggregating Rs 7,213 lakhs as the scheme of merger has not yet been approved. The shareholders have also demanded an interest of Rs 1,431 lakhs at the rate of 12% per annum on account of delay in payment of the aforesaid purchase consideration. The Company believes that Explosoft did not take steps that were required by Explosoft to diligently prosecute the application for merger before the NCLT Mumbai so as to bring it to completion and accordingly the claim for interest by Explosoft is not tenable.

The Company has initiated arbitration proceedings against shareholders of MSPL and MSPL and the Arbitral Tribunal vide its interim order dated August 28, 2020 has asked to maintain the status quo with respect to shareholding in MSPL and has ordered shareholders of Mistral not to seek dismissal or rejection of abovementioned application for merger till further orders are issued by the Arbitral Tribunal. Additionally, both the parties are ordered to maintain status quo with respect to the existing constitution of the Board of Directors of MSPL. The matter is pending before the Arbitral Tribunal and the final outcome of the matter is not known currently.

The revenues (including other income) and profit of MSPL included in the consolidated results for the quarter ended September 30, 2020 is Rs 3,470.18 lakhs and Rs 367.69 lakhs and for the half year ended September 30, 2020 is Rs 6,176.51 lakhs and Rs 535.02 lakhs, respectively.

The Company has also obtained a legal opinion to validate that the Company is entitled to all rights and obligations as laid out in the SPA and continues to exercise control on MSPL. Pending the final outcome of the matter, the Company believes there is no effect on the Company and no adjustment is required in the financial results.

7. Exceptional item comprises of the following:

| Particulars | Quarter ended | | | Half year ended | | Year ended |
|--|--------------------|---------------|--------------------|--------------------|--------------------|----------------|
| | September 30, 2020 | June 30, 2020 | September 30, 2019 | September 30, 2020 | September 30, 2019 | March 31, 2020 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| Impairment loss on goodwill | 4,398.00 | - | - | 4,398.00 | - | - |
| Fair value change in contingent purchase consideration payable | (2,300.54) | - | - | (2,300.54) | - | - |
| Total, net | 2,097.46 | - | - | 2,097.46 | - | - |

During the current quarter, the Group has carried out an impairment assessment based on the impairment indicators and determined that the recoverable value of the goodwill is lower than their carrying values. Accordingly, the Group has recognised an impairment loss on goodwill amounting to Rs 4,398.00 lakhs. The Group has also recognised a fair value gain of Rs 2,300.54 Lakhs on re-estimation of the contingent purchase consideration payable as per the terms of the Share Purchase Agreement ('SPA').

8. The new Code on Social Security, 2020 ("Code") has been enacted, which would impact the contributions by the Group towards employee benefit funds. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Group will complete its evaluation and will give appropriate impact in its financial results in the period in which the Code becomes effective and the related rules are published.

9. The previous quarter/period figures have been regrouped / rearranged wherever necessary to conform with the current quarter/period presentation.

10. For the purpose of computation of diluted EPS for the quarter ended September 30, 2020 and June 30, 2020 and for half year ended September 30, 2020, the effect of stock options granted under ESOP scheme have not been considered as the effect of these potentially diluted equity shares are anti-dilutive. Hence basic and diluted EPS are same.


11. These quarterly consolidated financial results as well as the year to date results includes the results of the following entities:

- a. AXISCADES Technologies Limited (formerly AXISCADES Engineering Technologies Limited)
- b. AXISCADES, Inc.
- c. Cades Studec Technologies (India) Private Limited
- d. AXISCADES Aerospace & Technologies Private Limited
- e. AXISCADES UK Limited
- f. AXISCADES Technology Canada Inc.
- g. Axis Mechanical Engineering Design (Wuxi) Co., Ltd.,
- h. AXISCADES GmbH
- i. AXISCADES Aerospace & Infrastructure Private Limited
- j. Mistral Solutions Private Limited
- k. Mistral Solutions Inc.
- l. Aero Electronics Private Limited
- m. Mistral Technologies Private Limited
- n. Mistral Solutions Pte Ltd
- o. Enertec Controls Limited
- p. ASSYSTEM AXISCADES Engineering Private Limited (Associate)

12. The name of the Company has been changed to AXISCADES Technologies Limited from AXISCADES Engineering Technologies Limited vide approval dated November 10, 2020 from Registrar of Companies, India.

13. The above unaudited consolidated financial results of the Company are available on the Company's website (www.axiscades.com) and also on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com), where the shares of the Company are listed.

For AXISCADES Technologies Limited
(formerly AXISCADES Engineering Technologies Limited)


Director

(₹ in lakhs)

Unaudited consolidated statement of cash flows for the half year ended September 30, 2020

| | Half year ended | |
|---|--------------------|--------------------|
| | September 30, 2020 | September 30, 2019 |
| | unaudited | unaudited |
| A. Cash flow from operating activities | | |
| (loss)/profit before tax | (1,243.41) | 947.63 |
| Adjustments to reconcile profit/(loss) before tax to net cash flows: | | |
| Depreciation, amortisation and impairment loss | 1,390.20 | 1,409.16 |
| Interest income (including fair value change in financial instruments) | (199.92) | (159.81) |
| Net gain on financial asset measured at fair value through profit and loss | (280.38) | (102.24) |
| Exception Item, net (refer note 7) | 2,097.46 | |
| Dividend income from mutual funds | (3.68) | (3.62) |
| Interest expense (including fair value change in financial instruments) | 1,256.38 | 1,398.46 |
| Provision / liabilities no longer required written back | (48.30) | (29.63) |
| Share of profit of an associate | (31.41) | (13.07) |
| Bad debts written off | - | 3.41 |
| Share based payment expense | 20.66 | 69.43 |
| Provision for inventories | - | 119.64 |
| Provision for doubtful debts and advances | 92.72 | 73.48 |
| Profit on sale of property, plant and equipment | (6.09) | (7.07) |
| Net unrealised foreign exchange loss | (40.35) | 117.76 |
| Operating profit before working capital changes | 3,003.88 | 3,823.53 |
| Movements in working capital | | |
| Decrease in trade receivables | 2,824.71 | 1,736.48 |
| (Increase)/Decrease in inventories | (491.55) | 63.80 |
| Decrease/(Increase) in other assets including financial assets | 3,064.73 | (2,125.17) |
| Decrease/(Increase) in loans and advances | 449.56 | (114.76) |
| Decrease in trade payables, other liabilities and financial liabilities | (1,219.99) | (148.48) |
| Increase/(Decrease) in provisions | 9.61 | (22.60) |
| Cash generated from operating activities | 7,640.95 | 3,212.80 |
| Direct taxes refund/(paid) | 649.08 | (797.73) |
| Net cash generated from operating activities (A) | 8,290.03 | 2,415.07 |
| B. Cash flow from investing activities | | |
| Payments for purchase of property, plant and equipment, intangible assets and intangible assets under development | (318.68) | (405.55) |
| Proceeds from sale of property, plant and equipment | 6.90 | - |
| Interest received | 105.54 | 93.01 |
| Investment in mutual funds, other funds and equity shares of other companies | (145.40) | (127.92) |
| Redemption in fixed deposits, net | (189.18) | 141.80 |
| Dividend received | 3.68 | 3.62 |
| Realisation from intercorporate deposit | - | 25.00 |
| Net cash used in investment activities (B) | (537.14) | (270.05) |
| C. Cash flow from financing activities | | |
| Repayment of principal portion and interest portion of lease liabilities | (892.82) | (713.68) |
| Repayment of short term borrowings | (1,418.83) | (544.98) |
| Repayment of long term borrowings | (665.08) | (937.43) |
| Interest paid | (587.72) | (713.48) |
| Net cash generated from financing activities (C) | (3,564.45) | (2,909.57) |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | 4,188.44 | (764.55) |
| Effect of exchange rate changes, net | (6.90) | - |
| Cash and cash equivalents as at beginning of the period | 4,477.69 | 3,057.83 |
| Cash and cash equivalents at the end of the period | 8,659.23 | 2,293.28 |

For AXISCADES Technologies Limited
(formerly AXISCADES Engineering Technologies Limited)

Director