

(₹ In Lakhs)

Statement of unaudited consolidated financial results for the quarter and nine months ended December 31, 2020

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I. Revenue						
(a) Revenue from contracts with customers	12,480.04	14,257.61	16,723.31	37,127.14	47,648.24	66,497.83
(b) Other operating income	67.10	56.79	105.27	367.83	400.09	788.55
(c) Other income	299.61	407.86	229.64	1,136.19	625.93	761.80
Total revenue	12,846.75	14,722.26	17,058.22	38,631.16	48,674.26	68,048.18
II. Expenses						
(a) Cost of materials consumed	2,007.11	3,831.58	1,840.04	6,620.73	6,174.89	10,255.05
(b) Employee benefits expense	6,568.13	6,372.14	9,506.21	19,654.82	27,442.29	36,116.86
(c) Finance costs	523.83	596.65	786.19	1,780.21	2,184.65	2,830.39
(d) Depreciation, amortisation and impairment loss	596.88	715.72	696.18	1,987.08	2,105.34	3,273.78
(e) Other expenses	2,206.92	2,339.00	2,985.14	6,821.80	8,588.07	11,749.28
Total expenses	11,902.87	13,855.09	15,813.76	36,864.64	46,495.24	64,225.36
III. Profit before non-controlling interest / share in net profit of associate / Exceptional items (I-II)	943.88	867.17	1,244.46	1,766.52	2,179.02	3,822.82
IV. Share in net Profit/(Loss) of associate	11.49	8.92	(5.79)	42.90	7.28	15.72
V. Profit before non-controlling interest / Exceptional items and after share in net profit of associate (III+IV)	955.37	876.09	1,238.67	1,809.42	2,186.30	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	955.37	(1,221.37)	1,238.67	(288.04)	2,186.30	3,838.54
VIII. Tax expense:						
- Current tax	265.33	262.88	278.63	601.32	689.50	1,157.98
- Deferred tax charge/(credit)	131.03	59.81	143.19	180.56	104.39	(348.95)
IX. Profit/(loss) after tax	559.01	(1,544.06)	816.85	(1,069.92)	1,392.41	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	(16.09)	(22.90)	(9.70)	(48.28)	(28.39)	(79.15)
Income tax effect	4.01	5.69	2.76	12.04	8.27	20.52
Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
a) Gain/(losses) on cash flow hedges	59.95	150.03	39.45	333.20	(36.56)	(297.31)
Income tax effect	(15.63)	(38.27)	(11.24)	(85.35)	10.50	76.02
b) Exchange differences on translation of foreign operations	78.24	(95.68)	125.37	82.49	209.55	328.00
Income tax effect	-	-	-	-	-	-
XI. Total comprehensive income/(loss) for the period/year	669.49	(1,545.19)	963.49	(775.82)	1,555.78	3,077.59
Total profit/(loss) attributable to						
Owners of the Company	548.88	(1,555.29)	802.91	(1,103.82)	1,351.09	2,975.41
Non controlling interest	10.13	11.23	13.94	33.90	41.32	54.10
Total comprehensive income attributable to						
Owners of the Company	659.36	(1,556.42)	949.55	(809.72)	1,514.46	3,023.49
Non controlling interest	10.13	11.23	13.94	33.90	41.32	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 / (Loss) per share ('EPS') (of ₹ 5 each) (not annualised)						
Basic EPS (in ₹)	1.45	(4.12)	2.12	(2.92)	3.57	7.87
Diluted EPS (in ₹) (refer note 10)	1.45	(4.12)	2.09	(2.92)	3.53	7.69

For **AXISCADES Technologies Limited**

[Signature]
Director



(₹ In Lakhs)

Statement of unaudited consolidated financial results for the quarter and nine months ended December 31, 2020

Notes

- 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 nine months ended December 31, 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 February 5, 2021. The aforesaid unaudited consolidated financial results for the quarter and nine months ended December 31, 2020 have been subjected to a limited review by the statutory auditors of the Company.
- 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.
- 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.
- The financial results of the Company on standalone basis is as follows:

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total revenue (including other income)	3,321.61	3,485.44	6,156.48	10,238.66	17,241.65	23,475.01
Profit / (Loss) before tax	(407.92)	(1,782.97)	221.15	(2,575.73)	(385.71)	(100.49)
Profit / (Loss) after tax	(418.54)	(1,740.54)	72.53	(2,526.60)	(534.33)	(448.32)
Total Comprehensive Income/ (Loss) for the period/year ended	(399.92)	(1,668.57)	88.46	(2,364.07)	(554.86)	(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			Nine months ended		Year ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment revenue						
(a) Engineering design services	8,755.31	9,244.95	13,244.18	27,071.05	37,703.16	50,374.08
(b) Strategic technology solutions	3,791.83	5,069.45	3,584.40	10,423.92	10,345.17	16,912.30
Total	12,547.14	14,314.40	16,828.58	37,494.97	48,048.33	67,286.38
Less: inter segment revenue	-	-	-	-	-	-
Net sales/income from operations	12,547.14	14,314.40	16,828.58	37,494.97	48,048.33	67,286.38
2. Segment results (Profit before tax, interest and other income from each segment)						
(a) Engineering design services	258.88	661.97	1,134.49	1,322.26	3,504.18	4,734.77
(b) Strategic technology solutions	1,153.81	681.75	896.23	1,832.29	939.94	2,045.48
(c) Unallocable	-	-	-	-	-	-
Total	1,412.69	1,343.72	2,030.72	3,154.55	4,444.12	6,780.25
Less: i) Interest expenses	(523.83)	(596.65)	(786.19)	(1,780.21)	(2,184.65)	(2,830.39)
ii) Share in net profit of associate	11.49	8.92	(5.79)	42.90	7.28	15.72
iii) Exceptional items (refer note 7)	-	(2,097.46)	-	(2,097.46)	-	-
iv) Other unallocable expenditure	(244.59)	(287.76)	(229.71)	(744.01)	(706.38)	(888.84)
Add: i) Other income	299.61	407.86	229.64	1,136.19	625.93	761.80
Total profit/(loss) before tax	955.37	(1,221.37)	1,238.67	(288.04)	2,186.30	3,838.54
3. Segment assets						
(a) Engineering design services	27,659.17	29,886.12	29,938.42	27,659.17	29,938.42	30,820.12
(b) Strategic technology solutions	31,325.37	30,455.42	35,997.99	31,325.37	35,997.99	36,540.75
(c) Unallocable assets	18,788.53	18,757.74	17,748.05	18,788.53	17,748.05	18,496.29
Total	77,773.07	79,099.28	83,684.46	77,773.07	83,684.46	85,857.16
4. Segment liabilities						
(a) Engineering design services	13,740.67	15,922.53	16,961.27	13,740.67	16,961.27	17,544.22
(b) Strategic technology solutions	31,848.90	31,665.84	34,824.46	31,848.90	34,824.46	35,198.80
(c) Unallocable liabilities	943.62	978.26	1,559.08	943.62	1,559.08	1,156.84
Total	46,533.19	48,566.63	53,344.81	46,533.19	53,344.81	53,899.86

For AXISCADES Technologies Limited


Director



Statement of unaudited consolidated financial results for the quarter and nine months ended December 31, 2020

(₹ in Lakhs)

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.

During the quarter ended June 30, 2020, 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 December 31, 2020 is Rs 3,911.99 lakhs and Rs 438.78 lakhs and for the nine months ended December 31, 2020 is Rs 10,088.50 lakhs and Rs 973.80 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			Nine months ended		Year ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 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 quarter ended September 30, 2020, the Group had 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 Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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 December 31, 2020 and September 30, 2020 and for nine months ended December 31, 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


Director

