

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
AXISCADES Engineering Technologies Limited

Report on the audit of the Standalone Financial Results**Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of AXISCADES Engineering Technologies Limited (the "Company") for the quarter and year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information of the Company for the quarter ended March 31, 2020 and of the net loss and other comprehensive loss and other financial information of the Company for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 4 of the accompanying standalone financial 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 Company. Our opinion is not modified in respect of this matter.



Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

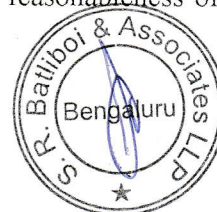
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Sunil Gagar

Partner

Membership No.: 104315



UDIN: 20104315AAAABR5014

Bengaluru

June 27, 2020

AXISCADES Engineering Technologies Limited

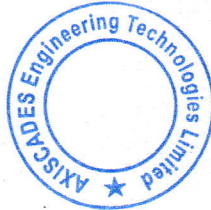
CIN NO: L72200KA1990PLC084435

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Website: www.axiscades.com, Email: info@axiscades.com, Tel: +91 80 4193 9000, Fax: +91 80 4193 9099

(₹ in lakhs)

Statement of audited standalone financial results for the quarter and year ended March 31, 2020

| Particulars | Quarter ended | | | Year ended | |
|--|-----------------|-------------------|-----------------|------------------|-------------------|
| | March 31, 2020 | December 31, 2019 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| I. REVENUE | [Refer note 8] | | [Refer note 8] | | |
| (a) Revenue from operations | 5,708.54 | 6,059.76 | 5,821.13 | 22,659.36 | 22,519.26 |
| (b) Other operating income | 392.98 | 64.54 | - | 551.66 | - |
| (c) Other income | 131.84 | 32.18 | 53.15 | 263.99 | 160.67 |
| TOTAL REVENUE | 6,233.36 | 6,156.48 | 5,874.28 | 23,475.01 | 22,679.93 |
| II. EXPENSES | | | | | |
| (a) Employee benefits expense | 3,534.64 | 3,661.26 | 3,736.17 | 14,465.34 | 14,390.59 |
| (b) Finance costs | 395.11 | 526.73 | 522.63 | 1,893.31 | 1,667.64 |
| (c) Depreciation and amortisation expense | 359.13 | 320.50 | 201.28 | 1,346.94 | 907.01 |
| (d) Other expenses | 1,659.26 | 1,426.84 | 1,799.13 | 5,869.91 | 7,706.43 |
| TOTAL EXPENSES | 5,948.14 | 5,935.33 | 6,259.21 | 23,575.50 | 24,671.67 |
| III. PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II) | 285.22 | 221.15 | (384.93) | (100.49) | (1,991.74) |
| IV. Exceptional items (refer note 6) | - | - | - | - | 1,450.68 |
| V. PROFIT/(LOSS) BEFORE TAX (III+IV) | 285.22 | 221.15 | (384.93) | (100.49) | (541.06) |
| VI. Tax Expense | | | | | |
| Current tax | 60.62 | - | - | 60.62 | - |
| Deferred tax charge / (credit) | 138.59 | 148.62 | 220.71 | 287.21 | (141.67) |
| VII. NET PROFIT/(LOSS) FOR THE PERIOD / YEAR (V - VI) | 86.01 | 72.53 | (605.64) | (448.32) | (399.39) |
| VIII. Other comprehensive income, net of tax [(loss)/profit] | (227.32) | 15.93 | (5.87) | (247.85) | 11.10 |
| IX. TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD / YEAR (VII + VIII) | (141.31) | 88.46 | (611.51) | (696.17) | (388.29) |
| X. Paid-up equity share capital (₹ 5/- each) | 1,889.51 | 1,889.51 | 1,889.51 | 1,889.51 | 1,889.51 |
| XI. Other equity | | | | 20,020.85 | 20,683.74 |
| XI. EARNINGS / (LOSS) PER SHARE ("EPS") (of ₹ 5/- EACH) (NOT ANNUALISED): | | | | | |
| Basic (EPS) (₹) | 0.23 | 0.19 | (1.60) | (1.19) | (1.06) |
| Diluted (EPS) (₹) | 0.22 | 0.19 | (1.60) | (1.19) | (1.06) |



For AXISCADES Engineering Technologies Limited

[Signature]
Director

Statement of audited standalone financial results for the quarter and year ended March 31, 2020

Notes

1. In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the aforesaid statement of audited standalone financial results for the quarter and year ended March 31, 2020 of the Company has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on June 27, 2020. The aforesaid standalone financial results for the quarter and year ended March 31, 2020 have been audited by statutory auditor of the Company.

2. The 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 from time to time.

3. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to the lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On the date of transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs. 1,223.26 lakhs, and a lease liability of Rs.1,287.60 lakhs. The cumulative effect of applying the standard resulted in Rs.138.60 lakhs being debited to retained earnings, net of taxes. The effect of this adoption on the profit / (loss) for the quarter and year ended March 31, 2020 is as follows.

| Adjustments to increase / (decrease) in net profit | Quarter ended March 31, 2020 comparable basis | Changes due to Ind AS 116 increase / (decrease) | Quarter ended March 31, 2020 as reported | Year ended March 31, 2020 comparable basis | Changes due to Ind AS 116 increase / (decrease) | Year ended March 31, 2020 as reported |
|--|---|---|--|--|---|---------------------------------------|
| Other expenses | 1,956.80 | (297.54) | 1,659.26 | 6,841.09 | (971.18) | 5,869.91 |
| Finance costs | 333.02 | 62.09 | 395.11 | 1,726.97 | 166.34 | 1,893.31 |
| Depreciation and amortisation expense | 95.73 | 263.40 | 359.13 | 481.57 | 865.37 | 1,346.94 |
| Profit / (Loss) before tax | 313.17 | (27.95) | 285.22 | (39.96) | (60.53) | (100.49) |

4. During the year ended March 2020, the World Health Organization declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24, 2020, which has impacted the business activities of the Company. The Company has been taking various precautionary measures to protect employees and their family from COVID-19. The Company 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 standalone Ind AS financial results, in determination of the recoverability and carrying value of the assets. Similarly, the Company 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 Company 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 standalone Ind AS financial results. Given the nature of the pandemic, the Company will continue to closely monitor any material changes to future economic conditions.

5. The Company is engaged in the business of "Engineering Design Services". These, in the context of Ind AS 108 on Operating Segments Reporting are considered to constitute one segment and hence the Company has not made any additional segment disclosures.

6. Exceptional item comprise the following:

| Particulars | Quarter ended | | | Year ended | |
|--|----------------|-------------------|----------------|----------------|-----------------|
| | March 31, 2020 | December 31, 2019 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| Fair value change in purchase consideration payable (refer note 7) | - | - | - | - | 1,450.68 |
| Total | - | - | - | - | 1,450.68 |

7. During the financial year ended March 31, 2018, the Company entered into a Share Purchase Agreement ("SPA") 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 of MSPL effective December 01, 2017.

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 (erstwhile holding company 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. As the registered office of the Explosoft Tech Solutions Pvt Ltd is situated in the state of Maharashtra, the scheme has also been filed with NCLT, Mumbai for approval. Presently, the Company is awaiting for final hearing for the approval. Pending necessary approval from NCLT Mumbai Bench, no effect is given to aforesaid scheme of amalgamation. The parties are actively engaged in discussions to effectuate the implementation of the SPA.

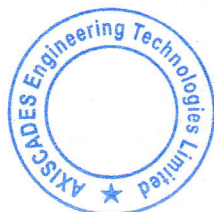
During the previous year, the Company has recognised a fair value gain of Rs.1,450.68 Lakhs on re-estimation of the purchase consideration payable as per the terms of the SPA. The change in fair value is based on the revised projections of MSPL Group updated considering the actual performance of MSPL Group.

8. The figures of the quarter ended March 31, 2020 and corresponding quarter ended March 31, 2019 are the derived balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures upto third quarter of the respective financial years. Also, the figures upto the end of the third quarter were only reviewed and not subjected to audit.

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

10. For the purpose of computation of diluted EPS for the year ended March 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. The above audited standalone financial results of the Company are available on the Company's website (www.axiscales.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 Engineering Technologies Limited

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Director

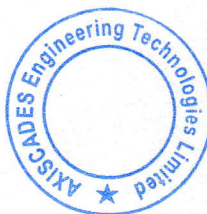
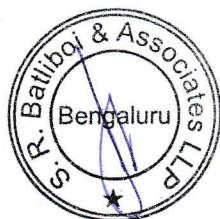
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Audited Standalone Statement of Cash Flows for the year ended March 31, 2020

| | Year ended | |
|--|-------------------|-----------------|
| | 31 March, 2020 | 31 March, 2019 |
| | (Audited) | (Audited) |
| A. Cash flow from operating activities | | |
| Loss before tax | (100.49) | (541.06) |
| Adjustments to reconcile loss before tax to net cash flows: | | |
| Depreciation and amortization expense | 1,346.94 | 907.01 |
| Interest income (including fair value change in financial instruments) | (165.83) | (130.79) |
| Interest expense (including fair value change in financial instruments) | 1,893.31 | 1,667.64 |
| Fair value change in purchase consideration (refer note 6) | - | (1,450.68) |
| Provision no longer required written back | (62.38) | (8.10) |
| Provision for doubtful debts | 46.76 | - |
| Bad debts written off | - | 7.53 |
| Share based payment expense | 171.88 | - |
| Profit on sale of Property, plant and equipment | - | (7.61) |
| Net unrealised foreign exchange loss | 255.77 | 754.36 |
| Operating profit before working capital changes | 3,385.96 | 1,198.30 |
| Movements in working capital | | |
| (Increase)/Decrease in trade receivables | 1,426.07 | (1,070.46) |
| (Increase)/Decrease in other assets including financial assets | (360.99) | 556.62 |
| (Increase)/Decrease in loans | 33.72 | (193.67) |
| (Decrease)/Increase in trade payables, other liabilities and financial liabilities | (798.68) | (247.62) |
| (Decrease)/Increase in provisions | 15.30 | 14.32 |
| Cash generated from/(used in) operating activities | 3,701.38 | 257.49 |
| Direct taxes paid (net of refunds) | (543.62) | (573.07) |
| Net cash generated from/(used in) operating activities (A) | 3,157.76 | (315.58) |
| B. Cash flow from investing activities | | |
| Purchase of property, plant and equipment, intangible assets and intangible assets under development | (288.07) | (300.64) |
| Proceeds from sale of property, plant and equipment | 5.47 | 10.00 |
| Intercompany deposit given | (210.00) | - |
| Interest received | 66.99 | 63.72 |
| Investments in fixed deposits, net | (106.39) | (171.87) |
| Investment in associate | - | (227.50) |
| Net cash used in investing activities (B) | (532.00) | (626.29) |
| C. Cash flow from financing activities | | |
| Payment of principal portion of lease liabilities | (971.18) | - |
| Repayment of long-term borrowings | (909.47) | (395.70) |
| Proceeds from working capital loans | 196.40 | 1,745.76 |
| Interest paid | (790.64) | (739.42) |
| Net cash generated from/(used in) financing activities (C) | (2,474.89) | 610.63 |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | 150.87 | (331.24) |
| Effect of exchange rate changes net | 69.83 | - |
| Cash and cash equivalents at the beginning of the year | 433.82 | 765.06 |
| Cash and cash equivalents at the end of the year | 654.52 | 433.82 |



For AXISCADES Engineering Technologies Limited

[Signature]
Director

AXISCADES Engineering Technologies Limited

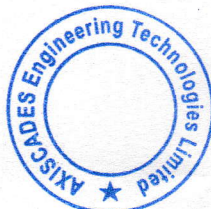
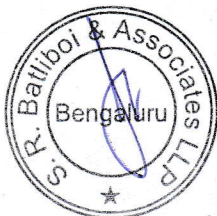
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(₹ in lakhs)

Audited Standalone Statement of Assets and Liabilities as at March 31, 2020

| SI No | Particulars | As at | |
|----------|--|-----------------------------|-----------------------------|
| | | March 31, 2020 (Audited) | March 31, 2019 (Audited) |
| | ASSETS | | |
| A | Non-current assets | | |
| | Property, plant and equipment | 1,170.27 | 1,200.78 |
| | Other intangible assets | 270.59 | 479.47 |
| | Intangible assets under development | 56.22 | 50.00 |
| | Right of use assets | 1,210.82 | - |
| | Financial assets | | |
| | Investments | 38,673.88 | 38,673.88 |
| | Loans | 527.34 | 773.88 |
| | Other financial assets | 243.77 | 119.75 |
| | Deferred tax assets, net | 614.78 | 818.62 |
| | Non-current tax asset, net | 1,721.01 | 1,238.01 |
| | Other non-current assets | - | 29.62 |
| | Total Non-current assets | 44,488.68 | 43,384.01 |
| B | Current assets | | |
| | Financial assets | | |
| | Trade receivables | 5,735.40 | 6,975.99 |
| | Cash and cash equivalents | 654.52 | 433.82 |
| | Bank balances other than cash and cash equivalents | 6.90 | 101.78 |
| | Loans | 447.49 | - |
| | Other financial assets | 3,528.18 | 2,925.45 |
| | Other current assets | 2,042.53 | 2,024.15 |
| | Total Current assets | 12,415.02 | 12,461.19 |
| | Total assets (A+B) | 56,903.70 | 55,845.20 |
| | EQUITY AND LIABILITIES | | |
| C | Equity | | |
| | Equity share capital | 1,889.51 | 1,889.51 |
| | Other equity | 20,020.85 | 20,683.74 |
| | Total Equity | 21,910.36 | 22,573.25 |
| D | Non-current liabilities | | |
| | Financial liabilities | | |
| | Borrowings | 1,548.39 | 2,083.48 |
| | Lease liabilities | 811.28 | - |
| | Other financial liabilities | 6,269.40 | 9,698.97 |
| | Provisions | 536.07 | 438.56 |
| | Other non-current liabilities | 27.82 | 27.82 |
| | Non-current liabilities | 9,192.96 | 12,248.83 |
| E | Current liabilities | | |
| | Financial liabilities | | |
| | Borrowings | 5,830.82 | 5,360.44 |
| | Lease liabilities | 480.76 | - |
| | Trade payables | | |
| | (a) Total outstanding dues of micro and small enterprises | 3.48 | 11.69 |
| | (b) Total outstanding dues of creditors other than micro and small enterprises | 1,617.47 | 1,501.72 |
| | Other financial liabilities | 16,640.06 | 13,117.27 |
| | Provisions | 354.79 | 283.11 |
| | Other current liabilities | 872.99 | 748.89 |
| | Total Current liabilities | 25,800.37 | 21,023.12 |
| | Total equity and liabilities (C+D+E) | 56,903.69 | 55,845.20 |



For AXISCADES Engineering Technologies Limited

[Signature]
Director