

**Limited Review Report****The Board of Directors  
AXISCADES Engineering Technologies Limited**

We have reviewed the accompanying statement of unaudited consolidated financial results of AXISCADES Engineering Technologies Limited (the 'Company'), and its subsidiaries (together referred to as 'the Group'), for the quarter ended September 30, 2017 and year to date from April 1, 2017 to September 30, 2017 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review 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 is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We did not review the financial results and other financial information, in respect of six subsidiaries, whose Ind AS financial statements include total assets of Rs 13,853.25 lakhs and net assets of Rs 12,147.96 lakhs as at September 30, 2017, and total revenues of Rs 1,133.51 lakhs and Rs 2,223.72 lakhs for the quarter and the period ended on that date. These Ind AS financial results and other financial information have been audited by other auditors, which financial results, other financial information and auditor's reports have been furnished to us by the Management. Our opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

Based on our review conducted as above and based on the consideration of the reports of other auditors on the unaudited separate quarterly financial results and on the other financial information of subsidiaries, nothing has come to our attention that causes us to believe that the Statement of unaudited consolidated financial results prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.



# **S.R. BATLIBOI & ASSOCIATES LLP**


Chartered Accountants

We have not reviewed the accompanying unaudited consolidated financial results and other financial information of the Group for the quarter and six months period ended September 30, 2016, which have been presented solely based on the information compiled by the Company's Management and has been approved by the Board of Directors.

## **For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

  
per Sunil Gagar  
Partner

Membership No.: 104315



Place: Bengaluru

Date: December 12, 2017.

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)

Statement of unaudited consolidated financial results for the quarter and half year ended September 30, 2017

Particulars	Quarter ended			Half year ended	
	September 30, 2017 (Unaudited)	June 30, 2017 (Unaudited)	September 30, 2016 (Unaudited)	September 30, 2017 (Unaudited)	September 30, 2016 (Unaudited)
<b>I. REVENUE</b>			(Refer note 2, 3 and 5)		(Refer note 2, 3 and 5)
(a) Revenue from operations	11,625.22	11,022.32	11,613.52	22,647.54	26,620.55
(b) Other income	311.59	258.24	176.84	569.82	493.61
<b>TOTAL REVENUE</b>	<b>11,936.81</b>	<b>11,280.56</b>	<b>11,790.36</b>	<b>23,217.36</b>	<b>27,114.16</b>
<b>II. EXPENSES</b>					
(a) Cost of materials consumed	223.54	853.81	1,167.20	1,077.34	5,063.67
(b) Employee benefits expense	6,677.19	6,285.28	6,395.84	12,962.46	12,664.91
(c) Finance costs	156.24	216.04	381.65	372.28	716.33
(d) Depreciation and amortisation expense	448.60	440.41	333.35	889.01	667.20
(e) Project consultancy charges	2,006.29	1,145.47	917.52	3,151.76	2,059.27
(f) Other expenses	2,271.21	2,162.10	1,899.46	4,433.32	4,236.36
<b>TOTAL EXPENSES</b>	<b>11,783.07</b>	<b>11,103.11</b>	<b>11,095.02</b>	<b>22,886.17</b>	<b>25,407.74</b>
<b>III. PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)</b>	<b>153.74</b>	<b>177.45</b>	<b>695.34</b>	<b>331.19</b>	<b>1,706.42</b>
IV. Exceptional items (refer note 5)	13.86	161.26	2.50	175.12	7.00
<b>V. PROFIT BEFORE TAX AND NON CONTROLLING INTEREST (III-IV)</b>	<b>139.88</b>	<b>16.19</b>	<b>692.84</b>	<b>156.07</b>	<b>1,699.42</b>
VI. Tax expense:					
- Current tax	65.01	76.73	311.10	141.74	708.22
- Deferred tax charge/(credit)	(17.61)	(65.16)	4.37	(82.77)	3.46
<b>VII. PROFIT AFTER TAX</b>	<b>92.48</b>	<b>4.62</b>	<b>377.37</b>	<b>97.10</b>	<b>987.74</b>
VIII. Other Comprehensive Income, net of tax	103.39	(59.99)	(30.20)	43.39	51.54
<b>IX. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>195.87</b>	<b>(55.37)</b>	<b>347.17</b>	<b>140.49</b>	<b>1,039.28</b>
Total Comprehensive income attributable to					
Owners of the Company	184.47	(65.56)	331.06	118.89	1,012.64
Non controlling interest	11.42	10.19	16.12	21.60	26.65
X. Paid up equity share capital (₹ 5/- each)	1,889.51	1,889.51	1,889.51	1,889.51	1,889.51
XI. Earnings per share ('EPS') (of ₹ 5 each) (not annualised) (Refer note 8)					
Basic and Diluted EPS	0.21	(0.01)	0.96	0.20	2.55



For AXISCADES Engineering Technologies Limited

Authorised Signatory

AXISCADES Engineering Technologies Limited

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(₹ In Lakhs)

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 ("financial results") of the Company has been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on December 12, 2017. The aforesaid financial results for the quarter and half year ended September 30, 2017 have been subjected to a limited review by the statutory auditors of the Company.

2. The Company has adopted Indian Accounting Standards (Ind AS) from April 1, 2017 (transition date April 1, 2016) and accordingly, the above financial results for the quarter and six months ended September 30, 2017 have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated July 05, 2016. The Company has opted to avail the relaxation provided by SEBI in respect of disclosure requirements for figures of earlier periods. Accordingly, the financial results for the quarter and year ended March 31, 2017 have not been presented.

The Ind AS financial results and financial information for the quarter and half year ended September 30, 2016 has been presented after incorporating the applicable Ind AS adjustments. This information has not been subject to any limited review or audit. However, the Management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.

3. Reconciliation of Net Profit after tax under the previously applicable Generally Accepted Accounting Principles in India (referred to as "Previous GAAP") and total comprehensive income as reported in these financial results under Ind AS for the quarter and half year ended September 30, 2016 is as below.

(₹ In Lakhs)

Particulars	Quarter ended	Half year ended
	September 30, 2016 (Unaudited) (Refer Note 2)	September 30, 2016 (Unaudited) (Refer Note 2)
<b>Profit after tax as reported under previous GAAP</b>	358.81	829.54
<b>Adjustments on account of:</b>		
(i) Reversal of rent recorded on account of straight lining	(10.22)	(18.85)
(ii) Expected credit loss assessment for trade receivables	(12.95)	0.94
(iii) Fair valuation of long-term trade receivables	0.30	0.60
(iv) Fair valuation of borrowings from related parties	(17.47)	(33.78)
(v) Impact of merger (common control transactions)	45.63	191.83
(vi) Fair valuation of inter-corporate deposit to related party	5.87	6.79
(vii) Deferred tax impact on above Ind AS adjustments	7.40	10.67
<b>Profit after tax as reported under Ind AS</b>	377.37	987.74
Other comprehensive income (net of tax)	(30.20)	51.54
<b>Total comprehensive income as reported under Ind AS</b>	347.17	1,039.28

4. The Board of Directors of AXISCADES Engineering Technologies Limited ("ACEITL") at its meeting held on August 14, 2015, had approved the acquisition of AXISCADES Aerospace & Technologies Private Limited ("ACAT"), an aerospace, defence and homeland security technologies company by way of a Scheme of Amalgamation of India Aviation Training Institute Private Limited ("IAT") (Holding Company of ACAT) with ACEITL (the scheme). ACAT was a 100% subsidiary of IAT. Consequent to the approval of the Scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956 for the amalgamation of IAT with the Company by the Hon'ble High Court of Karnataka on November 04, 2016, and effected on December 05, 2016 (effective date), being the date of filing with the Registrar of Companies, all the assets, liabilities and reserves of IAT were transferred to and vested in the Company with effect from April 01, 2016, the appointed date. These financial results accordingly have been given effect of the Scheme. On December 30, 2016, pursuant to the Scheme, the shareholders of IAT have been allotted 10 (ten) equity shares of par value of Rs 5 fully paid up in ACEITL for every 45 (forty five) equity shares held in IAT of par value of Rs.10 each fully paid up.



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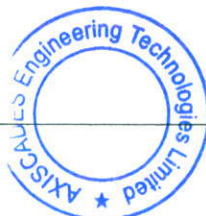
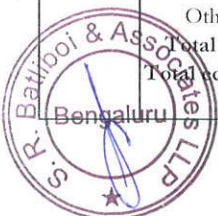


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(₹ In Lakhs)

Unaudited Consolidated Statement of Assets and Liabilities		
SI No	Particulars	September 30, 2017 (Unaudited)
1	<b>ASSETS</b>	
A	<b>Non-current assets</b>	
	Property, plant and equipment	9,636.65
	Capital work-in-progress	180.27
	Goodwill	3,892.08
	Intangible assets	2,737.23
	Intangible assets under development	-
	<b>Financial assets</b>	
	Investments	0.19
	Trade receivables	10.46
	Loans	1,337.18
	Others	771.19
	Deferred tax assets, net	44.76
	Non-current tax asset, net	1,593.49
	Other non-current assets	2,384.41
	<b>Total non-current assets</b>	<b>22,587.91</b>
B	<b>Current assets</b>	
	Inventories	1,196.37
	<b>Financial assets</b>	
	Investments	22.36
	Trade receivables	13,563.19
	Cash and cash equivalents	7,528.29
	Bank balances other than cash and cash equivalents	3,218.10
	Loans	5.17
	Others	4,940.81
	Other current assets	2,553.44
	<b>Total current assets</b>	<b>33,027.73</b>
	<b>Total assets (A+B)</b>	<b>55,615.64</b>
2	<b>EQUITY AND LIABILITIES</b>	
C	<b>Equity</b>	
	Equity share capital	1,889.51
	Other equity	28,070.08
	Non controlling interest	322.23
	<b>Total equity</b>	<b>30,281.82</b>
D	<b>Non-current liabilities</b>	
	<b>Financial liabilities</b>	
	Borrowings	9,721.95
	Trade payables	27.78
	Provisions	601.15
	Other non-current liabilities	27.82
	<b>Other non-current liabilities</b>	<b>10,378.70</b>
E	<b>Current liabilities</b>	
	<b>Financial liabilities</b>	
	Borrowings	6,908.38
	Trade payables	3,672.77
	Others	1,853.00
	Provisions	448.63
	Other current liabilities	2,072.34
	<b>Total current liabilities (D+E)</b>	<b>14,955.12</b>
	<b>Total equity and liabilities (C+D+E)</b>	<b>55,615.64</b>



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