

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone 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 Engineering Technologies Limited**

1. We have reviewed the accompanying statement of unaudited standalone Ind AS financial results of AXISCADES Engineering Technologies Limited (the "Company") for the quarter ended September 30, 2019 and year to date from April 01, 2019 to September 30, 2019 (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, as amended (the "Listing Regulations"). Attention is drawn to the fact that the Statement of cash flows for the corresponding period from April 01, 2018 to September 30, 2018 as reported in these unaudited standalone Ind AS financial results have been approved by the Board of Directors of the Company, but have not been subjected to review.
2. This Statement, which is the responsibility of the Company's Management and approved by the 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.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the 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.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Sunil Gaggar
Partner
Membership No.: 104315
UDIN: 19104315AAAABW3039
Place: Bengaluru
Date: November 12, 2019



AXISCADES Engineering Technologies Limited

CIN NO: L72200KA1990PLC084435

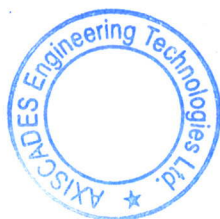
Regd. Office: Block C, Second Floor, Kirloskar Business Park, Bengaluru - 560024, Karnataka, India
Website: www.axiscades.com, Email: info@axiscades.com, Tel: +91 80 4193 9000, Fax: +91 80 4193 9099

(₹ in lakhs)

Unaudited Standalone Statement of Assets and Liabilities as at September 30, 2019

As at

SI No	Particulars	September 30, 2019	March 31, 2019
		(Unaudited)	(Audited)
	ASSETS		
A	Non-current assets		
	Property, plant and equipment	1,174.40	1,200.78
	Other intangible assets	315.35	479.47
	Intangible assets under development	106.22	50.00
	Right of use assets	1,605.46	-
	Financial assets		
	Investments	38,673.88	38,673.88
	Loans	751.91	773.88
	Other financial assets	164.18	119.75
	Deferred tax assets, net	825.71	818.62
	Non-current tax asset, net	1,507.41	1,238.01
	Other non-current assets	-	29.62
	Total Non-current assets	45,124.52	43,384.01
B	Current assets		
	Financial assets		
	Trade receivables	5,750.94	6,975.99
	Cash and cash equivalents	377.89	433.82
	Bank balances other than cash and cash equivalents	1.84	101.78
	Loans	118.37	-
	Other financial assets	2,848.10	2,925.45
	Other current assets	2,147.83	2,024.15
	Total Current assets	11,244.97	12,461.19
	Total assets (A+B)	56,369.49	55,845.20
	EQUITY AND LIABILITIES		
C	Equity		
	Equity share capital	1,889.51	1,889.51
	Other equity	19,972.11	20,683.74
	Total Equity	21,861.62	22,573.25
D	Non-current liabilities		
	Financial liabilities		
	Borrowings	1,688.65	2,083.48
	Lease liability	987.61	-
	Other financial liabilities	10,175.88	9,698.97
	Provisions	438.56	438.56
	Other non-current liabilities	27.82	27.82
	Non-current liabilities	13,318.52	12,248.83
E	Current liabilities		
	Financial liabilities		
	Borrowings	5,443.00	5,360.44
	Lease liability	651.87	-
	Trade payables		
	(a) Total outstanding dues of micro and small enterprises	95.36	11.69
	(b) Total outstanding dues of creditors other than micro and small enterprises	1,178.60	1,501.72
	Other financial liabilities	12,793.83	13,117.27
	Provisions	270.83	283.11
	Other current liabilities	755.86	748.89
	Total Current liabilities	21,189.35	21,023.12
	Total equity and liabilities (C+D+E)	56,369.49	55,845.20



For AXISCADES Engineering Technologies Limited

Director

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 standalone financial results for the quarter and half year ended September 30, 2019

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I. REVENUE						
(a) Revenue from operations	5,473.40	5,417.66	5,487.38	10,891.06	10,409.14	22,519.26
(b) Other operating income (refer note 7)	34.80	59.34	-	94.14	-	-
(c) Other income	69.38	30.59	22.23	99.97	84.42	160.67
TOTAL REVENUE	5,577.58	5,507.59	5,509.61	11,085.17	10,493.56	22,679.93
II. EXPENSES						
(a) Employee benefits expense	3,758.79	3,510.65	3,698.32	7,269.44	7,065.33	14,390.59
(b) Finance costs	485.81	485.66	301.82	971.47	702.98	1,667.64
(c) Depreciation and amortisation expense	289.28	378.03	217.47	667.31	496.25	907.01
(d) Project consultancy charges	140.34	118.72	470.23	259.06	916.00	1,679.35
(e) Other expenses	1,291.38	1,233.37	1,417.70	2,524.75	2,972.13	6,027.08
TOTAL EXPENSES	5,965.60	5,726.43	6,105.54	11,692.03	12,152.69	24,671.67
III. LOSS BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)	(388.02)	(218.84)	(595.93)	(606.86)	(1,659.13)	(1,991.74)
IV. Exceptional items (refer note 5)	-	-	1,450.68	-	1,450.68	1,450.68
V. PROFIT/(LOSS) BEFORE TAX (III+IV)	(388.02)	(218.84)	854.75	(606.86)	(208.45)	(541.06)
VI. Tax Expense						
Current tax	-	-	-	-	-	-
Deferred tax charge / (credit)	-	-	(229.94)	-	(362.38)	(141.67)
VII. NET PROFIT/(LOSS) FOR THE PERIOD / YEAR (V - VI)	(388.02)	(218.84)	1,084.69	(606.86)	153.93	(399.39)
VIII. Other comprehensive income, net of tax [(loss)/profit]	(29.37)	(7.10)	(72.74)	(36.47)	(132.69)	11.10
IX. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR (VII + VIII)	(417.39)	(225.94)	1,011.95	(643.33)	21.24	(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	1,889.51
XI. Other equity						20,683.74
XI. EARNINGS / (LOSS) PER SHARE ("EPS") (of ₹ 5/- EACH) (NOT ANNUALISED):						
Basic and Diluted (EPS) (₹) (refer note 8)	(1.03)	(0.58)	2.87	(1.61)	0.41	(1.06)



For AXISCADES Engineering Technologies Limited

 Director

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 standalone financial results for the quarter and half year ended September 30, 2019

Notes

1. In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the aforesaid statement of unaudited standalone financial results for the quarter and half year ended September 30, 2019 of the Company has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 12, 2019 and have been subjected to a limited review by the Statutory Auditors 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 loss for the quarter and half year ended September 30, 2019 is as follows.

Adjustments to increase / (decrease) in net profit	Quarter ended September 30, 2019 comparable basis	Changes due to Ind AS 116 increase / (decrease)	Quarter ended September 30, 2019 as reported	Half year ended September 30, 2019 comparable basis	Changes due to Ind AS 116 increase / (decrease)	Half year ended September 30, 2019 as reported
Other expenses	1,507.27	(215.89)	1,291.38	2,965.22	(440.47)	2,524.75
Finance costs	457.93	27.88	485.81	910.46	61.01	971.47
Depreciation and amortisation expense	101.27	188.01	289.28	291.29	376.02	667.31
Loss before tax	(388.02)	-	(388.02)	(610.30)	(3.44)	(606.86)

4. 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.

5. Exceptional item comprise the following:

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Fair value change in purchase consideration (refer note 6)	-	-	1,450.68	-	1,450.68	1,450.68
Total	-	-	1,450.68	-	1,450.68	1,450.68

6. 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) 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.

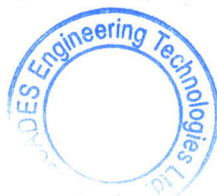
During the previous year, the Company has recognised a fair value gain of ₹ 1,450.68 Lakhs on re-estimation of the purchase consideration payable as per the terms of the SPA. The change in fair value is based on the revised projections of MSPL Group updated considering the actual performance of MSPL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

7. During the quarter and half year ended September 30, 2019, the Company has recognised other operating income from export incentives under the provisions of Foreign Trade Policy (1 April 2015 - 31 March 2020), as amended from time to time, aggregating ₹ 34.80 Lakhs and ₹ 94.14 lakhs, respectively. The Management believes that it has satisfied all the conditions to receive the incentive.

8. For the purpose of computation of diluted EPS, the effect of stock options granted under ESOP scheme have not been considered, as the effect of these potentially dilutive equity shares are anti-dilutive. Hence, basic and dilutive EPS are same.

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

10. The above unaudited standalone 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 Engineering Technologies Limited

[Signature]
Director

AXISCADES Engineering Technologies Limited

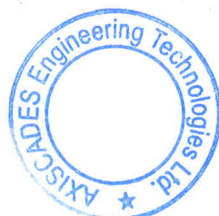
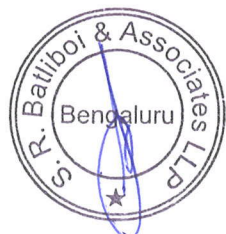
CIN NO: L72200KA1990PLC084435

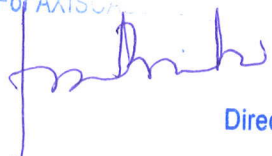
Regd. Office: Block C, Second Floor, Kirloskar Business Park, Bengaluru - 560024, Karnataka, India
Website: www.axiscades.com, Email: info@axiscades.com, Tel: +91 80 4193 9000, Fax: +91 80 4193 9099

(₹ in lakhs)

Unaudited Standalone Statement of Cash Flows for the half year ended September 30, 2019		
	Half year ended	
	September 30, 2019	September 30, 2018
	(Unaudited)	(Unaudited)*
A. Cash flow from operating activities		
Loss before tax	(606.86)	(208.45)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortization expense	667.31	496.25
Interest income (including fair value change in financial instruments)	(83.90)	(81.26)
Interest expense (including fair value change in financial instruments)	971.46	702.98
Exceptional Item (refer note 5)	-	(1,450.68)
Provision no longer required written back	(43.21)	-
Bad debts written off	3.15	1.24
Share based payment expense	69.43	-
Net unrealised foreign exchange loss	65.45	546.14
Operating profit before working capital changes	1,042.83	6.22
Movements in working capital		
(Increase)/Decrease in trade receivables	1,265.87	(1,278.04)
(Increase)/Decrease in other assets including financial assets	64.94	117.99
(Increase)/Decrease in loans	(104.69)	(2.76)
(Decrease)/Increase in trade payables, other liabilities and financial liabilities	(543.08)	210.97
(Decrease)/Increase in provisions	(12.28)	(33.13)
Cash generated from/(used in) operating activities	1,713.59	(978.74)
Direct taxes paid (net of refunds)	(269.40)	(126.71)
Net cash generated from/(used in) operating activities (A)	1,444.19	(1,105.45)
B. Cash flow from investing activities		
Purchase of property, plant and equipment, intangible assets and Intangible assets under development	(190.01)	(142.41)
Interest received	13.67	43.08
Investments in fixed deposits, net	(92.57)	(171.27)
Net cash used in investing activities (B)	(268.91)	(270.60)
C. Cash flow from financing activities		
Payment of lease liabilities	(429.03)	-
Repayment of long-term borrowings	(452.30)	(28.99)
Proceeds from short-term borrowings	82.56	1,491.84
Interest paid	(432.44)	(201.97)
Net cash generated from/(used in) financing activities (C)	(1,231.21)	1,260.88
Net decrease in cash and cash equivalents (A+B+C)	(55.93)	(115.17)
Cash and cash equivalents at the beginning of the period	433.82	765.06
Cash and cash equivalents at the end of the period	377.89	649.89

* Statement of cashflows for the corresponding period from April 01, 2018 to September 30, 2018, as reported above, have been approved by the Board of Directors of the Company but have not been subjected to review by the Statutory Auditors, as it not required under regulations applicable that time



For AXISCADES Engineering Technologies Limited

 Director