

September 02, 2022

Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai- 400051  
BSE Scrip Code : 532395

The Manager  
Dptt. of Corporate Services  
BSE Limited  
Floor 25 Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai – 400 051  
NSE Symbol: AXISCADES

Dear Sir,

**Sub.: Annual Report for FY 2021-22 and Notice of 32<sup>nd</sup> Annual General Meeting of the Company**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the following which are being sent to the members of the Company:

1. Notice of the 32<sup>nd</sup> Annual General Meeting of the Company scheduled to be held on Tuesday, 27<sup>th</sup> September 2022 at 11:30 A.M. (IST) through Video Conferencing/ Other Audio Visual Means.
2. Annual Report for the Financial Year ended March 31, 2022.

The Annual Report along with Notice is also available on the Company's website at [www.axiscades.com](http://www.axiscades.com).

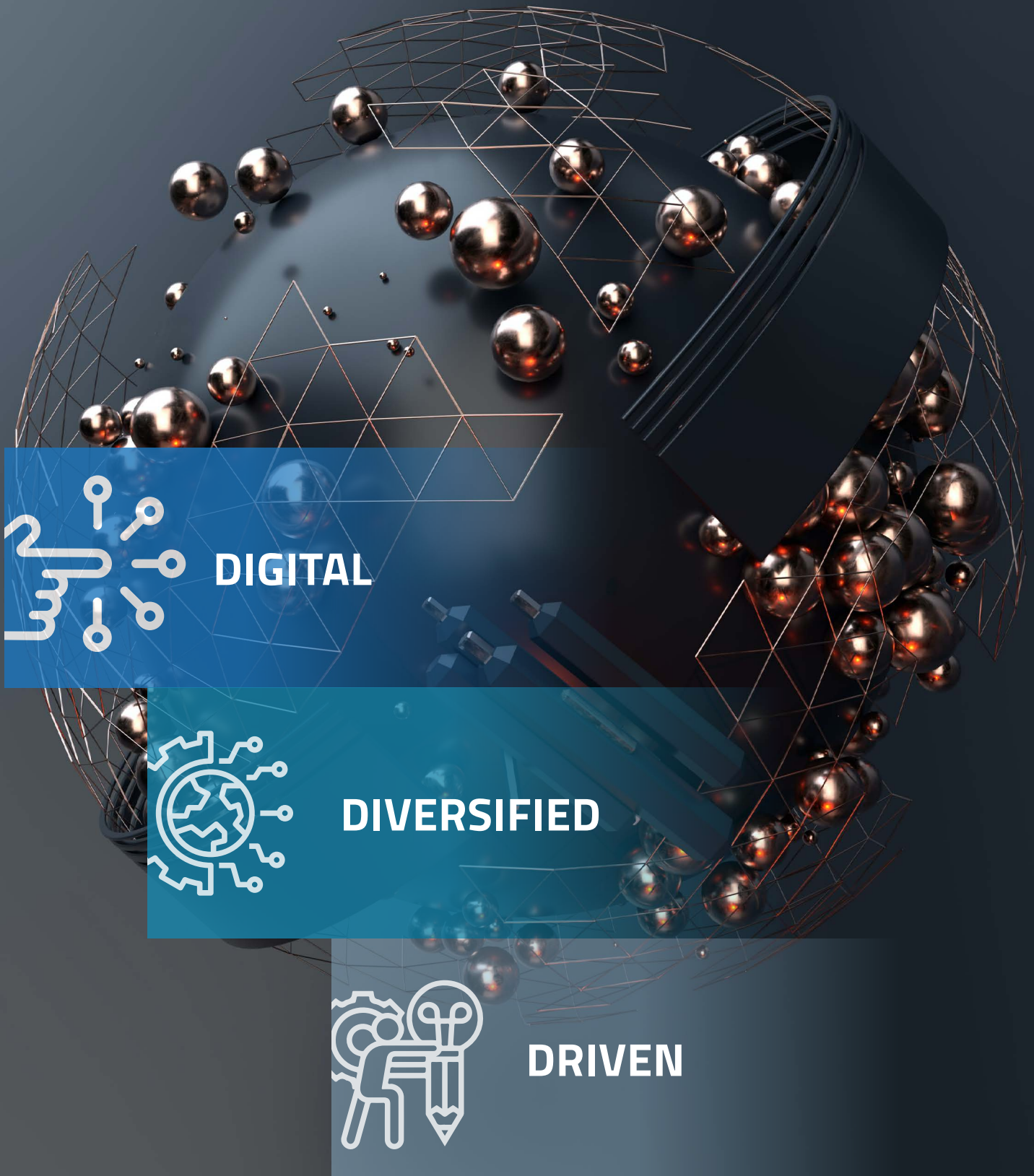
Kindly take the above information on record.

Yours truly,  
For **AXISCADES Technologies Limited**



**Sonal Dudani**  
Company Secretary & Compliance Officer





**DIGITAL**



**DIVERSIFIED**



**DRIVEN**

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## Key highlights of FY22

**₹ 6,194 million**

Total income

15.1%^

**₹ 797 million**

EBITDA

1.6%^

**12.9%**

EBITDA margin

**₹ 227 million**

Profit after tax

^ Growth in FY22 over FY21

## Investor Information

BSE Code : 532395

NSE Code : AXISCADES

CIN : L72200KA1990PLC084435

AGM Date : Tuesday, September 27, 2022

AGM Time : 11:30 A.M. (IST)

AGM Mode : Video Conferencing (VC) / Other Audio

Visual Means ("OAVM")



For more details visit our website  
[www.axiscades.com](http://www.axiscades.com)





## **DIGITAL. DIVERSIFIED. DRIVEN.**

The ER&D industry is poised for rapid growth in the post-pandemic world with demand for safer, smarter and comprehensive solutions. With manufacturing becoming intelligent and digitalisation being at the core of future growth strategy, we at AXISCADES are scaling our digital and embedded solutions to capitalise on the emerging opportunities. As a leader in the space, we have an established track record of excellence. Now, we are focusing on smart factories, Industry 4.0, Product Lifecycle Management (PLM), IIOT and AR/VR which have major applications in the manufacturing space.

In addition to strengthening our position in the traditional strongholds of Aerospace, Heavy Engineering and Defense sectors, we are further diversifying into Automotive, Energy and Medical Devices to de-risk our portfolio from sectoral concentration and drive secular growth.

At the same time, we are driven by the global concerted efforts to address the most pressing challenges of our time like climate change and the need to build a low-carbon future. We are focusing on enabling our clients improve resource efficiency and security to optimise production and costs while adopting cleaner fuel and technologies to create a sustainable and equitable future.



## Chairman's Address

# Progressing with optimism

### At AXISCADES, the interplay of speed, scope and skill will drive growth and value creation for the long-term

#### Dear Shareholders,

Trust this message finds you and your loved ones safe and in good health.

This has been an important year for AXISCADES. Not only have we managed to remain resilient to ongoing impact of the COVID-19 pandemic, but we are setting up our new multiyear performance framework and the strategic priorities that will drive sustainable progress, in future. Over the last couple of years, we have seen a global pandemic and many other public and private upheavals. As the dust settles, and a clearer picture of the world ahead emerges, I believe we are standing at the threshold of a period of great opportunity and growth.

#### Performance review

For FY22, we generated total revenue of ₹ 6,084 million compared to ₹ 5,174 million in FY21, reporting a growth of 17.6%. Our Adjusted EBITDA margin during the year stands at 12.5% compared to 11.7% in FY21. Profit after tax during the period stands at ₹ 227 million compared to loss of ₹ (212) million in FY21. We saw strong revenue addition in Aerospace and Heavy Engineering vertical. This reflects our commitments to deliver consistent value to our clients. Our contract execution during the year is notable despite challenges posed by supply chain disruptions. Our improved profits and positive financial results reflects that we are in the cusp of positive business transformation.

I am happy to announce the on-boarding of Mr. Arun Krishnamurthi as Chief Executive Officer and Managing Director (CEO & MD) and Mr. Shashidhar SK as Chief Financial Officer (CFO). I am confident that under their leadership we will continue to strengthen our business and make focused investments that will augment our capabilities, ensure a differentiated value proposition in the market.

During the fiscal, we acquired total 17 new clients across Automotive, Aerospace Energy and Heavy Engineering sectors. We have commenced engagement with one of the largest Aerospace companies, globally. We are also gaining momentum in Automotive segment where we are starting with tier-1 Automotive company in the area of embedded, mechanical and hardware. We established an Offshore Development Center (ODC) at Hyderabad for an energy client and also set up a new office in Montoir de Bretagne, France to further enhance market presence and facilitate continued expansion.

We will continue to work on our traditionally strong sectors like Aerospace, Heavy Engineering and Defense. Moreover, we will be diversifying and strengthening our presence in three other verticals, namely, Automotive, Energy and Medical Devices.

#### Segment outlook

Covid-19 pandemic has accelerated the demand for digital transformation across businesses, which will have positive impact on Engineering Research & Development (ER&D) specially in India, which contributes ~33% in the global ER&D sourcing market. The global ER&D is expected to grow at 9% CAGR to reach ~US\$2.1 trillion by 2024. Moreover, Digital engineering spend will account for over 50% of global ER&D spend

by 2024 and Digital ER&D is likely to grow at a CAGR of 19% during the same period.

We are witnessing automotive firms investing in Advanced Driver Assistance Systems (ADAS), Factory 4.0 and Electric Vehicles. Moreover, as the world entered 2022, trends in commercial air travel and customer order activity witnessed a robust rebound and much better traction than earlier post-COVID expectations, which is a positive sign for the industry as global roll out of COVID vaccines is helping to clear a path toward normalisation of air travel.

The COVID-19 pandemic affected the Indian economy, though its impact was not felt on the country's defense spending. On the other hand, increasing cross border tension with neighbour nations during the same timeframe forced the government to take quick measures to modernise its military equipment while also reducing its dependence on imports, thus, supporting the market growth. The increased need for homeland security has provided the impetus to further reinforce perimeter security, naval and airborne capabilities. The country has constantly been increasing its defense expenditure over the years. The defense budget for 2022 is at USD 70.6 billion (₹5.25 trillion), reflecting an increase of 9.8% compared to the previous year's allocation and one of the sharpest increase in the defense budget in recent years. The increasing defense budget is expected to drive market growth for our services during the forecast period.

The Government of India is promoting its 'Make in India' initiative through focused, sustained, and evolved indigenisation programmes. This may provide new growth opportunities for players in the market like us. Moreover, we are designated India Offset Partner for global players in defense and we expect increased revenue from



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Offset opportunities owing to our niche expertise in the sector.

#### **In closing**

Despite macro-economic challenges which caused supply chain disruption, this was a reasonably good year for AXISCADES, where we achieved a 17.6% y-o-y growth in revenue.

We are hopeful that this growth in revenue will continue to gain momentum with recent client acquisitions in Aerospace, Automotive and Energy sectors, along with stronger revenue addition from existing business specially in Heavy Engineering, Aerospace, and defense. We also expect digital revenue to pick up pace in the coming years. Our engagement with the existing clients in digital space are scaling up and we are hopeful of expanding our offerings to newer clients and geographies.

Let me conclude by reiterating that our business has reached an inflexion point and I am convinced that our new Leadership Team will elevate the business to the next level, ensuring sustainable and profitable growth. In this fiscal, the AXISCADES team demonstrated remarkable resilience, solidarity and passion; and worked tirelessly to deliver on our commitment to our customers – whether working from home or from the office. I want to thank all our employees and partners for their support. While the operating environment will continue to throw up new set of challenges, we will continue to strive to build a resilient corporation, with customers as our central focus.

Warm regards,

**DAVID BRADLEY**

Chairman & Non-Executive Director





## Chief Executive Officer and Managing Director's Message

# Demonstrating resilience, staying ahead



### Dear Shareholders,

I am pleased to present to you AXISCADES' annual report for the fiscal year ended March 31, 2022, my first as the CEO and Managing Director of the Company.

This fiscal, we have turned the pages on a new chapter, ready to transform the landscape and business of this organisation. Our renewed purpose and strategic priorities, built on three pillars of business transformation, namely, Digital First, Vertical Diversification and Customer Diversification. These will set us up to be even more customer centric, future ready and competitive; leveraging and building on the engineering and delivery capabilities built and honed by us over the years of serving marquee clientele across diverse verticals, globally.

Our improved and enhanced performance for the last fiscal reflects the strong fundamentals that we have built over the years, despite the continued adverse impact of the Pandemic and aggravated geopolitical situation.

I am grateful that on the business front, we have much to feel happy about. We concluded the fiscal year 2022 with 17.6% growth in overall revenue. Our two largest verticals, namely Heavy Engineering and Aerospace grew by 28.2% and 32.6% respectively.

In FY22, we further strengthened our relationship with key customers, which helped us to consolidate our position as a key partner. We delivered strong performance for the year, in line with our expectations. We delivered a revenue of ₹ 6,084 million (17.6% y-o-y growth), which was driven by growth in Aerospace, Heavy Engineering and Automotive & Industrial Product verticals. This Growth was delivered on the back of improved





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business from our existing customers, certain new customers and aided by our focus on service delivery. We will continue our emphasis on exploring strategic relationships to diversify our portfolio, both across verticals and customers and build a strong order pipeline that will enable accelerated growth in revenue in future.

Our vertical diversification strategy is yielding results. We added a fortune 100 Tier-1 Automotive company as customer, in the areas of embedded, mechanical and hardware solutions, commenced engagement with Fortune 100 aerospace OEM and started an Offshore Development Center (ODC) for an Energy giant. Addition of these logos in diverse verticals will help us to de-risk our business from its dependency on a few verticals. We secured a multi-year contract renewal from Airbus and have been recognised as a preferred supplier to Airbus EMES3 (Engineering, Manufacturing Engineering and Services Strategic Suppliers). We also set up a new

office in Montour de Bretagne, France to further enhance customer accessibility and drive continued expansion. The Company's 100% subsidiary AXISCADES Aerospace & Technologies, continues to serve as a valuable offset and industrialisation partner to Global Defense OEMs, executing several Indian defense programs, thereby continuing to integrate with global supply chains.

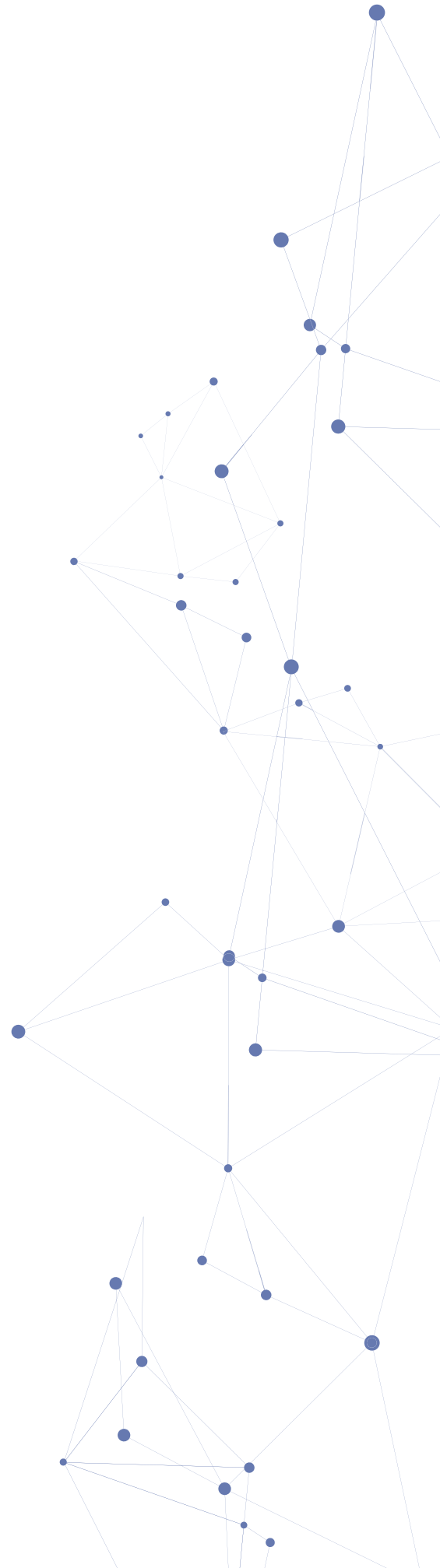
We continue to build competencies and delivery capabilities in the digital space, in order to serve the constantly evolving needs of our customers, in such domains as embedded electronics, vehicle electronics, digital PLM, infotainment, smart factory, avionics and other emerging technologies, in our quest to be innovation driven 'one stop shop' for our global clientele, constantly expanding our addressable market, thereby yielding better revenue mix and gross margins. The Government's focus on Make-in-India indigenisation programs in the defence sector has enhanced the prospects of our strategic solutions vertical. We are leveraging digital technologies across our existing customer portfolio, especially in Aerospace and Heavy Engineering. We will continue to invest in leading cutting-edge technologies to enhance our portfolio of services and position ourselves as a 'Future Ready' Organisation.

To conclude, I wish to express my heartfelt gratitude to Team AXISCADES for their collaborative and commendable effort, dedication and contribution, during a challenging fiscal, where the Company emerged stronger and well positioned to navigate the vast and expanding engineering and digital landscape and build a sustainable and profitable corporation.

I look forward to your continued support.

Warm regards,

**Mr. Arun Krishnamurthi**  
CEO and Managing Director





## Corporate Identity

# Delivering excellence

AXISCADES is a leading, end-to-end technology and engineering solutions company aiding creation of innovative, sustainable and safer products worldwide. Headquartered in Bangalore with subsidiaries in US, UK, Canada, Germany, India and China; and offices in Germany, France, Denmark, USA and Canada.

We have a diverse and multi-cultural team of engineers working across North America, Europe, UK and Asia-Pacific, striving to reduce the programme risk and time to market. We offer Product Engineering Solutions across Mechanical Engineering, Embedded Software and Hardware, Digitisation and Automation, System Integration, Tech Solutions, Manufacturing Engineering, Technical Publications, and Aftermarket Solutions.

The engineering solutions portfolio covers the complete product development lifecycle from concept evaluation to manufacturing support and certification for Fortune 500 Companies in the Aerospace, Defence, Heavy Engineering, Automotive, Medical Devices and Industrial Products industries. We are known for our robust system of certifications and best practices that address customer requirements as well as domain expertise.

### Progressing with purpose

#### Our vision

To be one of the world's most admired, trusted and capable engineering solutions company

#### Our mission

As a customer-centric company that drives impactful innovation, AXISCADES is committed to delivering engineering excellence for a better future and does that through effective collaboration and partnerships built on integrity.

#### Our values

- Customer centric
- Solution focused
- Responsibility in all relationships
- Impactful innovation
- Commit to excellence
- Make it happen

**35**

Years of experience

**2,200+**

Global workforce

**8**

Offshore  
Development Centres

**17**

Global locations  
where we are present





## **A strong investment case**

### **Global product experience**

We are a trusted engineering partner for global OEMs on our new product development (NPD) and localisation programmes. We are consistently increasing market share across segments with accelerated product development.

### **Technology and process**

We have a vast repository technical and process knowledge acquired from OEMs across domains.

### **End-to-end solutions**

We have expertise on complete engineering ownership, from concept design to manufacturing support and after-market solutions.

### **Highly skilled and scalable talent pool**

Our team of engineers represents one of the best talent pools with experience across product lifecycles.

### **Mature and quality driven delivery processes**

Our global benchmark processes have been deployed to ensure the highest levels of quality and productivity.

### **Centre-of-excellence**

We have established Centre-of-Excellence (CoE) to encourage innovation and deliver value to our clients.

### **Value delivery**

Our optimised cost and flexible business model provides superior control over outcome and costs and risk bearing.

### **Global support**

We provide support across geographies through our offices or Engineering Development Centres.



## Business Model

# Driving sustainable growth



### Aerospace

- Design & Analysis – Primary and Secondary Structures, Aircraft Interiors
- MSI and ESI, Electrical harness
- Manufacturing Engineering
- In-Service support – Repairs

### Heavy engineering

- Structures, Cabin Design
- Engine, Powertrain
- Electrical, Lube, Hydraulic systems design
- Digital Manufacturing



### Energy

- Design, Analysis - Tower, Generator, Hub, Spinner, Nacelle, Yaw, Blade
- Mechanical & Electrical Routing
- Wind Resource Analysis
- Advanced FE Simulations

DESIGN

Mechanical Engineering

Embedded Solutions

Software Development

Manufacturing Engineering Services

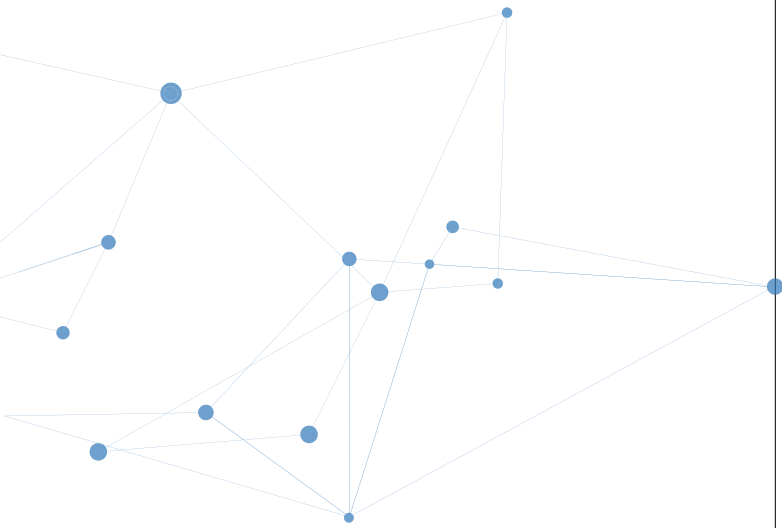
IN-SERVICE

We are a technology-led company focusing on product engineering solutions for global OEMs. Our business model focuses on delivering innovative, sustainable, safer and smarter products across sectors.



## Core Capabilities

# Offering bespoke solutions in diverse areas



We have developed a host of capabilities to deliver superior and customised solutions to our client. We have automated the delivery process, utilised machine learning to improve internal efficiencies and imbibed green technologies and processes. Moreover, we continue to build synergistic partnerships with OEMs.

### Mechanical Engineering

- 3D CAD Modeling, Drafting & Detailing
- DFM / DFx / FMEA Studies
- CAE / FE Analysis & Optimisation
- Value Engineering
- Design Automation



### Manufacturing Engineering Services

- Virtual Manufacturing & Facility Layout Design
- Prototyping & Manufacturing Support
- Non-Conformance Engineering (Concessions)
- Tool & Mold Design
- NC & CNC Programming
- Supply Chain Management & Logistics



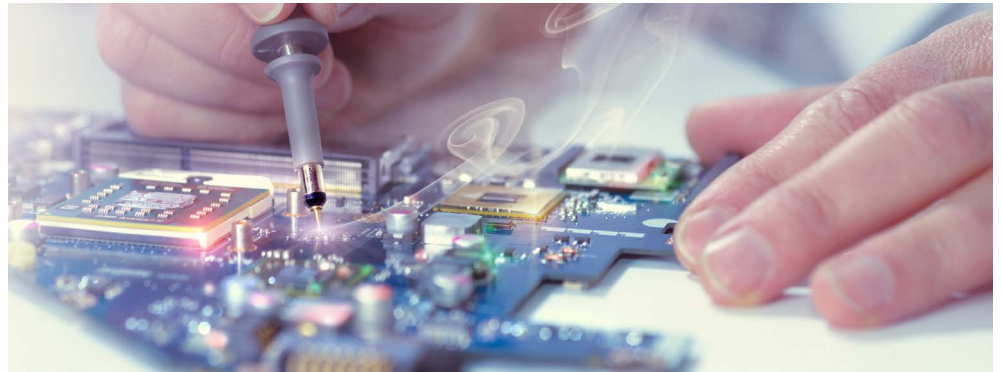


**Software Development**

- Architecture
- Development & Deployment
- Application S/W & Mobile Apps Development
- Testing
- Automation and Engineering IT

**Embedded Solutions**

- Firmware Development
- Hardware Engineering
- V&V and Testing



**Digital Engineering / Digital Solutions**

- IIOT & Industry 4.0 solutions
- AI / ML based solutions
- Application Development
- PLM – Implementation, Integration & Operations
- Industrial Automation
- Advanced analytics

**After Sales Product Support Services**

- Technical Publication
- Repair & Modifications
- Upgradation & Life Extension
- Platform Migration
- Reverse Engineering
- Engineering Change Management – ECO/ ECR
- Durability and Warranty Study



## Global Footprint

# Strengthening global prominence

We ensure that we stay closer to our clients across key growth markets. We are broad basing our sales capabilities to help acquire new customers and cross-sell to existing clients across markets.





### Europe & UK

Leicestershire, UK  
Toulouse, Saint Nazaire - France  
Hamburg, Donauwörth,  
Augsburg - Germany  
Copenhagen, Denmark

### China

Wuxi City

### India

Bangalore (3)  
Chennai  
Hyderabad  
Noida



## Megatrends

# Capitalising on expanding opportunities

The global Engineering R&D (ER&D) market is taking a quantum leap, with digital engineering services being the major growth propeller. India has emerged as a destination of choice for sourcing ER&D solutions due to its large and diverse talent base, ease of doing business, vibrant startup ecosystem, and the collaborative efforts of industry, policymakers and the government

With the pandemic further accelerating digital adoption by enterprises and necessitating extensive innovation, the potential for India's Engineering R&D sector is enormous.

**As an Indian multinational player, we are ready to capitalise on the key trends shaping global ER&D sector.**

### Digital engineering paving the way for ER&D growth

Global digital engineering is expected to reach USD 385 billion by 2025, recording a CAGR of over 11% between 2019 and 2025. The growth is expected to be driven by new data-driven business models, and high demand for digital solutions and connected products and services. The key industries expected to fuel this demand include software and internet, industrials, telecom, consumer electronics and automobile.

**India's ER&D industry is expected to cross USD 63 billion in 2025 from USD 31 billion in FY19.**







### Government policies and political environment

- Treaties, intellectual property rights, environment, and energy regulations
- Lower tax rate on the return from patent
- Promoting cross country collaboration and foreign direct investment
- Subsidy on wages paid to skilled workers in ER&D

### Talent availability

Public and private players are collaborating to develop training programmes aimed at building the skills in demand. Governments and industry players stimulating innovation by offering work visas for people with specific skillsets and extending easy access to training programmes.

### Adoption of sustainability in new product development strategies

Stakeholder activism, availability of green finance and consumer preference for sustainable products are driving this trend while countries are working towards achievement of UN's Sustainable

Development Goals by 2030. It will be driven by sectors with high ecological impact including automobile, construction, energy and manufacturing.

## Innovation

# Building future-ready solutions

Consistent innovation is critical for sustainable growth. It is led by the vision of our leadership team. The innovation initiatives are driven by continuous learning and out-of-the-box thinking. We are actively engaged in the development of a wide range of new-age solutions to secure and drive our growth engine.

### Immersive Visualisation



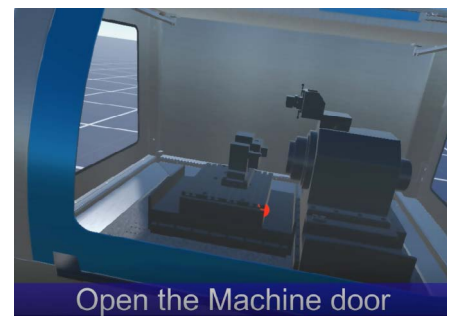
#### Futuristic Factory: 3D Digital Factory

We have developed an interactive and immersive 3D visualisation of a factory environment using gaming engines. Digital twin of the factory was created for an automotive manufacturer in-order for stakeholders to visualise the different areas of the futuristic factory. The exterior environment was captured and developed from satellite imageries.



#### Key advantages

- The application can be launched on any mobile device
- Capability to launch a walkthrough visualisation through the application
- Production simulation and animation can be performed incorporating physics conditions
- Application has features for recording and snapshots which can be shared
- Application is capable of publishing production data from the factory environment



Open the Machine door



Tool positioning using UI slider





**Training made easier with VR Training**

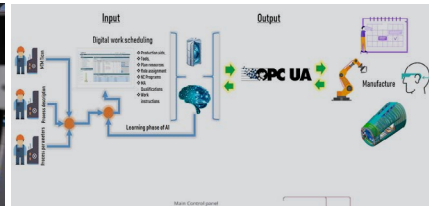
We have developed a training module combined with virtual reality environment for a micro-machining OEM. This module allows operators to learn from their mistakes in a safe environment and keeps their inexperienced hands away from assets during training. Moreover, it allows recruits to practice complex safety scenarios infinite times with live interaction session with the OEM.

**Key focus areas**

- Operational training
- Incident training
- Maintenance training

**Key advantages**

- Knowledge centralisation
- Effective knowledge transfer to operators
- 70% accidents are prevented
- Effective learning with self-guided exploration
- E-learning & training made more explorative



**Cobot automation for final shell assembly**

We have facilitated human-CoBot-collaboration to automate cleaning and sealing assembly line as part of digital plan for aircraft shell assembly line. Aircraft manufacturer requested the process to be automated for better control and to sustainably improve process time at the respective stations. This was a TRL 6 level pre-production development.

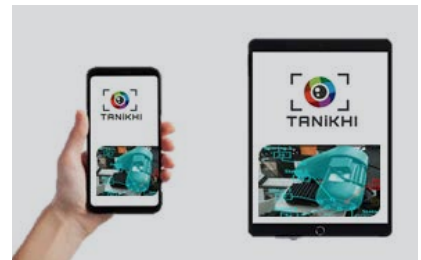
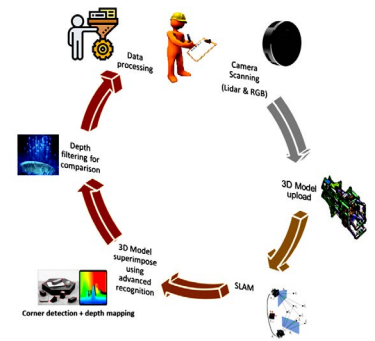
The solution focussed on complete development of the line as per the digital plan with the usage of CoBot, where the focus was on integrating the ERP data sources to automatically provide digital scheduling and work instructions through SMART visualisation to operators with Intelligent AI systems.

**Key milestones delivered**

- System integration support
- Control system design and manufacturing
- NC programming for Cobots and End effectors
- SMART device connectivity

**Augmented reality for inspection**

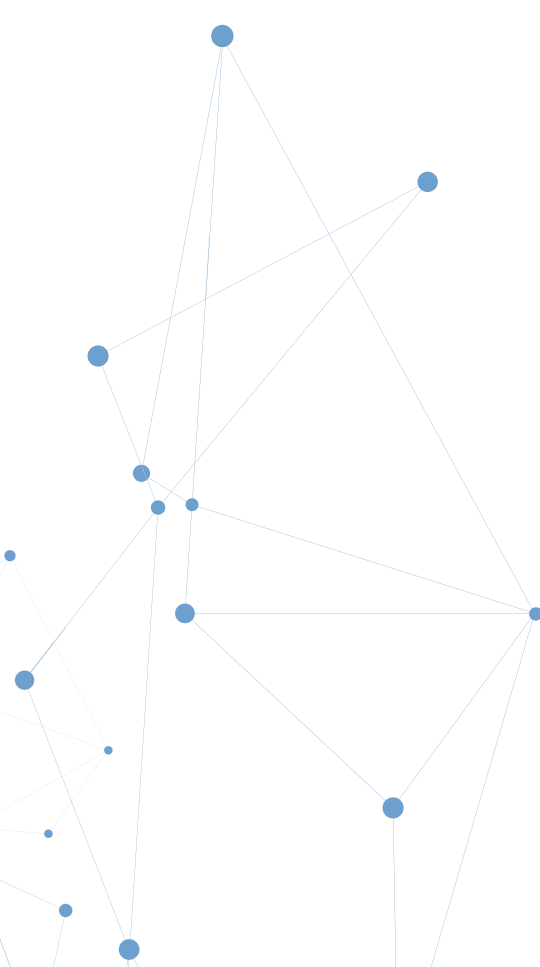
TANIKHI application was developed using augmented reality and advanced AI filtering technology which will provide a very quick and reliable solution as part of automated assembly monitoring for various industries.



Automating the inspection to reduce the cost/time of skills (inspector). Inspection process by using AR & AI technologies combined, with integration of model targeting, depth information and Image processing.

**Inspection solutions**

- Final assembly check
- Detect missing sub-parts/features
- AR validation from virtual build to AS-BUILT
- Dimension checks for structures
- To Detect mis-match of assembled parts
- Piping routing validation
- Visual Welding quality inspection



## Workforce

# Promoting a performance-oriented culture

We strive to develop a meritocratic workplace while focusing on attracting, developing and retaining the best industry talent. Enthusiasm and teamwork are the principal catalysts for growth at AXISCADES. We also work towards developing future leaders within the organisation.

As an organisation, we are committed to customer satisfaction. And given the nature of our business, human capital forms the foundation with which it delivers to its customers. It thus becomes imperative that our people practices framework of policies and processes is based on its philosophy of building and nurturing capabilities by implementing best practices to attract, motivate and retain the best talent possible. This is also a reflection of our core values. Given the above focus the following has been the key priorities for the organisation during FY 2021-22:

### Diversity, equality, and inclusion

### Continuous learning, competency development

### Career progression

### Employee engagement, health and wellbeing and motivation

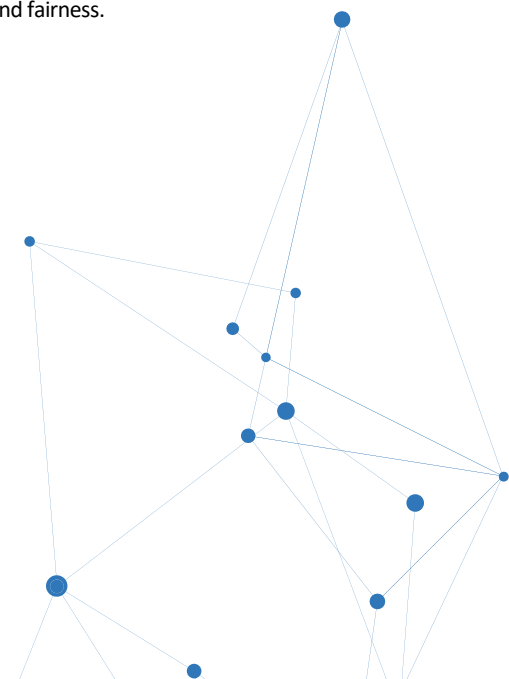
We are committed to promoting and fostering a culture of diversity, equality and inclusion and this is applicable—but not limited—to our practices and policies of Human Resource Management. These span - recruitment and selection, compensation and benefits, training and development, promotions, transfers, social and recreational programs, layoffs, terminations, and the ongoing development of a work environment built on the premise of gender equality, diversity and inclusion that encourages respectful communication and cooperation between all employees, teamwork and collaboration, representation of varying employee perspectives and work-life balance needs.

While we have withstood the onslaught of pandemic by virtue of our agile teamwork, the post-pandemic scenario provides us with unique opportunities for growth. Such opportunities also come with the unique challenge of attracting the right talent and building the capabilities necessary for AXISCADES to drive its business growth.

Our talent management team has been up to the challenge by undertaking a range of initiatives, offering competitive pay, benefits and incentives; linking reward structures to individual and business performance; and focus on employee engagement and retention through health and wellbeing initiatives and an effective implementation of HR policies and practices – addressing employee issues, grievances and concerns, constantly promoting two-way communication, open door policy, a robust performance management and rewards and recognition practices.

Continuous learning and developing competency capability in line with business imperatives continues to be a pivotal area with added focus on furthering capability in Digital technologies and Electronics and Embedded systems, in addition to continued focus on Mechanical, Electrical, and Manufacturing solutions spanning the various verticals - such as Aerospace and Defence, Automotive, Heavy Engineering, Energy, Semiconductor and Medical & Healthcare verticals. This is through a judicious mix of programs which are a combination of formal training, e-learning and curated on-the-job coaching aimed at developing competence in both existing and emerging technologies.

Career progression through various managerial and leadership development programmes and succession planning reinforces AXISCADES' culture of meritocracy and fairness.





## Environment

# Caring for the environment

At AXISCADES, we understand that our commitment to the environment must be part of our every day activities. That is why we strive to make our operation increasingly sustainable and friendly with the environment. We have successfully pursued a range of efforts to reduce our impact on the environment in order to protect vital and irreplaceable resources, better manage climate change risks and enhance the quality of life for our stakeholders.

AXISCADES compliance obligation process covers identification and management of the elements of an organisation's activities related to our products/services that interact with the environment and describes the identification of legal and other requirements that are applicable to environmental aspects and for maintaining access to these legal and other requirements under the scope of environmental management systems (ISO 14001: 2015). The ongoing compliance with applicable legal requirements, and local law of the land and regulations as applicable is handled by the administration function.

### Environmental Policy



We commit to **SUSTAIN** global biodiversity through:

- S**afeguard environment through prevention of pollution and minimize consumption of resources
- U**nderstand and assess the impact of our services on environment and plan for reduction of pollution
- S**ustainable waste management through minimizing waste-to-landfill and enhancing biodiversity in AXISCADES premises
- T**rain on environmental requirements to all internal employees and communicate with employees, vendors, suppliers, contractors, other interested parties and encourage them to participate and contribute
- A**dhere and comply with all environmental laws, regulations, codes of practice and directives, as applicable
- I**ntegrate EMS standards with business strategy and continually improve upon the environmental management system to enhance environment performance
- N**ecessitate of benchmarking on the tools/methods/practices across industry to meet the standards





**Arun Krishnamurthi**  
CEO & Managing Director

Environmental Management System (EMS) objectives are derived from the EMS policy. They are consistent with the quality policy, are measurable, taken into account applicable requirements, relevant to conformity of products and services and to enhancement of customer satisfaction. They are monitored, communicated and updated as appropriate. Initiatives help to systematically achieve the objectives. These are reviewed by Senior Management once a quarter for their progress, any constraints and support required.

## The Board and Management



**David Bradley**  
Chairman & Non-Executive  
Director



**Arun Krishnamurthi**  
Chief Executive Officer &  
Managing Director



**Desh Raj Dogra**  
Independent Director



**Dhiraj Mathur**  
Independent Director



**Mariam Mathew**  
Independent Director



**Sudhakar Gande**  
Non-Executive Director





**David Abikzir**  
Non-Executive Director



**David Walker**  
Non-Executive Director



**Shashidhar SK**  
Group Chief Financial Officer

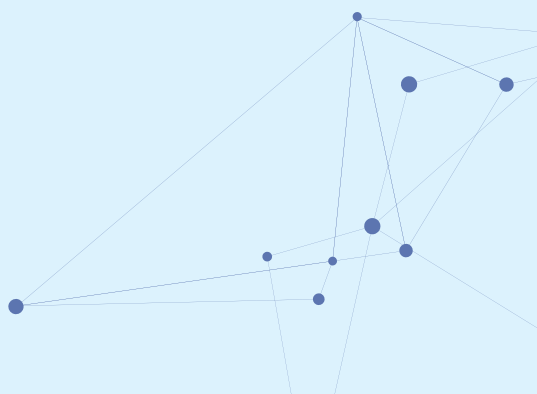


**Sharadhi Chandra Babu Pampapathy**  
Non-Executive Director



**Sonal Dudani**  
Company Secretary &  
Compliance Officer

KEY MANAGEMENT PERSONNEL



# MANAGEMENT DISCUSSION AND ANALYSIS

## GLOBAL

The global economy is still recovering from the challenges caused by the COVID-19 pandemic, though a large part of the population is now vaccinated, leisure and business travel has resumed, and business environment is in tentative recovery. However, Geo-political conflicts and resultant instability is now the leading risk to domestic and global economic growth. Global supply chain disruptions and raising food and energy prices, resulting from Russia-Ukraine conflict, is pushing up inflation, which is leading to contraction in consumer demand. Governments are resorting to increase in policy rates to contain inflation, resulting in increase in borrowing costs and general slowdown in economic activity, which is raising recessionary fears. As such, the world economic outlook remains gloomy and uncertain. The International Monetary Fund forecasts that the global economy is estimated to grow at 3.20% in 2022 and 2.9% in 2023, much lower than an estimated 6.1% in 2021.

## INDUSTRY

Despite new virus variants emerging, supply chain disruptions and talent shortages impacting businesses, Engineering R&D (ER&D) spending increased during the year and surpassed pre-COVID levels. Digital Engineering has accounted for much of this increase in spending and companies are investing heavily in next-generation technologies to meet rapidly evolving customer's expectations. As per leading industry report the global ER&D spend is expected to grow at 9% CAGR to reach \$2.1 trillion by 2024 and Digital Engineering spends will constitute 50% of Global ER&D spend by 2024. The Indian ER&D sector is expected to grow at a Compound Annual Growth Rate of 12%- 13% until 2025.

### 1.1 AEROSPACE

With Air travel resuming, Aerospace Industry is expected to post a robust recovery. Current macroeconomic trends suggest that demand for small- and medium-sized aircraft will continue to gain ground to reach pre-COVID levels in 2022, In this, narrow-body single aisle aircraft is well positioned to benefit from this increase in demand. Furthermore, with air travel volumes rebounding from the lows seen in 2020, the aftermarket revenues could recover strongly.

New technologies, evolving business models, and increasing Mergers & Acquisition activity will likely further accelerate the shift toward digital and operational efficiencies in aircraft manufacture. In particular, the digital thread and smart factory present a host of efficiency- and productivity-enhancing technologies that can accelerate time to market and reduce cycle times. Aerospace firms that focus on innovation will likely be better prepared for the future.

### 1.2 AUTOMOTIVE

The global automotive industry is expected to see huge changes in business models as the pace of electrification rises and advances in connected technology continues. Innovation is continuing at a strong pace, investment in new capacity, particularly for electric vehicles (EVs), is robust, and customer demand is increasing.

### 1.3 INDUSTRIAL

Post pandemic, we saw industrial activity posting a tentative recovery, constrained by supply chain disruptions, commodity shortages, especially of semi-conductors. In near-term the industrial activity may remain muted but in mid to longer term, industrial growth will return, once the supply chain disruptions are addressed and commodity prices soften and stabilize.

### 1.4 DEFENCE

The industry is likely to see accelerated growth, with rising concerns of national security. Demand for defence equipment in India has been growing due to the ongoing border tensions. It has pushed the entire defense modernization program to a higher pedestal and has hastened the procurement process. Government of India has opened the industry to private players and recent changes in Defence Acquisition Procedure (DAP) will be beneficial for private players with emphasis on 'Make in India' and 'Atmanirbhar Bharat in Defense production'. The Indian government has set an ambitious defence production target at US\$ 25 billion by 2025 (including US\$ 5 billion from exports by 2025), which will benefit Indian defense manufacturers.

### 1.5 ENERGY

Future growth in the energy sector could be driven by renewables and decarbonization technologies. Oil and Gas investments are expected to stay stable in absolute terms. The global renewable energy market size is expected to be worth around US\$ 1,998 billion by 2030 and growing at a CAGR of 8.6% from 2022 to 2030, with APAC having a market share of over 35% in energy market in 2021. The Indian renewable energy market is expected to grow at 10%+ CAGR till 2027.

## 2. COMPANY OVERVIEW

AXISCADES is a leading technology solutions and product engineering company catering to the futuristic needs of Aerospace, Defence, Off-highway / Heavy Engineering, Automotive, Energy, Medical and Healthcare sectors. With over three decades of experience in engineering excellence and unparalleled domain expertise, AXISCADES is a preferred engineering partner for global OEMs with complex supply chains, mission-critical applications and highly advanced technologies. The Company supports customers across their entire value chain, from concept design to manufacturing to after-market solutions.

AXISCADES' comprehensive capabilities and offerings include:

- Embedded Solutions: Hardware & software engineering, application S/W & Mobile apps development, avionics, control systems, telematics, autonomous mobility, test solutions, system integration, simulators etc.
- Digital solutions: Enterprise Systems Integration, Artificial Intelligence (AI), Machine Learning (ML), Augmented / Virtual Reality (AR/VR), IoT, PLM – Implementation, Integration & Operations and Advanced Analytics



- Software Development: Architecture, Development & Deployment, Application S/W & Mobile Apps Development, Testing, Automation and Engineering IT
- Mechanical & electrical engineering solutions: Product design & definition, 3D CAD modeling & drafting, simulation & analysis, value engineering, harness design & routing, optimization, etc.
- Manufacturing engineering solutions: Virtual Manufacturing, 3D Facility Layout Design & Transformation, Assembly Process & Capacity Planning, Prototyping & Production support, Quality and Supply Chain Support, Manufacturing execution systems, Shop floor automation, Industrial Internet of Things (IIoT), Non-Conformance Engineering, Tool & Mold Design, etc.
- After-market solutions: Repair, Modifications / Upgradation & Life Extension, Obsolescence Management, Technical publications, Platform migration, Reverse engineering, etc.

AXISCADES' ability to deliver end-to-end engineering solutions and products across the globe is exemplified by the illustrious client list and repeat orders, validating our expertise & quality of service delivery. It has a pool of 2,000+ highly skilled engineers spread across 17 locations in North America, Europe, and Asia Pacific, including proximity GECs based in Toulouse, Montoir-de-Bretagne, Hamburg, Donauwörth, and Copenhagen. The average experience of its engineers is more than seven years with the best mix of engineering, domain, and digital capabilities. Besides, the Company also has a sizeable network of relationship managers and consultants based out of its sales offices and client locations. AXISCADES is trusted by its clients to always work in perfect collaboration, stay committed to quality processes and industry best practices, and achieve the desired technical and business objectives.

The Company's license for defence manufacturing and position as a preferred India offset partner further enables it to collaborate with global OEMs for manufacturing or sourcing from India, in defence and other verticals.

AXISCADES is headquartered in Bengaluru, India and is publicly listed on the BSE (532395) and National Stock Exchange (AXISCADES).

### 3. STRATEGY

AXISCADES is committed to create and deliver value to its customers through our proven solutions and competencies across diverse verticals. Our quest is to consistently strengthen and widen our capabilities to meet the evolving needs of our customers. We work closely with our customers and help them enhance the value of their businesses by unconventional solutions. Spurred by the pandemic, digital transformation of their businesses is the pre-eminent priority for our customers. Understanding this, AXISCADES is deploying its capabilities to drive digital transformation across the engineering landscape, in the areas of Enterprise Systems Integration, Artificial Intelligence (AI), Machine Learning (ML), Augmented

/ Virtual Reality (AR/VR), IoT, process automation, PLM – Implementation, Integration & Operations and Advanced Analytics.

Our 3 pillars of business transformation are Digital First, Vertical Diversification and Customer Diversification, to de-risk the business and to build a sustainable and profitable corporation. In this, the Company is building capabilities and strengthening its presence in Automotive, Medical, Energy and Industrial Products at the same time focusing on key account acquisitions and rapidly scaling the same. We are also continuously investing in enhancing the competency of our teams, recruiting and retaining the best available talent and building high performance organizational culture to drive and sustain business performance.

### 4. BUSINESS MODEL

AXISCADES' customer centric business model creates value through best in industry skills and global delivery management approach. It helps the Company offer distinct and high impact solutions leading to greater trust and higher wallet share from each client. Its GECs help offer a balanced value proposition of optimized costs, lower programme risks, shorter product development lifecycle, and sustainable innovation to its customers.

### 5. OPERATIONAL HIGHLIGHTS

#### 5.1 Business highlights

- 17 new customers added
- Received new orders for the Strategic Technology Solutions vertical
- Established an Offshore Development Centre (ODC) at Hyderabad for an Energy client
- Set up a new office in Montoir de Bretagne, France to further increase market presence and facilitate continued expansion
- Commenced engagement with one of the largest Aerospace companies globally

#### 5.2 Operations by Region

- USA (41.0% of group revenue compared to 38.6% in FY 21)
- Europe (32.1% of Group revenues) compared to 33.4% in FY21
- Asia Pacific (20.7% of Group revenues) compared to 21.1% in FY21
- Canada (6.2% of Group revenues) compared to 6.9% in FY21

#### 5.3 Operations by business

- Aerospace grew by 32.6% Y-o-Y; mainly due to increased traction from key client across the Geographies.
- Heavy engineering: Heavy Engineering grew by 28.2% Y-o-Y mainly due to new client additions and expanding relationships with continuing clients.
- Strategic Technology Solutions remained flat Y-o-Y mainly due to supply chain issues.

## 7. FINANCIAL PERFORMANCE

The Company recorded revenues of ₹ 6,084 million in FY22 compared to ₹ 5,174 million in FY21, registering revenue growth of 17.6%. This was the highest ever revenue addition for the year over the previous year, since FY2017. USD revenue, for FY22 stands at \$ 81.9 million (+17.5%) compared to \$ 69.7 million FY21. The revenue growth was primarily on account of strong revenue rebound in Aerospace by 32.6%. Heavy Engineering grew by 28.2% and Automotive & Industrial products grew by 46.3%.

With respect to profitability, EBITDA for the year was at ₹ 797 million at 12.9%; The Profit after Tax was at ₹ 227 million as compared to loss of ₹ (212) million in FY21.

## 8. FINANCIAL RATIOS

Sl. No	Ratio description	March 31, 2022	March 31, 2021	Variance	Explanation
1	Debtors turnover (in days)	87	90	-3%	
2	Inventory turnover (in days)	161	86	87%	Note (i)
3	Interest coverage ratio	5.06	3.49	45%	Note (ii)
4	Current ratio	0.99	1.07	-7%	
5	Debt equity ratio	0.21	0.34	-38%	Note (iii)
6	Operating margin (%)	13%	15%	-14%	
7	Net profit margin (%)	4%	-2%	NA	Note (iv)
8	Return on net worth (%)	7%	-7%	NA	Note (v)

Note (i) Inventory turnover has increased to 161 days from 86 days, due to buildup of long lead time inventory for orders to executed in forthcoming quarters

Note (ii) Interest coverage ratios has increased due to repayment of borrowings during the year.

Note (iii) Debt equity ratio stands improved at 0.21 as compared to 0.34, due to repayment of borrowings during the year.

Note (iv) Net profit margin is at 4% compared to (-2%) in the previous year, due to reduction in impairment loss.

Note (v) Return on net worth is at 7% as compared to (-7%) in the previous year due to reduction in impairment loss.

## 9. KEY RISKS

Based on its nature of business, the company is exposed to specific set of risks, which have been proactively identified and the detailed risk management plan has been developed. The management team of AXISCADES is committed to effectively manage and mitigate the risk to achieve the goal and create value for shareholders.

After the assessment and estimation of these risks, they have been separated into transactional, strategic and external categories to develop an appropriate management and mitigation approach. Typically, transactional risks are managed through well-defined processes and internal controls. On the other hand, strategic and external risks need to be mitigated with approaches that involve enhancements to and through business strategy, operations and financial management, and human resource initiatives

Key Risks	Risk Description	Mitigation Strategy
Technology changes	The fast pace of change in the industry, disruptive technologies, evolving customer needs in changing the operating environment, etc. may lead to a mismatch in terms of the solutions needed by the customers and those offered by AXISCADES, which causes slippage in performance.	<ul style="list-style-type: none"> <li>Continued interaction by Dedicated client relationship teams that can develop a significantly better understanding of client's needs and operating environment.</li> <li>Focus on innovation and development of solutions               <ul style="list-style-type: none"> <li>Market research to keep abreast of emerging client needs and new technologies that can affect client's, and Company's, operating environment by reducing costs or increasing productivity or fundamentally disrupting business models.</li> <li>Partnerships with technology partners, internal R&amp;D, institutionalised knowledge building and skill development to develop capabilities in line with technological changes and strengthen the value proposition to keep ahead of the competition.</li> </ul> </li> </ul>
Cyber security risk	In today's world cyber security risk could lead to cyber attack on business. This could lead to loss of data and reputation	<ul style="list-style-type: none"> <li>Strict enforcement of a comprehensive IT Security Management framework covering systems, processes, manpower and overall infrastructure</li> <li>Campaign on Cyber Security awareness for all employees</li> <li>Regular audit and reviews of security management</li> </ul>



Key Risks	Risk Description	Mitigation Strategy
Currency risk	Company earns major part of its revenue in foreign currency. Fluctuation in currency may adversely impact result of operation.	<ul style="list-style-type: none"> <li>• Apart from the natural hedges through costs and liabilities in the currencies which AXISCADES has exposure to, the FOREX valuation risk can be managed and mitigated through: <ul style="list-style-type: none"> <li>– Diversification in regional markets by increasing the exposure to a wider basket of currencies.</li> <li>– Development of a risk management policy that involves proactive hedging of incremental exposures through available financial instruments.</li> </ul> </li> </ul>
Human resource risk	Increase in attrition rate	<ul style="list-style-type: none"> <li>• Employee engagement, health &amp; wellbeing and motivation.</li> </ul>
Competition risk	Competition from other players may impact the business performance of the company	<ul style="list-style-type: none"> <li>• Expanding our offerings in newer space to provide end to end services to our clients. The Company is also focusing on vertical diversification and customer diversification to mitigate revenue concentration from limited customers and verticals.</li> </ul>
Compliance risk	Changes in laws, regulations, policies and other Governmental actions could affect the Company's operation periodically. These laws, regulations and policies include those affecting environmental matters, employee welfare, safety, wastage emissions etc.	<ul style="list-style-type: none"> <li>• The company has a statutory compliance mechanism to ensure compliance of all laws and regulations applicable to it, which are certified by functional heads. This is periodically audited by internal auditors and secretarial auditors for coverage and compliance. The company also conducts yearly health checks on selected areas of statutory compliances to ensure that the company has a robust compliance process.</li> </ul>

# BOARD'S REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report on the business and operations of the Company, along with the audited financial statements for the financial year ended March 31, 2022. The Consolidated performance of the Company and its subsidiaries has been referred to, wherever required.

## 1. FINANCIAL RESULTS

Particulars	(₹ lakhs)			
	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Total income	18,402.64	13,516.58	61,940.02	53,830.73
Total expenditure (before interest & depreciation)	16,675.14	12,583.93	53,966.99	45,984.65
Earnings before interest, depreciation, amortization and extra-ordinary items	1,727.50	932.65	7,973.03	7,846.08
Interest & finance charges	1,171.56	1,500.77	1,575.41	2,250.40
Depreciation & amortization	950.96	1,202.59	2,506.06	2,598.58
Earnings/before Tax and Exceptional Items	(395.02)	(1,770.71)	3,891.56	2,997.10
Share in net profit/(Loss) of associate	-	-	(45.82)	44.76
Exceptional item	750.42	(4,645.10)	(169.34)	(4,079.80)
Profit/(Loss) before Tax (PBT)	355.40	(6,415.81)	3,676.40	(1,037.94)
Provision for Tax – Current & Deferred	47.52	(91.00)	1,408.49	1,082.61
Net Profit/(Loss) after Tax (PAT)	307.88	(6,324.81)	2,267.91	(2,120.55)
Minority Interest	-	-	44.59	45.84
Profit/(loss) for the period (attributable to owners)	307.88	(6,324.81)	2,223.32	(2,166.39)
EPS				
Basic	0.81	(16.75)	5.86	(5.74)
Diluted	0.80	(16.75)	5.76	(5.74)

### PERFORMANCE REVIEW

During the financial year 2021-22, the Company achieved 17.6% growth in overall revenue. Its key verticals, namely, Aerospace and Heavy Engineering grew by 32.6% and 28.2% respectively. The Engineering services revenue has grown by 23.2% Y-o-Y and the Strategic Technologies vertical remained flat, mainly due to disruption in supply chain due to Covid. The Company is expected to show positive momentum in the coming quarters, with expected conversions in defence contracts in FY23. The Company continues to execute on its three pillars of business transformation, namely, digital first, vertical diversification and customer diversification.

### FINANCIAL HIGHLIGHTS – STANDALONE

Total Income increased by 36.15% in 2021-22 to ₹ 18,402.64 lakhs. EBIDTA increased by 85.22% to ₹ 1,727.5 lakhs and Loss before tax and exceptional items is ₹ 395.02 lakhs in 2021-22. Net profit after tax stood at ₹ 307.88 lakhs in 2021-22.

### FINANCIAL HIGHLIGHTS – CONSOLIDATED

Total Income increased by 15.06% to ₹ 61,940.02 lakhs in 2021-22. EBIDTA increased by 1.62 % to ₹ 7,973.03 lakhs in 2021-22. Profit before tax and exceptional items increased from ₹ 3,041.86 lakhs to ₹ 3,845.74 lakhs in 2021-22. Net Profit/(loss) after tax, before minority interest, increased by 206.95 % to ₹ 2,267.91 lakhs in 2021-22.

### RESERVES

The Company has not transferred any amount to its general reserves for the Financial Year ended March 31, 2022.

### DIVIDEND

Considering need for conservation of funds for catering to the growth plans of the Company, your Directors consider it expedient to pass over dividend for 2021-22.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in the Annual Report and furnished as Annexure-1.

### PUBLIC DEPOSITS

The Company has not accepted/renewed any public deposits and as such no amount on account of principal or interest on public deposits under Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014 was outstanding as on the date of the Balance Sheet.

### ISSUE AND LISTING OF SHARES

The Company's shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Stock performance and stock data of the Company are furnished in the section on Corporate Governance.

During the financial year 2021-22, the Company has allotted 1,54,500 equity shares under ESOP Plan which were listed on NSE and BSE vide letter NSE/LIST/2022/29922 and LOD/ESOP/TP/No.78/2021-2022.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 are furnished in the prescribed form AOC-2 as Annexure I to this Report. All transactions with the related parties during the financial year were in the ordinary course of business. The transactions have been approved by the Audit Committee, the Board and the Shareholders, wherever required. Your attention is drawn to the Notes to the financial statements, in this respect.

The Company has not entered into transactions with related parties, which are considered material in accordance with the policy of the Company on material related party transactions formulated as per the requirements of Listing Regulations. The Policy on materiality and dealing with related party transactions formulated and approved by the Board is posted on the website of the Company and is accessible at [www.axiscades.com](http://www.axiscades.com)

## MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company, which occurred between the financial year end and the date of this report, save and except for the following:

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 is situated in the state of Maharashtra, the scheme has also been filed by Explosoft on May 15, 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 demanded for discharge of purchase consideration of Phase II of SPA aggregating ₹ 7,213 lakhs as the scheme of merger has not yet been approved. The shareholders also demanded an interest of ₹ 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 was not tenable.

The Company has initiated arbitration proceedings against shareholders of 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, a detailed chapter on Management discussion and analysis highlighting the Company's strategy, business environment, operations, performance, risks and outlook is provided separately in this Annual Report.

## BUSINESS STRUCTURE

### SUBSIDIARIES

The Company has the following subsidiaries:

#### Overseas Subsidiaries

Sl. No	Name of the subsidiary	Location/Country	%age Shareholding
1	AXISCADES, Inc.	Peoria, Illinois USA	100%
2	AXISCADES UK Ltd.	Leicestershire, UK	100% shares held by AXISCADES Inc.
3	AXISCADES Technology Canada Inc.	Montreal, Quebec, Canada	100%
4	Axis Mechanical Engineering Design (Wuxi) Co Ltd.	Wuxi City, China	100%
5.	AXISCADES GmbH	Germany	100%
6.	Mistral Solutions Inc.	USA	100% shares held by Mistral Solutions Pvt. Ltd.
7.	Mistral Solutions PTE Ltd.	Singapore	100% shares held by Mistral Solutions Pvt. Ltd.



**Indian Subsidiaries**

Sl. No	Name of the subsidiary	Location/Country	%age Shareholding
1	Cades Studec Technologies (India) Pvt. Ltd. (CSTI)	Bengaluru, India	76%
2	AXISCADES Aerospace & Technologies Pvt. Ltd. (ACAT)	Bengaluru, India	100%
3	AXISCADES Aerospace Infrastructure Pvt. Ltd. (AAIPL)	Bengaluru, India	100 % shares are held by ACAT
4	Enertec Controls Limited (ECL)	Bengaluru, India	51.84 % is held by ACAT and 48.16% by AAIPL
5.	Mistral Solutions Pvt. Ltd.	Bengaluru, India	42.91% (read together with note 5 of the Standalone Financial Statement)
6.	Aero Electronics Pvt. Ltd.	Bengaluru, India	100% shares held by Mistral Solutions Pvt. Ltd.
7.	Mistral Technologies Pvt. Ltd.	New Delhi, India	100% shares held by Mistral Solutions Pvt. Ltd.

The Company has incorporated a Joint Venture Company in the name of ASSYSTEM AXISCADES Engineering Pvt. Ltd., on 31.08.2018, having its registered office in Hyderabad. The Company holds 50% stake in this Company and is an associate Company within the meaning of Section 2(6) of the Companies Act, 2013.

Owing to various geo political and business constraints, Assystem is not hopeful of acquiring any business of meaningful volumes in the near future and it has been decided by the Board of Directors in their meeting held on May 24, 2022 to close the JV Operations.

A report on the performance and financial position of each of the subsidiaries & Associate as per rule 8(1) of Companies (Accounts) Rules 2014 is furnished under the statement containing salient features of financial statements of subsidiaries & Associate in Form AOC-1 is attached to this Report as Annexure II, pursuant to Section 129(3) of Companies Act 2013.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the audited financial statements of subsidiaries have been placed on the Company's website at [www.axiscades.com](http://www.axiscades.com). The copies of these documents will be sent if requested by any shareholder of the Company/ subsidiary interested in obtaining the

same. These documents will also be made available for inspection at the Registered Office of the Company during business hours on working days.

**CONSOLIDATED FINANCIAL STATEMENTS**

Pursuant to the provisions of Section 129(3) of Companies Act 2013 read with Indian Accounting Standards (IND AS) 21, 23 and 27, the audited Consolidated Financial Statements are furnished in the Annual Report.

**2. ORGANIZATION DEVELOPMENT****BOARD OF DIRECTORS****Retirements and Reappointments**

In the ensuing Annual General Meeting, Mr. Sudhakar Gande, Non-Executive Director and Mr. Harold David Walker, Non-Executive Director retire by rotation, and being eligible, offer themselves for re-appointment

Based on performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Board recommends their reappointment at the ensuing Annual General Meeting. Mr. Arun Krishnamurthi was appointed as CEO & Managing Director (Additional Director) w.e.f. November 22, 2021. Mr. David Abikzir & Mr. Abhishek Kumar were appointed as Non-Executive, Non-Independent Directors (Additional Directors) w.e.f. March 22, 2022.

**Induction and cessation of Directors and KMP**

Sl. No	Name of the Director/KMP	Category	Appointment / Reappointment / Cessation	Date
1	Mr. Srinivas A	Chief Financial Officer	Cessation	31-07-2021
2	Ms. Shweta Agarwal	Company Secretary & Compliance Officer	Cessation	31-10-2021
3	Mr. Sharadhi Chandra Babu Pampapathy	Non-Executive, Non-Independent	Re-designation	22-11-2021
4	Mr. Arun Krishnamurthi	CEO & Managing Director (Additional Director)	Appointment	22-11-2021
5	Mr. Shashidhar SK	Chief Financial Officer	Appointment	03-01-2022
6	Mr. David Abikzir	Non-Executive, Non-Independent (Additional Director)	Appointment	22-03-2022
7	Mr. Abhishek Kumar	Non-Executive, Non-Independent (Additional Director)	Appointment	22-03-2022
8	Ms. Sonal Dudani	Company Secretary & Compliance Officer	Appointment	22-03-2022

## HUMAN RESOURCES DEVELOPMENT

In our constant quest to be a customer focused, performance driven and future ready organization, the Company is committed to build an environment, where employees are inspired to deliver and achieve excellence. The Human Resource Policy of the Company is focused on attracting, building and retaining the best talent. Towards this, the Company continues to explore and implement best practices in Hire to Retire Cycle, the Company's particular focus is on training and development of its Employees, to develop their skills, grow in their career and be future ready. Needless to say, the Company is committed to provide a safe and healthy work environment to all its employees.

The Company has 2,300 Employees on a consolidated basis as of March 31, 2022.

## EMPLOYEE BENEFIT SCHEME

The Company has ESOP Scheme - AXISCADES ESOP 2018- Series 1 and AXISCADES ESOP 2018- Series 2 which are in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and are effective from April 1, 2018.

Further the pool of ESOPs was increased by 26,43,167 by way of variation in the terms of existing ESOP schemes series (clause 14.1 & 14.3), which became effective on receiving shareholders' approval in the Annual General Meeting held on September 28, 2021.

The applicable disclosures in compliance with Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Rule 12 of companies (Share Capital and Debentures) Rules, 2014 are set out and enclosed as Annexure III and the Report of Independent Auditor on AXISCADES ESOP 2018- SERIES 1 & 2 is enclosed as Annexure IV.

## PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as Annexure V to this Report.

The statement of particulars of employees pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is attached as Annexure VI to this Report.

## 3. CORPORATE GOVERNANCE

The report on Corporate Governance as required under Schedule V of the SEBI (LODR) Regulations 2015 is attached and forms part of the Annual Report. A certificate from the Auditors of the Company as regards of compliance of conditions of corporate governance is also appended to the report.

### MEETINGS OF THE BOARD

The Board of Directors met seven times during the financial year. The dates, attendance and other particulars of the meetings are furnished in the Report on Corporate Governance attached to this Report. The intervening gap between any two meetings was within the limit prescribed by the provisions of Companies Act, 2013.

### COMMITTEES OF THE BOARD

The Audit Committee consists of 3 members namely, Mr. Desh Raj Dogra, Mr. Dhiraj Mathur, Independent Directors and Mr. David

Bradley, Non-Executive Director. The Chairman of the Audit Committee is an Independent Director.

All the recommendations made by the Audit Committee during the year have been accepted by the Board.

The Company has also constituted Nomination and Remuneration Committee, Stakeholders Relationship Committee as required under the provisions of Companies Act 2013 and also as required under Listing Regulations and the composition, scope of their functions, responsibilities etc. are given in the Corporate Governance Section, which forms part of this Report.

## DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received declarations from all Independent Directors under Section 149(7) of the Companies Act, 2013 (read together with Companies Amendment Act, 2017, to the effect that they meet the criteria of independence as laid down in section 149(6) of the Companies Act, 2013 read together with any amendment thereto and that their names have been included in the databank of Independent Directors and are compliant with the prescribed regulations. The terms and conditions of appointment of Independent Directors are placed on the website of the Company at [www.axiscades.com](http://www.axiscades.com)

## PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS

The Board of Directors have carried out an annual evaluation of its own performance, Board Committees and individual directors pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The performance of the Board and its committees were evaluated by the Board / committee after seeking inputs from all the directors/ members on the basis of the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate Governance Report section of the Annual Report.

## VIGIL MECHANISM

The Vigil Mechanism of the Company which also incorporates the Whistle blower policy provides a formal mechanism to all Directors and employees to approach the Chairman of the Audit Committee and make protective disclosures about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Whistle Blower Policy is an extension of the Company Code of Conduct, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he is aware of, that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. No personnel of the Company were denied access to the Chairman of the Audit Committee. The Whistle blower policy which also describes the mechanism may be accessed on the Company's website at [www.axiscades.com](http://www.axiscades.com).

## POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and the policy on remuneration of directors, key managerial personnel and other employees formulated pursuant to Section 134(3)(e) and 178(3) of the Companies Act, 2013 are furnished in Annexure VII.

**RISK MANAGEMENT POLICY**

The Company has formulated and implemented a Risk Management Policy which focuses on identification of various elements of risks, if any, which in the opinion of the Board, may threaten the existence of the Company.

The Company has a risk identification and management framework appropriate to its size and the environment under which it operates. The risk management process involves identification and periodic assessment of potential risks and their impact on the operations, profitability, growth and continuity of the business and focuses on risk elements pertaining to competitive position in the key market segments, business environment, statutory and regulatory changes, global economy and business scenario, Currency exchange rate fluctuations, resource constraints etc. and initiating timely preventive as well as remedial actions.

Reporting and control mechanisms ensure timely information availability and facilitates proactive risk management. These mechanisms are designed to cascade down to the level of line managers so that risk at the transaction level is identified and steps are taken towards mitigation in a decentralized fashion.

Risks are being continuously monitored in relation to business strategy, operations and transactions, statutory/legal compliance, financial reporting, information technology system etc. based on the inputs from both external and internal sources like key incidents, Internal audit findings etc.

The Board of Directors is responsible for monitoring risk levels on various parameters and the senior management group ensures implementation of mitigation measures, if required. The audit committee provides the overall direction on the risk management policies.

**PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

In order to prevent sexual harassment of women at work place your Company has adopted a Policy for prevention of Sexual Harassment of Women at Workplace and has proper mechanism to control the same, which is commensurate with the nature and size of the business of the Company. During the financial year 2021-22, no complaints have been received. The Company has an Internal Complaints Committee in compliance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**4. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) read with Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- a. in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures; if any
- b. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**5. AUDITORS AND AUDITORS' REPORT  
STATUTORY AUDITORS**

M/s S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), were appointed as Auditors of the Company by the shareholders at the AGM held on August 24, 2017 to hold office until the conclusion of the 32<sup>nd</sup> AGM of the Company. The term of office of S.R. Batliboi & Associates LLP, as Statutory Auditors of the Company will conclude from the close of the forthcoming AGM of the Company. The Board of Directors of the Company, based on the recommendation of the audit committee, at its meeting held on May 24, 2022, reappointed S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) as the Statutory Auditor of the Company to hold office for a second term of five consecutive years from the conclusion of the 32<sup>nd</sup> AGM till the conclusion of the 37<sup>th</sup> AGM to be held in the year 2027, which will be placed for the approval of the shareholders at the ensuing AGM.

The Auditors' Report does not contain any qualification, reservations or adverse remarks. The Auditors' Report is enclosed with the financial statements in this Annual Report.

**SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Anant B. Khamankar & Co., Company Secretaries, to undertake Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Audit Report of the Company and its material subsidiaries for the FY22 are attached as Annexure VIII forms part of this report. Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government**

The Statutory Auditors and the Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

**SIGNIFICANT ORDERS BY REGULATORS/COURTS/TRIBUNALS**

There are no significant and material orders passed by the regulators or courts which would impact the going concern status of the Company and its future operations.



## ANNUAL RETURN

The Annual Return of your Company as on March 31, 2022, prepared pursuant to Section 92 of the Companies Act 2013 and the Rules made thereunder, in Form MGT-7 is available on the website of the Company at [www.axiscades.com](http://www.axiscades.com) at the link [https://www.axiscades.com/investors\\_data/annual\\_report/Annual%20Report%20-%20FY%2022.pdf](https://www.axiscades.com/investors_data/annual_report/Annual%20Report%20-%20FY%2022.pdf).

## INTERNAL FINANCIAL CONTROLS

Your Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has dissolved its Corporate Social Responsibility Committee in its Board Meeting held on June 11, 2021 pursuant to the amendment in CSR Rules and Section 135 of the Companies Act, 2013. The policy has been posted and is accessible on the Company's website at [www.axiscades.com](http://www.axiscades.com).

The salient features of which are as under:

- CSR activities are based on three broad indicators of development namely Human Capital, Social Capital, Economic Capital
- We recognize the need to work in partnership with other players as well.
- The Board is responsible to formulate and recommending changes to the policy indicating the activities to be undertaken including Monitoring and reviewing CSR activities
- Transparent Monitoring

The annual report on CSR activities is furnished in Annexure IX to this Report.

## 6. CONSERVATION OF ENERGY, FOREIGN EXCHANGE EARNINGS ETC

The particulars pursuant to Rule 8(3) of Companies (Accounts) Rules 2014, are given below:

### Conservation of Energy

Being an Information Technology Company, the Company's operations are not energy intensive. However, adequate measures

have been taken to conserve energy by introducing improved operational methods. The Company in its initiative to be ISO14001 – Environmental Management System compliant, is adhering to the provisions of E-Waste (Management and Handling) Rules 2011 and Batteries (Management and Handling) Rules 2011, by efficiently managing the AC installations, replacing PC's by VPC and recycling of paper etc.

## Foreign Exchange Earnings and Outgo (Standalone)

	2021-22	2020-21
Foreign Exchange Earnings (actual inflows)	14,449.07	14,684.48
Foreign Exchange Outgo (actual outflows)	5,698.35	6,605.11

(₹ lakhs)

## Technology Absorption

The Company does not have any imported technology. Since the requirements of the technology business are changing constantly, your Company has sought to focus on critical in-house technologies and processes, which are likely to create value in the foreseeable future.

## 7. FUTURISTIC STATEMENTS

Certain statements made in this section or elsewhere in this report may be futuristic in nature. Such statements represent the intentions of the Management and the efforts being put in by them to realize certain goals. The success in realizing these goals depends on various factors both internal and external. Therefore, the investors are requested to make their own judgment by taking into account all relevant factors before making any investment decision.

## 8. GREEN INITIATIVES

With reference to the MCA circular dated May 05, 2022 read with and SEBI circular dated May 13, 2022, this year the Company is dispensed with the printing and dispatch of Annual Reports to the Shareholders due to Covid-19 pandemic. Electronic copies of the Annual Report are sent to all the members whose email address are so registered.

## ACKNOWLEDGEMENTS

Your Directors deeply appreciate and acknowledge the co-operation and support extended by Clients, Vendors, Investors and Bankers, various government agencies & regulatory bodies across the globe, the Software Technology Park, Noida, Hyderabad & Bangalore and other industry forums and agencies like NASSCOM and look forward to their continued support in the future. Your Directors wish to place on record their appreciation of the valuable contribution made by the employees of the Company at all levels.

For and on behalf of the Board

Place: Bengaluru  
Date: 24.05.2022

Sd/-  
**Arun Krishnamurthi**  
Chief Executive Officer & Managing Director

Sd/-  
**Sudhakar Gande**  
Director



Sl. No.	Particulars	Details				
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any Value of transactions during the year. (₹)	Invoices to be raised each month within 10 business days from the end of each month, payable within 15 days of receipt of money from the customer.	Invoices to be raised each month within 10 business days from the end of each month, payable within 15 days of receipt of money from the customer and for making payment it is within 60 days	Invoices to be raised each month, payable within 30 days	Invoices to be raised each month within 10 business days from the end of each month payable within 60 days of receipt of money from the customer	Interest 9% p.a.
5	1. Revenue from operations	222092946.14	39535773.8	112981096.48	12013510.17	5364936.00
	2. Expenses incurred on behalf of	2654790.06	319757	1277442.47	-	-
	3. Software subscription charges incurred by	6271140.99	-	-	-	-
	4. Salaries, wages and bonus incurred on behalf of	26443000.00	-	7479000.00	4710000.00	-
	5. Salaries, wages and bonus recovered / staff welfare expense incurred by	-	6116518.2	-	-	-
	6. Services received from	-	-	442485.00	-	576512.00
	7. Software and Legal expenses charged to	6097237	-	1109214	-	-
	8. Interest Expenses	-	-	-	-	1750000
	9. Reimbursement of rental income	-	-	-	-	4552516
	10. Corporate guarantee fee charged by	-	-	-	-	2000000
	11. Corporate guarantee provided to	-	-	485000000	-	-
	12. Corporate guarantee received from	-	-	-	-	400000000
(e)	Date of approval by the Board/Audit Committee (in respect of contract of sale of services)	The transactions were in the ordinary course of business and on arm's length basis. All the sale & purchase transactions are approved by the Audit Committee and Board wherever required.				
(f)	Amount paid as advances, if any	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board

Sd/-

Arun Krishnamurthi

Chief Executive Officer &amp; Managing Director

Sd/-

Sudhakar Gande

Director

Sd/-

Shashidhar SK

Chief Financial Officer

Date: 24.05.2022

Place: Bengaluru



## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES (Pursuant to first proviso to Sub Section (3) of Section 129 of the Companies Act 2013, read with Rule 5 of the Companies (Accounts) Rules 2014 (AOC -1)

## Part A Subsidiaries

Particulars	Name of the subsidiary													
	AXISCADES Inc. (USA)	AXISCADES UK Ltd. (UK)	Axis Mechanical Engineering Design (Wuxi) Co. Ltd. (China)	AXISCADES Technology Canada Inc. (Canada)	AXISCADES GmbH (Germany)	CADES STUDEC TECHNOLOGIES (INDIA) Private Limited	AXISCADES Aerospace & Technologies Private Limited (India) (ACAT)	AXISCADES Aerospace Infrastructure Private Limited (India)	Enertec Controls Limited (India)	Mistral Solutions Pvt Ltd.	Aero Electronics Pvt Ltd.	Mistral Technologies Pvt Ltd.	Mistral Solutions Inc.	
Financial period ended	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	
Date of acquisition of Control	2004	2004	07-Dec-12	24-Mar-14	12-Jul-16	24-Mar-14	05-Dec-16	05-Dec-16	05-Dec-16	01-Dec-17	01-Dec-17	01-Dec-17	01-Dec-17	
Reporting currency and Exchange rate	USD	GBP	RMB	CAD	EUR	INR	INR	INR	INR	INR	INR	INR	USD	
2.1 Reporting Currency	75.7995	99.4585	11.9466	60.5942	84.1401	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	75.7995	
2.2 Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries (closing rate)	74.5147	101.8110	11.6117	59.4495	86.5879	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	74.5147	
2.3 Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries (Average rate)	22,47,227	5,75,476	4,50,476	100	25,000	62,50,000	16,83,85,000	4,17,25,000	1,36,59,000	1,92,16,850	1,00,000	1,00,000	6,43,600	
Reserves & surplus	9,10,598	-86,684	-13,88,305	52,14,066	27,724	21,84,38,000	1,16,73,72,000	73,46,90,000	34,11,88,000	1,37,91,16,497	-17,91,000	7,65,61,000	4,24,603	
Total assets	57,60,786	11,22,236	12,15,363	63,15,279	1,21,266	29,28,98,000	2,04,45,20,000	82,69,49,000	41,08,92,000	2,17,48,88,661	4,10,40,000	8,20,10,000	16,90,898	
Total Liabilities*	31,57,825	4,88,792	-9,37,829	52,14,166	52,724	22,46,88,000	1,33,57,57,000	77,64,15,000	35,48,47,000	1,39,83,33,347	-16,91,000	7,66,61,000	10,68,203	
Investments	5,18,100	-	-	-	-	7,16,90,000	1,06,34,78,000	12,03,00,000	-	13,23,03,000	-	-	-	
Turnover	1,70,76,519	27,90,775	10,91,709	63,45,527	1,47,324	17,05,18,000	56,72,17,000	-	-	1,87,37,27,711	-	1,46,60,000	31,58,914	
Profit before taxation	6,44,529	1,77,540	30,340	2,02,800	-9,009	2,49,43,000	2,88,68,000	-42,22,000	8,83,000	33,03,26,258	-1,72,000	49,94,000	1,50,922	
Provision for taxation	2,17,411	31,054	-	1,22,994	-	63,70,000	1,43,31,000	-	-	8,45,56,422	-	11,43,000	34,994	
Profit after taxation	4,27,118	1,46,486	30,340	79,806	-9,009	1,85,73,000	1,45,37,000	-42,22,000	8,83,000	24,57,69,836	-1,72,000	38,51,000	1,15,928	
Proposed Dividend														
% of shareholding	100%	100%	100%	100%	100%	76%	100%	100%	51.84 % Subsidiary of ACAT and 48.16% Subsidiary of AAIPL	100%	100%	100%	100%	

\* Total liabilities includes Share capital and Reserves & Surplus.

**Subsidiary's performance and financial position:**

- AXISCADES Inc: The revenue decreased by 1.24 % as compared to last year due to reduction in billing, the profits have decreased due to increase in Marketing, outsourcing & legal expenses.
- AXISCADES UK Limited: The revenue increased by 81.37% due to ramp up in existing customers and addition of new customers, the profits increased by 43% in line with revenue.
- AXISCADES Technology Canada Inc: The revenue increased by 2.42 % as compared to previous year due to new projects with existing customers and addition of new customers. The profit has increased due to increase in revenue and decrease in forex loss during FY22.
- CADES STUDEC TECHNOLOGIES (INDIA) Private Limited: The Revenue has decreased by 6.74%.
- Axis China: The revenue for the year has increased by 105.20%, during the current year the company has achieved profit of RMB 30,340 compared to a loss of RMB 2,67,937 in previous year.
- AXISCADES GmbH: The revenue has decreased by 29.66% compared to last year thereby reported a net loss.
- AXISCADES Aerospace & Technologies Private Limited: The Operating revenue has decreased by 31.65% during the year thereby the resultant profit has decreased.
- AXISCADES Aerospace Infrastructure Private Limited: It is an investment company, Hence no revenue.
- Enertec Controls Limited: This is an investment company earning rental income. The net profit after tax for the year was 8.83 lakhs as against 40.22 lakhs in the previous year.
- Mistral Solutions Private Limited: The revenue for the year has increased by 36.08% compared to previous year majorly due to higher revenue from existing customers.
- Aero Electronics Private Limited: This is a 100% subsidiary of Mistral Solutions Private Limited and there is no revenue for the period.
- Mistral Technologies Private Limited: This is a 100% subsidiary of Mistral Solutions Private Limited and revenue for the period is ₹ 1.47 crores.
- Mistral Solutions Inc: This is a 100% subsidiary of Mistral Solutions Private Limited and revenue for the year decreased to USD 31.58 lakhs. The revenue for the previous year USD 35.39 lakhs.
- Mistral Solutions Pte Ltd is a company incorporated in Singapore and is a wholly owned subsidiary of Mistral Solutions Private Limited. It was a dormant company and dissolved during the year.

**Part B Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

<b>Name of Associates or Joint Ventures</b>	<b>ASSYSTEM AXISCADES ENGINEERING PRIVATE LIMITED</b>
1. Latest audited Balance Sheet Date	March 31, 2022
2. Date on which the Associate or Joint Venture was associated or acquired	August 31, 2018
3. Shares of Associate or Joint Ventures held by the company on the year end	
Number (No.)	4,54,999
Amount of Investment in Associates or Joint Venture	227.50 lakhs
Extent of Holding (in percentage)	50%
4. Description of how there is significant Influence	The Company has 2 directors out of total 5 directors on the Board. The Company has the right to veto certain decisions.
5. Reason why the associate/ joint venture is not consolidated	The operational control is with the other equity partner in the company
6. Net worth attributable to shareholding as per latest audited Balance Sheet (Audited)	₹ 187.41 lakhs
7. Profit /(Loss) for the year (Audited)	(₹ 91.64 lakhs)
i. Considered in Consolidation	(₹ 45.82 lakhs)
ii. Not Considered in Consolidation	(₹ 45.82 lakhs)

1. Names of associates or joint ventures which are yet to commence operations: None

2. Names of associates or joint ventures which have been liquidated or sold during the year: None

For and on behalf of the Board

Sd/-  
**Arun Krishnamurthi**  
Chief Executive Officer & Managing Director

Sd/-  
**Sudhakar Gande**  
Director

Date: 24.05.2022  
Place: Bengaluru

Sd/-  
**Shashidhar SK**  
Chief Financial Officer

Sd/-  
**Sonal Dudani**  
Company Secretary

## Annexure - III

### DISCLOSURE UNDER SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

The applicable disclosures in compliance with Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 are set out below:

Particulars	AXISCADES ESOP 2018 -Series 1	AXISCADES ESOP 2018 -Series 2
a) Date of shareholders' approval	March 31, 2018 & September 28, 2021	
b) Total number of options approved under ESOS	15,10,381	41,53,548
c) Vesting requirements	Not less than 1 year from date of grant and maximum period in which the options shall be vested shall be within five years from the date of grant.	Not less than 1 year from date of grant and maximum period in which the options shall be vested shall be within four years from the date of grant.
d) Exercise price or pricing formula	The exercise price shall be decided by the Board or the Compensation Committee in line with Securities and Exchange Board of India SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and any other applicable guidelines.	
e) Maximum term of options granted	Exercise period would be eight years from the date of grant of options	
f) Source of shares (primary, secondary or combination)	Primary	
g) Variation in terms of options	None	The pool of ESOPs increased by 26,43,167 equity shares by way of variations in the terms of existing ESOP Scheme series- 2 (clause 14.1 & 14.3), which became effective on receiving shareholders' approval in the Annual General Meeting held on September 28, 2021

#### Option movement during the year

Particulars	Details
Date of Grant	22.03.2022
Total number of Options approved and granted	26,43,167
Exercise price per option	15% discount on 90-day average closing price on NSE as on 21.03.2022 (day prior to the NRC Meeting)
Maximum term of Options Granted	8 Years from grant date
Source of Shares	Primary
Options vested/Vesting Schedule	2/3 <sup>rd</sup> of the options to vest on or after March 22, 2024 subject to meeting the performance criteria as specified by NRC. 1/3 <sup>rd</sup> of the options to vest on or after March 22, 2025 subject to meeting the performance criteria as specified by NRC.
Number of options outstanding at the beginning of the period	30,20,762
Number of options granted during the year	26,43,167
Number of options forfeited / lapsed during the year	7,74,070
Number of options vested during the year	4,38,650
Number of options exercised during the year	1,54,500
Number of shares arising as a result of exercise of options	1,54,500
Money realized by exercise of options (₹), if scheme is implemented directly by the company	81,56,925
Loan repaid by the Trust during the year from exercise price received	NA
Number of options outstanding at the end of the year	52,99,674
Number of options exercisable at the end of the year	13,87,369



**Employee wise details of options granted to**

Senior Managerial Personnel (KMP)	Grant of 26,43,167 ESOPs under AXISCADES ESOP Series 2			
Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year	Nil			
Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the Company at the time of grant	<b>Name</b>	<b>Designation</b>	<b>No. of Options granted during the year</b>	<b>Exercise price</b>
	Mr. Arun Krishnamurthi	CEO & MD	1,510,381	15% discount on 90-day average closing price on NSE as on 21.03.2022
	Mr. Shashidhar SK	CFO	1,132,786	(day prior to the NRC Meeting).

**Description of method and significant assumptions used to estimate the fair value of options granted during the year**

154,500 options have been exercised during the financial year 2021-2022. However, the fair value of above options has been estimated using Black-Scholes Option pricing model.

For and on behalf of the Board

Place: Bengaluru  
Date: 24.05.2022

Sd/-  
**Arun Krishnamurthi**  
Chief Executive Officer & Managing Director

Sd/-  
**Sudhakar Gande**  
Director

# Annexure - IV

## CERTIFICATE

[Pursuant to Regulation 13 of the Securities and Exchange Board of India  
(Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To,  
The Board of Directors  
**AXISCADES TECHNOLOGIES LIMITED**  
Block C Second Floor Kirloskar Business Park  
Bengaluru 560024.

We have examined the relevant records maintained by **AXISCADES TECHNOLOGIES LIMITED** ("Company") in the usual course of its business for the limited purpose of certifying that the AXISCADES ESOP 2018 - Series 1 & 2 (hereinafter referred as the "Schemes") of the Company approved by the Shareholders pursuant to special resolution dated March 31, 2018 and subsequently modified by the Shareholders pursuant to special resolution dated September 28, 2021 ("Schemes") have been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "**SEBI SBEBSE Regulations**") and are also in accordance with the resolutions passed by the Company in general meeting in this regard.

We understand that this report is required to be placed by the Company at its Thirty Second Annual General Meeting, to be held for the financial year 2021-22, in accordance with the requirements of Regulation 13 of the SEBI (SBEBSE) Regulations, 2021 in respect of the **Schemes** as stated above.

### Management Responsibility

It is the responsibility of the management of the Company to implement the schemes including designing, maintaining records and devising proper systems and effective internal controls to ensure compliance with the provisions of all applicable laws and regulations.

### Certification

In our opinion and to the best of our knowledge and according to the verifications as considered necessary and explanations furnished to us by the Company and its Officers, we certify that the AXISCADES ESOP 2018 - Series 1 & 2 have been implemented in accordance with the applicable provisions of the SEBI (SBEBSE) Regulations, 2021.

For Anant B Khamankar & Co.

**Anant Khamankar**

FCS No. - 3198

CP No. – 1860

UDIN: F003198D000380300

Place: Mumbai  
Date: May 24, 2022

## Annexure - V

### DETAILS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULES 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Rate	Particulars		
(i)	The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year	a.	Sharadhi Chandra Babu Pampapathy 40.55
		b.	Arun Krishnamurthi 24.57
		c.	Shashidhar S K 6.54
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the Financial Year	a.	Sharadhi Chandra Babu Pampapathy 44%
		b.	Arun Krishnamurthi Nil
		c.	Shashidhar S K Nil
		d.	Shweta Agrawal 8%
		e.	Anumanchipalli Srinivas Nil
(iii)	The percentage increase in the median remuneration of employees in the financial year.		-5.08%
(iv)	The number of permanent employees on the rolls of the company		1,223
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.		24.66% (excluding managerial personnel) 26.60% (including managerial personnel) This is based on Remuneration Policy of the Company that rewards people based on their contribution to the success of the company and to ensure that the salaries are competitive to the peers in each geography that we operate in.
(xii)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.		

Note: Remuneration excludes the value of perquisites.

For and on behalf of the Board

Date: 24.05.2022  
Place: Bengaluru

**Arun Krishnamurthi**  
CEO & Managing Director

**Sudhakar Gande**  
Director



## Annexure VI

### STATEMENT SHOWING THE DETAILS OF EMPLOYEES OF THE COMPANY AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

Details of Top 10 employees in terms of remuneration drawn and Employed throughout the financial year including those with an aggregate remuneration of ₹ 1 Crore Two Lakhs (1.02) and above-

Name of the Employee	Designation of the Employee	Remuneration received during the year	Qualification	Experience in years	Date of commencement of employment	Age	Last employment held by the employee
Sharadhi Chandra Babu Pampapathy	Chief Executive Officer & Executive Director	1,09,87,499	B. E. (E&C) P.G.D.B.A	28	21-01-2019	57	COO and Founder-Director, Adamya Technocrats Pvt Ltd
Sriram Jayakrishna	Vice President-Delivery	1,35,52,025	BE	28	09-04-2015	49	Tata Technologies Ltd. (Aero Engineering & Design-Program Management)
Sreedhar Ellentala	Senior Vice President	97,80,587	MBA (Marketing)	32	12-02-2009	58	HMRI (Head IT)
A. Srinivas	Chief Financial Officer	93,92,093	BE (Hons), MBA & CFA	26	07-06-2019	51	Avenue Capital Group
Jayakumar Sugumaran	Assistant Technical Manager	57,60,168	BE Mech	10	16-01-2006	43	-
Pierre Christop Rousseau	Lead Engineer	66,72,970	Master in design and structural calculation at the Toulouse (France) University	21	01-06-2012	48	Segula Industrie Hansa
Monsieur Sinnasse Canda	Vice President-Sales	1,39,74,072	MBA	35	01-10-2015	62	Bull – ATOS Technologies (Vice President)
Oliver Brotzki	General Manager	99,89,983	Graduated Mechanical Engineer	25	20-01-2012	53	3D Contech (Branch Manager)
Felix Danam	Project Manager	96,57,657	Diplomas Universitaire en Technologie. Genius Mécanique et Productique. MBA	4	02-05-2018	48	3D CONTECH, Hamburg
Sunil K	Senior Engineer	60,66,556	BE	18	13-01-2015	42	Novem Solution

Employed for part of the year with an average salary of 8.5 lac per month and above- NIL

#### Notes:

1. Nature of employment: All the above are in regular employment of the Company.
2. Remuneration includes company's contribution to P.F., variable pay and excludes the value of perquisites.
3. None of the above (together with their spouse and dependent children) holds 2% or more of the equity shares of the Company.
4. None of the above employees is related to a Director except being Executive Directors themselves.

For and on behalf of the Board

Sd/-  
Arun Krishnamurthi  
CEO & Managing Director

Sd/-  
Sudhakar Gande  
Director

Date: 24.05.2022  
Place: Bengaluru

# Annexure - VII

## NOMINATION AND REMUNERATION POLICY

### INTRODUCTION:

The Company is a Service Industry and therefore Company's policy strives to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company.

In terms of the provisions of the Companies Act, 2013 and SEBI Listing Regulations as amended from time to time, the Nomination and Remuneration Committee has formulated this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management (if any) and the same is approved by the Board of Directors.

### OBJECTIVE:

- To identify persons who are qualified to become Directors (Executive, Non-Executive and Independent) and persons who may be appointed in Senior Management and Key Managerial positions, in accordance with the criteria laid down
- Formulating Policy for remuneration for the Directors / KMPs and SMPs
- To specify the manner for effective evaluation of performance of Board, its committees and individual Directors as well as Key Managerial and Senior Management Personnel and review its implementation and compliance.
- Recommending appointment and removal of Directors, KMPs and SMPs to devise a policy on diversity of board of directors.

In order to achieve the aforesaid objectives the following policy has been originally formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on June 23, 2014 with first revision adopted on September 9, 2014 and second revision adopted on June 27, 2020.

### EFFECTIVE DATE:

The original policy is effective from April 01, 2014. Any revision to the same shall be effective from the date of its adoption by the Board.

### CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:

The Board has renamed its Remuneration Committee as Nomination and Remuneration Committee on March 27, 2014 and reconstituted it on September 9, 2014.

The NRC shall comprise such Directors as approved by the Board of Directors. The Board has the power to reconstitute the NRC in conformity with the applicable statutory requirements.

### APPLICABILITY:

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel (if any)

### GENERAL

- This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and remuneration, PART – C covers proceedings of the Committee meetings.
- The key features of this Company's policy shall be included in the Board's Report.

### PART – A

#### MATTERS TO BE DEALT WITH AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down.
- Recommend to the Board, appointment of Director, KMP and Senior Management Personnel.
- Performance Evaluation of each Director KMP and Senior Management Personnel for the purpose of appraisal or removal/ replacement.
- Policy for Remuneration for Director, KMP and Senior Management Personnel.
- Monitor the Board Diversity and balanced Board
- **Succession planning-** recommends to the Board from time to time on long term succession plan and also contingency plan in case of exigencies, relating to both Board as well as Executive management.
- **Retirement policy-** The retirement age of the directors is fixed by the Board of Directors in consultation with the Nomination & Remuneration Committee.

### PART – B

#### POLICY FOR APPOINTMENT AND REMOVAL & REMUNERATION OF DIRECTOR, KMP AND SENIOR MANAGEMENT

##### Policy for appointment and removal & remuneration of Directors, KMPs & SMPs:

1. The Committee shall identify and ascertain the qualification, expertise, attributes and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.

2. For Recommending any person as Executive Director the Committee shall take into consideration the provisions of the Companies Act, 2013 read together with the Rules prescribed there under and Schedule V.
3. For recommending any person as Non-Executive Director/ Independent Director the Committee shall take into consideration the provisions of the Companies Act, 2013 read together with the Rules prescribed there under and Schedule IV along with the criteria for independence defined under SEBI Listing Regulation.
  - The Committee shall carry out evaluation of performance of Board, its Committees, every Director, KMP and Senior Management Personnel at regular interval (yearly).
  - Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or on the basis of performance evaluation, the Committee may recommend, to the Board with reasons recorded in writing, removal / replacement of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.
  - The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof or commission as per Companies Act, 2013. Provided that the amount of such sitting fees shall not exceed ₹ One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. Such director may be paid remuneration either by way of a monthly payment or at specified percentage of the net profits of the company or partly by one way and partly by the other.
    - An Independent Director shall not be entitled to any stock option of the Company.
    - Remuneration to other employees would be as per the company policy as revised from time to time, and approved by CEO in consultation with Head-HR.

## PART – C

### COMMITTEE PROCEEDINGS

- The Chairman of the Committee will report to the Board (at the next Board meeting) on the proceedings of each Committee meeting, bringing forward all Committee recommendations requiring Board approval.
- The Secretary will: (a) in conjunction with the Chairman of the Committee, settle agendas for and arrange meetings of the Committee so as to ensure timely coverage of all the Committee's business; (b) distribute agendas and supporting papers to Committee members sufficiently far in advance of scheduled meetings to permit adequate preparation; (c) keep and distribute minutes of each meeting to Committee members; and (d) circulate copies of the minutes to the remaining Board members upon request.
- The Committee shall meet at least once a year.
- The quorum for a meeting of the Committee will be a majority of the members and include at least one Independent Director.



## Annexure - VIII

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 & Rule 9 of the Companies Appointment and Remuneration of Managerial Personnel Rules, 2014]

To,  
The Members,  
**AXISCADES TECHNOLOGIES LIMITED**  
Block – C, Second Floor,  
Kirkoskar Business Park,  
Bengaluru - 560024  
Karnataka, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AXISCADES Technologies Limited** (hereinafter called "the Company" "ACTL"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances, and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

1. The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as the Company has not delisted / proposed to delist its equity shares from any stock exchange during the financial year under review;
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not applicable as the Company has not bought back / proposed to buy back its securities during the financial year under review; and
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

#### OTHER APPLICABLE LAWS:

- i. Special Economic Zone Act, 2005
- ii. Software Technology Parks of India its Rules and Regulations
- iii. The Indian Copyright Act, 1957;
- iv. The Patents Act, 1970;
- v. The Trade Marks Act, 1999;
- vi. The Information Technology Act, 2000

We have relied on the representations made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the Composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance in compliance with statutory requirements, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes book, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that during the audit period:**

1. The company had entered into a share purchase agreement with Mistral Solutions Private Limited to acquire shares in phased manner. Phase I completed on December 15, 2017 and necessary intimation was made to the Stock Exchanges. Phase II is under process, wherein company agreed to acquire another 44.62% equity shares of Mistral Solutions Private Limited through a scheme of merger with its shareholder Explosoft Tech Solutions Private Limited, and the same was disclosed in the secretarial audit report for the financial year 2018-19. The details of the Share purchase agreement were disclosed to the stock exchange on November 6, 2017.

The arbitration proceedings had been initiated by the Company with respect to the failure by Explosoft Tech Solutions Private Limited and its promoters to comply with their obligation under the agreement with respect to merger of Explosoft Tech Solutions Private Limited with AXISCADES Technologies Limited as part of the Phase II of the transaction. The arbitration proceeding is with respect to specific performance of the agreement and company has also claimed damages, with appropriate intimation to Stock Exchanges.

During the reporting year the Company filed a settlement offer in line with the terms of the original SPA, however the same was rejected by Mistral Solutions Private Limited, now the decision is pending with the Hon'ble Tribunal.

2. During the audit period, there was one instance of violation of Company's Insider Trading Code during the period of window closure. In this regard, Company had carried out necessary investigations and it was confirmed that the employee of the Company was not in possession of any Unpublished Price Sensitive Information of the Company before or at the time of undertaking the transaction. However, Company imposed a penalty of ₹ 1000 and the amount of penalty was contributed to the Investor Protection and Education Fund of SEBI.
3. The Company during the financial year 2021-2022 has allotted 1,54,500 (One Lakh Fifty-Four Thousand and Five Hundred) Equity Shares of ₹ 5/- each fully paid up, on January 14, 2022 to the employees of the Company on their exercise of stock options granted to them under the Company's "AXISCADES ESOP 2018 – Series 1" and "AXISCADES ESOP 2018 – Series 2" or "Scheme" (formerly AXISCADES Engineering Employee Stock Option Plan 2018 – Series 1 & Series 2).
4. The Company in its Board Meeting held on March 22, 2022 appointed two non-executive, non-independent additional directors as a result the Company is required to appoint an Independent Director on its board to stay in compliance with the provisions of regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 within three months. The Company is in the process of re-constituting its Board.

FOR **ANANT B KHAMANKAR & CO.**

Sd/  
**ANANT KHAMANKAR**

FCS No. – 3198

CP No. – 1860

UDIN: F003198D000380091

DATE : MAY 24, 2022

PLACE: MUMBAI

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members,  
**AXISCADES AEROSPACE & TECHNOLOGIES PRIVATE LIMITED**  
Plot No.14/15, 2<sup>nd</sup> Cross 2<sup>nd</sup> Main,  
Electronic City, 1 Stage  
Bangalore 560100

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AXISCADES Aerospace & Technologies Private Limited** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **AXISCADES Aerospace & Technologies Private Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**We have examined the books, papers, minute books, forms and returns filed and other records maintained by AXISCADES Aerospace & Technologies Private Limited for the financial year ended on March 31, 2022 according to the provisions of:**

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable.

- (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to AXISCADES Aerospace & Technologies Private Limited as it is an unlisted company:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

**OTHER APPLICABLE LAWS:**

- (i) Special Economic Zone Act, 2005
- (ii) The Information Technology Act, 2000
- (iii) Software Technology Parks of India its Rules and Regulations
- (iv) The Indian Copyright Act, 1957
- (v) The Patents Act, 1970
- (vi) The Trade Marks Act, 1999

We have relied on the representations made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.



During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance in compliance with statutory requirements, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the

company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that during the audit period:**

There were no instances of:

- (i) Public/Rights/Preferential issue of shares/debentures.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger/amalgamation/reconstruction etc.
- (v) Foreign Technical Collaborations

FOR **ANANT B KHAMANKAR & CO.**

Sd/  
**ANANT KHAMANKAR**

FCS No. - 3198

CP No. - 1860

UDIN: F003198D000345463

Date: May 19, 2022

Place: Mumbai

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members  
**M/s AXISCADES Aerospace Infrastructure Private Limited**  
Jupiter Innovision Centre No. 54, Richmond Road  
Bangalore, Karnataka - 560025

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by M/s **AXISCADES Aerospace Infrastructure Private Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the M/s **AXISCADES Aerospace Infrastructure Private Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s **AXISCADES Aerospace Infrastructure Private Limited** for the financial year ended on March 31, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable as it is an Unlisted Company:-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vii) Other laws applicable to the Company as per the representations made by the Management.
- a. Goods and Service Tax (GST) Act
  - b. Income Tax Act
  - c. The Trade Marks Act, 1999
  - d. The Patents Act, 1970
  - e. The Indian Copyright Act, 1957
  - f. The Information Technology Act, 2000.
  - g. The Software Technology Parks of India its Rules and Regulations

We have relied on the representations made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company and also the compliances with the applicable clauses of the Secretarial Standard I and Secretarial Standard II issued by the Institute of Company Secretaries of India (ICSI).

We further report that:

1. The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. I further report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions at the Board Meetings, as represented by the management, were taken with majority.

I further report that as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period under review, as explained and represented by the management, there were no specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., having a major bearing on the Company's affairs.

Place: New Delhi  
Date: 14.05.2022

Sd/-  
(Sameer Kishore Bhatnagar)  
Practicing Company Secretary  
M. No. 30997  
CoP 13115  
UDIN: A030997D000211540

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members

**M/s ENERTEC CONTROLS LIMITED**

Plot No.14/15, Electronic City, Hosur Road Bangalore-29.  
Hosur Road, Bangalore-29. Karnataka

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by M/s **ENERTEC CONTROLS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the M/s **ENERTEC CONTROLS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s **ENERTEC CONTROLS LIMITED** for the financial year ended on March 31, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as per applicable provisions
- (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client, as per applicable provisions

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable as it is an Unlisted Public Company:-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vii) Other laws applicable to the Company as per the representations made by the Management.
- a. Special Economic Zone Act, 2005
  - b. The Information Technology Act, 2000
  - c. The Software Technology Parks of India its Rules and Regulations
  - d. The Patents Act, 1970
  - e. The Indian Copyright Act, 1957
  - f. The Trade Marks Act, 1999

We have relied on the representations made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company and also the compliances with the applicable clauses of the Secretarial Standard I and Secretarial Standard II issued by the Institute of Company Secretaries of India (ICSI).

We further report that:

1. The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. I further report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions at the Board Meetings, as represented by the management, were taken with majority.

I further report that as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period under review, as explained and represented by the management, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., having a major bearing on the Company's affairs.

Sd/-  
**(Sameer Kishore Bhatnagar)**  
Practicing Company Secretary  
M. No. 30997  
CoP 13115  
UDIN: A030997D000211463

Place: New Delhi  
Date: 14.05.2022



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members,  
**MISTRAL SOLUTIONS PRIVATE LIMITED**  
60, Adarsh Regent, 100  
Feet Ring Road, Domlur,  
Bangalore-560071

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mistral Solutions Private Limited** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Mistral Solutions Private Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**We have examined the books, papers, minute books, forms and returns filed and other records maintained by Mistral Solutions Private Limited for the financial year ended on March 31, 2022 according to the provisions of:**

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable.
- (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

are not applicable to Mistral Solutions Private Limited as it is an unlisted company:

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

**(viii) OTHER APPLICABLE LAWS:**

- (i) Special Economic Zone Act, 2005
- (ii) The Information Technology Act, 2000
- (iii) Software Technology Parks of India its Rules and Regulations
- (iv) The Indian Copyright Act, 1957
- (v) The Patents Act, 1970
- (vi) The Trade Marks Act, 1999

We have relied on the representations made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that during the audit period:**

1. The Company along with its promoters entered into a Share Purchase Agreement ('SPA') on December 1, 2017, whereby AXISCADES Technologies Limited ('Axiscades') agreed to acquire 100% stake in the Company along with its subsidiaries ('Group') in a phased manner.

The Company, its shareholders and Axiscades are presently involved in arbitration proceedings owing to dispute over discharge of their respective obligations under the aforesaid agreement. The Arbitral Tribunal vide its interim order dated August 28, 2020 has asked to maintain the status quo with respect to shareholding in the Company and existing constitution of the Board of Directors of the Company. The matter is pending before the Arbitral Tribunal.

FOR **Anant B Khamankar & Co.**

Sd/-

**Anant Khamankar**

FCS No. - 3198

CP No. - 1860

UDIN: F003198D000350644

Date: May 19, 2022

Place: Mumbai

# Annexure - IX

## ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2021-2022

### 1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY –

The Company recognizes its responsibility as an important stakeholder in the society and strives to work towards the betterment of the society constantly. With this objective, on the recommendation of the CSR Committee the Board of Directors have approved the CSR Policy.

The CSR activities of the Company mainly focus on the areas of Healthcare, Education, After school life skills and employment enhancing skills. The objective is to extend support to the deprived sections like underprivileged kids and differently abled people for their economic and social development.

### 2. COMPOSITION OF CSR COMMITTEE:

Pursuant to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the CSR Committee is not required to be constituted if amount to be spent by a Company in a year does not exceed ₹ 50 lakhs. Currently, as the CSR liability for the Company is less than ₹50 lakhs, hence all functions for fulfilling CSR liability shall be carried out by the Board of Directors of the Company.

Sr. No.	Name of Director	Designation / Nature of Directorship
1.	Mr. Desh Raj Dogra	Chairman (Independent Director)
2.	Mrs. Mariam Mathew	Member (Independent Director)
3.	Mr. Sudhakar Gande	Member (Non-Executive Director)

### 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company - <https://www.axiscades.com/investor-relations.html>

- CSR Committee of the Company was dissolved in terms of section 135(9) of the Companies Act, 2013 w.e.f. June 11, 2021.

### 8. (a) CSR amount spent or unspent for the financial year: Not Applicable

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil	Nil	NA	Nil	Nil	NA

### (b) Details of CSR amount spent against ongoing projects for the financial year: NIL

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Project duration	Location of the project	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	State	District	CSR Name Registration number
-	-	-	-	-	-	-	-	-	-	-	-	-	-

- [https://www.axiscades.com/investors\\_data/corp\\_gov\\_report/ACTL\\_CSR%20Policy-26-jun-2021.pdf](https://www.axiscades.com/investors_data/corp_gov_report/ACTL_CSR%20Policy-26-jun-2021.pdf)

### 4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

Impact assessment is not applicable during the year.

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any –

Not Applicable

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1.	NA	NIL	0.00
<b>TOTAL</b>		<b>NIL</b>	<b>0.00</b>

### 6. Average net profit of the company as per section 135(5).

The average net profit / (loss) for the last three financial years ended is (₹ 205,363,173.59).

7. (a) Two percent of average net profit of the company as per section 135(5) - Nil
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil
- (c) Amount required to be set off for the financial year, if any Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c). – Nil

- (c) Details of CSR amount spent against other than ongoing projects for the financial year: **NIL**

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
-	-	-	-	-	-	-	-	-	-

- (d) Amount spent in Administrative Overheads - Nil  
 (e) Amount spent on Impact Assessment, if applicable - Nil  
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e) - Nil  
 (g) Excess amount for set off, if any – **Not Applicable**

Sl. No.	Particular	Amount (in ₹)
	Two percent of average net profit of the company as per section 135(5)	NIL
	Total amount spent for the Financial Year	NA
	Excess amount spent for the financial year [(ii)-(i)]	NA
	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NA	NA	NA	NA	NA	NA	NA	NA

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NIL**

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
NA	NA	NA	NA	NA	NA	NA	NA	NA

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). – **Not Applicable**

- (a) Date of creation or acquisition of the capital asset(s).  
 (b) Amount of CSR spent for creation or acquisition of capital asset.  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.  
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **Not Applicable**

Sd/-  
**Arun Krishnamurthi**  
 Chief Executive Officer & Managing Director

Sd/-  
**Mr. Desh Raj Dogra**  
 (Chairman CSR Committee)

Sd/-  
**Mr. Sudhakar Gande**  
 Non-Executive Director



# REPORT ON CORPORATE GOVERNANCE

*Good Corporate Governance is all about achieving the twin objectives of Performance and Conformance. The Company's Governance framework is meant to ensure efficient use of organizational resources for business outcomes and at the same time require accountability for the stewardship of these resources. The aim is to align, the interests of all stakeholders, both internal and external and the Society, at large. The Company strives follow such Policies, Procedures and Practices which ensure that the Company is managed in the best interest of all stakeholders, through a mechanism of checks and balances to meet stakeholder's aspirations are societal expectations.*

## I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is about its commitment to values and ethics in business conduct which stems from the culture, policies, practices, voluntary adherence to ethical standards and mindset of an organization. Your Board strongly believes that effective corporate governance practices should constitute the very foundation of Company's growth. The Company has a strong legacy of fair, transparent and ethical governance practices. The company's primary objective is to create and adhere to a corporate culture of fairness and transparency in actions of the Management which are the key to enhancing shareholders value and discharge of social responsibility.

The Directors are pleased to report the compliances as required under Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI (LODR), Regulations 2015"), as follows:

## II. BOARD OF DIRECTORS

- i. As on March 31, 2022, the Company has ten directors. Out of these ten Directors, nine (90%) are Non-Executive (including independent directors), including one-woman director and three (30%) of the Board are Independent Directors.
- ii. None of the director is a member of more than ten committees or Chairperson of more than five committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies have been made by the directors.
- iii. None of the directors are related inter se. The changes in the composition of the Board of Directors that took place during the year have been duly informed to the Stock Exchanges from time to time.
- iv. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria for Independent Directors, as enumerated under Section 149 of the Act.
- v. The Board of Directors confirm that, in their opinion, the independent Directors fulfill the conditions as specified in the regulations and are independent of the management.
- vi. The Independent Directors meet at least once in every financial year to discuss matters pertaining to Company's affairs, evaluation of performance of the Board, their own performance and place their views regarding governance of the Company before the Board. During the year under review, the Independent Directors have met once on June 08, 2021. The terms and conditions of appointment of independent directors are disclosed on the website of the Company.
- vii. The Company recognizes the need for diversified Board in its success and continuity. Keeping this in view the Company has cultivated a policy to induct into the Board successful persons drawn from diverse expertise, having achieved excellence in their respective fields. The present composition of the Board achieves this quality to a large extent. The Board of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- viii. The names and categories of the directors on the board, their attendance at board meetings & the last Annual General Meeting (AGM) held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies are given herein below. Other directorships / committee membership do not include directorships/committee memberships of private limited companies, Section 8 companies and companies incorporated outside India. Chairmanships / memberships of board committees shall include only audit committee and stakeholders' relationship committee.

Name of the Director	Category*	No. of BM during 2021-2022**		Attendance Last AGM**	No. of other Directorships*** and Committee Membership/Chairmanship# held as on March 31, 2022		
		Held	Attended		Other Directorships	Committee Memberships#	Committee Chairmanships
Mr. Arun Krishnamurthi	CEO & MD	7	3	NA	0	0	0
Mr. Desh Raj Dogra	ID	7	7	YES	6	5	3
Ms. Mariam Mathew	ID	7	7	YES	3	2	0
Mr. Sudhakar Gande	NED	7	7	YES	1	1	0
Mr. Dhiraj Mathur	ID	7	7	YES	0	1	0
Mr. David Bradley (Chairman)	NED	7	7	YES	0	2	0
Mr. Sharadhi Chandra Babu Pampapathy	NED	7	7	YES	4	0	0
Mr. David Walker	NED	7	7	YES	0	0	0
Mr. David Abikzir	NED	NA	NA	NA	0	0	0
Mr. Abhishek Kumar	NED	NA	NA	NA	0	0	0

Ms. Sonal Dudani, Company Secretary is the Compliance Officer of the Company. Further she acts as a secretary to all the committees of the Board.

**Notes:**

\*ID- Independent Director, ED- Executive Director, NED- Non-Executive Director.

\*\*BM- Board Meeting, AGM- Annual General Meeting

\*\*\*Other Directorship includes Directorships in the Subsidiary of Public Company

# Membership/Chairmanship includes membership/Chairmanship in this Company

**Appointments during the Year:**

1. Mr. Arun Krishnamurthi was appointed as CEO & Managing Director (Additional Director) w.e.f. November 22, 2021.
2. Mr. Sharadhi Chandra Babu Pampapathy was re-designated as Non- Executive Director w.e.f. November 22, 2021.
3. Mr. David Abikzir was appointed as Non-Executive Director (Additional Director) w.e.f. March 22, 2022.
4. Mr. Abhishek Kumar was appointed as Non-Executive Director (Additional Director) w.e.f. March 22, 2022.

**Resignations during the Year:**

There were no resignations during the year.

- ix. Disclosure of directorship in listed entities
- a. Mr. Desh Raj Dogra is an Independent Director in the following listed entities:
    1. Capri Global Capital Limited
    2. G R Infraprojects Limited
    3. IFB Industries Ltd
    4. S Chand and Company Limited
    5. Welspun Corp Limited
  - b. Mr. Sudhakar Gande is an Independent Director in the following listed entity:
    1. Manjeera Constructions Limited
- x. Seven Board meetings were held during the fiscal year 2021-2022 and the gap between two meetings did not exceed one hundred twenty days. The dates on which the said meetings were held are:
- June 11, 2021; August 07, 2021; September 18, 2021; November 09, 2021; December 22, 2021, February 09, 2022 and March 22, 2022.
- The necessary quorum was present during all the meetings.
- xi. Adequate notice is given to all directors for the scheduled Board Meetings and agenda with detailed notes is sent, which is in compliance with the provisions of Companies Act, 2013, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and all the directors are facilitated to participate meaningfully at the meetings.
- xii. **Familiarization program for Directors**
- The Board of Directors is responsible for setting the strategic direction for the Company and overall strategic supervision of the Company. To achieve this board periodically reviews performance, risk management, internal/external audit report etc. The Directors are familiarized through:
- a) Presentations by senior executives giving an overview of operations
  - b) Induction and orientation process, inter-alia, with respect to their roles, responsibilities and liabilities, nature of the Industry in which the Company operates, business model of the Company.
  - c) The Board of Directors are also updated on all business-related risks, challenges and initiatives.
- The text of the policy and program is posted on the website of the Company at [www.axiscales.com](http://www.axiscales.com)

- xiii. Matrix specifying the list of core skills/expertise/competence identified by the Board of Directors as required in context of the business and sector in which it operates for the Company to function effectively and those actually available with the Board along with names of Directors who have such skill/expertise/competence-

Strategy/Business Leadership	Finance
Corporate Strategy Consultant	Board service & Governance
Technology	Mergers & Acquisitions
Sales and Marketing Experience	Administration & Government Relations
Corporate law	Trade Policy & Economics

Name of Director	Essential Skill/expertise/Competency
Mr. David Bradley	Strategy/Business Leadership Technology Corporate strategy consultant Mergers and Acquisition Board Service & Governance Corporate Law Finance
Mr. Arun Krishnamurthi	Strategy/Business Leadership Technology Corporate strategy consultant Mergers and Acquisition Sales and Marketing Experience Board service & Governance Finance Trade Policy & Economics
Ms. Mariam Mathew	Strategy/Business Leadership Finance Technology
Mr. Desh Raj Dogra	Financial sector in the areas of banking and credit rating
Mr. Dhiraj Mathur	Sales and Marketing Experience - Experience in developing strategies to grow sales, building brand awareness and equity and enhance enterprise reputation Trade policy and economics - Administration & Government Relations
Mr. Sudhakar Gande	Strategy/Business Leadership Mergers & Acquisitions Finance Sales and Marketing Experience Administration & Government Relations
Mr. David Walker	Strategy/Business Leadership Technology Corporate Strategy Consultant Sales and Marketing Experience Board service & Governance Administration & Government Relations

Name of Director	Essential Skill/expertise/Competency
Mr. Sharadhi Chandra Babu Pampapathy	Strategy/Business Leadership Technology Corporate strategy consultant Mergers and Acquisition Administration & Government Relations
Mr. David Abikzir	Strategy/Business Leadership Technology Corporate strategy consultant Mergers and Acquisition Sales and Marketing Experience Board service & Governance Corporate law Finance Trade Policy & Economics Administration & Government Relations
Mr. Abhishek Kumar	Strategy/Business Leadership Corporate strategy consultant Mergers and Acquisition Finance Trade Policy & Economics

### III. COMMITTEES OF THE BOARD

Currently the Board has three Committees. The role of the committees of the Board is in alignment with the requirements of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Any addition or amendments, if any, to the scope and functions of the committee is approved by the Board.

The Board Committees along with their role are as detailed below:

#### A. AUDIT COMMITTEE

- i. The Audit committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (LODR), Regulations, 2015, as amended, read with Section 177 of Companies Act, 2013.
- ii. The terms of reference of the Audit Committee are broadly as under:
  - a. Oversight of financial reporting process and disclosure of information to ensure correct, complete and credible financial statements.
  - b. Review of quarterly/annual results and financial statements of the Company and Auditors' report before recommending the same to the Board of Directors, with particular reference to:
    - i) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    - ii) changes, if any, in accounting policies and practices and reasons for the same;
    - iii) major accounting entries involving estimates based on the exercise of judgment by management;

- iv) significant adjustments made in the financial statements arising out of audit findings;
- v) compliance with listing and other legal requirements relating to financial statements;
- vi) disclosure of any related party transactions;
- vii) modified opinion(s) in the draft audit report.
- c. Review of statement of management discussion & analysis of financial conditions, results of operation, review of directors' responsibility statements and changes in accounting policies and practices.
- d. Approval or any subsequent modification of transactions of the listed entity with related parties.
- e. Recommending to the Board the appointment/re-appointment of Auditors and Internal Auditor, with their remuneration and terms of appointment.
- f. The Audit Committee also reviews:
- Independence of Auditors
  - Performance of statutory and internal auditors,
  - Adequacy of internal control systems,
  - Adequacy of internal audit function,
  - Structure of internal audit organization,
  - Scope discussions with internal and Statutory Auditors,
  - Internal auditor's and Statutory Auditor's notes
  - Internal audit and findings, if any,
  - Weakness or failure of internal control systems, if any reported by Auditors.
- g. Scrutiny of inter- corporate loans and investments
- h. Valuation of undertakings or assets of the Company, whenever necessary.
- i. Evaluation of internal financial controls and risk management system.
- j. Monitoring the end use of funds raised by the Company, if any.
- k. Monitoring and review of whistle blower policy and mechanism.
- l. To recommend to the Board the appointment of Chief Financial Officer after assessing his qualifications, experience and background etc. of the candidate;
- m. To invite the auditors and Key Managerial Personnel (KMP) (for hearing) while considering the Auditors Report at the Audit Committee Meeting;
- n. Reviewing Management letters / letters of internal control weaknesses issued by the statutory auditors and Internal audit reports relating to internal control weaknesses
- o. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- p. Reviewing of the financial statements, in particular, the investments made by the unlisted subsidiaries.
- q. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- r. Any other function as may be specifically entrusted to by the Board.
- iii. The Audit Committee charter has vested with the Committee the following powers for its effective functioning:
1. To call for information on comments/observation of the auditors about internal control systems, review of financial statements before their submission to the Board.
  2. Scope of various Audits
  3. To discuss any related issues with the internal and statutory auditors and the Management of the Company.
  4. To investigate any activity within its terms of reference.
  5. To seek information from the Management, auditors, internal auditors and employees of the Company.
  6. To obtain outside legal or expert advice and to engage external experts and advisors.
- iv. The Audit Committee invites executives, representatives of the Statutory Auditors, Internal Auditors to be present at its meetings. The Audit Committee also holds independent discussions with Statutory Auditors/Internal Auditors. The Company Secretary act as the secretary to the audit committee.
- v. The Chairperson of the Committee is an Independent Director and was present at the last AGM held on September 28, 2021. All the members of the Committee have expertise in Accounting and Financial management.
- vi. During the fiscal year 2021-2022, five meetings of the Audit Committee were held and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held are as follows:
- June 11, 2021; August 06, 2021; November 08, 2021; December 22, 2021, February 08, 2022.
- The necessary quorum was present for all the meetings.
- vii. The composition of Audit Committee and the details of meetings attended by its members are given below:
- | Name of the Member           | Category# | No. of meetings attended (Held -5) |
|------------------------------|-----------|------------------------------------|
| Mr. Desh Raj Dogra, Chairman | ID        | 5                                  |
| Mr. Dhiraj Mathur            | ID        | 5                                  |
| Mr. David Bradley            | NED       | 5                                  |
- # ID – Independent Director; NED – Non Executive Director
- B. NOMINATION & REMUNERATION COMMITTEE**
- i. The constitution of the Committee is in conformity with the provisions of Regulation 19 of SEBI (LODR), Regulations, 2015, as amended, read with Section 178 of Companies Act 2013.
- ii. The terms of reference of the Nomination and Remuneration Committee are as under:
- The Committee is primarily responsible to oversee nomination process for appointment of Directors, Executive Management



and key managerial personnel and for laying down a sound policy for Board and executive remuneration. Its terms of reference approved by the Board of Directors inter alia include:

- i. Formulation of criteria for determining qualifications, positive attributes and independence of a Directors;
  - ii. Devising a policy on Board Diversity and balanced Board
  - iii. Identification of suitable persons for appointment as Director, Senior Management personnel in accordance with the laid down criteria and recommending their appointment to the Board;
  - iv. Formulation of criteria for evaluation of Independent Directors and the Board;
  - v. Formulating and recommending to the Board a Remuneration Policy;
  - vi. Evaluating the performance of Directors and recommend to the Board, their appointment or removal.
- iii. During the FY 2021-2022, three meetings of Nomination & Remuneration Committee were held on June 09, 2021; February 8, 2022 and March 22, 2022.
  - iv. The Chairman of the Committee is an Independent Director and was present at the last AGM held on September 28, 2021.
  - v. The composition of the nomination and remuneration committee and the details of meetings attended by its members are given below:

Name of the Member	Category#	No. of meetings attended (Held -3)
Ms. Mariam Mathew, Chairman	ID	3
Mr. Desh Raj Dogra	ID	3
Mr. Sudhakar Gande	NED	3

# ID – Independent Director, NED – Non Executive Director

#### EVALUATION OF PERFORMANCE OF DIRECTORS/BOARD

The Board has adopted a formal mechanism for evaluating its performance as well as that of its committees and Directors including Independent Directors and Chairman of the Board. The Board works with Nomination & Remuneration Committee to lay down the evaluation criteria for the performance of executive/non-executive/independent directors through peer evaluation. The policy envisages evaluation process to be undertaken generally once at the end of each year.

The various criteria laid down in the policy for evaluation of a Director/Board are briefly stated below.

#### Key Criteria for evaluation of a Director

1. The ability to contribute to the compliance of corporate governance practices.
2. The ability to analyse controls, risks, operations and to channelize the same for its effective cascading in the organization.
3. Recognition and fulfillment of their roles and responsibilities.

4. Commitment to the fulfillment of director's obligations and fiduciary responsibilities including participation in Board and committee meetings.

#### NOMINATION AND REMUNERATION POLICY

The Company is in the Service Industry and therefore Company's policies recognizes Human Resource as its true Asset and strives to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company.

In terms of the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR), Regulations, 2015 (formerly clause 49 of the Listing Agreement), the Nomination and Remuneration Committee has formulated a policy on nomination and remuneration of Directors, Key Managerial Personnel & Senior Management and the same is approved by the Board of Directors from time to time.

The remuneration considers a balanced blend of Fixed and Variable pay, in line with the best market practices, to attract and retain talent, to achieve excellence in performance, so as to meet its strategic, short term and long term goals and objectives of the Company.

The Policy sets out the guiding principles for Nomination and Remuneration Committee for recommending to the Board, remuneration of the Executive Management of the Company.

#### (i) Policy on Directors' Remuneration

The Non- Executive / Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. The amount of such fees shall not exceed the limits as may be prescribed by the Central Government from time to time.

An Independent Director is not entitled to any stock options in the Company.

The Board shall, on the recommendation of the Nomination and Remuneration Committee, review and approve the remuneration payable to the Non-Executive Directors within the overall limits approved by the shareholders.

#### (ii) Remuneration to Executive Directors and Key managerial personnel

The remuneration structure for the Executive Directors and Key Managerial Personnel shall consist of:

- i) Basic pay
- ii) Benefits, Perquisites and Allowances
- iii) Performance based Variable Pay
- iv) Retiral benefits
- v) ESOP, as and when granted as per the approved Scheme.

The Board shall, on the recommendation of the Nomination and Remuneration Committee, review and approve the remuneration payable to the Executive Directors & KMPs' as per applicable statutory regulations and requisite approvals.

**(iii) Remuneration to other employees**

The employees shall be evaluated on a yearly basis according to their role, qualifications, competencies, expertise and remuneration levels are fixed, in line with the Industry best practices.

The Board shall, on the recommendation of the Nomination and Remuneration Committee, review and approve the remuneration policy of the Company from time to time.

**Remuneration to Non-Executive Directors**

The Independent Directors are paid a sitting fee of ₹ 1,00,000/- each for every Board Meeting and ₹ 50,000/- each for every Committee meeting attended by them and other non-executive directors are entitled to a sitting fee of ₹ 30,000/- for every Board/Committee Meeting attended by them. Apart from sitting fee, the Directors are reimbursed for expenses directly and exclusively incurred for the performance of their duties as a Director.

Apart from this, at present, no other remuneration is being paid to Non- Executive Directors.

Details of the sitting fees for the year ended March 31, 2022 are as follows:

Sl No	Name	Category#	Amount in Rupees
1	Mr. Desh Raj Dogra	ID	11,50,000
2	Mr. Dhiraj Mathur	ID	9,50,000
3	Ms. Mariam Mathew	ID	9,00,000
4	Mr. Sudhakar Gande	NED	3,00,000
5	Mr David Walker	NED	2,10,000
6	Mr. David Bradley	NED	3,90,000
7	Mr. Sharadhi Chandra Babu Pampapathy	NED	90,000
8	Mr. David Abikzir	NED	NA
9	Mr. Abhishek Kumar	NED	NA
<b>TOTAL</b>			<b>39,90,000</b>

# ID – Independent Director, NED- Non Executive Directors

**Remuneration to Executive Directors**

Name of the Director	Fixed Salary			Performance linked Variable pay	Total
	Salary	Perquisites	Retiral Benefits		
Mr. Sharadhi Chandra Babu Pampapathy <sup>1</sup>	8,037,499	8,040,671	610,500	3,618,288	20,306,958
Mr. Arun Krishnamurthi <sup>2</sup>	9,369,283	1,042,287	473,017	4,273,973	15,158,560

Note: On accrual basis

The annual performance linked variable pay is computed/dispensed on the basis of achievement of both financial and non-financial objectives and metrics, which are aligned to the company's performance.

Notes:

<sup>1</sup>Mr. Sharadhi Chandra Babu Pampapathy has been re-designated as Non- Executive Director w.e.f. November 22, 2021

<sup>2</sup>Mr. Arun Krishnamurthi has been appointed as CEO & Managing Director (Additional Director) w.e.f. November 22, 2021

**C. STAKEHOLDER'S RELATIONSHIP COMMITTEE**

- The constitution of the Committee is in conformity with the provisions of Regulation 20 of SEBI (LODR), Regulations, 2015, as amended, read with Section 178 of Companies Act, 2013.
- One meeting was held during the year FY 2021-22 on March 22, 2022.
- The composition of the stakeholder and relationship committee and the details of meetings attended by its members are given below:

Name of the Member	Category#	No. of meetings attended (Held -1)
Ms. Mariam Mathew	ID	1
Mr. David Bradley Chairman	NED	1
Mr. Desh Raj Dogra	ID	1

# ID – Independent Director, NED – Non Executive Director

Ms. Sonal Dudani, Company Secretary is the Compliance Officer of the Company

- The main function of Stakeholders' Relationship Committee is to address investor grievances and issues, if any, which are of interest to shareholders and other security holders. The Committee also oversees the share transfer process.
- Details of investor complaints received and redressed during the financial year 2021-2022 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	NIL	NIL	NIL

**D. OTHER COMMITTEES:****1. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)**

The Company dissolved its Corporate Social Responsibility Committee in the Board Meeting held on June 11, 2021 pursuant to the amendment in CSR Rules and Section 135 of the Companies Act, 2013. As per the amendment, where the amount to be spent by a company under sub-section (5) of Sec 135 does not exceed fifty lakh rupees, the requirement

under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

The amount spent on CSR for the financial year 2021-22 was Nil, as the Company did not fulfill the criteria stipulated in section 135 of the Companies Act, 2013.

**IV. ANNUAL GENERAL MEETINGS**

The following is the summary of the Annual General Meetings (AGM) of the Company held during the last three years:

Financial Year ended	Date and time	Venue of the meeting	Special Resolutions passed
March 31, 2019	September 30, 2019; 11:30 a.m.	The Chancery Pavilion, 135, Residency Road, Bangalore	<ol style="list-style-type: none"> <li>1. Fixation of Remuneration of Mr. Sharadhi Chandra Babu Pampapathy as Acting CEO &amp; Executive Director.</li> <li>2. Appointment of Pradeep Dadlani as an Independent Director.</li> <li>3. Appointment of Kailash Rustagi as an Independent Director.</li> </ol>
March 31, 2020	September 29, 2020; 5:00 p.m	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	Change of name of the Company.
March 31, 2021	September 28, 2021; 4:00 p.m	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	<ol style="list-style-type: none"> <li>1. Approval for increase in the pool of ESOP by adding additional Equity shares under existing AXISCADES ESOP 2018 SERIES 2 (THE "SCHEME" / THE "PLAN") and grant of Stock Options to the eligible employees/ Directors of the Company and its Subsidiary Companies.</li> <li>2. Approval for grant of additional stock Options to employees &amp; directors of the subsidiary Companies under the AXISCADES ESOP 2018 Series 2 (the "scheme" / the "plan").</li> <li>3. Approval for grant of additional stock Options to identified employees, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) of the company at the time of grant of option under the AXISCADES ESOP 2018- Series 2 (the "scheme" / the "plan").</li> <li>4. Revision in the Remuneration of Mr. Sharadhi Chandra Babu Pampapathy, CEO &amp; Executive Director.</li> </ol>

**Postal Ballot**

During the fiscal year 2021-22, no Postal Ballot was conducted.

## V. DISCLOSURES

### i. Related Party Transactions

All the related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business.

There are no materially significant related party transactions which have potential conflict with the interests of the Company at large. With effect from FY ended March 31, 2022, the details of related party transactions, on a consolidated basis, are filed, half yearly, with the stock exchanges, pursuant to the amendment thereof in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Related party transactions are reported in Notes to the financial statements of the Company.

The Board has reviewed and approved a policy for related party transactions and the same is hosted on the website of the Company at the following link- [https://www.axiscades.com/investors\\_data/corp\\_gov\\_report/Policy%20on%20Dealing%20with%20Related%20Party%20Transactions.pdf](https://www.axiscades.com/investors_data/corp_gov_report/Policy%20on%20Dealing%20with%20Related%20Party%20Transactions.pdf).

### ii. Details of non-compliance

#### 2021-22

The Company has paid fine imposed by the Stock Exchanges in relation to non-compliance with the requirement pertaining to the composition of the Board under Reg. 17(1) of SEBI (LODR) Regulations, 2015. Subsequently, the waiver application is filed by the Company to the Stock Exchanges with respect to the penalty levied.

#### 2020-21

No penalty has been imposed by the Stock Exchanges, SEBI or any statutory authority, nor were there was any instance of non-compliance on matter relating to capital markets, during the financial year 2020-21.

#### 2019-20

No penalty has been imposed by the Stock Exchanges, SEBI or any statutory authority, nor were there was any instance of non-compliance on matter relating to capital markets, during the financial year 2019-20.

- iii. The Company has adopted an Ombudsman process, which is a channel for receiving and redressing complaints, if any, received from directors and/or employees. All employees and Directors have communication access to the Audit Committee. The said policy has been also put up on the website of the Company at the following link- [https://www.axiscades.com/investors\\_data/code\\_of\\_conduct/ACTL\\_Whistle%20Blower%20Policy-26-jun-2021.pdf](https://www.axiscades.com/investors_data/code_of_conduct/ACTL_Whistle%20Blower%20Policy-26-jun-2021.pdf)

In its endeavor to comply, beyond the statutory requirements, the Company has fulfilled the following non-mandatory requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015:

The post of Chairman and the CEO are separate in the Company. There are no audit qualifications during the year. The Internal Auditors submit their report to the Audit Committee.

### iv. Disclosure of Compliance

The Company complies with the corporate governance requirements specified in regulation 17 to 27 and clause (b)

to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.

### v. Code of Conduct:

The Board has laid down a comprehensive Code of Conduct applicable to all Board members including Independent Directors, Senior Management, and employees of the Company. The code of conduct is available on the website of the Company [www.axiscades.com](http://www.axiscades.com). All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer & Managing Director to this effect is furnished at the end of this report.

### vi. Internal Code of Conduct for Prevention of Insider Trading

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 which has come into force with effect from May 15, 2015 and the amendment thereof which has come into force with effect from April 01, 2019, the Company has formulated/amended a Code of conduct to regulate, monitor and report trading by its employees, directors and other connected persons. The said code is posted and is accessible on the website of the Company at [www.axiscades.com](http://www.axiscades.com)

Based on the amendment to SEBI (Prohibition of Insider Trading) Regulations, 2015, effective from April 01, 2019, the trading window is closed from the end of every quarter till 48 hours after the declaration of financial results.

As required under Regulation 8(1) of SEBI-(Prohibition of Insider Trading Regulations, 2015) the Company has also formulated Code of practices and procedures for fair disclosure of unpublished price sensitive information and the same is posted and is accessible on the website of the Company at [www.axiscades.com](http://www.axiscades.com)

## VI. SUBSIDIARY COMPANIES

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with the report on significant developments of the unlisted subsidiary companies are placed before the board of the Company.

The Company has 5 (five) material subsidiaries, out of which one is incorporated outside India.

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at the following link-[http://www.axiscades.com/investors\\_data/corp\\_gov\\_report/ACET\\_Material\\_Subsiary\\_Policy.pdf](http://www.axiscades.com/investors_data/corp_gov_report/ACET_Material_Subsiary_Policy.pdf)

## VII. MEANS OF COMMUNICATION

The quarterly results, half yearly result and annual results of the Company are published in leading newspapers such as Economic Times, Business Standard, Vishwavani and Vijaya Karnataka. The results are also displayed on the Company's website [www.axiscades.com](http://www.axiscades.com) Press notes/releases/presentations to the Institutional Investors and analysts, other announcement and Notices are posted promptly on the Website of the Company in addition to Stock Exchange Communication.



## VIII. GENERAL SHAREHOLDER INFORMATION

### i. Annual General Meeting

Date: Tuesday, September 27, 2022  
Time: 11:30 A.M. (IST)  
Mode: Video Conferencing

### ii. Financial Calendar

Financial Year: April 1 to March 31 (2021-2022)  
Dividend Payment: NIL

### iii. Listing on Stock Exchanges:

BSE Limited (BSE)  
P.J. Towers, Dalal Street,  
Fort, Mumbai – 400001

#### National Stock Exchange of India Ltd. (NSE)

Exchange Plaza, Bandra – Kurla Complex  
Bandra (East), Mumbai, 400051

#### Stock Code/Symbol

BSE : 532395  
NSE : AXISCADES

The Listing fees for the fiscal year 2021-2022 as applicable have been paid to all the above Stock Exchanges.

### iv. Dematerialization of Equity Shares

Equity shares of the Company representing 99.90% of the Company's equity share capital are dematerialized as on March 31, 2022.

Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company's share is INE555B01013.

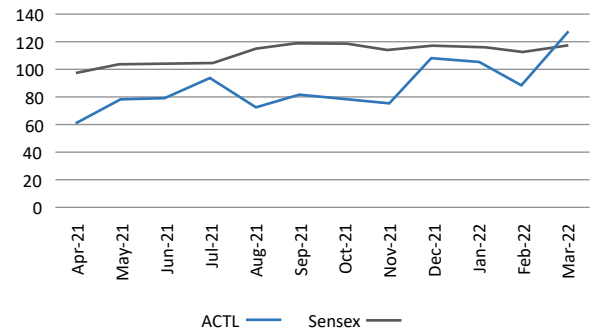
v. The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on March 31, 2022 the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

### vi. Market Price Data

Monthly High, low market price data in the Financial Year 2021-2022 on the National Stock Exchange of India Limited (NSE) and BSE Limited are given below:

Month	National Stock Exchange (NSE)		BSE Limited	
	High	Low	High	Low
April	71.55	39.95	71.50	39.65
May	84.70	57.55	84.75	57.00
June	105.50	75.50	105.00	75.50
July	106.10	77.80	105.50	77.05
August	96.90	66.05	97.00	66.55
September	80.45	67.75	80.30	68.35
October	95.25	77.00	95.75	77.50
November	93.85	74.00	93.95	75.40
December	120.40	75.50	122.00	75.40
January	131.15	100.35	130.00	101.00
February	114.30	82.60	113.00	84.00
March	126.25	84.00	127.15	83.00

### vii. \*Based on the Closing Market Price.



### viii. Registrar and Transfer Agent

#### Name and Address:

KFin Technologies Limited  
(formerly KFin Technologies Private Limited)  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad – 500 032  
Telephone : 040-67162222  
Fax : 040-23001153  
E-mail: einward.ris@kfinotech.com

### ix. Share transfer System:

With a view to expedite the process of share transfer, the Board of Directors of the Company has constituted a Stakeholder Relationship Committee which considers and approves the shares received for transfer, transmission, re-materialization and dematerialization etc. The shares for transfers received in physical form are transferred expeditiously, provided the documents are complete and the share transfer is not under any dispute. The share certificates duly endorsed are returned to the shareholders by RTA. Confirmation in respect to the requests for dematerialization of shares is sent to the respective depositories i.e. NSDL and CDSL, expeditiously.

A certificate from a Practicing Company Secretary pursuant to Regulation 40(9) of the SEBI (LODR) Regulations, 2015, to the effect that all the transfers have been effected within 30 days from the lodgment of documents for transfer or otherwise is obtained and filed with the Stock Exchanges year ended March 31, 2022\*.

\*half yearly filing omitted pursuant to amendment w.e.f. 05.05.2021.

**x. Shareholding as on March 31, 2022:****a. Distribution of equity shareholding as on March 31, 2022**

No. of Shares	Holding	% to Capital	No. of accounts	% to total accounts
1-5000	17967	98.43	5383094	14.20
5001-10000	156	0.85	1130732	2.98
10001-20000	62	0.34	894848	2.36
20001-30000	27	0.15	671939	1.77
30001-40000	15	0.08	554181	1.46
40001-50000	5	0.03	229633	0.61
50001-100000	12	0.07	888522	2.34
100001 and above	9	0.05	28161081	74.28
<b>Grand Total</b>	<b>18253</b>	<b>100.00</b>	<b>37914030</b>	<b>100.00</b>

**b. Categories of equity shareholders as on March 31, 2022:**

Category	No. of shares	Percentage
Promoters Group – Indian	25656547	67.67
Indian Public	10668864	28.14
Bodies Corporate	1029876	2.72
NRIs/ OCBs/ Foreign Nationals/FIIs	388393	1.02
Others	170350	0.45
<b>Total</b>	<b>37914030</b>	<b>100%</b>

**xi. CEO/CFO certification**

The Certificate duly signed by Chief Executive Officer & Managing Director and Chief Financial Officer of the Company as required under Regulation 17(8) of SEBI (LODR) Regulations, 2015 is attached to this Report.

**xii. Compliance Certificate**

Certificate on compliance of conditions of corporate governance under SEBI (LODR) Regulations, 2015 is attached.

**xiii. Foreign Exchange Risk and Hedging**

The Company has a policy on Foreign Exchange Risk Management. The Board periodically reviews foreign exchange exposure and forward contract outstanding and future hedging requirements.

**xiv. Plant locations:** The Company is engaged in the business of providing engineering solutions and does not have any manufacturing plants.**xv. Registered Office & Address for correspondence:**

Block C, Second Floor,  
Kirkoskar Business Park,  
Bengaluru-560024  
Karnataka

Other locations of offices of the Company are available at the Company's website [www.axiscades.com](http://www.axiscades.com)

**xvi. Credit Ratings:** The Company has credit rating CARE BBB and CARE A3 (Under credit watch with Developing Implications) from CARE India Limited for Bank facilities. The necessary disclosures were made to Stock Exchange periodically.

**xvii.** There were no such mandatory matters where the Board had not accepted any recommendation by the Committees in the financial year 2021-2022.

**xviii.** Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis to the Statutory Auditor and to all entities in the network firm/network entity of which the Statutory Auditor is a part, is ₹ 82,41,661.91 (excluding out of pocket expenses).

**xix.** Disclosures in relation to the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013 during the FY 2021-22

No. of Complaints filed	Nil
No. of Complaints disposed off	Nil
No. of Complaints pending as on March 31, 2022	Nil

**xx.** The Company has received a certificate from Anant Khamankar, a Company Secretary in practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

**xxi.** No funds were raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

**xxii.** There are no loans and advances in the nature of loans to firms/companies in which directors are interested.

For and on behalf of the Board

Sd/-  
**Arun Krishnamurthi**  
CEO & Managing Director

Sd/-  
**Sudhakar Gande**  
Director

Date: 10.08.2022  
Place: Bengaluru

# Practising Company Secretaries' Certificate on Corporate Governance

To  
The Members of  
AXISCADES TECHNOLOGIES LIMITED  
(Formerly AXISCADES Engineering Technologies Limited)

We have examined the compliance of the conditions of Corporate Governance by AXISCADES Technologies Limited ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022 except:

- a. Non-compliance with the requirements pertaining to the composition of the Board for failure to appoint independent director under Regulation 17(1) of SEBI (LODR) Regulations, 2015 for the quarter ended March 31, 2022.

BSE (Bombay Stock Exchange) and National Stock Exchange (NSE) vide letter Dated May 20, 2022 imposed a fine to the Company. The Company paid the fine imposed by the Stock Exchanges on June 9, 2022 and made a waiver application to the Stock Exchanges with respect to the penalty levied.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Anant B Khamankar & Co.**  
Company Secretaries

**(Anant B Khamankar)**

FCS No.: 3198

CP No.: 1860

UDIN: F003198D000778148

Date: August 10, 2022

Place: Mumbai

## (CEO/CFO certificate under Clause 17 of LR)

To  
The Board of Directors  
**AXISCADES Technologies Limited**

Dear Sirs,

Certification under Regulation 17 of the Listing Regulations for the Year ended March 31, 2022.

We, Arun Krishnamurthi, Chief Executive Officer & Managing Director and Shashidhar SK, Chief Financial Officer, hereby certify that.

- (a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief.
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- (ii) These statements together present a true and fair view of the Company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are to the best of our knowledge and belief no transactions entered into by the Company during the period which are fraudulent, illegal or violate the Company's code of conduct.
- (c) We accept the responsibility for establishing and maintaining internal controls for the financial reporting, and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
- i. significant changes, if any, in internal control over financial reporting during the year ended;
- ii. significant changes, if any, in accounting period during the year ended and that the same have been disclosed in the notes to the financial statements; and
- iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf of the Board of Directors

Sd/  
**Arun Krishnamurthi**  
Chief Executive Officer &  
Managing Director

Sd/  
**Shashidhar SK**  
Chief Financial Officer

Place: Bengaluru  
Date: 24.05.2022

## Declaration on the Compliance of the Company's Code of Conduct

To,  
The Shareholders  
**AXISCADES Technologies Limited**

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Regulation 17(5) of the SEBI (LODR) Regulations, 2015, to further strengthen Corporate Governance practice in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said code of conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended March 31, 2022.

Sd/  
**Arun Krishnamurthi**  
Chief Executive Officer and Managing Director  
AXISCADES Technologies Limited



# INDEPENDENT AUDITOR'S REPORT

To the Members of AXISCADES Technologies Limited (Formerly AXISCADES Engineering Technologies Limited)

## Report on the Audit of the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying standalone Ind AS financial statements of AXISCADES Technologies Limited (Formerly AXISCADES Engineering Technologies Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Emphasis of Matter

We draw attention to Note 5(b)(ii) of the accompanying standalone Ind AS financial statements 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements Section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Assessment of carrying value of investments in Mistral Solutions Private Limited ('MSPL') (as described in Note 2(i)(I) and Note 5(b)(i) of the standalone Ind AS financial statements)</p> <p>During the current year, the Management has assessed the carrying value of investment in Mistral Solutions Private Limited ('MSPL'). The carrying value of the investment in MSPL aggregated ₹ 19,140 lakhs.</p> <p>For the purpose of the above assessment, recoverable amount has been determined by forecasting and discounting future cash flows. Furthermore, the recoverable amount is based on Management's assumptions of variables and market conditions such as volume growth rates, impact of COVID-19, future operating expenditure, discount rates and long-term growth rates.</p> <p>Determination of the recoverable amount of the investment in MSPL involved judgment due to inherent uncertainty in the assumptions supporting the recoverable amount of the investment and accordingly, the assessment of carrying value of investment in MSPL was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We understood, evaluated and tested Management's key controls over the process of assessment of carrying value of investments;</li> <li>• We assessed the Company's valuation methodology applied in determining the recoverable amount. In making this assessment, we also evaluated the objectivity and independence of Company's expert involved in the process;</li> <li>• We engaged expert to assess the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates, impact of COVID-19 and terminal growth rates and methodologies used by the Management to determine the recoverable amount;</li> <li>• We tested the arithmetical accuracy of the impairment testing model; and</li> <li>• We have assessed the disclosures in the Ind AS financial statements as per the relevant accounting standards.</li> </ul>

We have determined that there are no other key audit matters to communicate in our report.

#### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, Management is 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 Management 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are 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 these standalone Ind AS financial statements.

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 standalone Ind AS financial statements, 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 Ind AS 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 Management.
- Conclude on the appropriateness of Management's 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 Ind AS financial statements 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine

that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 5(b)(ii)

- and Note 44 to the standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
    - v. No dividend has been declared or paid during the year by the Company.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

Sd/-  
per **Sunil Gaggar**  
Partner

Place of Signature: Bengaluru  
Date: May 24, 2022

Membership Number: 104315  
UDIN: 22104315AJNVAD5262



## Annexure – 1 to the Auditor’s Report

### ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE

Re: AXISCADES Technologies Limited (Formerly AXISCADES Engineering Technologies Limited) ('the Company')

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All property, plant and equipment have not been physically verified by the Management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company’s business does not require maintenance of inventories and, accordingly, the requirement to report under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As disclosed in note 14 to the standalone Ind AS financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the standalone Ind AS financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.
- (iii) (a) During the year the Company has stood guarantee to Company as follows:

Key audit matters	Guarantees (Amount in ₹)
Aggregate amount granted/ provided during the year	
- Subsidiary	485,000,000
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiary	485,000,000

- (b) During the year the guarantees provided and the terms and conditions of the guarantees provided to a company are not prejudicial to the Company’s interest.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirements to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security given in respect of which provisions of Section 185 of the Companies Act, 2013 are applicable and hence not commented upon. In respect of loans, investments, guarantees and security in respect of which provisions of Section 186 of the Companies Act, 2013, as applicable, have been complied with by the Company.

- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in deposit of provident fund in few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	19,442,731	4,000,000	Financial Year 2015-16	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	16,357,324	-	Financial Year 2017-18	Commissioner of Income Tax (Appeals)

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the standalone Ind AS financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the standalone Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, or associate.
- (f) The Company has raised loans during year on the pledge of securities held in its subsidiaries as per details below. Further, the Company has not defaulted in repayment of such loans raised.

Nature of loan taken	Name of Bank	Amount of loan (₹)*	Name of the subsidiary	Relation	Details of security pledged
Cash Credit	HDFC Bank Limited	300,000,000	Mistral Solutions Private Limited ("MSPL")	Subsidiary	26% of shares in MSPL
Bank Guarantee	HDFC Bank Limited	10,000,000	Mistral Solutions Private Limited ("MSPL")	Subsidiary	26% of shares in MSPL
Term Loan	HDFC Bank Limited	50,000,000	Mistral Solutions Private Limited ("MSPL")	Subsidiary	26% of shares in MSPL
Term Loan	HDFC Bank Limited	160,000,000	AXISCADES Aerospace & Technologies Private Limited (ACAT)	Subsidiary	30% of shares in ACAT

\*Sanctioned amounts

- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to Standalone Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash losses in the financial year and had incurred cash losses amounting to ₹ 86,413,005 in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 43 to the standalone Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone Ind AS financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) As per the provisions of Section 135 of the Companies Act, 2013, the Company is not required to spend any amounts towards corporate social responsibility. Accordingly, there are no unspent amounts to be transferred to special account in compliance with provision of sub section (6) of Section 135 of the said Act and hence the requirement to report on clause (xx)(a) and (xx)(b) of the Order is not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sd/-  
per **Sunil Gaggar**  
Partner

Place of Signature: Bengaluru  
Date: May 24, 2022

Membership Number: 104315  
UDIN: 22104315AJNVAD5262

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF AXISCADES TECHNOLOGIES LIMITED (FORMERLY AXISCADES ENGINEERING TECHNOLOGIES LIMITED)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone Ind AS financial statements of AXISCADES Technologies Limited (Formerly AXISCADES Engineering Technologies Limited) ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the

internal financial controls with reference to these standalone Ind AS financial statements.

#### Meaning of Internal Financial Controls with reference to these Standalone Ind AS Financial Statements

A Company's internal financial control with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

#### Inherent Limitations of Internal Financial Controls with reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS financial statements, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these standalone Ind AS financial statements and such internal financial controls with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit issued by the ICAI.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

Sd/-  
per **Sunil Gaggar**  
Partner

Place of Signature: Bengaluru  
Date: May 24, 2022

Membership Number: 104315  
UDIN: 22104315AJNVAD5262



# Balance Sheet

as at 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	447.50	282.07
Other intangible assets	4A	144.38	288.56
Intangible assets under development	4B	-	-
Right of use assets	28	1,797.15	2,291.89
<b>Financial assets</b>			
Investments	5	33,557.23	32,021.43
Other financial assets	7	403.44	710.42
Deferred tax assets, net	31	837.84	759.82
Non-current tax asset, net	8	699.77	409.73
Other non-current assets	9	11.36	-
		<b>37,898.67</b>	<b>36,763.92</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	6	3,844.45	2,819.74
Cash and cash equivalents	10	642.42	1,615.44
Bank balances other than cash and cash equivalents	11	239.44	20.73
Other financial assets	7	2,614.37	2,504.46
Other current assets	9	1,491.42	1,760.88
		<b>8,832.10</b>	<b>8,721.25</b>
		<b>46,730.77</b>	<b>45,485.17</b>
<b>Total assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	1,897.23	1,889.51
Other equity	13	14,729.98	13,959.80
		<b>16,627.21</b>	<b>15,849.31</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14	250.00	1,087.96
Lease liabilities	28	471.06	1,019.98
Other financial liabilities	15	-	4,707.52
Provisions	16	610.26	610.93
		<b>1,331.32</b>	<b>7,426.39</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14	3,582.19	3,924.09
Lease liabilities	28	724.61	611.31
Trade payables	18	-	-
(a) Total outstanding dues of micro enterprises and small enterprises		26.56	4.30
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,311.53	1,171.02
Other financial liabilities	15	22,126.12	15,838.24
Provisions	16	446.83	425.59
Other current liabilities	17	554.40	234.92
		<b>28,772.24</b>	<b>22,209.47</b>
		<b>46,730.77</b>	<b>45,485.17</b>
<b>Total equity and liabilities</b>			

The accompanying notes form an integral part of the Standalone Ind AS Financial Statements.

As per our report of even date

**For S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration number : 101049W/E300004

Sd/-

**per Sunil Gaggar**

Partner

Membership Number : 104315

Place : Bengaluru

Date : 24 May 2022

For and on behalf of the Board of Directors of

**AXISCADES Technologies Limited** (formerly AXISCADES Engineering Technologies Limited)

CIN NO: L72200KA1990PLC084435

Sd/-

**Arun Krishnamurthi**

Chief Executive Officer and Managing Director

DIN : 09408190

Sd/-

**Shashidhar SK**

Chief Financial Officer

Place : Bengaluru

Date : 24 May 2022

Sd/-

**Sudhakar Gande**

Non Executive Director

DIN : 00987566

Sd/-

**Sonal Dudani**

Company Secretary

Membership No.: 40415

# Statement of Profit and Loss

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Note	Year ended 31 March 2022	Year ended 31 March 2021
<b>INCOME</b>			
Revenue from contracts with customers	19	18,198.07	12,931.60
Other income	20	204.57	584.98
<b>Total income</b>		<b>18,402.64</b>	<b>13,516.58</b>
<b>EXPENSES</b>			
Employee benefits expense	21	11,403.96	8,751.14
Finance costs	22	1,171.56	1,500.77
Depreciation and amortization expense	23	950.96	1,202.59
Other expenses	24	5,271.18	3,832.79
<b>Total expenses</b>		<b>18,797.66</b>	<b>15,287.29</b>
<b>Loss before exceptional items and tax</b>		<b>(395.02)</b>	<b>(1,770.71)</b>
Exceptional items, net	25	750.42	(4,645.10)
<b>Profit/ (loss) before tax</b>		<b>355.40</b>	<b>(6,415.81)</b>
<b>Tax expense:</b>	31		
(i) Current tax		140.45	96.74
(ii) Deferred tax credit		(92.93)	(187.74)
<b>Income tax expense/ (credit)</b>		<b>47.52</b>	<b>(91.00)</b>
<b>Profit/ (loss) after tax for the year</b>		<b>307.88</b>	<b>(6,324.81)</b>
<b>Other Comprehensive Income</b>			
<b>Other comprehensive income/ (loss) not to be reclassified to profit or loss in subsequent periods:</b>			
Remeasurement gain/ (loss) in defined benefit plans	34	34.54	(53.57)
Income tax effect		(9.61)	13.48
<b>Net other comprehensive income/ (loss) not to be reclassified to profit or loss in subsequent periods</b>		<b>24.93</b>	<b>(40.09)</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>			
Gain on cash flow hedges	33	19.08	223.19
Income tax effect		(5.31)	(56.18)
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>13.77</b>	<b>167.01</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>38.70</b>	<b>126.92</b>
<b>Total comprehensive income/ (loss) for the year, net of tax</b>		<b>346.58</b>	<b>(6,197.89)</b>
<b>Earnings/ (loss) per equity share in ₹ [nominal value of shares ₹ 5 (31 March 2021 : ₹ 5)]</b>			
Basic	26	<b>0.81</b>	<b>(16.75)</b>
Diluted		<b>0.80</b>	<b>(16.75)</b>

The accompanying notes form an integral part of the Standalone Ind AS Financial Statements.

As per our report of even date

**For S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration number : 101049W/E300004

Sd/-

**per Sunil Gaggar**

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Membership Number : 104315

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**Sudhakar Gande**

Non Executive Director

DIN : 00987566

Sd/-

**Sonal Dudani**

Company Secretary

Membership No.: 40415

# Statement of Cash Flow

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Note	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit/ (loss) before tax		355.40	(6,415.81)
Adjustments to reconcile profit/ (loss) before tax to net cash flows:			
Exceptional items, net	25	(750.42)	4,645.10
Depreciation and amortization expense	23	950.96	1,202.59
Interest income (including fair value change in financial instruments)	20	(86.34)	(121.07)
Interest expense (including fair value change in financial instruments)	22	1,171.56	1,500.77
Provision no longer required written back	20	-	(72.24)
Provision for doubtful debts and advances	24	44.10	-
Share based payment expense	21	245.63	127.54
Profit on sale of property, plant and equipment	20	(0.26)	(4.75)
Lease rental concession	20	(58.59)	-
Net unrealised foreign exchange (gain)/ loss		60.09	(236.97)
<b>Operating profit before working capital changes</b>		<b>1,932.13</b>	<b>625.16</b>
<b>Movements in working capital</b>			
(Increase)/ decrease in trade receivables		(1,022.15)	2,775.31
(Increase)/ decrease in other assets including financial assets		(143.49)	1,338.29
Increase/ (decrease) in trade payables, other liabilities and financial liabilities		756.15	(689.72)
(Decrease)/ increase in provisions		(13.21)	19.09
<b>Cash generated from operating activities</b>		<b>1,509.43</b>	<b>4,068.13</b>
Direct taxes refund/ (paid), net		(430.49)	1,214.54
<b>Net cash generated from operating activities (A)</b>		<b>1,078.94</b>	<b>5,282.67</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment and intangible assets		(354.98)	(182.73)
Receipt of Intercompany deposit		-	210.00
Proceeds from sale of property, plant and equipment		0.26	4.75
Interest received		47.12	77.86
Investments in bank deposits, net		451.58	(18.64)
<b>Net cash from investing activities (B)</b>		<b>143.98</b>	<b>91.24</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of principal and interest portion of lease liabilities	28	(716.25)	(885.84)
Repayment of long-term borrowings		(880.13)	(473.64)
Repayment of working capital loans, net		(341.90)	(2,461.61)
Proceeds from issue of equity shares		81.57	-
Interest paid		(333.12)	(642.90)
<b>Net cash generated used in financing activities (C)</b>		<b>(2,189.83)</b>	<b>(4,463.99)</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>		<b>(966.91)</b>	<b>909.92</b>
Effect of exchange rate changes, net		(6.11)	51.00
Cash and cash equivalents at the beginning of the year	10	1,615.44	654.52
<b>Cash and cash equivalents at the end of the year</b>	10	<b>642.42</b>	<b>1,615.44</b>

The accompanying notes form an integral part of the Standalone Ind AS Financial Statements.

As per our report of even date

**For S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration number : 101049W/E300004

Sd/-

**per Sunil Gaggar**

Partner

Membership Number : 104315

Place : Bengaluru

Date : 24 May 2022

For and on behalf of the Board of Directors of

**AXISCADES Technologies Limited** (formerly AXISCADES Engineering Technologies Limited)

CIN NO: L72200KA1990PLC084435

Sd/-

**Arun Krishnamurthi**

Chief Executive Officer and Managing Director

DIN : 09408190

Sd/-

**Shashidhar SK**

Chief Financial Officer

Place : Bengaluru

Date : 24 May 2022

Sd/-

**Sudhakar Gande**

Non Executive Director

DIN : 00987566

Sd/-

**Sonal Dudani**

Company Secretary

Membership No.: 40415

# Statement of Changes in Equity

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## A. EQUITY SHARE CAPITAL

Equity shares of ₹ 5 each (31 March 2021: ₹ 5 each), fully paid-up	Equity Shares	
	Number (in lakhs)	Amount
<b>At 1 April 2020</b>	377.60	1,889.51
Add: Issued and subscribed during the year	-	-
<b>At 31 March 2021</b>	<b>377.60</b>	<b>1,889.51</b>
Add: Issued and subscribed during the year*	1.54	7.72
<b>At 31 March 2022</b>	<b>379.14</b>	<b>1,897.23</b>

\* During the year, the Company allotted 154,500 (31 March 2021 - Nil) equity shares of ₹ 5 each aggregating ₹ 7.72 lakhs (31 March 2021 - ₹ Nil), consequent to the exercise of the stock options by the employees of the Company under the "AXISCADES ESOP 2018 – Series 1" and "AXISCADES ESOP 2018 – Series 2" (formerly AXISCADES Engineering Employee Stock Option Plan 2018 – Series 1 & Series 2).

## B. OTHER EQUITY

	Reserves and Surplus				Items of OCI	
	Securities premium account	Surplus/ (deficit) in the Statement of Profit and Loss	Share based payment reserve	Capital reserve	Hedge reserve	Total
Balance as at 1 April 2020	10,077.23	5,720.10	171.88	4,227.97	(176.33)	<b>20,020.85</b>
Loss for the year	-	(6,324.81)	-	-	-	<b>(6,324.81)</b>
Fair value gain on derivative instruments, net of tax	-	-	-	-	167.01	<b>167.01</b>
Re-measurement losses in defined benefit plans, net of tax	-	(40.09)	-	-	-	<b>(40.09)</b>
<b>Total comprehensive income/ (loss) for the year</b>	-	<b>(6,364.90)</b>	-	-	<b>167.01</b>	<b>(6,197.89)</b>
Share based payments expense (refer note 38)	-	-	136.84	-	-	136.84
<b>Balance as at 31 March 2021</b>	<b>10,077.23</b>	<b>(644.80)</b>	<b>308.72</b>	<b>4,227.97</b>	<b>(9.32)</b>	<b>13,959.80</b>
Profit for the year	-	307.88	-	-	-	<b>307.88</b>
Fair value gain on derivative instruments, net of tax	-	-	-	-	13.77	<b>13.77</b>
Re-measurement gains in defined benefit plans, net of tax	-	24.93	-	-	-	<b>24.93</b>
<b>Total comprehensive income for the year</b>	-	<b>332.81</b>	-	-	<b>13.77</b>	<b>346.58</b>
Exercise of share options	120.70	-	(46.67)	-	-	<b>74.03</b>
Share based payments expense (refer note 38)	-	-	349.57	-	-	<b>349.57</b>
<b>Balance as at 31 March 2022</b>	<b>10,197.93</b>	<b>(311.99)</b>	<b>611.62</b>	<b>4,227.97</b>	<b>4.45</b>	<b>14,729.98</b>

The accompanying notes form an integral part of the Standalone Ind AS Financial Statements.

As per our report of even date

**For S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration number : 101049W/E300004

Sd/-

**per Sunil Gaggar**

Partner

Membership Number : 104315

Place : Bengaluru

Date : 24 May 2022

For and on behalf of the Board of Directors of

**AXISCADES Technologies Limited** (formerly AXISCADES Engineering Technologies Limited)

CIN NO: L72200KA1990PLC084435

Sd/-

**Arun Krishnamurthi**

Chief Executive Officer and Managing Director

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Sd/-

**Sudhakar Gande**

Non Executive Director

DIN : 00987566

Sd/-

**Sonal Dudani**

Company Secretary

Membership No.: 40415



# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

## 1. CORPORATE INFORMATION:

AXISCADES Technologies Limited (formerly AXISCADES Engineering Technologies Limited) ('the Company'/'AXISCADES'), a public limited Company, operates in the business of Technology Services and Solutions. The Company's shares are listed for trading on the National Stock Exchange of India Limited and BSE Limited in India

The Registered Office of the Company is "Block C, Second Floor, Kiroloskar Business Park, Bengaluru - 560024, Karnataka, India"

## 2 (I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 24 May 2022.

The standalone financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements are presented in INR and all values are rounded to the nearest lakh (INR 00,000), except when otherwise indicated.

### b) Use of estimates

The preparation of the financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Significant Management judgments

The following are significant Management judgments in applying the accounting policies of the Company that have the most significant effect on the standalone financial statements.

#### Leases - Estimation of incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

#### Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

#### Capitalisation of internally developed intangible assets

Distinguishing the research and development phases of a new customised project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgment. After capitalisation, Management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

#### Evaluation of indicators for impairment of assets / investments

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, Management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

#### Recoverability of advances / receivables

At each balance sheet date, based on historical default rates observed over expected life, the Management assesses the expected credit loss on outstanding receivables and advances.

#### Useful lives of depreciable / amortisable assets

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

#### Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

#### Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how

# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Contingent considerations, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of financial liability, it is subsequently remeasured to fair value with changes in fair value recognised in profit or loss at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

## Decommissioning liability

The estimated valuation of decommissioning liability are based on management's historical experience and best estimate of restoring the premises on lease in its original condition. Assumptions and judgments made by management when assessing an decommissioning liability include i) the existence of a legal obligation; ii) estimated probabilities, amounts, and timing of settlements; iii) the credit-adjusted risk-free rate to be used.

## Share-based payments

The Company measures the cost of non cash-settled transactions with employees using a Black sholes model valuation to determine the fair value of the liability incurred. Estimating fair value for sharebased payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses Black sholes model valuation for executives and senior management employees. The assumptions and models used for estimating fair value for sharebased payment transactions are disclosed in note 38.

## c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;

- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

## d) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by Management. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of respective asset if the recognition criteria for a provision are met.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Asset Category	Useful lives (in years)
Computers	3
Furniture and fixtures *	7
Office equipment *	7
Office buildings *	61
Vehicles *	5

\*Based on an internal assessment, the Management believes that the useful lives as given above represents the period over which Management expects to use the assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16, Property, plant and equipment, and Schedule II of the Companies Act, 2013, the Management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

Leasehold improvements are depreciated over its lease period including renewable period or estimated useful life, whichever is shorter, on a straight-line basis.

## e) Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Process manuals are amortised over the remaining project term or the useful life of the process manual, whichever is shorter. Software's are amortised over the period of 3 years.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets represent cost incurred for the creation of engineering and design manuals ('process manuals').

## Intangible assets under development

Capitalised costs that are directly attributable to the development phase are recognised as intangible assets provided that they meet the following recognition requirements:

- demonstration of technical feasibility of the prospective product or processes for sale;
- the intangible asset will generate probable economic benefits through sale;
- sufficient technical, financial and other resources are available for completion; and
- the intangible asset can be reliably measured.

## f) Impairment of property, plant and equipment and intangible assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

## g) Revenue from contract with customer

The specific recognition criteria described below must also be met before revenue is recognized.

### Sale of services

The Company derives its revenues primarily from engineering design services. Service income comprises of income from time and material contracts and fixed-price contracts. Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, where the performance obligations are satisfied over time and where there is no uncertainty as to

# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

## Variable Consideration

Rights of return, volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

## Finance income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

## Contract balances

### Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs by providing services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Revenues in excess of invoicing are classified as contract assets (which we refer to as Unbilled Revenue)

### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 2 (o) Financial instruments – initial recognition and subsequent measurement.

## h) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

## Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

## Overseas social security

The Company contributes to social security charges of countries to which the Company deutes its employees on employment or has permanent employees. The plans are defined contribution plan and contributions paid or payable is recognised as an expense in these periods in which the employee renders services in those respective countries.

## Defined benefit plan

### Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

## Compensated absences

The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to Statement of Profit and Loss in a subsequent period. Further, as required under Ind AS compliant



# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

## Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

## i) Leases

The Company has lease contracts for buildings used in its operations. Lease terms generally ranges between 3 and 9 years.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on 1 April 2019

### (i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

### (ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### (iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## j) Foreign currency transactions

### Functional and presentation currency

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹).

### Transactions and balances

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or

# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).
- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

## k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## l) Investments in subsidiaries

The Company's investment in equity instruments in subsidiaries are accounted for at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

## m) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and

liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### Minimum alternate tax (MAT):

MAT payable for a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in

# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement' under Deferred Tax. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

## n) Provisions and contingencies

### Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

### Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

### Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

## o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- i. Debt instruments at amortised cost;
  - ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
  - iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
  - iv. Equity investments.
- i. **Debt instruments at amortised cost**  
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
  - b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

ii. **Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI

# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

debt instrument is reported as interest income using the EIR method.

### iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### iv. Equity investments

All equity investments in scope of Ind AS 109, Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or

- b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for



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for the year ended 31 March 2022

trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109, Financial Instruments.

### **Gains or losses on liabilities held for trading are recognised in the profit or loss.**

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit and loss.

### *Loans and borrowings*

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

### **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **Derivative financial instruments and Hedge accounting**

#### **Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency

risks arising from highly probable future forecasted sales. This derivative financial instrument are designated in a cash flow hedge relationship. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Statement of Profit and Loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss and is reclassified to underlying hedged item.

### **p) Impairment of financial assets**

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

The Company tracks credit risk and changes thereon for each customer. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, life time ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company uses default rate for credit risk to determine impairment loss allowance on portfolio of its trade receivables.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

## Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

## Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

## q) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurements as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined the classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liabilities and the level of the fair value hierarchy as explained above.

# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

## r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks and on hand and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the engineering design service, which constitutes its single reportable segment.

## t) Earnings per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## u) Business combinations

Business combinations between entities under common control is accounted for at carrying value under the provisions of Ind AS 103, Business Combinations.

Transaction costs that the Company incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

## v) Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## w) Corporate Social Responsibility (CSR) expenditure

CSR expenditure as per provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, is charged to the Statement of Profit and Loss as expense as and when incurred.

## 2(II) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

There are no new accounting policies applied during the current year

## 2(III) NEW AND AMENDED STANDARDS

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

### (i) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc. The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

18 June 2021, applicable for annual periods beginning on or after 1 April 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the Standalone Ind AS Financial Statements of the Company.

### (ii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of

this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the Standalone Ind AS Financial Statements of the Company.

### (iii) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the Standalone Ind AS Financial Statements of the Company.

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 3 PROPERTY, PLANT AND EQUIPMENT (PPE)

	Computers	Furniture and fixtures	Office equipment	Office building	Vehicles	Leasehold improvements	Total
<b>Cost</b>							
Balance as at 1 April 2020	710.79	85.42	126.98	136.19	5.25	26.31	1,090.94
Additions	16.06	4.80	2.17	-	-	13.98	37.01
Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>726.85</b>	<b>90.22</b>	<b>129.15</b>	<b>136.19</b>	<b>5.25</b>	<b>40.29</b>	<b>1,127.95</b>
Additions	272.96	5.66	4.25	-	-	-	282.87
Disposals	(101.82)	-	(0.35)	-	-	-	(102.17)
<b>Balance as at 31 March 2022</b>	<b>897.99</b>	<b>95.88</b>	<b>133.05</b>	<b>136.19</b>	<b>5.25</b>	<b>40.29</b>	<b>1,308.65</b>
<b>Accumulated depreciation</b>							
Balance as at 1 April 2020	598.01	49.32	63.05	11.22	2.66	12.29	736.55
Charge for the year	66.93	10.14	16.71	2.96	2.59	10.00	109.33
On disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>664.94</b>	<b>59.46</b>	<b>79.76</b>	<b>14.18</b>	<b>5.25</b>	<b>22.29</b>	<b>845.88</b>
Charge for the year	82.42	9.98	14.99	2.98	-	7.07	117.44
On disposals	(101.82)	-	(0.35)	-	-	-	(102.17)
<b>Balance as at 31 March 2022</b>	<b>645.54</b>	<b>69.44</b>	<b>94.40</b>	<b>17.16</b>	<b>5.25</b>	<b>29.36</b>	<b>861.15</b>
<b>Net book value</b>							
<b>As at 31 March 2021</b>	<b>61.91</b>	<b>30.76</b>	<b>49.39</b>	<b>122.01</b>	<b>-</b>	<b>18.00</b>	<b>282.07</b>
<b>As at 31 March 2022</b>	<b>252.45</b>	<b>26.44</b>	<b>38.65</b>	<b>119.03</b>	<b>-</b>	<b>10.93</b>	<b>447.50</b>

### a. Capitalised borrowing cost

There is no borrowing costs capitalised during the year ended 31 March 2022 (31 March 2021: ₹ Nil).

### b. Property, plant and equipment pledged as security

Details of properties pledged are as per note 14

### c. Decommissioning cost

A provision has been recognised for decommissioning costs associated with the premises taken on lease. The Company is committed to decommissioning the premises as a result of improvements made to the premises (refer note 16).

## 4A OTHER INTANGIBLE ASSETS

	Software	Process manuals	Total
<b>Cost</b>			
Balance as at 1 April 2020	1,264.89	1,754.44	3,019.33
Additions	215.87	-	215.87
<b>Balance as at 31 March 2021</b>	<b>1,480.76</b>	<b>1,754.44</b>	<b>3,235.20</b>
Additions	1.85	-	1.85
<b>Balance as at 31 March 2022</b>	<b>1,482.61</b>	<b>1,754.44</b>	<b>3,237.05</b>
<b>Accumulated amortisation</b>			
Balance as at 1 April 2020	994.30	1,754.44	2,748.74
Charge for the year	197.90	-	197.90
<b>Balance as at 31 March 2021</b>	<b>1,192.20</b>	<b>1,754.44</b>	<b>2,946.64</b>
Charge for the year	146.03	-	146.03
<b>Balance as at 31 March 2022</b>	<b>1,338.23</b>	<b>1,754.44</b>	<b>3,092.67</b>
<b>Net book value</b>			
<b>As at 31 March 2021</b>	<b>288.56</b>	<b>-</b>	<b>288.56</b>
<b>As at 31 March 2022</b>	<b>144.38</b>	<b>-</b>	<b>144.38</b>



# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 4B INTANGIBLE ASSETS UNDER DEVELOPMENT

	Software	Total
Balance as at 1 April 2020	56.22	56.22
Additions during the year	70.00	70.00
Less: Capitalised/ Impaired during the year	(126.22)	(126.22)
<b>Balance as at 31 March 2021</b>	-	-
Additions during the year	-	-
Less: Capitalised during the year	-	-
<b>Balance as at 31 March 2022</b>	-	-

### Financial Assets

## 5 INVESTMENTS

### i) Unquoted Investments carried at cost

	As at 31 March 2022	As at 31 March 2021
<b>Non-current</b>		
<b>Investment in equity shares of subsidiaries:</b>		
AXISCADES Inc.	1,489.06	1,489.06
19,725 equity shares (31 March 2021: 19,725) of no par value		
Cades Studec Technologies (India) Private Limited	719.66	719.66
475,000 equity shares (31 March 2021: 475,000) of ₹10 each, fully paid up		
AXISCADES Technology Canada Inc.	0.05	0.05
100 equity shares (31 March 2021: 100) of Canadian Dollar 1 each, fully paid up		
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.	42.68	42.68
1 equity share (31 March 2021: 1) of no par value		
AXISCADES GmbH	18.87	18.87
1 equity share (31 March 2021: 1) of no par value		
AXISCADES Aerospace & Technologies Private Limited*	11,962.04	11,962.04
16,838,512 equity shares (31 March 2021: 16,838,512) of ₹10 each, fully paid up		
Mistral Solutions Private Limited*	24,213.97	24,213.97
3,805,370 equity shares (31 March 2021: 3,805,370) of ₹ 5 each, fully paid up		
	<b>38,446.33</b>	<b>38,446.33</b>
Less: Provision for impairment in value of investment in Axis Mechanical Engineering Design (Wuxi) Co., Ltd. (refer note (a) below)	(42.68)	(42.68)
Less: Provision for impairment in value of investment in Mistral Solutions Private Limited (refer note (b) below)	(5,073.97)	(6,609.77)
<b>Net Investment in equity shares of subsidiaries:</b>	<b>33,329.68</b>	<b>31,793.88</b>
<b>Investment in equity shares of associate:</b>		
ASSYSTEMS AXISCADES Engineering Private Limited	227.50	227.50
455,000 equity shares (31 March 2021: 455,000) of ₹ 50 each, fully paid up		
<b>Total investment carried at cost (A)</b>	<b>33,557.18</b>	<b>32,021.38</b>
<b>ii) Investments in equity shares of other companies (at FVTPL)</b>		
	As at 31 March 2022	As at 31 March 2021
Axis Cogent Global Limited	-	-
946,822 (31 March 2021: 946,822) equity shares of ₹ 10 each, fully paid up		
Datum Technology Limited	-	-
50,000 (31 March 2021: 50,000) equity shares of ₹ 10 each, fully paid up		
<b>Total investment carried at fair value through profit or loss (B)</b>	<b>-</b>	<b>-</b>

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## iii) Other investments (at amortised cost)

	As at 31 March 2022	As at 31 March 2021
National savings certificates	0.05	0.05
<b>Total investment carried at amortised cost (C)</b>	<b>0.05</b>	<b>0.05</b>
<b>Aggregate value of investments (A+B+C)</b>	<b>33,557.23</b>	<b>32,021.43</b>
<b>Aggregate value of unquoted non-current investments</b>	38,673.88	38,673.88
<b>Aggregate provision for impairment in value of investments</b>	(5,116.65)	(6,652.45)

\* Refer note 14 for details of assets pledged as security for borrowings.

- a) During the previous year, the Company carried out an impairment assessment based on the impairment indicators and determined that the recoverable value of the investment in subsidiary i.e. Axis Mechanical Engineering Design (Wuxi) Co., Ltd ('AXISCADES China'), is lower than their respective carrying value. Accordingly, the Company has recognised impairment loss of ₹ 42.68 lakhs for the year ended 31 March 2021 on its investment in AXISCADES China. The aforesaid amount was disclosed as an exceptional item, refer note 25.
- b) (i) During the financial year 2017-18, the Company entered into a Share Purchase Agreement ('SPA') to acquire 100% stake in Mistral Solutions Private Limited 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 Mistral Solutions Private Limited ("MSPL") effective 1 December 2017. As at 31 March 2022, the Company has engaged an independent external valuer to determine the recoverable value of its investments in MSPL to carry out an assessment of the carrying value of aforesaid investments and provision for impairment. The Company has carried out valuation, using a discounted cash flow method and determined that the recoverable value of the investment in MSPL is more than its carrying value. Accordingly, the Company has reversed impairment loss of ₹ 1,535.80 lakhs during the year ended 31 March 2022. The Company has recognised impairment loss of ₹ 6,609.77 lakhs during the year ended 31 March 2021. The aforesaid amounts have been disclosed as exceptional items, refer note 25.

As on the acquisition date, the purchase consideration was determined as ₹ 24,213.97 lakhs, payable over a period specified in the SPA. As per the SPA, the amount of purchase consideration payable for certain phases is dependent on revenues and profit after tax generated by MSPL Group since the acquisition date through the financial year ended March 2022 mentioned below as contingent consideration. The Company engages an independent external valuer for valuation of contingent consideration. The involvement of external valuer is decided annually by the Management and the selection criteria include market knowledge, reputation and independence of the valuer.

During the current year, the Company has also recognised a net fair value loss of ₹ 785.38 lakhs and in the previous year, net fair value gain of ₹ 2,174.55 lakhs, on re-estimation of the contingent purchase consideration payable as per the terms of the Share Purchase Agreement ('SPA'). Also, the Company has recognised an interest expense of ₹ 643.42 lakhs (31 March 2021: ₹ 643.50 lakhs) on the purchase consideration payable, in the statement of profit and loss account. The change in fair value is based on the actual performance of MSPL Group. The value of the purchase consideration payable as at 31 March 2022, aggregated ₹ 21,157.12 lakhs (31 March 2021: ₹ 19,728.32 lakhs) including deferred consideration of ₹ 21,157.12 lakhs (31 March 2021: ₹ 16,311.85 lakhs) and contingent consideration of ₹ Nil (31 March 2021: ₹ 3,416.47 lakhs).

	As at 31 March 2022		
	Contingent Consideration*	Deferred Consideration	Total
<b>Opening balance of purchase consideration payable</b>	-	19,728.32	19,728.32
Add: Unwinding of discount (interest expense)	-	643.42	643.42
Add: Fair value loss recognised during the year	-	785.38	785.38
<b>Closing balance of purchase consideration payable</b>	-	<b>21,157.12</b>	<b>21,157.12</b>

\* Contingent consideration as at 31 March 2022, has been transferred to deferred consideration on completion of the earn-out period

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2021		
	Contingent Consideration	Deferred Consideration	Total
<b>Opening balance of purchase consideration payable</b>	5,069.50	16,189.87	21,259.37
Add: Unwinding of discount (interest expense)	521.52	121.98	643.50
Less: Fair value gain recognised during the year	(2,174.55)	-	(2,174.55)
<b>Closing balance of purchase consideration payable</b>	<b>3,416.47</b>	<b>16,311.85</b>	<b>19,728.32</b>

Out of the above purchase consideration payable at the year end, ₹ Nil (31 March 2021: ₹ 4,688.61 lakhs) is disclosed under Other Non-current financial liabilities and ₹ 21,157.12 lakhs (31 March 2021 : ₹ 15,039.71 lakhs) is disclosed under Other current financial liabilities.

- (ii) During the quarter ended 30 June 2018, the Company had 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 8 March 2019, NCLT, Bengaluru bench has approved the scheme of amalgamation ('Scheme'). As the registered office of the Explosoft is situated in the state of Maharashtra, the scheme has also been filed by Explosoft on 15 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 30 June 2020, the shareholders of MSPL have demanded for discharge of purchase consideration of Phase II of SPA aggregating ₹ 7,213 lakhs as the scheme of merger has not yet been approved. The shareholders have also demanded an interest of ₹ 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. During the year, the Arbitral Tribunal has further conducted hearings on the aforesaid matter and the matter is pending before the Arbitral Tribunal. The final outcome of the matter is not known currently.

The revenues (including other income) and profit of MSPL included in the consolidated financial statements for the year ended 31 March 2022 aggregates to ₹ 20,169.09 lakhs and ₹ 2,580.63 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 Standalone Ind AS Financial Statements.

## 6 Trade receivables

	As at 31 March 2022	As at 31 March 2021
<b>Current</b>		
(a) Trade Receivables from other parties	3,075.63	2,101.80
(b) Receivables from related parties (refer note 27)	768.82	717.94
<b>Total Trade receivables</b>	<b>3,844.45</b>	<b>2,819.74</b>
<b>Break-up for security details:</b>		
<b>Trade receivables (Current)</b>		
Secured, considered good	-	-
Unsecured, considered good	3,844.45	2,819.74
Trade Receivables which have significant increase in credit risk	229.00	218.73
Trade Receivables - credit impaired	5.33	5.33
	<b>4,078.78</b>	<b>3,043.80</b>

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Trade Receivables which have significant increase in credit risk	(229.00)	(218.73)
Trade Receivables - credit impaired	(5.33)	(5.33)
<b>Total Trade receivables</b>	<b>3,844.45</b>	<b>2,819.74</b>

Set out below is the movement in the allowance for expected credit losses of trade receivables :

	As at 31 March 2022	As at 31 March 2021
As at 1 April	224.06	56.86
Provision for expected credit losses (refer note 24 and note 25)	10.27	167.20
As at 31 March	<b>234.33</b>	<b>224.06</b>

## Trade receivables ageing schedule as at 31 March 2022

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	3,636.55	124.89	-	43.07	24.13	15.81	<b>3,844.45</b>
(ii) Undisputed trade receivables - which has significant increase in credit risk	-	-	-	-	207.69	-	<b>207.69</b>
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	5.33	<b>5.33</b>
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which has significant increase in credit risk	-	-	-	-	-	21.31	<b>21.31</b>
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>3,636.55</b>	<b>124.89</b>	<b>-</b>	<b>43.07</b>	<b>231.82</b>	<b>42.45</b>	<b>4,078.78</b>

## Trade receivables ageing schedule as at 31 March 2021

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	2,529.68	138.22	54.90	81.13	9.04	6.77	<b>2,819.74</b>
(ii) Undisputed trade receivables - which has significant increase in credit risk	-	-	-	197.42	-	-	<b>197.42</b>
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	5.33	<b>5.33</b>
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which has significant increase in credit risk	-	-	-	-	-	21.31	<b>21.31</b>
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>2,529.68</b>	<b>138.22</b>	<b>54.90</b>	<b>278.55</b>	<b>9.04</b>	<b>33.41</b>	<b>3,043.80</b>

No trade or other receivables are due from director or other officers of the Company either severally or jointly with any other person.

For terms and conditions relating to related party receivables, refer note 27.

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

Refer note 14 for details of assets pledged as security for borrowings.

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 7 OTHER FINANCIAL ASSETS

	As at 31 March 2022	As at 31 March 2021
<b>Non-current</b>		
<b>(carried at amortised cost)</b>		
(Unsecured, considered good)		
Security deposits	402.12	455.12
Margin money deposits with banks against bank guarantees (refer note 11)*	1.32	255.30
	<b>403.44</b>	<b>710.42</b>
<b>Current *</b>		
<b>(carried at amortised cost)</b>		
(Unsecured, considered good)		
Interest accrued on fixed deposits	0.74	7.88
Margin money deposits with banks against bank guarantees (refer note 11)	20.18	436.48
Contract assets - Unbilled revenue #	1,949.62	1,389.50
Export incentive receivable	365.04	511.05
Other receivables from Related parties (refer note 27)	153.08	112.33
Security deposits	106.58	47.22
	<b>2,595.24</b>	<b>2,504.46</b>
(Unsecured, considered doubtful)		
Contract assets - Unbilled revenue	104.97	104.97
Security deposits	33.83	-
	<b>138.80</b>	<b>104.97</b>
Less:		
Allowance for doubtful contract assets	(104.97)	(104.97)
Allowance for doubtful security deposit	(33.83)	-
	<b>(138.80)</b>	<b>(104.97)</b>
<b>(carried at FVTOCI)</b>		
(Unsecured, considered good)		
Hedge asset	19.13	-
	<b>19.13</b>	<b>-</b>
	<b>2,614.37</b>	<b>2,504.46</b>

\* Refer note 14 for details of assets pledged as security for borrowings.

# Includes ₹ 395.14 lakhs (31 March 2021: ₹ 296.67 lakhs) from related parties (refer note:27)

## 8 NON-CURRENT TAX ASSET, NET

	As at 31 March 2022	As at 31 March 2021
Advance income tax (net of provision for tax)	699.77	409.73
	<b>699.77</b>	<b>409.73</b>



# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 9 OTHER ASSETS

	As at 31 March 2022	As at 31 March 2021
<b>Non-current</b>		
(Unsecured, considered good)		
Prepaid expenses	11.36	-
	<b>11.36</b>	<b>-</b>
<b>Current *</b>		
(Unsecured, considered good)		
Duties and taxes recoverable	847.09	1,141.38
Prepaid expenses	535.96	530.92
Advance to suppliers	83.96	71.69
Advance to employees	24.41	16.89
	<b>1,491.42</b>	<b>1,760.88</b>
(Unsecured, considered doubtful)		
Duties and taxes recoverable	27.67	27.67
	<b>27.67</b>	<b>27.67</b>
Less: Allowance for duties and taxes recoverable	(27.67)	(27.67)
	<b>(27.67)</b>	<b>(27.67)</b>
	<b>1,491.42</b>	<b>1,760.88</b>

\* Refer note 14 for details of assets pledged as security for borrowings.

## 10 CASH AND CASH EQUIVALENTS

	As at 31 March 2022	As at 31 March 2021
Cash on hand	0.56	0.40
Balances with banks		
- on current accounts	641.86	1,217.04
- Deposits with original maturity of less than three months	-	398.00
	<b>642.42</b>	<b>1,615.44</b>

- (i) Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods for few days, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.
- (ii) As at 31 March 2022, the Company has ₹ 1,628.01 lakhs (31 March 2021: ₹ 3,498.15 lakhs) of undrawn committed borrowing facilities.
- (iii) Refer note 14 for details of assets pledged as security for borrowings.

### Notes:

For the purpose of statement of cash flows, cash and cash equivalents comprises the following:

	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents	642.42	1,615.44
<b>Cash and cash equivalents reported in cash flow statement</b>	<b>642.42</b>	<b>1,615.44</b>

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31 March 2022	As at 31 March 2021
Margin money deposits (with original maturity of more than 3 months but less than 12 months)	227.74	20.73
Bank deposits (with original maturity of more than 3 months but less than 12 months)	11.70	-
Margin money deposits (with original maturity of more than 12 months)	21.50	691.78
	<b>260.94</b>	<b>712.51</b>
Less : Amounts disclosed as other non-current financial assets (refer note 7)	(1.32)	(255.30)
Less : Amounts disclosed as other current financial assets (refer note 7)	(20.18)	(436.48)
	<b>239.44</b>	<b>20.73</b>

- (i) Fixed deposits of a carrying amount ₹ 200.00 lakhs (31 March 2021: ₹ 671.11 lakhs) have been deposited as margin money against the packing credit facility and the term loan availed from a bank.
- (ii) Deposits of a carrying amount ₹ 49.24 lakhs (31 March 2021: ₹ 41.40 lakhs) have been deposited as bank guarantee in favour of various government authorities and customers.
- (iii) Refer note 14 for details of assets pledged as security for borrowings.

### a) Breakup of financial assets carried at amortised cost

	As at 31 March 2022	As at 31 March 2021
Investments (Non Current) (refer note 5)	0.05	0.05
Trade receivables (Current) (refer note 6)	3,844.45	2,819.74
Other financial assets (Current and Non Current) (refer note 7)	2,998.68	3,214.88
Cash and cash equivalents (Current) (refer note 10)	642.42	1,615.44
Bank balances other than cash and cash equivalents (Current) (refer note 11)	239.44	20.73
	<b>7,725.04</b>	<b>7,670.84</b>

## 12 Share capital

	As at 31 March 2022		As at 31 March 2021	
	Number (in lakhs)	Amount	Number (in lakhs)	Amount
<b>Authorized share capital</b>				
Equity shares of ₹ 5 each	2,040.00	10,200.00	2,040.00	10,200.00
Preference shares of ₹ 100 each	1.00	100.00	1.00	100.00
	<b>2,041.00</b>	<b>10,300.00</b>	<b>2,041.00</b>	<b>10,300.00</b>
<b>Issued share capital</b>				
Equity shares of ₹ 5 each, fully paid-up	379.65	1,898.25	378.11	1,890.53
<b>Subscribed and paid-up</b>				
Equity shares of ₹ 5 each (31 March 2021 ₹ 5 each), fully paid-up	379.14	1,895.70	377.60	1,887.98
Add: Forfeited shares (amount originally paid ₹ 3 per share on 51,100 equity shares)*	-	1.53	-	1.53
	<b>379.14</b>	<b>1,897.23</b>	<b>377.60</b>	<b>1,889.51</b>

\* Out of 51,100 equity shares of ₹ 5 each issued, ₹2 had not been subscribed amounting to ₹ 1.02 lakhs.

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## (a) Reconciliation of the equity shares

	As at 31 March 2022		As at 31 March 2021	
	Number (in lakhs)	Amount	Number (in lakhs)	Amount
<b>Equity shares of ₹ 5 each, par value</b>				
Balances as at the beginning of the year	377.60	1,889.51	377.60	1,889.51
Add: Issued and subscribed during the year*	1.54	7.72	-	-
<b>Balance at the end of the year</b>	<b>379.14</b>	<b>1,897.23</b>	<b>377.60</b>	<b>1,889.51</b>

\* During the year, the Company allotted 154,500 (31 March 2021 - Nil) equity shares of ₹ 5 each aggregating ₹ 7.72 lakhs (31 March 2021 - ₹ Nil), consequent to the exercise of the stock options by the employees of the Company under the "AXISCADES ESOP 2018 – Series 1" and "AXISCADES ESOP 2018 – Series 2" (formerly AXISCADES Engineering Employee Stock Option Plan 2018 – Series 1 & Series 2)

## (b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## (c) Details of shares held by the holding company and subsidiaries of holding company

	As at 31 March 2022		As at 31 March 2021	
	Number (in lakhs)	Amount	Number (in lakhs)	Amount
<b>Holding Company:</b>				
Jupiter Capital Private Limited (refer note 1 below)	252.82	1,264.10	73.60	368.01
<b>Subsidiaries of Holding Company:</b>				
Tayana Digital Private Limited (refer note 1 below)	-	-	121.42	607.11
Indian Aero Ventures Private Limited	3.75	18.73	61.54	307.71

### Note:

1. The Promoter Company, Tayana Digital Private Limited (TDPL), was merged with Promoter Group Company Jupiter Capital Private Limited (JCPL) with effect from 17 October 2018. As a result of the merger, Jupiter Capital Private Limited has become Promoter of the Company. The same was intimated by the Company to the Stock exchange on 18 October 2018. Until year ended 31 March 2021, underlying shares continued to be held in the name of Tayana Digital Private Company (TDPL) with the depository. During the year, these shares have been updated in the name of Promoter Company Jupiter Capital Private Limited in the records of the depository.

## (d) Details of shareholders holding more than 5% shares:

	As at 31 March 2022		As at 31 March 2021	
	Number (in lakhs)	Percentage holding	Number (in lakhs)	Percentage holding
<b>Equity shares of ₹ 5 each, par value</b>				
Tayana Digital Private Limited (refer note c(1) above)	-	-	121.42	32.16%
Jupiter Capital Private Limited (refer note c(1) above)	252.82	66.68%	73.60	19.49%
Indian Aero Ventures Private Limited	3.75	0.99%	61.54	16.30%

(e) In the period of five years immediately preceding the Balance Sheet date, the Company has not issued any bonus shares or has bought back any shares.

## (f) Details of shares allotted for consideration other than cash (within five years preceding the Balance Sheet date)

Particulars	2020 - 21	2019 - 20	2018 - 19	2017 - 18	2016 - 17
<b>Equity shares:</b>					
Allotted as fully paid up under Scheme of Amalgamation	-	-	-	-	105.70

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## (g) Shares held by promoters at the end of the year

### As at 31 March 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total Shares	% change during the year
Tayana Digital Private Limited	121.42	(121.42)	-	0%	-100%
Jupiter Capital Private Limited	73.60	179.22	252.82	66.68%	243%
Indian Aero Ventures Private Limited	61.54	(57.79)	3.75	0.99%	-94%

### As at 31 March 2021

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total Shares	% change during the year
Tayana Digital Private Limited	121.42	-	121.42	32.16%	0%
Jupiter Capital Private Limited	73.60	-	73.60	19.49%	0%
Indian Aero Ventures Private Limited	61.54	-	61.54	16.30%	0%

## (h) Shares reserved for issue under options

The ESOP scheme titled “AXISCADES Employee Stock Option Plan- Series 1 & 2” (“ESOP Schemes”) was approved by the Shareholders of the Company vide resolution passed at the Extra Ordinary General Meeting through postal ballot held on 31 March 2018 in respect of grant of options exercisable into equity shares of face value of ₹ 5 each fully paid-up, not exceeding 3,020,762 equity shares or 8% of the paid up equity shares of the Company from time to time. Further, the Company has got its shareholders approval in its 31<sup>st</sup> AGM dated 28 September 2021 for increase in the pool of ESOP additionally by 2,643,167 options under scheme “AXISCADES Employee Stock Option Plan- Series 2” (“ESOP Series 2”) thereby the total pool under both the ESOP Series 1 & 2 shall not exceed 5,663,929 shares or 15% of the paid-up equity shares of the Company from time to time. The total number of options outstanding as on 31 March 2022 is 5,299,674 shares (31 March 2021: 3,020,762).

## 13 OTHER EQUITY

	As at 31 March 2022	As at 31 March 2021
Securities premium	10,197.93	10,077.23
Hedge reserve	4.45	(9.32)
Retained earnings	(311.99)	(644.80)
Capital reserve [reserve credited pursuant to the Scheme of Amalgamation]	4,227.97	4,227.97
Share based payment reserve	611.62	308.72
	<b>14,729.98</b>	<b>13,959.80</b>

Refer Statement of Changes in Equity, for movement in other equity

### Note:

#### Securities premium

Securities premium is used to record the premium on issue of shares. The reserve will be utilized in accordance with the provisions of the Companies Act, 2013.

#### Hedge Reserve

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the hedging reserve. Amounts recognised in the hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss.

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## Retained earnings

It comprises of the accumulated profit/ (loss) of the Company.

## Capital reserve

Capital reserve is created pursuant to Amalgamation of India Aviation Training Institute Private Limited ("IAT") with the Company with effect from 1 April 2016.

## Share based payment reserve

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 38 for further details of these plans.

## 14 BORROWINGS

	As at 31 March 2022	As at 31 March 2021
<b>Non current</b>		
Secured		
Term loan from banks [refer note (a) (ii) and (b)(iii) (iv)]	-	837.96
Unsecured		
Intercorporate deposit from subsidiary [refer note 27 and b(ii) below]	250.00	250.00
	<b>250.00</b>	<b>1,087.96</b>
<b>Current</b>		
Secured		
Working capital loan [refer note (a)(i) and (b)(i)]	2,325.17	2,197.03
Cash credit from banks [refer note (a)(i) and (b)(v)]	382.44	804.82
Current maturities of long term borrowings [refer note (a) (ii) and (b)(iii)]	874.58	922.24
	<b>3,582.19</b>	<b>3,924.09</b>
Aggregate secured loans	3,582.19	4,762.05
Aggregate unsecured loans	250.00	250.00

### a) Details of security for borrowings

- (i) Packing credit facility in foreign currency ("PCFC"), Working capital loans and Cash credit from banks are secured by exclusive charge on current assets, movable fixed assets, land and building of the Company situated at D-30, Sector 3, Noida, UP, property owned by Enertec Controls Limited (step down subsidiary) at Electronic City, Bangalore, fixed deposits of ₹ 200 lakhs, pledge of 26% shares of the subsidiary company Mistral Solutions Private Limited, and corporate guarantee from M/s. Enertec Controls Limited. Additionally, 10% cash margin in the form of fixed deposits lien to be maintained. Further, shortfall undertaking and letter of responsibility is backed by board resolution from Jupiter Capital Private Limited.
- (ii) Foreign currency Term Loan ('FCTL') from a bank is secured by exclusive charge on current assets and movable fixed assets, fixed deposits of ₹ 200 lakhs, corporate guarantee from M/s. Enertec Controls Limited, pledge of shares of the Company to the extent of 1.40 times the Foreign currency Term Loan exposure (not to exceed 30%) and pledge of shares of the subsidiary company AXISCADES Aerospace & Technologies Private Limited to the extent of 30% of shares held by the company. Further, shortfall undertaking and letter of responsibility is backed by board resolution from Jupiter Capital Private Limited.

### b) Terms of borrowings and rate of interest

- (i) Packing credit in foreign currency from bank bearing an interest rate of 3-month LIBOR+1.5% (31 March 2021: 3.70% - 5.48% per annum) are payable over a maximum tenure of 180 days from the date of respective availment.
- (ii) During the FY 2017-18, the Company has availed Intercorporate deposits from Cades Studec Technologies (India) Private Limited aggregating ₹ 250.00 lakhs carrying rate of interest at 9% per annum, the same has been extended at 7% interest repayable on or before 20 December 2023.



# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

- (iii) During the FY 2017-18, the Company has availed term loan from bank aggregating USD 46.15 lakhs carrying an interest rate of 9.75% per annum (31 March 2021: 9.75% per annum). The loan is repayable in 16 quarterly instalments. The outstanding amount of loan of USD 14.42 lakhs on 28 December 2021 has been transferred to another bank carrying interest rate of 5.00% per annum. The new loan is repayable in 5 quarterly instalments.
- (iv) During the FY 2017-18, the Company has availed term loan from bank aggregating USD 2.92 lakhs carrying an interest rate of 7.65% per annum (31 March 2021: 7.65% per annum). The loan is repayable in 10 quarterly instalments, after a moratorium of 10 months from the date of availment. Loan has been closed on 16 October 2021.
- (v) Cash credit from bank bears an interest rate of INR MCLR-1 year+2.3% per annum (31 March 2021: 11.92% per annum) and is repayable on demand over a maximum tenure of 12 months from the date of respective availment.

## c) Loan covenants

Term loan from banks contain certain financial covenants such as debt service coverage ratio, total debt as a percentage of total net-worth etc. The Company has satisfied all other debt covenants prescribed in the terms of bank loan except debt service coverage ratio, interest coverage ratio and total debt as a percentage of EBIDTA. The Management is of the view that this is a minor breach and hence no adjustments are made to Standalone Ind AS Financial Statements in this respect.

## d) Changes in liabilities arising from financing activities

	Term loan from banks and Working capital loan	Inter-corporate deposit	Lease liabilities	Total
Balance as at 1 April 2020	8,087.09	250.00	1,292.04	9,629.13
Net additions to lease liability	-	-	1,015.77	1,015.77
Cash flows	(2,935.25)	-	(885.84)	(3,821.09)
Foreign exchange	(156.37)	-	-	(156.37)
Other adjustments	(233.42)	-	209.32	(24.10)
<b>Balance as at 31 March 2021</b>	<b>4,762.05</b>	<b>250.00</b>	<b>1,631.29</b>	<b>6,643.34</b>
Net additions to lease liability	-	-	188.53	188.53
Cash flows	(1,222.03)	-	(716.25)	(1,938.28)
Foreign exchange	42.17	-	-	42.17
Other adjustments	-	-	92.10	92.10
<b>Balance as at 31 March 2022</b>	<b>3,582.19</b>	<b>250.00</b>	<b>1,195.67</b>	<b>5,027.86</b>

## 15 OTHER FINANCIAL LIABILITIES

	As at 31 March 2022	As at 31 March 2021
<b>Non current (carried at FVTPL)</b>		
Purchase consideration payable on acquisition of subsidiary (FVTPL) [refer note 5(b)]	-	4,688.61
<b>(carried at FVTOCI)</b>		
Hedge Liability	-	18.91
	-	<b>4,707.52</b>
<b>Current (carried at amortised cost)</b>		
Creditors for capital goods	5.95	76.20
Dues to employees	963.05	703.42
<b>(carried at FVTPL)</b>		
Purchase consideration payable on acquisition of subsidiary [refer note 5(b)]	21,157.12	15,039.71
<b>(carried at FVTOCI)</b>		
Hedge liability	-	18.91
	<b>22,126.12</b>	<b>15,838.24</b>

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 16 PROVISIONS

	As at 31 March 2022	As at 31 March 2021
<b>Non-current</b>		
Employee defined benefits liability		
- Provision for gratuity (refer note 34)	564.49	569.82
Asset retirement obligation	45.77	41.11
	<b>610.26</b>	<b>610.93</b>
<b>Current</b>		
Employee defined benefits liability		
- Provision for gratuity (refer note 34)	77.31	70.72
- Provision for compensated absences	369.52	354.87
	<b>446.83</b>	<b>425.59</b>

### Asset retirement obligation

The Company has recognised a provision for asset retirement obligation associated with premises taken on lease. In determining the fair value of the provision, assumptions and estimates are made in relation to the discount rates, the expected cost to dismantle and remove furniture and fixtures from the leased premises and the expected timing of these costs. The carrying amount of the provision as at 31 March 2022 is ₹ 45.77 lakhs (31 March 2021: ₹ 41.11 lakhs). The Company estimates the costs would be realised within 4 - 5 years time upon the expiration of the lease and calculates the provision using the DCF method based on the following assumptions:

- 1) Estimated range of cost : 15 days lease rental expense
- 2) Discount rate : 12.17 percent per annum (31 March 2021: 12.17 percent per annum)

	Asset retirement obligation
As at 1 April 2020	24.79
Unwinding of discount/ Impact on account of extension of lease agreement	16.32
<b>As at 31 March 2021</b>	<b>41.11</b>
Unwinding of discount/ Impact on account of extension of lease agreement	4.66
<b>As at 31 March 2022</b>	<b>45.77</b>

## 17 Other liabilities

	As at 31 March 2022	As at 31 March 2021
<b>Current</b>		
Advances received from customers	-	7.49
Duties and taxes payable	551.51	220.04
Interest accrued but not due on borrowings*	2.89	7.39
	<b>554.40</b>	<b>234.92</b>

\* The details of interest rates, repayment and other terms are disclosed under note 14.

## 18 TRADE PAYABLES

	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises (refer note 42)	26.56	4.30
Total outstanding dues of creditors other than micro enterprises and small enterprises <sup>#</sup>	551.42	551.49
Accrued expenses	760.11	619.53
	<b>1,338.09</b>	<b>1,175.32</b>

<sup>#</sup> Includes ₹ 105.26 lakhs (31 March 2021: ₹ 37.35 lakhs) from related parties (refer note 27)

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## Trade Payables ageing schedule as at 31 March 2022

Particulars	Not Due	Outstanding for the following periods from the due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	26.56	-	-	-	-	26.56
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,237.68	49.98	2.56	-	-	1,290.22
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	21.31	21.31
<b>Total</b>	<b>1,264.24</b>	<b>49.98</b>	<b>2.56</b>	<b>-</b>	<b>21.31</b>	<b>1,338.09</b>

## Trade Payables ageing schedule as at 31 March 2021

Particulars	Not Due	Outstanding for the following periods from the due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	4.30	-	-	-	-	4.30
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,009.75	134.03	3.29	2.64	-	1,149.71
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	21.31	21.31
<b>Total</b>	<b>1,014.05</b>	<b>134.03</b>	<b>3.29</b>	<b>2.64</b>	<b>21.31</b>	<b>1,175.32</b>

Trade payables are non-interest bearing and are normally settled on 60-day terms

For terms and conditions with related parties, refer note 27.

## Breakup of financial liabilities carried at amortised cost

	As at 31 March 2022	As at 31 March 2021
Borrowings (refer note 14)	3,832.19	5,012.05
Lease Liability (refer note 28)	1,195.67	1,631.29
Other financial liabilities (refer note 15)	969.00	779.62
Trade payables (refer note 18)	1,338.09	1,175.32
	<b>7,334.95</b>	<b>8,598.28</b>

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 19 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Sale of services</b>		
Technology Services and Solutions	18,198.07	12,931.60
	<b>18,198.07</b>	<b>12,931.60</b>

### 19.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	Year ended 31 March 2022	Year ended 31 March 2021
India	4,637.37	3,443.58
Outside India	13,560.70	9,488.02
<b>Total revenue from contracts with customers</b>	<b>18,198.07</b>	<b>12,931.60</b>

### 19.2 Contract balances

	As at 31 March 2022	As at 31 March 2021
Trade receivables (refer note 6)	3,844.45	2,819.74
Contract Assets - Unbilled revenue (refer note 7)	1,949.62	1,389.50

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenue in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenue are classified as contract liabilities (unearned revenues).

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days. In 31 March 2022, ₹ 10.27 lakhs (31 March 2021: ₹ 167.20 lakhs) was recognised as provision for expected credit losses on trade receivables.

During the year ended 31 March 2022, ₹ 1,389.50 lakhs of contract assets as at 31 March 2021 has been reclassified to receivables on completion of performance obligation. During the year ended 31 March 2021, ₹ 2,025.73 lakhs of contract assets as at 31 March 2020 has been reclassified to receivables on completion of performance obligation. As at 31 March 2022, the Company has provision for expected credit losses on contract assets of ₹ 104.97 lakhs (31 March 2021: ₹ 104.97 lakhs).

### 19.3 Performance Obligation

The performance obligation is satisfied upon the providing of services as and when rendered and accordingly, there is no outstanding performance obligation as on 31 March 2022.

## 20 OTHER INCOME

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income		
- from fixed deposits	39.98	67.09
- from financial assets carried at amortised cost	46.36	47.96
- from Inter corporate deposit to related party (refer note 27)	-	6.02
- from income tax refund	-	141.04
Provision no longer required, written back	-	72.24
Profit on sale of property, plant and equipment	0.26	4.75
Gain on foreign currency transactions and translation, net	-	98.22
Lease rental concession	58.59	-
Miscellaneous income	59.38	147.66
	<b>204.57</b>	<b>584.98</b>

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 21 EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	9,985.03	7,595.20
Contribution to provident and other funds	368.32	351.39
Contribution to overseas social security	435.99	324.32
Gratuity expense (refer note 34)	86.96	86.25
Provision for compensated absences	91.03	119.18
Staff welfare expense	191.00	147.26
Employee stock option scheme (refer note 38)	245.63	127.54
	<b>11,403.96</b>	<b>8,751.14</b>

## 22 FINANCE COSTS

	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense		
- on loan from bank	311.12	534.35
- on Inter corporate deposit from related party (refer note 27)	17.50	21.12
Other borrowing cost	628.59	679.30
Interest on lease liability (refer note 28)	150.69	209.32
Net interest expense on defined benefit liability	63.66	56.68
	<b>1,171.56</b>	<b>1,500.77</b>

## 23 DEPRECIATION AND AMORTIZATION EXPENSE

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of PPE (refer note 3)	117.44	109.33
Amortization of intangible assets (refer note 4A and 4B)*	146.03	254.12
Depreciation of Right of use asset (refer note 28)	687.49	839.14
	<b>950.96</b>	<b>1,202.59</b>

\* Includes ₹ Nil (31 March 2021: ₹ 56.22 lakhs) of impairment loss during the previous year for assets grouped under intangible assets under development.



# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 24 OTHER EXPENSES

	Year ended 31 March 2022	Year ended 31 March 2021
Rent (refer note 28)	120.83	139.81
Power and fuel	194.92	182.92
Travelling and conveyance	251.01	170.30
Legal and professional charges	719.77	472.31
Repairs and maintenance		
- Building	202.25	218.85
- Others	20.49	30.66
Auditor's remuneration (refer note 36)	56.68	58.41
Equipment hire charges	228.57	243.96
Recruitment and training expenses	190.27	44.27
Marketing and advertising expenses	97.44	41.09
Communication expenses	255.53	237.80
Software subscription charges	1,225.95	805.33
Printing and stationery	7.19	10.02
Security charges	41.81	46.40
Rates and taxes	194.83	60.68
Project consultancy charges	1,108.73	919.02
Insurance expenses	64.75	69.21
Bank charges	49.88	29.40
Postage and courier charges	5.24	3.68
Provision for bad and doubtful debts/ advances	44.10	-
Directors sitting fees (refer note 27)	39.90	33.30
Exchange loss, net	121.95	-
Miscellaneous expenses	29.09	15.37
	<b>5,271.18</b>	<b>3,832.79</b>

## 25 EXCEPTIONAL ITEM

	Year ended 31 March 2022	Year ended 31 March 2021
Expense / (income) relating to the impairment of investments (refer note 5(a) & 5(b)(i))	(1,535.80)	6,652.45
Expenses relating to the impairment of receivables from subsidiary* (refer note 6)	-	167.20
Expense / (income) relating to fair value change in purchase consideration (refer note 5(b)(i))	785.38	(2,174.55)
	<b>(750.42)</b>	<b>4,645.10</b>

\* represents impairment of trade receivables from Axis Mechanical Engineering Design (Wuxi) Co., Ltd.

## 26 EARNINGS PER SHARE (EPS) (BASIC AND DILUTED)

	Year ended 31 March 2022	Year ended 31 March 2021
a) Profit / (loss) after tax attributable to equity shareholders (₹)	307.88	(6,324.81)
b) Weighted average number of shares outstanding (in lakhs)	379.14	377.60
c) Nominal value of shares (₹)	5.00	5.00
d) Basic earning per share (₹)	0.81	(16.75)
e) Number of equity shares used to compute diluted earnings per share	386.20	377.60
f) Diluted earnings per share (₹)	0.80	(16.75)

For the purpose of computation of diluted EPS for the year ended 31 March 2021, 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.

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 27 RELATED PARTY DISCLOSURES

Nature of relationship	Name of party
<b>I Parties where control exists:</b>	
<b>Holding Company</b>	Jupiter Capital Private Limited ('JCPL') *
<p>* JCPL and its subsidiary Indian Aero Ventures Private Limited hold 67.67 percent voting rights of the Company as at 31 March 2022 (JCPL and its subsidiaries i.e., Tayana Digital Private Limited and Indian Aero Ventures Private Limited hold 67.95 percent voting rights of the Company as at 31 March 2021) (refer note IV (b))</p>	
<b>Subsidiary companies</b>	AXISCADES Inc., USA AXISCADES UK Limited (step down subsidiary) Cades Studec Technologies (India) Private Limited AXISCADES Technology Canada Inc Axis Mechanical Engineering Design (Wuxi) Co., Ltd, China AXISCADES GmbH, Germany AXISCADES Aerospace & Technologies Private Limited Enertec Controls Limited (step down subsidiary) AXISCADES Aerospace Infrastructure Private Limited (step down subsidiary) Mistral Solutions Private Limited Mistral Solutions Inc., USA (a step down subsidiary) Aero Electronics Private Limited (a step down subsidiary) Mistral Solutions Pte Ltd., Singapore (a step down subsidiary) (dissolved during the year) Mistral Technologies Private Limited (a step down subsidiary)
<b>Associate</b>	ASSYSTEMS AXISCADES Engineering Private Limited
<b>II Name of other related parties as per Ind AS 24 with whom transactions have taken place during the year:</b>	
<b>Fellow subsidiary</b>	Indian Aero Ventures Private Limited ("IAVPL") (subsidiary of JCPL)
<b>Key Management Personnel (KMP):</b>	
Chief Executive Officer & Managing Director	Mr. Arun Krishnamurthi (appointed w.e.f. 22 November 2021)
Chief Executive Officer & Executive Director	Mr. Sharadhi Chandra Babu Pampapathy (stepped down w.e.f. 21 November 2021)
Chairman and Non - Executive Director	Mr. David Bradley
Independent Director	Mr. Kailash Mohan Rustagi (term completed on 29 September 2020)
Independent Director	Mr. Pradeep Dadlani (term completed on 29 September 2020)
Independent Director	Mrs. Mariam Mathew
Independent Director	Mr. Desh Raj Dogra (appointed w.e.f. 29 September 2020)
Independent Director	Mr. Dhiraj Mathur (appointed w.e.f. 29 September 2020)
Non - Executive Director	Mr. Harold David Walker (appointed w.e.f. 29 June 2020)
Non - Executive Director	Mr. Sudhakar Gande
Non - Executive Director	Mr. Sharadhi Chandra Babu Pampapathy (w.e.f. 22 November 2021)
Non - Executive Director	Mr. Abhishek Kumar (appointed w.e.f. 22 March 2022)
Non - Executive Director	Mr. David Abikzir (appointed w.e.f. 22 March 2022)
<b>III Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year:</b>	
Chief Financial Officer (CFO)	Mr. Shashidhar SK (appointed w.e.f. 3 January 2022) Mr. Anumanchipalli Srinivas (till 31 July 2021)
Company Secretary	Ms. Sonal Dudani (appointed w.e.f. 22 March 2022) Ms. Shweta Agrawal (till 31 October 2021)
Company in which Director is a member	Lexicon Infotech Limited

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## IV TRANSACTIONS WITH RELATED PARTIES:

Nature of transactions	Relationship	Year ended	
		31 March 2022	31 March 2021
<b>Revenue from operations</b>			
AXISCADES Inc.	Subsidiary	2,220.93	2,085.18
AXISCADES UK Limited	Step down subsidiary	395.36	36.69
AXISCADES Technology Canada Inc.	Subsidiary	1,129.81	653.83
AXISCADES Gmbh	Subsidiary	120.14	172.90
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.	Subsidiary	-	0.32
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	-	0.60
ASSYSTEMS AXISCADES Engineering Private Limited	Associate	53.65	63.60
<b>Remuneration (Refer note (IV) (a) and (c) below)</b>			
Mr. Sharadhi Chandra Babu Pampapathy	Key Management personnel	196.77	119.06
Mr. Anumanchipalli Srinivas (refer note(d) below)	Key Management personnel	64.73	314.57
Ms. Shweta Agrawal	Key Management personnel	24.35	25.60
Mr. Arun Krishnamurthi	Key Management personnel	146.86	-
Mr. Shashidhar S K	Key Management personnel	39.34	-
Ms. Sonal Dudani	Key Management personnel	0.39	-
<b>Service received from (project consultancy charges)</b>			
AXIS Mechanical Engineering Design (Wuxi) Co., Ltd.	Subsidiary	65.92	-
Lexicon Infotech Limited	Company in which Director is a member	22.09	-
<b>Sitting fees paid to directors</b>			
Mr. David Bradley	Chairman and Non - Executive Director	3.90	3.00
Mr. Kailash Mohan Rustagi	Independent Director	-	5.00
Mr. Pradeep Dadlani	Independent Director	-	7.00
Mrs. Mariam Mathew	Independent Director	9.00	8.00
Mr. Sudhakar Gande	Non - Executive Director	3.00	2.40
Mr. Dhiraj Mathur	Independent Director	9.50	3.00
Mr. Desh Raj Dogra	Independent Director	11.50	4.00
Mr. Harold David Walker	Non - Executive Director	2.10	0.90
Mr. Sharadhi Chandra Babu Pampapathy	Non - Executive Director	0.90	-
<b>Expenses incurred on behalf of</b>			
AXISCADES Inc.	Subsidiary	26.55	75.52
AXISCADES UK Limited.	Step down subsidiary	3.20	1.85
AXISCADES Technology Canada Inc.	Subsidiary	12.77	12.16
<b>Software subscription charges charged by</b>			
AXISCADES Inc.	Subsidiary	62.71	29.58
<b>Software and Legal expenses charged to</b>			
ASSYSTEMS AXISCADES Engineering Private Limited	Associate	-	0.05
AXISCADES Inc.	Subsidiary	60.97	-
AXISCADES Technology Canada Inc.	Subsidiary	11.09	-
<b>Salaries, wages and bonus cross charged to</b>			
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	47.10	-
AXISCADES Technology Canada Inc.	Subsidiary	74.79	47.33
AXISCADES Inc.	Subsidiary	264.43	194.71

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Nature of transactions	Relationship	Year ended	
		31 March 2022	31 March 2021
<b>Salaries, wages and bonus cross charged by</b>			
AXISCADES Inc.	Subsidiary	-	25.77
AXISCADES UK Limited	Step down subsidiary	61.17	125.29
<b>Services received from</b>			
Cades Studec Technologies	Subsidiary	5.77	6.82
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	4.42	3.32
<b>Intercorporate deposits repaid by</b>			
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	-	210.00
<b>Reimbursement of rental income</b>			
ASSYSTEMS AXISCADES Engineering Private Limited	Associate	45.53	65.14
<b>Interest Income on intercorporate deposit</b>			
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	-	6.02
<b>Liability written back</b>			
Indian Aero Ventures Private Limited	Fellow subsidiary	-	27.82
<b>Interest expense on intercorporate deposit</b>			
Cades Studec Technologies (India) Private Limited	Subsidiary	17.50	21.12
<b>Corporate guarantee fee charged by</b>			
Jupiter Capital Private limited	Holding Company	20.00	-
<b>Corporate guarantee provided to</b>			
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	4,850.00	-
<b>Corporate guarantee received from</b>			
Jupiter Capital Private limited	Holding Company	4,000.00	-

- (a) As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.
- (b) The Promoter Company, Tayana Digital Private Limited (TDPL), was merged with Promoter Group Company Jupiter Capital Private Limited (JCPL) with effect from 17 October 2018. As a result of the merger, Jupiter Capital Private Limited has become Promoter of the Company. The same was intimated by the Company to the Stock exchange on 18 October 2018. Until year ended 31 March 2021, underlying shares continued to be held in the name of Tayana Digital Private Company (TDPL) with the depository. During the year, these shares have been updated in the name of Promoter Company Jupiter Capital Private Limited in the records of the depository.
- (c) Total employee benefit expense includes employee stock compensation expense of ₹ 80.21 lakhs (31 March, 2021 - ₹ 28.25 lakhs) for Mr. Sharadhi Chandra Babu Pampapathy, ₹ 10.42 lakhs (31 March, 2021 - ₹ Nil) for Mr. Arun Krishnamurthi, ₹ 7.82 lakhs (31 March, 2021 - ₹ Nil) for Mr. Shashidhar SK, ₹ 0.81 lakhs (31 March, 2021 - ₹ 28.25 lakhs) for Mr. Anumanchipalli Srinivas, and ₹ 0.10 lakhs (31 March, 2021 - ₹ 1.45 lakhs) for Ms. Shweta Agrawal included in the share based payments in the Standalone statement of profit and loss account.
- (d) Includes incentive of ₹ Nil lakhs (31 March 2021: ₹ 150 lakhs) paid by AXISCADES Aerospace & Technologies Private Limited ('ACAT'), subsidiary of the Company, for the services rendered to ACAT.
- (e) Refer note 14 for details of security provided for borrowings.

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## V BALANCES AS AT THE YEAR END:

Nature of transactions	Relationship	As at 31 March 2022	As at 31 March 2021
<b>Trade receivables</b>			
AXISCADES Inc.	Subsidiary	329.12	305.70
AXISCADES UK Limited.	Step down subsidiary	56.55	-
AXISCADES Technology Canada Inc.	Subsidiary	114.49	79.47
AXISCADES Gmbh	Subsidiary	15.84	4.28
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.	Subsidiary	252.82	310.09
ASSYSTEMS AXISCADES Engineering Private Limited	Associate	-	18.40
<b>Unbilled revenue</b>			
AXISCADES Technology Canada Inc.	Subsidiary	112.41	77.50
AXISCADES Inc.	Subsidiary	202.80	208.50
AXISCADES UK Limited.	Step down subsidiary	59.25	4.93
AXISCADES Gmbh	Subsidiary	20.68	5.74
<b>Investments</b>			
AXISCADES, Inc.	Subsidiary	1,489.06	1,489.06
Cades Studec Technologies (India) Private Limited	Subsidiary	719.66	719.66
AXIS Mechanical Engineering Design (Wuxi) Co., Ltd. (net of impairment allowance)	Subsidiary	-	-
AXISCADES Technology Canada Inc.	Subsidiary	0.05	0.05
AXISCADES Gmbh	Subsidiary	18.87	18.87
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	11,962.04	11,962.04
Mistral Solutions Private Limited (net of impairment allowance)	Subsidiary	19,140.00	17,604.20
ASSYSTEMS AXISCADES Engineering Private Limited	Associate	227.50	227.50
<b>Intercorporate deposit payable</b>			
Cades Studec Technologies (India) Private Limited	Subsidiary	250.00	250.00
<b>Other Receivables</b>			
<i>Expenses recoverable</i>			
AXISCADES, Inc.	Subsidiary	81.28	73.52
AXISCADES UK Limited	Step down subsidiary	3.08	-
AXISCADES Technology Canada Inc.	Subsidiary	21.62	19.54
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	47.10	-
ASSYSTEMS AXISCADES Engineering Private Limited	Associate	-	19.27
<b>Trade payables</b>			
AXISCADES, Inc.	Subsidiary	24.06	14.92
AXISCADES UK Limited	Step down subsidiary	-	19.11
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	3.26	3.32
Lexicon Infotech Limited	Companies in which Director is Interested	9.68	-
AXIS Mechanical Engineering Design (Wuxi) Co., Ltd.	Subsidiary	67.82	-
Cades Studec Technologies (India) Private Limited	Subsidiary	0.44	-
<b>Remuneration payable</b>			
Mr. Srinivas Anumanchipalli	Key Management Personnel	-	67.35
Ms. Shweta Agrawal	Key Management Personnel	-	4.72
Mr. Sharadhi Chandra Babu Pampapathy	Key Management Personnel	36.18	35.37
Mr. Arun Krishnamurthi	Key Management Personnel	64.53	-
Mr. Shashidhar S K	Key Management Personnel	13.12	-
Ms. Sonal Dudani	Key Management Personnel	0.39	-



# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Nature of transactions	Relationship	As at	As at
		31 March 2022	31 March 2021
<b>Corporate guarantee provided to - outstanding</b>			
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	4,500.00	-
<b>Corporate guarantee received from - outstanding</b>			
Jupiter Capital Private limited	Holding Company	4,000.00	-

## Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: ₹ 167.02 lakhs (refer note 25)). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## 28 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### Company as a lessee

The Company has entered into property leases for office and other business operations. These leases are for a period ranging from three to nine years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. These lease contracts include extension and termination options.

Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	As at	As at
	31 March 2022	31 March 2021
<b>Opening balance as of 1 April</b>	2,291.89	2,026.70
Additions	216.67	1,196.56
Deletions	(23.92)	(92.23)
Depreciation expense	(687.49)	(839.14)
<b>Carrying amount as on 31 March</b>	<b>1,797.15</b>	<b>2,291.89</b>

Below are the carrying amounts of lease liabilities and the movements during the year:

	As at	As at
	31 March 2022	31 March 2021
<b>Opening balance as of 1 April</b>	1,631.29	1,292.04
Additions	212.45	1,104.86
Deletions	(23.92)	(89.09)
Lease rental concession	(58.59)	-
Accretion of interest (refer note 22)	150.69	209.32
Payment of principal portion of lease liabilities	(565.56)	(676.52)
Payment of Interest portion of lease liabilities	(150.69)	(209.32)
<b>Carrying amount as on 31 March</b>	<b>1,195.67</b>	<b>1,631.29</b>
Current	724.61	611.31
Non-current	471.06	1,019.98
	<b>1,195.67</b>	<b>1,631.29</b>

The weighted average incremental borrowing rate for lease liabilities is between 7.5% to 12.17% per annum (31 March 2021 12.10% per annum), with maturity between 3 years to 9 years for leasehold properties.

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2022 and 31 March 2021 on an undiscounted basis:

	As at 31 March 2022	As at 31 March 2021
Less than one year	809.10	764.77
one to five years	481.84	1,109.57
more than five years	32.39	-

The following are the amounts recognised in Statement of Profit or Loss:

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation expense of right-of-use assets	687.49	839.14
Interest expense on lease liabilities	150.69	209.32
Expense relating to short-term leases and low value leases (included in other expenses)	120.83	139.81
Lease rental concession (included in other income)	(58.59)	-
<b>Total amount recognised in profit or loss</b>	<b>900.42</b>	<b>1,188.27</b>

The Company had total cash outflows for leases of ₹ 716.25 lakhs for the year ended 31 March 2022 (31 March 2021: ₹ 885.84 lakhs). The Company has made non-cash additions of ₹ 216.67 lakhs (31 March 2021: ₹ 1,196.56 lakhs) and ₹ 212.44 lakhs (31 March 2021: ₹ 1,014.86 lakhs) to right-of-use assets and lease liabilities, respectively. There are no future cash outflows relating to leases that have not yet commenced.

## 29 COMMITMENTS

As at 31 March 2022, the Company has a commitment towards purchase of capital assets of ₹ Nil (31 March 2021: ₹ Nil).

## 30 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been breaches in the financial covenants on interest-bearing loans and borrowings in the current year (refer note 14(c)).

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

	Year ended 31 March 2022	Year ended 31 March 2021
Borrowings (refer note 14)	3,832.19	5,012.05
Less: Cash and cash equivalents (refer note 10)	(642.42)	(1,615.44)
<b>Net debt</b>	<b>3,189.77</b>	<b>3,396.61</b>
Equity (refer note 12)	1,897.23	1,889.51
Other Equity (refer note 13)	14,729.98	13,959.80
<b>Capital and net debt</b>	<b>19,816.98</b>	<b>19,245.92</b>
Gearing ratio	16%	18%

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022.

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 31 INCOME TAX

The major components of income tax expense are:

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Current income tax:</b>		
Current income tax charge	140.45	96.74
<b>Deferred tax credit</b>		
Relating to the origination and reversal of temporary differences	(92.93)	(187.74)
<b>Income tax expense reported in Statement of Profit and Loss</b>	<b>47.52</b>	<b>(91.00)</b>
<b>Deferred tax related to items recognised in OCI</b>		
Income tax relating to re-measurement gain/ (loss) on defined benefit plans	9.61	(13.48)
Income tax relating to gain on cash flow hedges	5.31	56.18
	<b>14.92</b>	<b>42.70</b>

The movement in deferred tax asset from the opening balance pertains to deferred tax credit recognized in Statement of Profit and Loss and other comprehensive income for the year.

### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Accounting profit before tax</b>	<b>355.40</b>	<b>(6,415.81)</b>
Tax on accounting profit at statutory income tax rate [27.82%] (31 March 2021 : 27.82%).	98.87	(1,614.86)
Foreign tax expensed during the year	114.41	42.35
Tax credits not recognised on current year losses	-	105.53
Provision related to impairment of investments	(427.26)	1,674.39
Purchase consideration re-measurement	218.49	(547.33)
Others	43.01	248.92
<b>At the effective income tax rate of 13.37% [31 March 2021: 1.42%]</b>	<b>47.52</b>	<b>(91.00)</b>
Income tax expense reported in the Statement of Profit and Loss	47.52	(91.00)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Deferred tax asset</b>		
Impact of difference between depreciation charged for financial reporting and expenses allowed for tax purposes	131.26	164.74
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years	249.10	433.04
Minimum alternate tax credit entitlement	60.57	-
Losses available for offsetting against future taxable income	402.22	152.51
Hedge liability	-	9.52
	<b>843.15</b>	<b>759.82</b>
<b>Deferred tax liability</b>		
Hedge liability	5.31	-
	<b>5.31</b>	<b>-</b>
<b>Deferred tax asset/ (liability), net</b>	<b>837.84</b>	<b>759.82</b>

### Reflected in the balance sheet as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax assets	843.15	759.82
Deferred tax liabilities	(5.31)	-
<b>Deferred tax assets, net</b>	<b>837.84</b>	<b>759.82</b>

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Opening balance as of 1 April</b>	759.82	614.78
Tax income/(expense) during the period recognised in profit or loss	92.93	187.74
Tax income/(expense) during the period recognised in OCI	(14.92)	(42.70)
<b>Closing balance as at 31 March</b>	<b>837.84</b>	<b>759.82</b>

## 32 Fair value measurements

### (i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2022 are as follows:

Particulars	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI	Carrying value	Fair value
<b>Assets:</b>					
Other Investments (refer note 5)	0.05	-	-	0.05	0.05
Cash and cash equivalents (refer note 10)	642.42	-	-	642.42	642.42
Bank balances other than cash and cash equivalents (refer note 11)	239.44	-	-	239.44	239.44
Trade receivable (refer note 6)	3,844.45	-	-	3,844.45	3,844.45
Other financial assets (refer note 7)	2,998.68	-	19.13	3,017.81	3,017.81
<b>Total</b>	<b>7,725.04</b>	<b>-</b>	<b>19.13</b>	<b>7,744.17</b>	<b>7,744.17</b>
<b>Liabilities:</b>					
Borrowings (refer note 14)	3,832.19	-	-	3,832.19	3,832.19
Lease Liabilities (refer note 28)	1,195.67	-	-	1,195.67	1,195.67
Trade payable (refer note 18)	1,338.09	-	-	1,338.09	1,338.09
Other financial liabilities (refer note 15)	969.00	21,157.12	-	22,126.12	22,126.12
<b>Total</b>	<b>7,334.95</b>	<b>21,157.12</b>	<b>-</b>	<b>28,492.07</b>	<b>28,492.07</b>

The carrying value and fair value of financial instruments by categories as at 31 March 2021 are as follows:

Particulars	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI	Carrying value	Fair value
<b>Assets:</b>					
Other Investments (refer note 5)	0.05	-	-	0.05	0.05
Cash and cash equivalents (refer note 10)	1,615.44	-	-	1,615.44	1,615.44
Bank balances other than cash and cash equivalents (refer note 11)	20.73	-	-	20.73	20.73
Trade receivable (current and non-current) (refer note 6)	2,819.74	-	-	2,819.74	2,819.74
Other financial assets (refer note 7)	3,214.88	-	-	3,214.88	3,214.88
<b>Total</b>	<b>7,670.84</b>	<b>-</b>	<b>-</b>	<b>7,670.84</b>	<b>7,670.84</b>
<b>Liabilities:</b>					
Borrowings (refer note 14)	5,012.05	-	-	5,012.05	5,012.05
Lease Liabilities (refer note 28)	1,631.29	-	-	1,631.29	1,631.29
Trade payable (refer note 18)	1,175.32	-	-	1,175.32	1,175.32
Other financial liabilities (refer note 15)	779.62	19,728.32	37.82	20,545.76	20,545.76
<b>Total</b>	<b>8,598.28</b>	<b>19,728.32</b>	<b>37.82</b>	<b>28,364.42</b>	<b>28,364.42</b>

The Management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables and working capital loans approximate the carrying amount largely due to short-term maturity of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

### (ii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### Quantative disclosure of fair value measurement hierarchy as at 31 March 2022:

Particulars	Date of valuation	Carrying value	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value:</b>					
Derivative contracts (refer note 7)	31 March 2022	19.13	-	19.13	-
<b>Liabilities measured at fair value:</b>					
Purchase consideration payable (refer note 15)	31 March 2022	21,157.12	-	-	21,157.12
There have been no transfer among Level 1, Level 2 and Level 3 during the year.					
<b>Quantative disclosure of fair value measurement hierarchy as at 31 March 2021:</b>					
<b>Liabilities measured at fair value:</b>					
Derivative contracts (refer note 15)	31 March 2021	37.82	-	37.82	-
Purchase consideration payable (refer note 15)	31 March 2021	19,728.32	-	-	19,728.32

#### Below is reconciliation of fair value measurements categorized within level 3 of the fair value hierarchy

	As at 31 March 2022		
	Contingent Consideration	Deferred Consideration	Total
Opening balance of purchase consideration payable	-	19,728.32	19,728.32
Add: Unwinding of discount (interest expense)	-	643.42	643.42
Add: Fair value expense recognised during the year	-	785.38	785.38
<b>Closing balance of purchase consideration payable</b>	<b>-</b>	<b>21,157.12</b>	<b>21,157.12</b>
	As at 31 March 2021		
	Contingent Consideration	Deferred Consideration	Total
Opening balance of purchase consideration payable	5,069.50	16,189.87	21,259.37
Add: Unwinding of discount (interest expense)	521.52	121.98	643.50
Less: Fair value gain recognised during the year	(2,174.55)	-	(2,174.55)
<b>Closing balance of purchase consideration payable</b>	<b>3,416.47</b>	<b>16,311.85</b>	<b>19,728.32</b>



# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## (iii) Valuation techniques and significant unobservable input

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Purchase consideration payable	Actual as per the terms of share purchase agreement	Adjusted earning of acquired entity	-

### Valuation technique used to determine fair value of derivative contracts

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts and Currency options are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. As at 31 March 2022, the mark-to-market value of other derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

## (iv) Valuation processes

The Corporate finance team has requisite knowledge and skills. The team headed by Group CFO directly reports to the audit committee to arrive at the fair value of financial instruments.

## 33 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange exposure risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Company is exposed are described below.

### (A) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 3,844.45 lakhs as of 31 March 2022 (31 March 2021 ₹ 2,819.74 lakhs).

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India and Europe. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors including the credit ratings of the various customers and Company's historical experience for customers.

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## Assets under credit risk

	As at 31 March 2022	As at 31 March 2021
Trade receivables (refer note 6)	3,844.45	2,819.74
Other receivables (refer note 7)	153.08	112.33
Security deposits (refer note 7)	508.70	502.34
Unbilled revenue (refer note 7)	1,949.62	1,389.50
<b>Total</b>	<b>6,455.85</b>	<b>4,823.91</b>

## Credit risk exposure

The allowance for life time expected credit loss on customer balances and security deposits for the year ended 31 March 2022 is ₹ 373.13 lakhs (31 March 2021 is ₹ 329.03 lakhs).

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	329.03	161.83
Impairment loss recognised (refer note 24 & 25)	44.10	167.20
<b>Balance at the end</b>	<b>373.13</b>	<b>329.03</b>

Credit risk on cash and cash equivalents and bank balances other than cash and cash equivalents are limited as the Company generally invest in deposits with banks with high credit ratings as signed by international and domestic credit rating agencies.

## Financial assets that are neither past due nor impaired

Cash and cash equivalents, bank balances other than cash and cash equivalents, other receivables and other financial assets are neither past due nor impaired.

## Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired except for trade receivables of ₹ 234.33 lakhs and ₹ 224.06 lakhs, unbilled revenue of ₹ 104.97 lakhs and ₹ 104.97 lakhs and security deposit of ₹ 33.83 lakhs and ₹ Nil as at 31 March 2022 and 31 March 2021 respectively. The Company's credit period generally ranges from 30-120 days from invoicing date. The ageing analysis of the receivables has been considered from the date the invoice falls due. The age wise break up of trade receivables, security deposits and unbilled revenue, net of allowances that are past due, is given below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets that are neither past due nor impaired _ (A)	6,247.95	4,533.85
Financial assets that are past due but not impaired		
Past due 0-60 days	95.49	90.18
Past due 61-180 days	29.40	40.27
Past due over 180 days	83.01	154.51
Total past due but not impaired_(B)	207.90	284.96
<b>Total (A+B)</b>	<b>6,455.85</b>	<b>4,818.81</b>

## (B) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. As of 31 March 2022, the Company has the negative working capital of ₹ 19,940.14 lakhs (31 March 2021: ₹ 13,488.22 lakhs) including purchase consideration payable to Mistral Solutions Private Limited of ₹ 21,157.12 lakhs (31 March 2021: ₹ 15,039.71 lakhs) and cash and cash equivalents of ₹ 642.42 lakhs (31 March 2021: ₹ 1,615.44 lakhs). The Company has an option to settle the aforementioned purchase consideration payable through its own equity shares or in cash.

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

## Maturities of financial liabilities

As at 31 March 2022	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings (refer note 14)	3,582.19	250.00	-	3,832.19
Lease Liabilities (refer note 28)	809.10	481.84	32.39	1,323.33
Trade payable (refer note 18)	1,338.09	-	-	1,338.09
Other financial liabilities (refer note 15)	22,126.12	-	-	22,126.12
<b>Total</b>	<b>27,855.50</b>	<b>731.84</b>	<b>32.39</b>	<b>28,619.73</b>

As at 31 March 2021	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings (refer note 14)	3,924.09	1,087.96	-	5,012.05
Lease Liabilities (refer note 28)	611.31	1,019.98	-	1,631.29
Trade payable (refer note 18)	1,175.32	-	-	1,175.32
Other financial liabilities (refer note 15)	15,838.24	4,707.52	-	20,545.76
<b>Total</b>	<b>21,548.96</b>	<b>6,815.46</b>	<b>-</b>	<b>28,364.42</b>

## (C) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating, financing and investing activities.

### Foreign currency sensitivity

The Company operates internationally and a significant portion of the business is transacted in USD and EURO currencies and consequently the Company is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in various foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below.

(In lakhs)

Particulars	Currency	As at 31 March 2022		As at 31 March 2021	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
<b>Financial assets</b>					
Trade receivables	USD	33.52	2,540.93	22.48	1,646.46
	EURO	3.85	323.99	1.01	86.95
	GBP	0.57	56.55	-	-
	CAD	-	-	1.37	79.47
	CNY	21.16	252.82	27.78	310.09
	SGD	0.21	11.70	0.21	11.37
	DKK	4.15	47.08	8.04	93.04
Unbilled revenue	USD	19.55	1,481.91	12.70	930.30
	EURO	1.36	114.39	0.47	40.15
	GBP	0.60	59.25	0.05	4.94
	CAD	-	-	1.42	82.60
	DKK	3.75	42.54	0.92	10.67
Other receivables from Related parties	USD	1.07	81.28	1.00	73.51

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Currency	(In lakhs)			
		As at 31 March 2022		As at 31 March 2021	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Cash and bank balances	GBP	0.03	3.08	-	-
	CAD	0.36	21.68	0.34	19.54
	USD	5.49	416.22	5.90	432.35
	EURO	2.36	198.63	0.92	78.96
	AED	1.59	32.86	1.59	31.75
Other financial assets	DKK	6.76	76.71	18.76	217.22
	AED	0.57	11.70	0.56	11.24
Loans	EURO	-	-	0.17	14.84
Other current assets	EURO	1.08	91.24	1.06	91.17
<b>Financial liabilities</b>					
Trade payables	USD	2.77	210.17	3.72	272.61
	EURO	2.36	198.63	1.72	147.46
	GBP	-	-	0.19	19.11
Duties and taxes payable	DKK	2.60	29.50	0.74	8.86
	EURO	4.33	364.03	1.19	102.00
Lease liability	DKK	1.44	16.36	0.89	10.26
Interest accrued but not due on borrowings	EURO	1.18	99.21	-	-
Borrowings	USD	0.04	2.89	0.10	7.49
	USD	36.54	2,769.57	53.95	3,951.20

## Sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies net of forward contracts. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant and refer below for impact of change in foreign exchange rates on profit before tax of the Company.

Particulars	31 March 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
Sensitivity				
INR/USD	15.38	(15.38)	(11.49)	11.49
INR/EURO	0.66	(0.66)	0.63	(0.63)
INR/GBP	1.19	(1.19)	(0.14)	0.14
INR/CAD	0.22	(0.22)	1.82	(1.82)
INR/AED	0.45	(0.45)	0.43	(0.43)
INR/DKK	1.20	(1.20)	3.02	(3.02)
INR/CNY	-	-	3.10	(3.10)
INR/SGD	2.53	(2.53)	0.11	(0.11)

## Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward contracts and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or in directly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward contracts

Particulars	As at 31 March 2022	As at 31 March 2021
Forward Contracts		
In USD (31 March 2022 - 20.00 lakhs, 31 March 2021 - Nil)	1,585.80	-

The foreign exchange forward contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Foreign exchange forward contracts (highly probable forecast sales)	As at 31 March 2022		As at 31 March 2021	
	Notional amount (in ₹ lakhs)	Average forward rate	Notional amount (in ₹ lakhs)	Average forward rate
Not later than one month				
- In USD	-	-	-	-
Later than one month and not later than three months				
- In USD	-	-	-	-
Later than three months and not later a year				
- In USD	1,585.80	79.29	-	-

The following table summarizes activity in the cash flow hedging reserve within equity related to all derivative instruments classified as cash flow hedges:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Balance as at the beginning of the year</b>	<b>(9.32)</b>	<b>(235.90)</b>
Changes in fair value of effective portion of derivatives	19.08	173.87
Net gain reclassified to statement of profit and loss on occurrence of hedged transactions	-	49.56
Gain on cash flow hedging derivatives, net	19.08	223.43
<b>Balance as at the end of the year</b>	<b>9.76</b>	<b>(12.47)</b>
Deferred tax liability thereon	(5.31)	3.14
<b>Balance as at the end of the year, net of deferred tax</b>	<b>4.45</b>	<b>(9.32)</b>

## Interest rate risk

At 31 March 2022, the Company had an interest rate swap agreement in place whereby the Company pays a fixed rate of interest of 6% and receives interest at a variable rate equal to 6 months USD SOFR CMP+495 Bps on the notional amount. The swap is being used to hedge the exposure to changes in the variable interest rate on its 6 months USD SOFR CMP+495 Bps secured loan.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap is identical to the hedged risk component. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Different interest rate curve applied to discount the hedged item and hedging instrument



# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

- Differences in timing of cash flows of the hedged item and hedging instrument
- The counterparties' credit risk differently impacting the fair value movements of the hedging instrument and hedged item

The impact of the hedging instrument on the balance sheet as at 31 March 2022 and 31 March 2021 is, as follows:

	As at 31 March 2022			As at 31 March 2021		
	Nominal amount (in lacs)	Carrying amount (₹ lacs)	Line item in balance sheet where hedging instrument is disclosed	Nominal amount (in lacs)	Carrying amount (₹ lacs)	Line item in balance sheet where hedging instrument is disclosed
<b>Fair value hedge</b>						
<b>Interest rate risk</b> - Interest rate swap	USD 11.54	(1.28)	Other current financial assets	USD 23.08	37.82	Other current and Non current financial liability

The impact of the hedged item on the balance sheet as at 31 March 2022 and 31 March 2021 is, as follows:

	As at 31 March 2022			As at 31 March 2021		
	Nominal amount (in lacs)	Carrying amount (₹ lacs)	Line item in balance sheet where hedging instrument is disclosed	Nominal amount (in lacs)	Carrying amount (₹ lacs)	Line item in balance sheet where hedging instrument is disclosed
<b>Fair value hedge</b>						
<b>Interest rate risk</b> - Borrowings	874.58	(1.28)	Short Term borrowings	1,689.38	37.82	Long Term borrowings and Short Term borrowings

## 34 Defined benefit obligations

The Company has provided for the gratuity liability (defined benefit plan), as per actuarial valuation carried out by an independent actuary on the Balance Sheet date.

### A Defined benefit contributions

#### India

The Company makes contribution to statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952 for its employees. This is a defined contribution plan as per Ind AS 19, Employee benefits. Contribution made during the year ended 31 March 2022 : ₹ 368.32 lakhs (31 March 2021 : ₹ 351.39 lakhs).

#### Overseas social security

The Company makes a contribution towards social security charges for its employees located at the respective branch offices in respective foreign geographies, that are defined contribution plans. The contributions paid or payable is recognised as an expense in the period in which the employee renders services in respective geographies. Contribution made during the year ended 31 March 2022 : ₹ 435.99 lakhs (31 March 2021 : ₹ 324.32 lakhs) (refer note 21)

### B Defined benefit plans

The Company has provided for gratuity, for its employees as per actuarial valuation carried out by an independent actuary on the Balance Sheet date. The valuation has been carried out using the Project Unit Credit Method as per Ind AS 19 to determine the present value of Defined Benefit Obligations and the related current service cost. This is a defined benefit plan as per Ind AS 19.

The gratuity plan is governed by the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time). Employees are entitled to all the benefits enlisted under this Act.

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

**a Interest rate risk**

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability as shown in financial statements.

**b Liquidity risk**

This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non availability of enough cash/cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

**c Salary escalation risk**

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of employees in future. Deviation in the rate of interest in future for employees from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**d Demographic risk**

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**e Regulatory risk**

Gratuity benefits are paid in accordance with the requirements of the Payment of Gratuity Act,1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs

(i) Changes in the present value of the defined benefit obligation are as follows:

	Gratuity	
	As at 31 March 2022	As at 31 March 2021
Defined benefit obligation at the beginning of the year	640.54	577.45
Current service cost	86.96	86.25
Interest cost	40.97	37.80
Benefits paid	(92.13)	(114.53)
Actuarial loss/ (gain) arising from change in financial assumptions	(18.59)	37.23
Actuarial loss/ (gain) arising from experience adjustments	(15.95)	16.34
<b>Defined benefit obligation at the end of the year</b>	<b>641.80</b>	<b>640.54</b>
Non-Current Provision	564.49	569.82
Current Provision	77.31	70.72

(ii) Components of expense recognised in the Statement of Profit and Loss

	As at 31 March 2022	As at 31 March 2021
Employee benefits expense		
- Current service cost	86.96	86.25
Finance costs		
- Interest expense on defined benefit obligation	40.97	37.80
<b>Expenses recognised in the Statement of profit and loss for the year</b>	<b>127.93</b>	<b>124.05</b>

(iii) Components of defined benefit costs recognised in other comprehensive income

	As at 31 March 2022	As at 31 March 2021
<b>Remeasurement on the net defined benefit liability :</b>		
Recognised net actuarial (gain) / loss arising from change in financial assumptions	(18.59)	37.23
Recognised net actuarial (gain) / loss arising from experience variance	(15.95)	16.34
<b>Remeasurement (gain) / loss in other comprehensive income</b>	<b>(34.54)</b>	<b>53.57</b>

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(iv) The principal assumptions used in determining gratuity obligations for the Company's plans disclosed below

	As at 31 March 2022	As at 31 March 2021
Discount rate	6.80%	6.40%
Salary escalation rate	5.00%	5.00%
Attrition rate		
- up to 5 years	20.00%	20.00%
- more than 5 years	10.00%	10.00%
Retirement age	60 Years	60 Years
Mortality rate [as a percentage of Indian assured lives mortality (2012-2014)]	100%	100%

The assumptions were developed by Management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of Government bonds that have terms to maturity approximating to the terms of the gratuity obligation. Other assumptions are based on current actuarial benchmarks and Management's historical experience.

A quantitative sensitivity analysis for significant assumption as at 31 March 2022 is as shown below:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, attrition rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The following table summarizes the impact of change in the defined benefit obligation resulting from the specified percentage change in the aforementioned assumptions.

Particulars	Gratuity	
	Increase	Decrease
Discount rate (Increase or decrease by 1%)	(42.65)	48.31
Salary growth rate (Increase or decrease by 1%)	48.70	(43.72)
Attrition rate (Increase or decrease by 50% of attrition rate)	10.01	(24.69)
Mortality rate (Increase or decrease by 10% of mortality rate)	0.16	(0.17)

A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:

Particulars	Gratuity	
	Increase	Decrease
Discount rate (Increase or decrease by 1%)	(44.58)	50.75
Salary growth rate (Increase or decrease by 1%)	50.96	(45.54)
Attrition rate (Increase or decrease by 50% of attrition rate)	2.54	(14.81)
Mortality rate (Increase or decrease by 10% of mortality rate)	0.14	(0.14)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method and assumptions used in preparing the sensitivity analysis from previous years.

(v) Effect of plan on entity's future cash flows

The scheme is managed on an unfunded basis and hence, no funding arrangements or future contributions are applicable. The weighted average duration of the plan is estimated to be 7 years for the year ended 31 March 2022 and 31 March 2021 respectively. Following is a maturity profile of the defined benefit obligation as at 31 March 2022 and 31 March 2021.

Expected cash flows over the next: (valued on undiscounted basis)

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Gratuity	
	As at 31 March 2022	As at 31 March 2021
Within the next 12 months	77.31	70.72
Between 2 - 5 years	281.37	278.18
Between 6 - 10 years	293.90	273.69
More than 10 years	501.20	516.12

## 35 SEGMENT INFORMATION

The Board of Directors of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of engineering services.

The Company is predominantly engaged in the business of Technology Services and Solutions, which constitutes a single business segment and is governed by similar set of risks and returns. The operations of the Company primarily cater to the market outside India, which the Management views as a single segment. The Management monitors the operating results of its single segment for the purpose of making decisions about resource allocation and performance assessment.

Three customers individually accounted for ₹ 8,675.15 lakhs, ₹ 2,991.55 lakhs and ₹ 2,220.93 lakhs respectively, which is more than 10% of the total revenue of the Company for the year ended 31 March 2022 and three customers individually accounted for ₹ 5,799.16 lakhs, ₹ 2,415.00 lakhs and ₹ 2,085.18 lakhs respectively, which is more than 10% of the total revenue of the Company for the year ended 31 March 2021.

The Company is domiciled in India. The Company's revenue from operations from external customers primarily relate to operations outside India. Revenue from customers located in India for the year ended 31 March 2022 amounts to ₹ 4,637.37 lakhs (31 March 2021: ₹ 3,443.58 lakhs) and from outside India for the year ended 31 March 2022 amounts to ₹ 13,560.70 lakhs (31 March 2021: ₹ 9,488.02 lakhs). Majority of the non-current assets of the Company are located in India.

## 36 AUDITOR'S REMUNERATION\*

	Year ended 31 March 2022	Year ended 31 March 2021
Statutory audit fees	40.00	40.00
Other fees	15.00	15.00
Out of pocket expenses	1.68	3.41
	<b>56.68</b>	<b>58.41</b>

\* excluding goods and service tax

37 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 Company 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. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

## 38 SHARE-BASED PAYMENTS

### Employee stock option scheme

The Company has two ESOP schemes titled "AXISCADES Employee Stock Option Plan- Series 1 & 2" under which option to subscribe for the Company's shares can be granted to certain executive and senior employees.

During the current year, the Nomination and Remuneration Committee of the Board of Directors of the Company has approved the grant to two eligible employees of the Company pursuant to the AXISCADES Employee Stock Option Plan - Series 2 ('ESOP Series 2'). The exercise price of the share options is equal to the 90-day average closing price as on date prior to the date of nomination and remuneration committee meeting with such discount as may be decided by the committee for the grant of options under the Scheme. 2/3<sup>rd</sup> of the share options will vest after 2 years, and remaining 1/3<sup>rd</sup> of the share options will vest after 3 years from the date of grant of options.

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(All amounts in ₹ lakhs, unless otherwise stated)

The fair value of the options granted is estimated using Black-Scholes model of pricing, taking into account the terms and conditions upon which the share options were granted.

The share options can be exercised up to eight years from the grant date. There are no cash settlement alternatives. The Company accounts for the Scheme as an equity-settled plan.

	Year ended 31 March 2022	Year ended 31 March 2021
Expense arising from equity-settled share-based payment transactions	349.57	136.84
Less: Cross charge to subsidiaries	(103.94)	(9.30)
<b>Total expense arising from share-based payment transactions</b>	<b>245.63</b>	<b>127.54</b>

## Movements during the year

The following table summarises the number and weighted average exercise prices ('WAEP') of, and movements in, share options during the year

	31-Mar-22		31-Mar-21	
	Number	WAEP (₹)	Number	WAEP (₹)
Outstanding at 1 April	30,20,762	51.54	8,77,300	52.70
Granted during the year	32,07,482	77.83	22,03,462	51.20
Lapsed during the year	(7,74,070)	51.20	(60,000)	52.65
Exercised during the year	(1,54,500)	52.80	-	-
<b>Outstanding at March 31</b>	<b>52,99,674</b>	<b>67.47</b>	<b>30,20,762</b>	<b>51.54</b>
Exercisable at March 31	13,87,369	51.97	-	-

The weighted average share price at the date of exercise of these options was ₹ 92.11 (31 March 2021: ₹ Nil).

The weighted average remaining contractual life for the share options outstanding as at 31 March 2022 was 7.10 years (31 March 2021: 7.43 years).

The weighted average fair value of options granted during the year was ₹ 57.10 (31 March 2021: ₹ 29.54).

The range of exercise prices for options outstanding at the end of the year was ₹ 51.20 to ₹ 83.52 (31 March 2021: ₹ 51.20 to ₹ 52.95).

The following tables list the inputs to the model used for the scheme for the year ended 31 March 2022 and 31 March 2021 respectively:

	31-Mar-22	31-Mar-21
Weighted average fair values at the measurement date	57.10	29.54
Dividend yield (%)	-	-
Expected volatility (%)	54.70%-57.23%	55.30%-59.90%
Risk-free interest rate (%)	5.48%-7.16%	5.48%-7.25%
Expected life of share options(years)	5.5 years	5.5 years
Weighted average exercise price (₹)	67.47	51.54
Model used	Black-Scholes	Black-Scholes

The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

**39** The Company's operations and financial results have been impacted by the outbreak of COVID-19 pandemic. The full impact of COVID-19 still remains uncertain and could be different from the estimates considered while preparing these financial results. The Company will continue to closely monitor any material changes to future economic conditions.



# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 40 TRANSFER PRICING

Transfer Pricing regulations for computing the taxable income and expenditure from 'international transactions' between 'associated enterprises' on an 'arm's length' basis. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within due date of filing the Return of Income. The Company is in the process of updating the Transfer Pricing documentation for the financial year ended 31 March 2022 following a detailed transfer pricing study conducted for the financial year ended 31 March 2021. In the opinion of the Management, the same would not have an impact on these financial statements. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any.

## 41 Disclosure as per Part A of Schedule V of securities (Listing Obligations and Disclosures Requirements) Regulations, 2015 as regards the inter-corporate deposits, loans and advances granted to subsidiaries and holding companies and other companies in which the directors are interested:

Name of the entity	Amount outstanding as at		Maximum amount outstanding during the year ended		Investment by loanee in shares of the parent Company
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	
AXISCADES Aerospace & Technologies Private Limited	-	-	-	210	Nil

- The above loans have been given for business purpose.
- There are no outstanding debts due from the directors or other officers of the Company.

## 42 DISCLOSURE REQUIRED UNDER SECTION 22 OF MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006

The Company has amounts due to Micro and Small Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31 March 2022 and 31 March 2021. The details in respect of such dues are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount remaining unpaid to any supplier as at the end of the accounting year	17.94	4.30
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	8.62	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 regarding Micro and Small enterprises determined to the extent such parties have been identified on the basis of the information available with the Company.

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 43 RATIO ANALYSIS AND ITS ELEMENTS

Particulars	Numerator	Denominator	31 March 2022	31 March 2021	% Change	Reason for variance
(a) Current Ratio	Current Asset	Current Liabilities	0.31	0.39	-21.83%	
(b) Debt-Equity Ratio	Total Debt*	Shareholder's Equity	0.30	0.42	-28.00%	Refer note 1(a) below
(c) Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	1.13	0.33	242.60%	Refer note 1(b) below
(d) Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Total Equity	0.02	(0.34)	-105.58%	Refer note 1(c) below
(e) Trade Receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	5.46	3.02	80.84%	Refer note 1(d) below
(f) Trade payables turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payable	14.48	9.25	56.55%	Refer note 1(e) below
(g) Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	(1.09)	(0.96)	13.13%	
(h) Net profit ratio	Net Profit	Net sales = Total sales - sales return	0.12	(0.47)	-125.53%	Refer note 1(f) below
(i) Return on Capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	0.07	(0.22)	-132.27%	Refer note 1(g) below
(j) Return on investment	Interest (Finance Income)	Investment	0.06	0.07	-14.29%	

\*Total Debt includes lease liabilities

### Note 1:

- There is an improvement in profitability due to increase in revenue, along with reduction in the debt due to only repayments and no new loans taken during the year.
- Increase in profit available for debt service
- Variance is due to increase in profit after tax
- Increase due to increase in revenue
- Increase due to increase in purchases corresponding to increase in operations
- Increase in net profit due to increase in operations and profit.
- Increase in net profit due to reduction in non-cash and exceptional items

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 44 CONTINGENT LIABILITY

	As at 31-Mar-22	As at 31-Mar-21
Indirect tax matters for demands pending before various appellate authorities	-	956.39
Direct tax matters under dispute/ pending before Income Tax Authorities	358.00	194.42
Corporate Guarantee for a facility granted to a subsidiary	4,850.00	-
Bank Guarantees	8.50	-
	<b>5,216.50</b>	<b>1,150.81</b>

- (i) The Supreme Court of India in a judgment on Provident Fund dated 28 February 2019 addressed the principle for determining salary components that form part of basic salary for individuals below a prescribed salary threshold. The Company determined that they had not previously included such components in basic salary. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28 February 2019. As a matter of caution, the Company has implemented the above judgement on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.
- (ii) The Company has reviewed all its pending litigations and proceedings, and has adequately provided for where provisions are required and disclosed the contingent liabilities in its financial statements where financial outflow is not probable. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

## 45 OTHER STATUTORY INFORMATION

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

# Notes to Standalone Ind AS Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

## 46 Previous Year Comparatives

Previous year figures have been regrouped/ reclassified, where necessary, to confirm to this year's classification.

As per our report of even date

### For S R Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration number : 101049W/E300004

Sd/-

**per Sunil Gaggar**

Partner

Membership Number : 104315

Place : Bengaluru

Date : 24 May 2022

For and on behalf of the Board of Directors of

**AXISCADES Technologies Limited** (formerly AXISCADES Engineering Technologies Limited)

CIN NO: L72200KA1990PLC084435

Sd/-

**Arun Krishnamurthi**

Chief Executive Officer and Managing Director

DIN : 09408190

Sd/-

**Shashidhar SK**

Chief Financial Officer

Place : Bengaluru

Date : 24 May 2022

Sd/-

**Sudhakar Gande**

Non Executive Director

DIN : 00987566

Sd/-

**Sonal Dudani**

Company Secretary

Membership No.: 40415

# Independent Auditor's Report

To the Members of AXISCADES Technologies Limited (formerly AXISCADES Engineering Technologies Limited)

## REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of AXISCADES Technologies Limited (formerly AXISCADES Engineering Technologies Limited) (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group and its associate 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Emphasis of Matter

We draw the attention to Note 21(ii) of the accompanying consolidated Ind AS financial statements 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. This 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the Management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

### Key audit matters

(a) **Assessment of impairment of Goodwill and other intangible assets** (as described in Note 2(i)(c) and Note 7 of the consolidated Ind AS financial statements)

The Group's Balance Sheet includes ₹ 14,056.16 lakhs of goodwill and other intangible assets representing 17.69% of total Group assets.

Goodwill and other intangible assets must be tested for impairment at least on an annual basis. The determination of recoverable amounts requires judgement on the part of the Management in both identifying and then valuing the relevant Cash Generating Units (CGUs).

### How our audit addressed the key audit matter

Our audit procedures included the following:

- We understood, evaluated and tested Holding Company's Management key controls over the impairment assessment process;
- We assessed the Group's methodology applied in determining the CGUs recoverable value. In making this assessment, we also evaluated the objectivity and independence of Holding Company's expert involved in the process.



**Key audit matters**

Recoverable amounts are based on Management's assumptions of variables and market conditions such as volume growth rates, future operating expenditure, discount rates, impact of COVID-19 and long-term growth rates.

The annual impairment testing is a significant accounting estimate as the assumptions on which such estimates are based are judgmental and affected by future market and economic conditions which are inherently uncertain. Accordingly, we have determined this area to be a key audit matter in our audit of the consolidated Ind AS financial statements

We have determined that there are no other key audit matters to communicate in our report.

**Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate 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 consolidated Ind AS financial statements that give a true and

**How our audit addressed the key audit matter**

- We engaged expert to assess the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates, impact of COVID-19 and terminal growth rates and methodologies used by the Holding Company's Management to determine the recoverable amount;
- We tested the arithmetical accuracy of the impairment testing model; and
- We have assessed the disclosures in the consolidated Ind AS financial statements as per the relevant accounting standards.

fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

**Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are 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 these consolidated Ind AS financial statements.

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 consolidated Ind AS financial statements, 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 Holding Company has adequate internal financial controls with reference to the consolidated Ind AS 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 Management.
- Conclude on the appropriateness of Management's 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 ability of the Group and its associate 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 consolidated Ind AS financial statements 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 Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial

year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

We did not audit the financial statements and other financial information, in respect of eleven subsidiaries whose Ind AS financial statements include total assets of ₹ 40,336.71 lakhs as at March 31, 2022, and total revenues of ₹ 27,255.80 lakhs and net cash inflows of ₹ 1,783.45 lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the Management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 45.82 lakhs for the year ended March 31, 2022, as considered in the consolidated Ind AS financial statements, in respect of one associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiaries and associate company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate company, none of the directors of the Group's companies, and its associate, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company, its subsidiary companies and its associate company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report. According to the information and explanations given by the Management, the provisions of the Section 143(3)(i) are not applicable to its associate incorporated in India;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associate, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company, its subsidiaries and associate incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other Matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated Ind AS financial statements – Refer Note 21(ii) and Note 37 to the consolidated Ind AS financial statements;
  - ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2022;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its associate, incorporated in India during the year ended March 31, 2022.
  - iv.
    - a) The respective Managements of the Holding Company, its subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, and associate to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The respective Managements of the Holding Company and its subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries, and associate from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, and associate shall, whether, directly or indirectly, lend or invest in other

- persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. No dividend has been declared or paid during the year by the Holding Company, its subsidiaries, and associate company, incorporated in India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sd/-

per **Sunil Gaggar**

Partner

Place of Signature: Bengaluru

Date: May 24, 2022

Membership Number: 104315

UDIN: 22104315AJNVAV4365

## Annexure – 1 to the Auditor’s Report

### ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE

Re: AXISCADES Technologies Limited (Formerly AXISCADES Engineering Technologies Limited) (‘the Holding Company’), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its associate.

Based on our audit and on the consideration of reports of the other auditors on separate financial statements and other financial information of the subsidiary companies incorporated in India and its associate, we state that:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S.No	Name	CIN	Holding company/ subsidiary/ associate	Clause number of the CARO report which is qualified or is adverse
1.	AXISCADES Aerospace & Technologies Private Limited	U72900KA2001PTC028394	Subsidiary Company	iii(e)
2.	AXISCADES Aerospace & Technologies Private Limited	U72900KA2001PTC028394	Subsidiary Company	vii(a)
3.	AXISCADES Technologies Limited	L72200KA1990PLC084435	Holding Company	vii(a)

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

Firm Registration Number: 101049W/E300004

Sd/-

per **Sunil Gaggar**

Partner

Membership Number: 104315

UDIN: 22104315AJNVAV4365

Place of Signature: Bengaluru

Date: May 24, 2022



## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF AXISCADES TECHNOLOGIES LIMITED (FORMERLY AXISCADES ENGINEERING TECHNOLOGIES LIMITED)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of AXISCADES Technologies Limited (formerly AXISCADES Engineering Technologies Limited) (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date. According to the information and explanations given by the Management, the provisions of the Section 143(3) (i) are not applicable to its associate incorporated in India.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements and their operating

effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

### Meaning of Internal Financial Controls with reference to Consolidated Ind AS Financial Statements

A Company's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding

Company, in so far as it relates to these five subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sd/-

per **Sunil Gaggar**

Partner

Place of Signature: Bengaluru

Date: May 24, 2022

Membership Number: 104315

UDIN: 22104315AJNVAV4365

# Consolidated Balance Sheet

as at 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	5,780.73	5,200.05
Other intangible assets	4	2,898.23	3,524.99
Intangible assets under development	5	-	-
Capital work-in-progress	6	-	-
Right of use assets	36	8,745.61	9,618.67
Goodwill	7	11,157.93	10,470.79
Investment in an associate	8	187.41	233.23
Financial assets			
Investments	9	203.81	697.39
Other financial assets	11	925.31	1,691.94
Deferred tax assets, net	39	2,802.94	2,806.34
Non-current tax assets, net	12	1,462.77	1,464.76
Other non-current assets	13	2,034.58	2,109.97
		<b>36,199.32</b>	<b>37,818.13</b>
<b>Current assets</b>			
Inventories	14	5,157.70	2,330.30
Financial assets			
Investments	9	1,526.59	4,059.06
Trade receivables	10	14,516.65	12,754.68
Cash and cash equivalents	15	7,109.49	5,269.93
Bank balances other than cash and cash equivalents	16	3,427.40	3,208.31
Other financial assets	11	7,595.35	5,676.01
Other current assets	13	3,907.70	3,119.62
		<b>43,240.88</b>	<b>36,417.91</b>
		<b>79,440.20</b>	<b>74,236.04</b>
<b>Total assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	1,897.23	1,889.51
Other equity	18	31,229.08	27,971.44
Non controlling interests		534.76	490.17
		<b>33,661.07</b>	<b>30,351.12</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	19	45.32	2,082.74
Lease Liabilities	36	1,109.87	2,094.36
Other financial liabilities	21	-	4,707.52
Provisions	22	1,055.56	985.26
		<b>2,210.75</b>	<b>9,869.88</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	19	4,835.79	5,194.87
Lease Liabilities	36	1,214.67	1,038.40
Trade payables	20		
(a) Total outstanding dues of micro enterprises and small enterprises		218.16	119.52
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		6,735.00	4,941.98
Other financial liabilities	21	22,966.01	17,302.85
Provisions	22	1,310.60	961.86
Current tax liability, net	23	161.10	106.67
Other current liabilities	24	6,127.05	4,348.89
		<b>43,568.38</b>	<b>34,015.04</b>
		<b>79,440.20</b>	<b>74,236.04</b>

The accompanying notes are an integral part of these consolidated Ind AS financial statements.

As per our report of even date

**For S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration number : 101049W/E300004

Sd/-

**per Sunil Gaggar**

Partner

Membership Number : 104315

Place : Bengaluru

Date : 24 May 2022

For and on behalf of the Board of Directors of

**AXISCADES Technologies Limited** (formerly AXISCADES Engineering Technologies Limited)

CIN NO: L72200KA1990PLC084435

Sd/-

**Arun Krishnamurthi**

Chief Executive Officer and Managing Director

DIN : 09408190

Sd/-

**Shashidhar SK**

Chief Financial Officer

Place : Bengaluru

Date : 24 May 2022

Sd/-

**Sudhakar Gande**

Non Executive Director

DIN : 00987566

Sd/-

**Sonal Dudani**

Company Secretary

Membership No.: 40415

# Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>INCOME</b>			
Revenue from contracts with customers	25	60,840.77	51,738.61
Other operating Income	26	189.82	646.05
Other income	27	909.43	1,446.07
<b>Total income</b>		<b>61,940.02</b>	<b>53,830.73</b>
<b>EXPENSES</b>			
Cost of materials consumed	28	11,666.82	9,849.61
Employee benefits expense	29	31,214.39	26,661.40
Depreciation and amortisation expenses	30	2,506.06	2,598.58
Finance costs	31	1,575.41	2,250.40
Other expenses	32	11,085.78	9,473.64
<b>Total expenses</b>		<b>58,048.46</b>	<b>50,833.63</b>
<b>Profit before share of profit/ (loss) of an associate, exceptional items and tax</b>		<b>3,891.56</b>	<b>2,997.10</b>
Share of profit/ (loss) of an associate	8	(45.82)	44.76
<b>Profit before exceptional items and tax</b>		<b>3,845.74</b>	<b>3,041.86</b>
Exceptional items	33	(169.34)	(4,079.80)
<b>Profit/ (Loss) before tax and non controlling interest</b>		<b>3,676.40</b>	<b>(1,037.94)</b>
<b>Tax expense:</b>	39		
(i) Current tax		1,360.14	951.19
(ii) Deferred tax charge		48.35	131.42
<b>Profit/ (Loss) after tax for the year</b>		<b>2,267.91</b>	<b>(2,120.55)</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Remeasurement losses on defined benefit plans	42	(15.67)	(30.68)
Income tax effect		3.03	7.60
<b>Net other comprehensive income/ (loss) not to be reclassified to profit or loss in subsequent periods:</b>		<b>(12.64)</b>	<b>(23.08)</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>			
a) Gains/(Losses) on cash flow hedges, net	41	53.39	318.35
Income tax effect		(14.87)	(82.08)
		<b>38.52</b>	<b>236.27</b>
b) Exchange differences on translation of foreign operations		298.08	160.29
Income tax effect		-	-
		<b>298.08</b>	<b>160.29</b>
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>		<b>336.60</b>	<b>396.56</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>323.96</b>	<b>373.48</b>
<b>Total comprehensive income/ (loss) for the year, net of tax</b>		<b>2,591.87</b>	<b>(1,747.07)</b>
<b>Total profit/ (loss) attributable to:</b>			
Equity holders of the Company		2,223.32	(2,166.39)
Non-controlling interest		44.59	45.84
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company		2,547.28	(1,792.91)
Non-controlling interest		44.59	45.84
<b>Earning/ (Loss) per equity share in ₹ [nominal value of shares ₹ 5 (31 March 2021: ₹ 5)]</b>	34		
Basic		5.86	(5.74)
Diluted		5.76	(5.74)

The accompanying notes are an integral part of these consolidated Ind AS financial statements.

As per our report of even date

**For S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration number : 101049W/E300004

Sd/-

**per Sunil Gaggar**

Partner

Membership Number : 104315

Place : Bengaluru

Date : 24 May 2022

For and on behalf of the Board of Directors of

**AXISCADES Technologies Limited** (formerly AXISCADES Engineering Technologies Limited)

CIN NO: L72200KA1990PLC084435

Sd/-

**Arun Krishnamurthi**

Chief Executive Officer and Managing Director

DIN : 09408190

Sd/-

**Shashidhar SK**

Chief Financial Officer

Place : Bengaluru

Date : 24 May 2022

Sd/-

**Sudhakar Gande**

Non Executive Director

DIN : 00987566

Sd/-

**Sonal Dudani**

Company Secretary

Membership No.: 40415

# Consolidated Statement of Cash Flow

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before tax	3,676.40	(1,037.94)
Adjustments to reconcile profit/ (loss) before tax to net cash flows:		
Depreciation and amortisation expense (refer note 30)	2,506.06	2,598.58
Interest income (including fair value change in financial instruments)	(334.15)	(420.13)
Net gain on financial asset measured at fair value through profit and loss	(136.45)	(431.34)
Exceptional Item, net (refer note 33)	169.34	4,079.80
Dividend income from mutual funds	(17.89)	(10.29)
Interest expense (including fair value change in financial instruments) (refer note 31)	1,575.41	2,250.40
Provision/ liabilities no longer required written back	(62.39)	(140.99)
Lease rental concession	(75.41)	-
Gain on termination of Right to use assets	(61.63)	-
Share of (profit)/ loss of an associate	45.82	(44.76)
Bad debts and advance written off	37.88	115.45
Share based payment expense (refer note 44)	636.33	140.89
Provision for doubtful debts and advances	96.47	52.88
(Profit)/ Loss on sale of property, plant and equipment	22.81	(6.55)
Net unrealised foreign exchange (gain)/ loss	127.60	(230.70)
<b>Operating profit before working capital changes</b>	<b>8,206.20</b>	<b>6,915.30</b>
<b>Movements in working capital</b>		
(Increase)/ Decrease in trade receivables	(2,659.92)	3,751.01
(Increase) in inventories	(2,827.40)	(368.87)
(Increase)/ Decrease in other assets including financial assets	(2,857.31)	2,975.58
Increase/ (Decrease) in trade payables, other liabilities and financial liabilities	4,234.31	(1,196.20)
Increase in provisions	325.63	55.09
<b>Cash generated from operating activities</b>	<b>4,421.51</b>	<b>12,131.91</b>
Direct taxes (paid)/ refund, net	(1,303.72)	80.31
<b>Net cash generated from operating activities (A)</b>	<b>3,117.79</b>	<b>12,212.22</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for purchase of property, plant and equipment and intangible assets	(1,361.69)	(566.61)
Proceeds from sale of property, plant and equipment	2.20	6.55
Interest received	364.71	339.14
Redemption/ (Investment) in mutual funds, other funds and equity shares of other companies	3,171.34	(1,031.79)
Redemption/ (Investment) in fixed deposits, net	763.57	(934.78)
Dividend received	17.89	10.29
<b>Net cash from/ (used in) investment activities (B)</b>	<b>2,958.02</b>	<b>(2,177.20)</b>



# Consolidated Statement of Cash Flow

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of principal portion and interest portion of lease liabilities	(1,325.38)	(1,287.64)
Repayment of short term borrowings	(364.17)	(5,146.92)
Repayment of long term borrowings	(2,037.42)	(1,609.12)
Proceeds from issue of equity shares	81.56	-
Interest paid	(584.72)	(1,250.10)
<b>Net cash used in financing activities (C)</b>	<b>(4,230.13)</b>	<b>(9,293.78)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,845.68</b>	<b>741.24</b>
Effect of exchange rate changes, net	(6.12)	51.00
Cash and cash equivalents as at beginning of the year (refer note 15(a))	5,269.93	4,477.69
<b>Cash and cash equivalents at the end of the year (refer note 15(a))</b>	<b>7,109.49</b>	<b>5,269.93</b>

The accompanying notes are an integral part of these consolidated Ind AS financial statements.

As per our report of even date

**For S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration number : 101049W/E300004

Sd/-

**per Sunil Gaggar**

Partner

Membership Number : 104315

Place : Bengaluru

Date : 24 May 2022

For and on behalf of the Board of Directors of

**AXISCADES Technologies Limited** (formerly AXISCADES Engineering Technologies Limited)

CIN NO: L72200KA1990PLC084435

Sd/-

**Arun Krishnamurthi**

Chief Executive Officer and Managing Director

DIN : 09408190

Sd/-

**Shashidhar SK**

Chief Financial Officer

Place : Bengaluru

Date : 24 May 2022

Sd/-

**Sudhakar Gande**

Non Executive Director

DIN : 00987566

Sd/-

**Sonal Dudani**

Company Secretary

Membership No.: 40415

# Consolidated Statement of Changes in Equity

for the year ended 31 March 2022

## A. EQUITY SHARE CAPITAL

	Equity Shares	
	Number (in lakhs)	Amount
Equity shares of ₹ 5 each (31 March 2021 : ₹ 5 each), fully paid-up		
As at 1 April 2020	377.60	1,889.51
Add: Issued and subscribed during the year	-	-
<b>As at 31 March 2021</b>	<b>377.60</b>	<b>1,889.51</b>
Add: Issued and subscribed during the year*	1.54	7.72
<b>As at 31 March 2022</b>	<b>379.14</b>	<b>1,897.23</b>

\* During the year, the Company allotted 154,500 (31 March 2021 - Nil) equity shares of ₹ 5 each aggregating ₹ 7.72 lakhs (31 March 2021 - ₹ Nil), consequent to the exercise of the stock options by the employees of the Company under the "AXISCADES ESOP 2018 – Series 1" and "AXISCADES ESOP 2018 – Series 2" (formerly AXISCADES Engineering Employee Stock Option Plan 2018 – Series 1 & Series 2) .

## B. OTHER EQUITY (Refer Note 18)

	Reserves and surplus				Items of OCI			Total			
	General reserve	Securities premium	Retained earnings	Capital Contribution Reserve	Share based payment reserve	Capital reserve	Foreign currency translation reserve		Hedge reserve	Non-controlling interests	
Balance as at 1 April 2020	3.39	10,077.23	13,443.01	107.68	174.13	5,698.31	414.98	(295.27)	29,623.46	444.33	30,067.79
Profit/ (Loss) for the year	-	-	(2,166.39)	-	-	-	-	-	(2,166.39)	45.84	(2,120.55)
Fair value changes on derivatives designated as cash flow hedge, net of tax	-	-	-	-	-	-	-	236.27	236.27	-	236.27
Re-measurement losses in defined benefit plans, net of tax	-	-	(23.08)	-	-	-	-	-	(23.08)	-	(23.08)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	160.29	-	160.29	-	160.29
<b>Total comprehensive income/ (loss) for the year</b>	-	-	(2,189.47)	-	-	-	160.29	236.27	(1,792.91)	45.84	(1,747.07)
Share based payment expenses (Refer note:44)	-	-	-	-	140.89	-	-	-	140.89	-	140.89
<b>Balance as at 31 March 2021</b>	<b>3.39</b>	<b>10,077.23</b>	<b>11,253.53</b>	<b>107.68</b>	<b>315.03</b>	<b>5,698.31</b>	<b>575.27</b>	<b>(59.00)</b>	<b>27,971.44</b>	<b>490.17</b>	<b>28,461.61</b>
Profit for the year	-	-	2,223.32	-	-	-	-	-	2,223.32	44.59	2,267.91
Fair value changes on derivatives designated as cash flow hedge, net of tax	-	-	-	-	-	-	-	38.52	38.52	-	38.52
Re-measurement losses in defined benefit plans, net of tax	-	-	(12.64)	-	-	-	-	-	(12.64)	-	(12.64)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	298.08	-	298.08	-	298.08
<b>Total comprehensive income for the year</b>	-	-	<b>2,210.68</b>	-	-	-	<b>298.08</b>	<b>38.52</b>	<b>2,547.28</b>	<b>44.59</b>	<b>2,591.87</b>

(All amounts in ₹ lakhs, unless otherwise stated)

# Consolidated Statement of Changes in Equity

for the year ended 31 March 2022

	Reserves and surplus			Items of OCI				Total other equity	Non-controlling interests	Total	
	General reserve	Securities premium	Retained earnings	Capital Contribution Reserve	Share based payment reserve	Capital reserve	Foreign currency translation reserve				Hedge reserve
Exercise of share options	-	120.70	-	-	(46.67)	-	-	-	74.03	-	74.03
Share based payment expenses (Refer note:44)	-	-	-	-	636.33	-	-	-	636.33	-	636.33
<b>Balance as at 31 March 2022</b>	<b>3.39</b>	<b>10,197.93</b>	<b>13,464.21</b>	<b>107.68</b>	<b>904.69</b>	<b>5,698.31</b>	<b>873.35</b>	<b>(20.48)</b>	<b>31,229.08</b>	<b>534.76</b>	<b>31,763.84</b>

The accompanying notes are an integral part of these consolidated Ind AS financial statements.

As per our report of even date

**For S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration number : 101049W/E300004

Sd/-

**per Sunil Gaggar**

Partner

Membership Number : 104315

Place : Bengaluru

Date : 24 May 2022

For and on behalf of the Board of Directors of  
**AXISCADES Technologies Limited** (formerly AXISCADES Engineering Technologies Limited)  
CIN NO: L72200KA1990PLC084435

Sd/-

**Arun Krishnamurthi**

Chief Executive Officer and Managing Director

DIN : 09408190

Sd/-

**Sudhakar Gande**

Non Executive Director

DIN : 00987566

Sd/-

**Shashidhar SK**

Chief Financial Officer

Place : Bengaluru

Date : 24 May 2022

Sd/-

**Sonal Dudani**

Company Secretary

Membership No.: 40415

(All amounts in ₹ lakhs, unless otherwise stated)

# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

## 1. Corporate Information

AXISCADES Technologies Limited (formerly AXISCADES Engineering Technologies Limited), ('the Company' / 'the Holding Company' / 'ACTL'), a public limited company, operates in the business of Technology Services and Solutions and Strategic Technology Solutions. The Company's shares are listed for trading on the National Stock Exchange of India Limited and BSE Limited in India.

The Registered Office of the Company is "Block C, Second Floor, Kirloskar Business Park, Bengaluru - 560024, Karnataka, India".

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries ('the Group') and an associate listed below:

### Information about subsidiaries:

Name of the subsidiaries	Country of incorporation	Ownership interest (%)	
		31 March 2022	31 March 2021
AXISCADES, Inc.	USA	100%	100%
AXISCADES UK Limited, Subsidiary of AXISCADES Inc. ('AXISCADES UK')	UK	100%	100%
AXISCADES Technology Canada Inc. ('AXISCADES Canada')	Canada	100%	100%
Axis Mechanical Engineering Design (Wuxi) Co., Ltd. ('Axis China')	China	100%	100%
AXISCADES GmbH	Germany	100%	100%
Cades Studec Technologies (India) Private Limited ('Studec')	India	76%	76%
AXISCADES Aerospace & Technologies Private Limited ('ACAT')	India	100%	100%
Enertec Controls Limited, subsidiary of ACAT ('Enertec')	India	100%	100%
AXISCADES Aerospace Infrastructure Private Limited, subsidiary of ACAT ('AAIPL')	India	100%	100%
Mistral Solutions Private Limited (MSPL)	India	100%	100%
Aero Electronics Private Limited, subsidiary of MSPL (AEPL)	India	100%	100%
Mistral Technologies Private Limited, subsidiary of MSPL (MTPL)	India	100%	100%
Mistral Solutions Inc., subsidiary of MSPL (MSI)	USA	100%	100%
Mistral Solutions Pte Limited, subsidiary of MSPL (MSP) (dissolved during the year)*	Singapore	0%	100%

### Associate

The Group has a 50% interest in ASSYSTEM AXISCADES Engineering Private Limited ("AAEPL") (refer note 8).

\*During the year the MSP has dissolved through Member's voluntary winding up where it's final meeting was held on 12 November 2021 at the Corporate office of the MSPL, the notice of which was published in 4 local (Singapore) newspapers on 11 October 2021. The liquidators made the necessary filings with Accounting and Corporate Regulatory Authority (ACRA) on 19 November 2021 and the MSP was dissolved on the expiration of 3 months from the date of filing i.e., 19 February 2022.

## 2 (I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 24 May 2022.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements are presented in ₹ and all values are rounded to the nearest lakh (₹ 00,000), except when otherwise indicated.

### b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

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for the year ended 31 March 2022

- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights; and
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March 2022. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

## Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based

on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12, Income Taxes, applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- (d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the parent company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity shareholders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.



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for the year ended 31 March 2022

## c) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12, Income Tax, and Ind AS 19, Employee Benefits respectively.
- Liabilities or equity instruments related to share-based payment arrangement of the acquiree or share-based payments arrangement of the Group entered into to replace share-based arrangements of the acquiree are measured in accordance with Ind AS 102, Share-based Payments at the acquisition date
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in Statement of Profit and Loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109, Financial Instruments, is measured at fair value with changes in fair value recognised in Statement of Profit and Loss. If the contingent consideration is not within the scope of Ind AS 109 it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in Statement of Profit and Loss.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

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If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combinations between entities under common control is accounted for at carrying value under the provisions of Ind AS 103, Business Combinations.

Transaction costs that the Group incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as and when incurred.

## d) Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive

obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

## e) Use of Judgements, Estimates & Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Group bases its estimates and assumptions on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

### Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the consolidated financial statements.

# Summary of significant accounting policies and other explanatory information

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## Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

## Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

## Capitalisation of internally developed intangible assets

Distinguishing the research and development phases of a new customised project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

## Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

## Recoverability of advances / receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

## Useful lives of depreciable / amortisable assets

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

## Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and

anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

## Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Contingent considerations, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of financial liability, it is subsequently remeasured to fair value with changes in fair value recognised in profit or loss at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

## Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount.

## Provision for warranty

The Group, in the usual course of sale of its products, gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the specified warranty period. Provisions made represent the amount of expected cost of meeting such obligations of rectifications / replacements based on best estimate considering the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts. The assumptions made in relation to the current period are consistent with those in the prior years.

## Decommissioning liability

The estimated valuation of decommissioning liability are based on management's historical experience and best estimate of restoring the premises on lease in its original condition. Assumptions and judgments made by management when assessing an decommissioning liability include i) the existence

# Summary of significant accounting policies and other explanatory information

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of a legal obligation; ii) estimated probabilities, amounts, and timing of settlements; iii) the credit-adjusted risk-free rate to be used.

## Share-based payments

The Group measures the cost of non cash-settled transactions with employees using a Black sholes model valuation to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses Black sholes model valuation for executives and senior management employees. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 45.

## f) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash

equivalents. The Group has evaluated and considered its operating cycle as 12 months.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## g) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of respective asset if the recognition criteria for a provision are met.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

	Useful lives (in years)
Computers *	3 - 6
Furniture and fixtures *	7 - 10
Office equipment *	5 - 7
Plant and machinery *	7 - 15
Electrical installations *	7
Office buildings *	61
Vehicles *	5 - 6
Test equipments	6

\* Based on an internal assessment, the management believes that the useful lives as given above represents the period over which management expects to use the assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The Group has evaluated the applicability of component accounting as prescribed under Ind AS 16, Property plant and equipment, and Schedule II of the Companies Act, 2013, the

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management has not identified any significant component having different useful lives. Schedule II requires the Group to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

Leasehold improvements are depreciated over its lease period including renewable period or estimated useful life, whichever is shorter, on a straight-line basis.

## h) Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Process manuals are amortised over the remaining project term or the useful life of the process manual, whichever is shorter. Softwares are amortised over the period of 3 - 6 years. Non-compete fee and customer contract are amortised over a period 10 years.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

### Intangibles under development

Capitalised costs that are directly attributable to the development phase are recognised as intangible assets provided that they meet the following recognition requirements:

- demonstration of technical feasibility of the prospective product or processes for sale;
- the intangible asset will generate probable economic benefits through sale;
- sufficient technical, financial and other resources are available for completion; and
- the intangible asset can be reliably measured.

Intangible assets represent cost incurred for the creation of engineering and design manuals ('process manuals').

## i) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Group estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

## j) Revenue recognition

The Group earns revenue from contract with customer primarily from sale of engineering design services, system integration and other services.

The specific recognition criteria described below must also be met before revenue is recognized.

### Sale of goods and services:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Revenue from professional engineering services is either on time-and-material basis or fixed price contracts. Revenue on time-and-material basis is recognised as the related services are rendered. Revenue from fixed price contracts, where performance obligation are satisfied over time and where there is no uncertainty as to the measurement or collectibility of consideration, is recognised as per the percentage of



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completion method. When there is uncertainty as to measurement or ultimate collectibility, revenue recognition is postponed until such uncertainty is resolved. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenue from sale of products and system engineering and traded sales is recognised upon transfer of control of promised goods. Revenue from the sale of goods and services is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue from sale of products, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectibility of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectibility, revenue recognition is postponed until such uncertainty is resolved. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

#### Variable Consideration:

Rights of return, volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

#### Significant financing component :

The Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, it does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

#### Warranty obligations:

It provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in use of judgements, estimates & assumptions.

#### Finance income:

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

#### Dividend Income:

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

#### Rental Income:

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and is included in revenue in the Statement of Profit and Loss due to its operating nature.

#### Contract balances

##### Contract assets:

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs by providing services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Revenues in excess of invoicing are classified as contract assets (which we refer to as Unbilled Revenue)

##### Trade receivables:

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 2 (r) Financial instruments – initial recognition and subsequent measurement.

#### k) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

#### Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group

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recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

## Defined benefit plan

### Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

### Compensated absences

The Group provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to Statement of Profit and Loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Group transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

### Overseas social security

The Group contributes to social security charges of countries to which the Group deutes its employees on employment or has permanent employees. The plans are defined contribution plan and contributions paid or payable is recognised as an expense in these periods in which the employee renders services in those respective countries.

## Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

## i) Leases

The Group has lease contracts for buildings used in its operations. Lease terms generally ranges between 3 and 9 years. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on 1 April 2019.

### i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2(i) Impairment of non-financial assets.

### (ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives

# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### (iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## m) Foreign currency transactions

### Functional and presentation currency

The Group's consolidated financial statements are presented in Indian Rupees, which is also the Holding Group's functional currency. For each entity the Group determines the functional

currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

### Transactions and balances

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.
- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/ (losses).
- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

### Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in Statement of Profit and Loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1 April 2016 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (1 April 2016), are treated as assets and liabilities of the entity rather than as assets and liabilities of

# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

## n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## o) Inventories

Inventories are valued at the lower of cost (including prime cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. The comparison of cost and net realisable value is made on an item-by-item basis. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.. The method of determination of cost is as follows:

Raw materials/ components and traded goods are valued at first in first out method

Finished goods/ work in progress - Cost of materials including costs of conversion, where cost of material is determined under first in first out method. Cost of conversion is considered at actuals.

Goods in transit are valued at actual cost.

The Group periodically assesses the inventory for obsolescence and slow moving stocks

## p) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the

tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### Minimum alternate tax (MAT):

MAT payable for a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing

# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement' under Deferred Tax. The Group reviews the same at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

## q) Provisions and contingencies

### Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

### Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

### Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

## r) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- i. Debt instruments at amortised cost;
- ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
- iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
- iv. Equity investments

#### i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

#### ii. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income



# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Group has transferred substantially all the risks and rewards of the asset, or (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

## Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

### Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to the Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit and loss.

## Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

## Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

## Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## Derivative financial instruments and Hedge accounting

### Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks arising from highly probable future forecasted sales. This derivative financial instrument are designated in a cash flow hedge relationship. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Statement of Profit and Loss.

# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss and is reclassified to underlying hedged item.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs.

## s) Impairment of financial assets

In accordance with Ind-AS 109 Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

The Group tracks credit risk and changes thereon for each customer. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if the credit risk has increased significantly, life time ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group uses default rate for credit risk to determine impairment loss allowance on portfolio of its trade receivables.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The

balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

## Trade receivables

The Group applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

## Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

## t) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurements as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined the classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liabilities and the level of the fair value hierarchy as explained above.

## u) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash at bank and on hand and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

## v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group has two business segments, 'Technology Services and Solutions' and 'Strategic technology solutions'.

## w) Earnings/ (loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted

average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Group (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## x) Corporate Social Responsibility (CSR) expenditure

CSR expenditure as per provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, is charged to the Statement of Profit and Loss as expense as and when incurred.

## y) Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## 2 (II) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

There are no new accounting policies applied during the current year

## 2 (III) NEW AND AMENDED STANDARDS

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2021. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective:

### (i) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While,

# Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS .includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated 18 June 2021, applicable for annual periods beginning on or after 1 April 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the consolidated Ind AS financial statements of the Group.

## (ii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19 - Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the consolidated Ind AS financial statements of the Group.

## (iii) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the consolidated Ind AS financial statements of the Group.



# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Freehold land	Computers	Furniture and fixtures	Test equipments	Office equipments	Electrical installations	Vehicles	Office building	Leasehold improvements	Plant and machinery	Total
<b>Cost or valuation</b>											
<b>Balance as at 1 April 2020</b>	3,370.50	1,467.92	235.22	263.01	285.90	12.18	160.49	621.38	231.86	1,588.01	<b>8,236.47</b>
Additions	-	161.73	9.09	29.43	4.13	-	9.24	-	29.35	5.96	<b>248.93</b>
Disposals	-	(1.76)	-	-	(0.53)	-	(11.65)	-	-	(1.50)	<b>(15.44)</b>
Other adjustments (refer note 1 below)	-	1.16	(0.32)	-	0.07	-	-	-	-	-	<b>0.91</b>
<b>Balance as at 31 March 2021</b>	<b>3,370.50</b>	<b>1,629.05</b>	<b>243.99</b>	<b>292.44</b>	<b>289.57</b>	<b>12.18</b>	<b>158.08</b>	<b>621.38</b>	<b>261.21</b>	<b>1,592.47</b>	<b>8,470.87</b>
Additions	-	408.11	46.87	42.81	32.89	-	223.32	-	177.08	318.68	<b>1,249.76</b>
Disposals	-	(107.83)	-	-	(3.61)	-	(0.78)	-	(53.51)	(0.54)	<b>(166.27)</b>
Other adjustments (refer note 1 below)	-	3.17	0.84	-	0.38	-	-	-	-	-	<b>4.39</b>
<b>Balance as at 31 March 2022</b>	<b>3,370.50</b>	<b>1,932.50</b>	<b>291.70</b>	<b>335.25</b>	<b>319.23</b>	<b>12.18</b>	<b>380.62</b>	<b>621.38</b>	<b>384.78</b>	<b>1,910.61</b>	<b>9,558.75</b>
<b>Accumulated Depreciation</b>											
Balance as at 1 April 2020	-	1,179.32	165.65	207.01	151.45	9.29	101.54	39.95	34.74	932.72	<b>2,821.67</b>
Charge for the year	-	173.09	18.53	21.51	35.24	0.83	25.25	11.41	42.73	132.53	<b>461.12</b>
On disposals	-	(1.10)	-	-	(0.33)	-	(11.12)	-	-	(1.23)	<b>(13.78)</b>
Other adjustments (refer note 1 below)	-	2.35	(0.67)	-	0.13	-	-	-	-	-	<b>1.81</b>
<b>Balance as at 31 March 2021</b>	-	<b>1,353.66</b>	<b>183.51</b>	<b>228.52</b>	<b>186.49</b>	<b>10.12</b>	<b>115.67</b>	<b>51.36</b>	<b>77.47</b>	<b>1,064.02</b>	<b>3,270.82</b>
Charge for the year	-	202.97	27.92	27.84	33.61	0.39	27.13	11.68	39.03	259.68	<b>630.25</b>
On disposals	-	(107.56)	(0.01)	-	(3.45)	-	(0.71)	-	(14.68)	(0.44)	<b>(126.85)</b>
Other adjustments (refer note 1 below)	-	2.76	0.77	-	0.27	-	-	-	-	-	<b>3.80</b>
<b>Balance as at 31 March 2022</b>	-	<b>1,451.83</b>	<b>212.19</b>	<b>256.36</b>	<b>216.92</b>	<b>10.51</b>	<b>142.09</b>	<b>63.04</b>	<b>101.82</b>	<b>1,323.26</b>	<b>3,778.02</b>
<b>Net book value</b>											
<b>As at 31 March 2021</b>	<b>3,370.50</b>	<b>275.39</b>	<b>60.48</b>	<b>63.92</b>	<b>103.08</b>	<b>2.06</b>	<b>42.41</b>	<b>570.02</b>	<b>183.74</b>	<b>528.45</b>	<b>5,200.05</b>
<b>As at 31 March 2022</b>	<b>3,370.50</b>	<b>480.67</b>	<b>79.51</b>	<b>78.89</b>	<b>102.31</b>	<b>1.67</b>	<b>238.53</b>	<b>558.34</b>	<b>282.96</b>	<b>587.35</b>	<b>5,780.73</b>

## Notes

- Represents adjustments consequent to foreign exchange translation of property, plant and equipment in foreign geographies.
- Capitalised borrowing cost**  
No borrowing costs are capitalised during the year ended 31 March 2022 (31 March 2021: Nil).
- Property, plant and equipment pledged as security**  
Details of properties pledged are as per note 19.
- Decommissioning cost**  
A provision has been recognised for decommissioning costs associated with the premises taken on lease. The Group is committed to decommissioning the premises as a result of leasehold improvements made to the premises (refer note 22).

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 4 OTHER INTANGIBLE ASSETS

	Computer software	Non-compete fee	Customer contract	Process manuals	Total
<b>Cost</b>					
Balance as at 1 April 2020	1,557.93	1,500.87	3,127.52	1,849.38	8,035.70
Additions	302.40	-	-	-	302.40
Other adjustments (refer note 1 below)	(0.52)	-	-	-	(0.52)
<b>Balance as at 31 March 2021</b>	<b>1,859.81</b>	<b>1,500.87</b>	<b>3,127.52</b>	<b>1,849.38</b>	<b>8,337.58</b>
Additions	49.88	-	-	-	49.88
Other adjustments (refer note 1 below)	1.52	-	-	-	1.52
<b>Balance as at 31 March 2022</b>	<b>1,911.21</b>	<b>1,500.87</b>	<b>3,127.52</b>	<b>1,849.38</b>	<b>8,388.98</b>
<b>Accumulated amortisation</b>					
Balance as at 1 April 2020	1,162.75	350.19	729.77	1,849.38	4,092.09
Charge for the year	258.84	150.08	312.76	-	721.68
Other adjustments (refer note 1 below)	(1.18)	-	-	-	(1.18)
<b>Balance as at 31 March 2021</b>	<b>1,420.41</b>	<b>500.27</b>	<b>1,042.53</b>	<b>1,849.38</b>	<b>4,812.59</b>
Charge for the year	214.74	150.08	312.76	-	677.58
Other adjustments (refer note 1 below)	0.58	-	-	-	0.58
<b>Balance as at 31 March 2022</b>	<b>1,635.73</b>	<b>650.35</b>	<b>1,355.29</b>	<b>1,849.38</b>	<b>5,490.75</b>
<b>Net book value</b>					
<b>As at 31 March 2021</b>	<b>439.40</b>	<b>1,000.60</b>	<b>2,084.99</b>	-	<b>3,524.99</b>
<b>As at 31 March 2022</b>	<b>275.48</b>	<b>850.52</b>	<b>1,772.23</b>	-	<b>2,898.23</b>

### Notes:

1 Represents adjustments consequent to foreign exchange translation of other intangible assets in foreign geographies.

## 5 INTANGIBLE ASSETS UNDER DEVELOPMENT

	Software	Total
Balance as at 1 April 2020	56.22	56.22
Additions during the year	70.00	70.00
Less: Capitalised/ Impaired during the year	(126.22)	(126.22)
<b>Balance as at 31 March 2021</b>	-	-
Additions during the year	-	-
Less: Capitalised / Impaired during the year	-	-
<b>Balance as at 31 March 2022</b>	-	-

## 6 CAPITAL WORK-IN-PROGRESS

	As at 31 March 2022	As at 31 March 2021
Opening capital work-in-progress	-	-
Additions during the year	-	0.82
Capitalised during the year	-	(0.82)
<b>Closing capital work-in-progress</b>	<b>-</b>	<b>-</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 7 GOODWILL

(a) Particulars	As at 31 March 2022	As at 31 March 2021
Gross carrying value at the beginning of the year	15,823.29	15,823.29
Accumulated Impairment loss and foreign exchange translation differences on goodwill	4,665.36	5,352.50
<b>Net carrying value at the end of the year</b>	<b>11,157.93</b>	<b>10,470.79</b>

Goodwill represents the excess of purchase consideration over net asset value of acquired subsidiaries on the date of such acquisition. Such goodwill is tested for impairment annually or more frequently, if there are indicators for impairment.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGU's.

The carrying value of goodwill, net of impairment loss and foreign exchange translation differences, as at 31 March 2022 and 31 March 2021 is as below:

Entity	Allocated operating segment / CGU	As at 31 March 2022	As at 31 March 2021
AXISCADES UK Limited		128.14	129.87
AXISCADES Inc.	Technology Services and Solutions	2,219.00	2,146.17
Cades Studec Technologies India Private Limited		446.07	446.07
AXISCADES Aerospace & Technologies Private Limited	Strategic Technology Solutions	1,419.98	1,419.98
Mistral Solutions Private Limited		6,944.74	6,328.70
		<b>11,157.93</b>	<b>10,470.79</b>

- (b) The recoverable amount of a cash generating unit is the higher of its fair value less costs of disposal and its value in use. The Company has engaged an independent external valuer to carry out an assessment of any impairment on goodwill and other intangibles. For the purpose of impairment test, fair value of a CGU is determined based on the market capitalization and the value in use is determined based on specific calculations. The recoverable amount of all CGU's has been determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period.

### Key assumptions used for value in use calculations:

The calculation of value in use is most sensitive to the following assumptions:

- (i) Revenue growth rates, operating margins
- (ii) Discount rates
- (iii) Terminal growth rates

Revenue growth rates, operating margins – Revenue growth rates and operating margins are determined based on the past trend of the revenue growth and operating margins and based on future expectations.

Discount rates - Discount rates represent the current market assessment of the risks, taking into consideration the time value of money. The discount rate calculation is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. The group has used discount rates in the range of 11.60% to 16.50% for computation of value in use. These estimates are likely to differ from future actual results of operations and cash flows.

Terminal growth rate estimates – The cash flow projections include specific estimates for three to five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimates of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make. The group has assumed a growth rate ranging from 1% to 5% for computation of value in use.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 8 INVESTMENT IN AN ASSOCIATE

The Company entered into an agreement on 10 April 2018 with ASSYSTEM Engineering and Operation Services SAS to form ASSYSTEM AXISCADES Engineering Private Limited (AAEPL) for providing engineering services in the field of energy, building and infrastructure and nuclear sector. Accordingly, AAEPL was incorporated with an equity participation in the ratio of 50:50. The Company invested ₹ 227.50 lakhs in 455,000 equity shares of ₹ 50 each fully paid in cash. The Group's interest in AAEPL is accounted for using the equity method in the consolidated Ind AS financial statements. The following table illustrates the summarised financial information of the Group's investment in AAEPL:

	As at 31 March 2022	As at 31 March 2021
Current assets	392.97	511.50
Non-current assets	14.61	63.70
Current liabilities	(32.76)	(85.45)
Non-current liabilities	-	(23.28)
<b>Equity</b>	<b>374.82</b>	<b>466.46</b>
Proportion of the Group's ownership	50%	50%
Carrying amount of the investment	<b>187.41</b>	<b>233.23</b>
	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Revenue from contracts with customers	535.28	1,023.67
Other Income	1.29	1.43
Depreciation and amortisation	(26.79)	(26.69)
Employee benefits expense	(268.57)	(511.57)
Other expense	(326.40)	(371.33)
<b>Profit/ (Loss) before tax</b>	<b>(85.19)</b>	<b>115.51</b>
(i) Current tax	(1.28)	(14.53)
(ii) Deferred Tax	(5.17)	(11.88)
<b>Profit/ (Loss) for the year</b>	<b>(91.64)</b>	<b>89.10</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Remeasurement gain on defined benefit plans	-	0.56
Income tax effect of remeasurement on defined benefit plans	-	(0.14)
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>	<b>-</b>	<b>0.42</b>
<b>Total comprehensive income/ (loss) for the year</b>	<b>(91.64)</b>	<b>89.52</b>
Group's share of profit/ (loss) for the year	(45.82)	44.76

The associate had no contingent liabilities or capital commitments as at 31 March 2022 (31 March 2021 : Nil).

## 9 Investments

	As at 31 March 2022	As at 31 March 2021
<b>Non-current</b>		
<b>Unquoted</b>		
<b>i) Investments (at amortised cost)</b>		
National savings certificate	0.05	0.05
<b>Total investment carried at amortised cost</b>	<b>0.05</b>	<b>0.05</b>
<b>ii) Investment in equity shares of other companies (at FVTPL)</b>		
Axis Cogent Global Limited	-	-
946,822 (31 March 2021: 946,822) equity shares of ₹ 10 each, fully paid up		
Datum Technology Limited	-	-
50,000 (31 March 2021: 50,000) equity shares of ₹ 10 each, fully paid up		
Raaga Axis Avicom Private Limited	-	-
1,000 (31 March 2021: 1,000) equity shares of ₹ 10 each, fully paid up		

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>iii) Other Investment (at FVTPL)</b>		
Investment in real estate fund	203.76	231.55
Investment in mutual funds	-	248.33
<b>Quoted</b>		
<b>iv) Other Investment (at FVTPL)</b>		
Investment in other funds	-	217.46
<b>Total investment carried at fair value through profit or loss</b>	<b>203.76</b>	<b>697.34</b>
<b>Total Investment</b>	<b>203.81</b>	<b>697.39</b>
<b>Current</b>		
<b>Unquoted</b>		
<b>i) Other investments (at FVTPL)</b>		
Investment in mutual funds	974.55	941.21
<b>Quoted</b>		
<b>ii) Investment in equity shares of other companies (at FVTPL)</b>		
Investment in equity shares #	-	77.76
<b>iii) Other investments (at FVTPL)</b>		
Investment in mutual funds	309.34	3,040.09
Investment in other funds	242.70	-
<b>Total investment carried at fair value through profit or loss</b>	<b>1,526.59</b>	<b>4,059.06</b>
<b>Aggregate value of quoted (current and non-current) investments</b>	<b>552.04</b>	<b>3,335.31</b>
<b>Aggregate market value of quoted investments</b>	<b>552.04</b>	<b>3,335.31</b>
<b>Aggregate value of unquoted (current and non-current) investments</b>	<b>1,178.36</b>	<b>1,421.14</b>

# Pertains to investment in equity shares of Astra Microwave Products Limited Nil shares for the year ended 31 March 2022 (31 March 2021 : 60,000 shares).

## 10 TRADE RECEIVABLES

	As at 31 March 2022	As at 31 March 2021
<b>Current *</b>		
(a) Trade Receivables from other parties	14,516.65	12,736.28
(b) Trade Receivable from related parties (refer note 35)	-	18.40
	<b>14,516.65</b>	<b>12,754.68</b>
<b>Break-up for security details:</b>		
<b>Trade receivables (Current)</b>		
Secured, considered good	-	-
Unsecured, considered good	14,516.65	12,754.68
Trade Receivables which have significant increase in credit risk	1,568.26	1,431.86
Trade Receivables - credit impaired	60.51	746.60
	<b>16,145.42</b>	<b>14,933.14</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Trade Receivables which have significant increase in credit risk	(1,568.26)	(1,431.86)
Trade Receivables - credit impaired	(60.51)	(746.60)
	<b>(1,628.77)</b>	<b>(2,178.46)</b>
<b>Total Trade receivables</b>	<b>14,516.65</b>	<b>12,754.68</b>



# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## Trade receivables ageing schedule as at 31 March 2022

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	10,622.04	3,676.50	113.47	40.04	34.48	30.12	<b>14,516.65</b>
(ii) Undisputed trade receivables - which has significant increase in credit risk	2.05	0.94	-	73.51	20.80	20.25	<b>117.55</b>
(iii) Undisputed trade receivables - credit impaired	-	-	-	24.39	30.79	5.33	<b>60.51</b>
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivables - which has significant increase in credit risk	-	-	-	-	-	1,450.71	<b>1,450.71</b>
(iv) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>10,624.09</b>	<b>3,677.44</b>	<b>113.47</b>	<b>137.94</b>	<b>86.07</b>	<b>1,506.41</b>	<b>16,145.42</b>

## Trade receivables ageing schedule as at 31 March 2021

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	9,735.10	2,249.00	502.20	160.32	26.68	81.38	<b>12,754.68</b>
(ii) Undisputed trade receivables - which has significant increase in credit risk	-	-	-	30.16	-	-	<b>30.16</b>
(iii) Undisputed trade receivables - credit impaired	-	4.60	-	54.88	-	5.33	<b>64.81</b>
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivables - which has significant increase in credit risk	-	-	-	-	-	1,401.70	<b>1,401.70</b>
(iv) Disputed trade receivables - credit impaired	-	-	-	-	-	681.79	<b>681.79</b>
<b>Total</b>	<b>9,735.10</b>	<b>2,253.60</b>	<b>502.20</b>	<b>245.36</b>	<b>26.68</b>	<b>2,170.20</b>	<b>14,933.14</b>

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

For terms and conditions relating to related party receivables, refer note 35.

\* Refer note 19 for details of assets pledged as security for borrowings.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 11 OTHER FINANCIAL ASSETS

	As at 31 March 2022	As at 31 March 2021
<b>Non-current</b>		
<b>(carried at amortised cost)</b>		
(Unsecured, considered good)		
Bank deposits (with original maturity of more than 12 months) (refer note 16)*	293.08	859.44
Security deposits	632.23	832.50
	<b>925.31</b>	<b>1,691.94</b>
<b>Current *</b>		
<b>(carried at amortised cost)</b>		
(Unsecured, considered good)		
Interest accrued on fixed deposits	49.52	137.83
Bank deposits (with original maturity of more than 12 months) (refer note 16)	25.08	436.48
Receivable from related parties (refer note 35)	-	19.27
Security deposits	133.13	91.22
Government incentive receivable	68.77	149.15
Loans to employees	76.97	35.50
Export incentives receivable	365.04	691.67
Contract assets - Unbilled revenue	6,702.34	4,055.94
Others	155.37	58.95
	<b>7,576.22</b>	<b>5,676.01</b>
(Unsecured, considered doubtful)		
Contract assets - Unbilled revenue	104.97	104.97
Security deposits	45.34	8.89
	<b>150.31</b>	<b>113.86</b>
<b>Less :</b>		
Allowance for Contract assets - Unbilled revenue	(104.97)	(104.97)
Allowance for doubtful security deposit	(45.34)	(8.89)
	<b>(150.31)</b>	<b>(113.86)</b>
<b>(carried at FVTOCI)</b>		
(Unsecured, considered good)		
Hedge asset	19.13	-
	<b>19.13</b>	<b>-</b>
	<b>7,595.35</b>	<b>5,676.01</b>

\* Refer note 19 for details of assets pledged as security for borrowings.

## 12 NON-CURRENT TAX ASSETS

	As at 31 March 2022	As at 31 March 2021
Advance income tax (net of provision for tax)	1,462.77	1,464.76
	<b>1,462.77</b>	<b>1,464.76</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 13 OTHER ASSETS

	As at 31 March 2022	As at 31 March 2021
<b>Non-current</b>		
(Unsecured, considered good)		
Duties and taxes recoverable	58.02	107.69
Prepaid expenses	16.35	1.45
Capital advances**	1,960.21	2,000.83
	<b>2,034.58</b>	<b>2,109.97</b>
(Unsecured, considered doubtful)		
Capital advances	178.38	178.38
	<b>178.38</b>	<b>178.38</b>
Less : Allowance for capital advances	(178.38)	(178.38)
	<b>(178.38)</b>	<b>(178.38)</b>
	<b>2,034.58</b>	<b>2,109.97</b>
<b>Current *</b>		
(Unsecured, considered good)		
Advance to employees	40.24	55.97
Duties and taxes recoverable	1,854.21	1,733.45
Prepaid expenses	829.02	781.34
Advance to suppliers	1,100.97	457.43
Export incentive receivable	76.14	84.31
Deferred rent	0.79	0.89
Other advances	6.33	6.23
	<b>3,907.70</b>	<b>3,119.62</b>
(Unsecured, considered doubtful)		
Duties and taxes recoverable	27.67	27.67
	<b>27.67</b>	<b>27.67</b>
Less : Allowance for duties and taxes recoverable	(27.67)	(27.67)
	<b>(27.67)</b>	<b>(27.67)</b>
	<b>3,907.70</b>	<b>3,119.62</b>

\*\*Mainly pertaining to capital advance of ₹ 1,956.68 lakhs for acquisition of 10.8 acres of land by AA IPL (step down subsidiary). AA IPL is in the process of completing the formalities for obtaining possession of the allotted land;

\* Refer note 19 for details of assets pledged as security for borrowings.

## 14 INVENTORIES \* (LOWER OF COST OR NET REALISABLE VALUE)

	As at 31 March 2022	As at 31 March 2021
Raw material /components [including goods-in-transit of ₹ 127.31 lakhs (31 March 2021: ₹ 7.86 lakhs)]	3,311.62	1,897.54
Project work-in-progress	1,359.38	185.23
Finished goods	428.07	195.20
Traded goods [including goods-in-transit of ₹ 59.71 lakhs (31 March 2021: ₹ 10.97 lakhs)]	174.71	52.33
	<b>5,273.78</b>	<b>2,330.30</b>
Less: Provision for slow/ non-moving inventory (refer note below)	(116.08)	-
	<b>5,157.70</b>	<b>2,330.30</b>

During the year ended 31 March 2022, ACAT has recognised ₹ 116.08 lakhs (31 March 2021 : Nil lakhs) as provision for slow, non-moving and obsolete inventory in respect of write-downs of inventory to net realisable value.

\* Refer note 19 for details of assets pledged as security for borrowings

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 15 CASH AND CASH EQUIVALENTS \*

	As at 31 March 2022	As at 31 March 2021
Cash on hand	1.11	0.80
Balances with banks		
- in current accounts	5,465.16	4,799.27
- in cash credit accounts	603.22	71.85
- Bank deposits with original maturity of less than three months	1,040.00	398.00
	<b>7,109.49</b>	<b>5,269.93</b>

(i) Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods for few days, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

(ii) As at 31 March 2022, the Group has ₹ 4,911.01 lakhs (31 March 2021: ₹ 6,695.65 lakhs) of undrawn committed borrowing facilities.

\* Refer note 19 for details of assets pledged as security for borrowings.

### Note:

a) For the purpose of statement of cash flows, cash and cash equivalents comprises the following:

	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents	7,109.49	5,269.93
	<b>7,109.49</b>	<b>5,269.93</b>

## 16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31 March 2022	As at 31 March 2021
Bank deposits (with original maturity of more than 3 months but less than 12 months)	3,427.40	3,208.31
Bank deposits (with original maturity of more than 12 months)	318.16	1,295.92
	<b>3,745.56</b>	<b>4,504.23</b>
Less: Amounts disclosed as other non-current financial assets (refer note 11)	(293.08)	(859.44)
Less: Amounts disclosed as other current financial assets (refer note 11)	(25.08)	(436.48)
	<b>3,427.40</b>	<b>3,208.31</b>

i Fixed deposits of a carrying amount ₹ 2,592.73 lakhs (31 March 2021: ₹ 3,896.44 lakhs) have been deposited as margin money against the foreign currency term loans, packing credit facility, bank guarantees, letter of credit, buyers credit facility availed from various banks.

ii Deposits of a carrying amount ₹ 366.02 lakhs (31 March 2021: ₹ 402.53 lakhs) have been deposited as bank guarantee in favour of various government authorities and customers.

iii Refer note 19 for assets pledged as security for borrowings.

### a) Breakup of financial assets carried at amortised cost

	As at 31 March 2022	As at 31 March 2021
Investments (refer note 9)	0.05	0.05
Trade receivables (Current) (refer note 10)	14,516.65	12,754.68
Other financial assets (Current and Non Current) (refer note 11)	8,501.53	7,367.95
Cash and cash equivalents (refer note 15)	7,109.49	5,269.93
Bank balances other than cash and cash equivalents (refer note 16)	3,427.40	3,208.31

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 17 EQUITY SHARE CAPITAL

	As at 31 March 2022		As at 31 March 2021	
	Number (in lakhs)	Amount	Number (in lakhs)	Amount
<b>Authorised share capital</b>				
Equity shares of ₹ 5 each	2,040.00	10,200.00	2,040.00	10,200.00
Preference shares of ₹ 100 each	1.00	100.00	1.00	100.00
	<b>2,041.00</b>	<b>10,300.00</b>	<b>2,041.00</b>	<b>10,300.00</b>
<b>Issued share capital</b>				
Equity shares of ₹ 5 each, fully paid-up	379.65	1,898.25	378.11	1,890.53
<b>Subscribed and paid-up</b>				
Equity shares of ₹ 5 each (31 March 2021: ₹ 5 each), fully paid-up	379.14	1,895.70	377.60	1,887.98
Add: Forfeited shares (amount originally paid ₹ 3 per share on 51,100 equity shares)*	-	1.53	-	1.53
	<b>379.14</b>	<b>1,897.23</b>	<b>377.60</b>	<b>1,889.51</b>

\* Out of 51,100 equity shares of ₹ 5 each issued, ₹2 had not been subscribed amounting to ₹ 1.02 lakhs.

### (a) Reconciliation of the equity shares

	As at 31 March 2022		As at 31 March 2021	
	Number (in lakhs)	Amount	Number (in lakhs)	Amount
<b>Equity shares of ₹ 5 each, par value</b>				
Balances as at the beginning of the year	377.60	1,889.51	377.60	1,889.51
Add: Issued and subscribed during the year*	1.54	7.72	-	-
<b>Balance at the end of the year</b>	<b>379.14</b>	<b>1,897.23</b>	<b>377.60</b>	<b>1,889.51</b>

\* During the year, the Company allotted 154,500 (31 March 2021 - Nil) equity shares of ₹ 5 each aggregating ₹ 7.72 lakhs (31 March 2021 - ₹ Nil), consequent to the exercise of the stock options by the employees of the Company under the "AXISCADES ESOP 2018 – Series 1" and "AXISCADES ESOP 2018 – Series 2" (formerly AXISCADES Engineering Employee Stock Option Plan 2018 – Series 1 & Series 2)

### (b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each equity share is entitled to one vote per share. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Details of shares held by the holding Company and subsidiaries of holding Company

	As at 31 March 2022		As at 31 March 2021	
	Number (in lakhs)	Amount	Number (in lakhs)	Amount
<b>Holding Company:</b>				
Jupiter Capital Private Limited (refer note (1) below)	252.82	1,264.10	73.60	368.01
<b>Subsidiaries of Holding Company:</b>				
Tayana Digital Private Limited (refer note (1) below)	-	-	121.42	607.11
Indian Aero Ventures Private Limited	3.75	18.73	61.54	307.71

Note:

- The Promoter Company, Tayana Digital Private Limited (TDPL), was merged with Promoter Group Company Jupiter Capital Private Limited (JCPL) with effect from 17 October 2018. As a result of the merger, Jupiter Capital Private Limited has become Promoter of the Company. The same was intimated by the Company to the Stock exchange on 18 October 2018. Until year ended 31 March 2021, underlying shares continued to be held in the name of Tayana Digital Private Company (TDPL) with the depository. During the year, these shares have been updated in the name of Promoter Company Jupiter Capital Private Limited in the records of the depository.



# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

**(d) Details of shareholders holding more than 5% shares:**

	As at 31 March 2022		As at 31 March 2021	
	Number (in lakhs)	Percentage holding	Number (in lakhs)	Percentage holding
<b>Equity shares of ₹ 5 each, par value</b>				
Tayana Digital Private Limited (refer note:c (1) above)	-	-	121.42	32.16%
Jupiter Capital Private Limited (refer note:c (1) above)	252.82	66.68%	73.60	19.49%
Indian Aero Ventures Private Limited	3.75	0.99%	61.54	16.30%

(e) In the period of five years immediately preceding the Balance Sheet date, the Company has not issued any bonus shares or has bought back any shares.

**(f) Details of shares allotted for consideration other than cash (within five years preceding the Balance Sheet date)**

Particulars	2020 - 21	2019 - 20	2018 - 19	2017 - 18	2016 - 17
<b>Equity shares:</b>					
Allotted as fully paid up under Scheme of Amalgamation	-	-	-	-	105.70

**(g) Shares held by promoters at the end of the Year**

**As at 31 March 2022**

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total Shares	% change during the year
Tayana Digital Private Limited	121.42	(121.42)	-	0.00%	-100%
Jupiter Capital Private Limited	73.60	179.22	252.82	66.68%	243%
Indian Aero Ventures Private Limited	61.54	(57.79)	3.75	0.99%	-94%

**As at 31 March 2021**

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total Shares	% change during the year
Tayana Digital Private Limited	121.42	-	121.42	32.16%	0%
Jupiter Capital Private Limited	73.60	-	73.60	19.49%	0%
Indian Aero Ventures Private Limited	61.54	-	61.54	16.30%	0%

**(h) Shares reserved for issue under options**

The ESOP scheme titled "AXISCADES Employee Stock Option Plan- Series 1 & 2" ("ESOP Schemes") was approved by the Shareholders of the Company vide resolution passed at the Extra Ordinary General Meeting through postal ballot held on 31 March 2018 in respect of grant of options exercisable into equity shares of face value of ₹ 5 each fully paid-up, not exceeding 3,020,762 equity shares or 8% of the paid up equity shares of the Company from time to time. Further, the Company has got its shareholders approval in its 31<sup>st</sup> AGM dated 28 September 2021 for increase in the pool of ESOP additionally by 2,643,167 options under scheme "AXISCADES Employee Stock Option Plan- Series 2" ("ESOP Series 2") thereby the total pool under both the ESOP Series 1 & 2 shall not exceed 5,663,929 shares or 15% of the paid-up equity shares of the Company from time to time. The total number of options outstanding as on 31 March 2022 is 5,299,674 shares (31 March 2021: 3,020,762)

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 18 OTHER EQUITY

	As at 31 March 2022	As at 31 March 2021
Securities premium	10,197.93	10,077.23
Capital reserve	5,698.31	5,698.31
Hedge reserve	(20.48)	(59.00)
Foreign currency translation reserve	873.35	575.27
Retained earnings	13,464.21	11,253.53
General reserve	3.39	3.39
Share based payment reserve	904.69	315.03
Capital contribution Reserve	107.68	107.68
<b>Total</b>	<b>31,229.08</b>	<b>27,971.44</b>

Refer Statement of Changes in Equity, for movement in other equity

### Note:

#### Securities premium

Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

#### Capital reserve

Capital reserve is created pursuant to common control business combination. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

#### Hedge Reserve

The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Group uses foreign currency forward contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the hedging reserve. Amounts recognised in the hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss.

#### Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

#### Retained earnings

It comprises of the accumulated profit/ (loss) of the Group.

#### Share based payment reserve

The share options-based payment reserve is used to recognise the grant date fair value of options issued to employees of the Group under Employee stock option plan.

#### Capital contribution reserve

Reserve created pursuant to profit on settlement of loan under common control transaction.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 19 BORROWINGS

	As at 31 March 2022	As at 31 March 2021
<b>Non-current</b>		
Secured		
Term loan from banks [refer note (a) (ii), (b)(ii) (iii) (e) (i) and (f) (ii)]	45.32	2,082.74
	<b>45.32</b>	<b>2,082.74</b>
<b>Current</b>		
Secured		
Working capital loans [refer note (a)(i), (b)(i) and (d)(i)]	2,325.17	2,254.13
Cash credit from bank [refer note (a)(i), (b)(iv), (e)(ii) and (f)(i)]	382.44	807.32
Current maturities of long term borrowing [refer note (a) (ii), (b)(ii) (iii) (e) (i) and (f) (ii)]	2,128.18	2,133.42
	<b>4,835.79</b>	<b>5,194.87</b>

### I AXISCADES Technologies Limited

#### a) Details of security for borrowings

- (i) Packing credit facility in foreign currency ("PCFC"), Working capital loans and Cash credit from banks are secured by exclusive charge on current assets, movable fixed assets, land and building of the Company situated at D-30, Sector 3, Noida, UP, property owned by Enertec Controls Limited at Electronic City, Bangalore, fixed deposits of ₹ 200 lakhs, pledge of 26% shares of Mistral Solutions Private Limited, and corporate guarantee from M/s. Enertec Controls Limited. Additionally, 10% cash margin in the form of fixed deposits lien to be maintained. Further, shortfall undertaking and letter of responsibility is backed by board resolution from Jupiter Capital Private Limited.
- (ii) Foreign currency Term Loan ("FCTL") from a bank is secured by exclusive charge on current assets and movable fixed assets, fixed deposits of ₹ 200 lakhs, corporate guarantee from M/s. Enertec Controls Limited, pledge of shares of the Company to the extent of 1.40 times the Foreign currency Term Loan exposure (not to exceed 30%) and pledge of shares of AXISCADES Aerospace & Technologies Private Limited to the extent of 30% of shares held by the Company. Further, shortfall undertaking and letter of responsibility is backed by board resolution from Jupiter Capital Private Limited.

#### b) Terms of borrowings and rate of interest

- (i) Packing credit in foreign currency from bank bearing an interest rate of 3-month LIBOR+1.5% (31 March 2021: 3.70% - 5.48% per annum) are payable over a maximum tenure of 180 days from the date of respective availment.
- (ii) During the FY 2017-18, the Company has availed term loan from bank aggregating USD 46.15 lakhs carrying an interest rate of 9.75% per annum (31 March 2021: 9.75% per annum). The loan is repayable in 16 quarterly instalments. The outstanding amount of loan of USD 14.42 lakhs on 28 December 2021 has been transferred to another bank carrying interest rate of 5.00% per annum. The new loan is repayable in 5 quarterly instalments.
- (iii) During the FY 2017-18, the Company has availed term loan from bank aggregating USD 2.92 lakhs carrying an interest rate of 7.65% per annum (31 March 2021: 7.65% per annum). The loan is repayable in 10 quarterly instalments, after a moratorium of 10 months from the date of availment. Loan has been closed on 16 October 2021.
- (iv) Cash credit from bank bears an interest rate of INR MCLR-1 year+2.3% per annum (31 March 2021: 11.92% per annum) and is repayable on demand over a maximum tenure of 12 months from the date of respective availment.

#### c) Loan covenants

Term loan from banks contain certain financial covenants such as debt service coverage ratio, total debt as a percentage of total net-worth etc. The Company has satisfied all other debt covenants prescribed in the terms of bank loan except debt service coverage ratio, interest coverage ratio and total debt as a percentage of EBIDTA. The Management is of the view that this is a minor breach and hence no adjustments are made to consolidated Ind AS financial statements in this respect.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## II AXISCADES, Inc.

- d) (i) For the Current year and Previous year loan - the working capital loan carries variable interest rate per annum of Wall Street Journal Prime Rate + 2.00% with a floor of 7.50% per annum. Interest and Maintenance Fees shall be calculated on the higher of the actual average monthly loan balance from the prior month or a minimum average loan balance of USD 500,000. The loan is repayable on demand. The working capital loan is secured by a perfected security interest in all the assets including a first security interest in accounts receivable and contract rights.

## III AXISCADES Aerospace & Technologies Private Limited

### e) Terms of borrowings and rate of interest

- (i) During the financial year 2017-18, ACAT has borrowed foreign currency term loan from a bank amounting to USD 66.15 lakhs (equivalent ₹ 4,300 lakhs) carrying interest rate of 6.27% per annum (31 March 2021: 7.21% per annum). The loan is repayable in 16 quarterly instalments starting from 31 December 2018. During the current year, the said loan has been taken over by another bank. The amount outstanding as at 31 March 2022 was ₹ 1,253.60 lakhs (31 March 2021 was ₹ 2,405.52 lakhs).
- (ii) Cash credit from bank is carrying interest of 7.5% (Repo +3.5%) quarterly reset (31 March 2021: MCLR + 4.80%).

### f) Details of security of borrowings

- (i) Cash credit facility (inclusive of post shipment credit facility and packing credit facility in foreign currency) from bank are secured by first exclusive charge on all current assets (present and future), equitable mortgage on property owned by Enertec Controls Limited situated at 15-16, 1<sup>st</sup> Phase, Electronic city, Bangalore and D-30, sector 3, Noida, Uttarpradesh property owned by AXISCADES Technologies Limited.
- (ii) Term loan facility from bank are secured by first pari passu charge on all movable plant, property and equipment (present and future), current assets of ACAT, both present and future, pledge of shares of AXISCADES Technologies Limited to the extent of 1.40 times the term loan exposure (not to exceed 30%).

### g) Loan covenants

The term loan from bank contains certain financial covenants such as debt service coverage ratio ('DSCR'), total debt as a percentage of total net-worth, shareholding of Jupiter Capital in AXISCADES Technologies Limited not to come below 51% during the tenor of exposure of ACAT with the bank etc. ACAT has satisfied all other debt covenants prescribed in the terms of bank loan except debt service coverage ratio. The Management is of the view that this is a minor breach and hence no adjustments are made to these consolidated Ind AS financial statements in this respect.

#### Changes in liabilities arising form financing activities:

	Term loan from banks	Inter-corporate deposit	Current borrowings	Lease liabilities	Total
Balance as at 1 April 2020	5,597.72	500.00	8,325.74	2,776.64	17,200.10
Additions to lease liability	-	-	-	1,551.92	1,551.92
Deletion	-	-	-	(258.09)	(258.09)
Cash flows	(1,109.12)	(500.00)	(5,146.92)	(1,287.64)	(8,043.68)
Other Adjustments	(272.44)	-	(117.37)	349.93	(39.88)
<b>Balance as at 31 March 2021</b>	<b>4,216.16</b>	<b>-</b>	<b>3,061.45</b>	<b>3,132.76</b>	<b>10,410.37</b>
Additions to lease liability	-	-	-	657.86	657.86
Deletion	-	-	-	(346.38)	(346.38)
Cash flows	(2,037.42)	-	(364.17)	(1,325.38)	(3,726.97)
Other Adjustments	(5.24)	-	10.33	205.69	210.78
<b>Balance as at 31 March 2022</b>	<b>2,173.50</b>	<b>-</b>	<b>2,707.61</b>	<b>2,324.55</b>	<b>7,205.65</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 20 TRADE PAYABLES

	As at 31 March 2022	As at 31 March 2021
<b>Current</b>		
Dues of micro enterprises and small enterprises (refer note below)	218.16	119.52
Dues of creditors other than micro enterprises and small enterprises *	5,114.76	2,852.97
Accrued expenses	1,620.24	2,089.01
	<b>6,953.16</b>	<b>5,061.50</b>

\* Includes ₹ 15.91 lakhs (31 March 2021: ₹ 6.23 lakhs ) payable to related parties (refer note:35).

### Trade Payables ageing schedule as at 31 March 2022

Particulars	Not Due	Outstanding for the following periods from the due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	171.28	5.29	0.09	-	41.50	<b>218.16</b>
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,306.92	2,361.79	20.35	3.53	21.10	<b>6,713.69</b>
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	21.31	<b>21.31</b>
<b>Total</b>	<b>4,478.20</b>	<b>2,367.08</b>	<b>20.44</b>	<b>3.53</b>	<b>83.91</b>	<b>6,953.16</b>

### Trade Payables ageing schedule as at 31 March 2021

Particulars	Not Due	Outstanding for the following periods from the due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	53.73	3.98	-	61.81	-	<b>119.52</b>
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,994.01	1,892.18	10.58	23.55	0.35	<b>4,920.67</b>
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	21.31	<b>21.31</b>
<b>Total</b>	<b>3,047.74</b>	<b>1,896.16</b>	<b>10.58</b>	<b>85.36</b>	<b>21.66</b>	<b>5,061.50</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## Disclosure required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006

The Group has amounts due to Micro and Small Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31 March 2022 and 31 March 2021. The details in respect of such dues are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount remaining unpaid to any supplier as at the end of the accounting year	209.54	119.52
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	57.94	89.47
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	8.62	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 regarding Micro and Small Enterprises determined to the extent such parties have been identified on the basis of the information available with the Group.

## 21 OTHER FINANCIAL LIABILITIES

	As at 31 March 2022	As at 31 March 2021
<b>Non-current</b>		
<b>(carried at FVTPL)</b>		
Purchase consideration payable on acquisition of subsidiary [refer note below]	-	4,688.61
<b>(carried at FVTOCI)</b>		
Hedge liability	-	18.91
	-	<b>4,707.52</b>
<b>Current</b>		
<b>(carried at amortised cost)</b>		
Dues to employees	1,778.19	2,010.50
Creditors for capital goods	17.84	76.20
Other liabilities	12.20	103.33
<b>(carried at FVTPL)</b>		
Purchase consideration payable on acquisition of subsidiary [refer note below]	21,157.12	15,039.71
<b>(carried at FVTOCI)</b>		
Hedge liability	0.66	73.11
	<b>22,966.01</b>	<b>17,302.85</b>

### Note:

- (i) During the financial year 2017-18, the Company entered into a Share Purchase Agreement ('SPA') to acquire 100% stake in Mistral Solutions Private Limited 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 Mistral Solutions Private Limited ("MSPL") effective 1 December 2017.

As on the acquisition date, the purchase consideration was determined as ₹ 24,213.97 lakhs, payable over a period specified in the SPA. As per the SPA, the amount of purchase consideration payable for certain phases is dependent on revenues and profit after tax generated by MSPL Group since the acquisition date through the financial year ended March 2022 mentioned below as contingent consideration. The Company has engaged an independent external valuer for valuation of contingent consideration.



## Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

The involvement of external valuer is decided annually by the Management and the selection criteria include market knowledge, reputation and independence of the valuer.

During the current year, the Group has recognised a net fair value loss of ₹ 785.38 lakhs and in the previous year, net fair value gain of ₹ 2,174.55 lakhs, on re-estimation of the contingent purchase consideration payable as per the terms of the Share Purchase Agreement ('SPA'). The Group has also recognised an interest expense of ₹ 643.42 lakhs (31 March 2021: ₹ 643.50 lakhs) on the purchase consideration payable, in the consolidated statement of profit and loss account. The change in fair value is based on the actual performance of MSPL Group. The value of the purchase consideration payable as at 31 March 2022, aggregated ₹ 21,157.12 lakhs (31 March 2021: ₹ 19,728.32 lakhs) including deferred consideration of ₹ 21,157.12 lakhs (31 March 2021: ₹ 16,311.85 lakhs) and contingent consideration of ₹ Nil (31 March 2021: ₹ 3,416.47 lakhs).

	As at 31 March 2022		
	Contingent Consideration*	Deferred Consideration	Total
<b>Opening balance of purchase consideration payable</b>	-	19,728.32	19,728.32
Add: Unwinding of discount (interest expense)	-	643.42	643.42
Add: Fair value loss recognised during the year	-	785.38	785.38
<b>Closing balance of purchase consideration payable</b>	-	<b>21,157.12</b>	<b>21,157.12</b>

\* Contingent consideration as at 31 March 2022, has been transferred to deferred consideration on completion of the earn-out period

	As at 31 March 2021		
	Contingent Consideration	Deferred Consideration	Total
<b>Opening balance of purchase consideration payable</b>	5,069.50	16,189.87	21,259.37
Add: Unwinding of discount (interest expense)	521.52	121.98	643.50
Less: Fair value gain recognised during the year	(2,174.55)	-	(2,174.55)
<b>Closing balance of purchase consideration payable</b>	<b>3,416.47</b>	<b>16,311.85</b>	<b>19,728.32</b>

Out of the above purchase consideration payable at the year end, ₹ Nil (31 March 2021: ₹ 4,688.61 lakhs) is disclosed under Other Non-current financial liabilities and ₹ 21,157.12 lakhs (31 March 2021 : ₹ 15,039.71 lakhs) is disclosed under Other current financial liabilities.

- (ii) During the quarter ended 30 June 2018, the Company had 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 8 March 2019, NCLT, Bengaluru bench has approved the scheme of amalgamation ('Scheme'). As the registered office of the Explosoft is situated in the state of Maharashtra, the scheme has also been filed by Explosoft on 15 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 30 June 2020, the shareholders of MSPL have demanded for discharge of purchase consideration of Phase II of SPA aggregating ₹ 7,213 lakhs as the scheme of merger has not yet been approved. The shareholders have also demanded an interest of ₹ 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 28 August 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. During the year, the Arbitral Tribunal has further conducted hearings on the aforesaid matter and the matter is pending before the Arbitral Tribunal. The final outcome of the matter is not known currently.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

The revenues (including other income) and profit of MSPL included in the consolidated financial statements for the year ended 31 March 2022 aggregates to ₹ 20,169.09 lakhs and ₹ 2,580.63 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 consolidated Ind AS financial statements.

## 22 PROVISIONS

	As at 31 March 2022	As at 31 March 2021
<b>Non-current</b>		
Employee defined benefits liability		
- Provision for gratuity (refer note 42)	874.63	822.13
- Provision for compensated absences	123.14	106.56
Asset retirement obligation (refer note (a) below)	57.79	56.57
	<b>1,055.56</b>	<b>985.26</b>
<b>Current</b>		
Employee defined benefits liability		
- Provision for gratuity (refer note 42)	132.21	113.91
- Provision for compensated absences	451.28	413.61
Provision for foreseeable loss on contract (refer note (b) below)	3.59	6.36
Provision for liquidated damages (refer note (b) below)	648.86	353.32
Provision for warranty (refer note (b) below)	74.66	74.65
	<b>1,310.60</b>	<b>961.86</b>

### (a) Asset retirement obligation

The Group has recognised a provision for asset retirement obligation associated with premises taken on lease. In determining the fair value of the provision, assumptions and estimates are made in relation to the discount rates, the expected cost to dismantle and remove furniture and fixtures from the leased premises and the expected timing of these costs. The carrying amount of the provision as at 31 March 2022 is ₹ 57.79 lakhs (31 March 2021: ₹ 56.57 lakhs). The Group estimates the costs would be incurred within 4 - 5 years time upon the expiration of the lease and calculates the provision using the DCF method based on the following assumptions:

- 1) Estimated range of cost : 15 days - 30 days lease rental expense
- 2) Discount rate : 12.17 - 14.00 percent per annum

	Asset retirement obligation
As at 1 April 2020	39.56
Additions during the year	16.32
Unwinding of discount	0.69
<b>As at 31 March 2021</b>	<b>56.57</b>
Reversed during the year	(3.85)
Unwinding of discount	5.07
<b>As at 31 March 2022</b>	<b>57.79</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

**(b) The disclosure of provisions movement as required under the provisions of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is as follows:**

Particulars	Provision for foreseeable losses on contracts*	Provision for warranty **	Provision for liquidated damages***
Provision as at the 1 April, 2020	7.96	74.65	222.43
Provisions made during the year	3.36	75.11	375.09
Utilizations/ reversals during the year	(4.96)	(75.11)	(244.21)
<b>Provision as at the 31 March 2021</b>	<b>6.36</b>	<b>74.65</b>	<b>353.32</b>
Provisions made during the year	3.59	77.05	697.97
Utilizations/ reversals during the year	(6.36)	(77.05)	(402.43)
<b>Provision as at the 31 March 2022</b>	<b>3.59</b>	<b>74.65</b>	<b>648.86</b>

\* The provision for foreseeable losses on contracts are expected to be utilized over a period of one year.

\*\* Provision for warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of goods. These provisions are expected to be utilized over the period of warranty.

\*\*\* Provision for liquidated damages relates to estimated outflow in respect of products sold by the Group and estimated to be incurred due to delay in delivery of products to customers. These provisions are expected to be utilized over a period of one year.

## 23 CURRENT TAX LIABILITY, NET

	As at 31 March 2022	As at 31 March 2021
Provision for tax, net of advance tax	161.10	106.67
	<b>161.10</b>	<b>106.67</b>

## 24 OTHER LIABILITIES

	As at 31 March 2022	As at 31 March 2021
<b>Current</b>		
Duties and taxes payable	1,396.85	963.43
Contract liability - Unearned revenue	711.23	1,313.69
Contract liability - Advance from customer	4,016.08	2,064.38
Interest accrued but not due on borrowings*	2.89	7.39
	<b>6,127.05</b>	<b>4,348.89</b>

\* For details of interest rates, repayments and others, refer note 19

**a) Breakup of financial liabilities carried at amortised cost**

	As at 31 March 2022	As at 31 March 2021
Borrowings (refer note 19)	4,881.11	7,277.61
Lease liability (refer note 36)	2,324.54	3,132.76
Trade payables (refer note 20)	6,953.16	5,061.50
Other financial liabilities (refer note 21)	1,808.23	2,190.03

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 25 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Sale of services</b>		
Technology Services and Solutions	41,411.28	35,080.24
Strategic technology solutions	5,197.74	1,031.89
<b>Sale of goods</b>		
Technology Services and Solutions	3,671.99	2,429.56
Strategic technology solutions	10,559.76	13,196.93
	<b>60,840.77</b>	<b>51,738.61</b>

### 25.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Year ended 31 March 2022	Year ended 31 March 2021
India	15,524.41	14,071.40
Outside India	45,316.36	37,667.21
<b>Total revenue from contracts with customers</b>	<b>60,840.77</b>	<b>51,738.61</b>

### Timing of revenue recognition

	Year ended 31 March 2022	Year ended 31 March 2021
Goods or services transferred at point in time	52,850.08	47,676.53
Goods or services transferred over time	7,990.68	4,062.08
	<b>60,840.77</b>	<b>51,738.61</b>

### 25.2 Contract balances

	Year ended 31 March 2022	Year ended 31 March 2021
Trade receivables (refer note 10)	14,516.65	12,754.68
Contract Assets - Unbilled revenue (refer note 11)	6,702.34	4,055.94
Contract liability - Unearned revenue (refer note 24)	711.23	1,313.69
Contract liability - Advance from customer (refer note 24)	4,016.08	2,064.38

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenue in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenue are classified as contract liabilities (unearned revenues).

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days. In 31 March 2022, ₹ 1,628.77 lakhs (31 March 2021: ₹ 2,178.46 lakhs) was recognised as provision for expected credit losses on trade receivables.

As at 31 March 2022, the Company has provision for expected credit losses on contract assets of ₹ 104.97 lakhs (31 March 2021: ₹ 104.97 lakhs).

Contract liabilities include short-term advances received against the sale of products and services in the future.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 25.3 Performance Obligation

The performance obligation is satisfied upon the providing of services as and when rendered and accordingly, there is no outstanding performance obligation as on 31 March 2022 except for the cases where the performance obligations are satisfied over-time. The transaction price allocated to the remaining performance obligations (partially unsatisfied) as at 31 March 2022 and 31 March 2021 are, as follows

	Year ended 31 March 2022	Year ended 31 March 2021
Within one year	10,820.11	2,914.54
More than one year	1,885.66	5,232.34
	<b>12,705.77</b>	<b>8,146.88</b>

## 26 Other operating Income

	Year ended 31 March 2022	Year ended 31 March 2021
Export incentives	34.46	646.05
Other operating income	155.36	-
	<b>189.82</b>	<b>646.05</b>

During the current year, the Group 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 ₹ 34.46 lakhs (31 March 2021: ₹ 646.05 lakhs). The Management believes that it has satisfied all the conditions to receive the incentive and is in the process of filing the claim.

## 27 OTHER INCOME

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income		
- from fixed deposits with banks	142.35	207.89
- from financial assets carried at amortised cost	191.80	212.23
- from income tax refund	39.30	222.00
- from Value added tax refund	1.13	-
Profit on sale of property, plant and equipment	-	5.96
Profit on lease Modification	-	0.59
Fair value gain on financial instruments at fair value through profit or loss (refer note below)	136.45	431.34
Provision/ Liabilities no longer required, written back	62.39	140.99
Dividend income	17.89	10.29
Bad debts written back	11.29	-
Gain on termination of Right to use assets	61.63	-
Lease rental concession	75.41	61.82
Miscellaneous income	169.79	152.96
	<b>909.43</b>	<b>1,446.07</b>

### Note:

Fair value gain on financial instruments at fair value through profit or loss mainly pertains to foreign exchange currency options that did not qualify for hedge accounting.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 28 COST OF MATERIAL CONSUMED

	Year ended 31 March 2022	Year ended 31 March 2021
Opening inventory	2,330.30	1,961.43
Add: Purchases during the year	14,494.22	10,218.48
	<b>16,824.52</b>	<b>12,179.91</b>
Less: Closing inventory	(5,157.70)	(2,330.30)
	<b>11,666.82</b>	<b>9,849.61</b>

## 29 EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	27,468.59	23,679.90
Contribution to provident and other funds	878.66	814.96
Contribution to overseas social security	1,217.15	1,033.14
Provision for gratuity (refer note 42)	173.92	167.43
Provision for compensated absences	103.85	128.31
Stock compensation expense (refer note 44)	636.33	140.89
Staff welfare expense	735.89	696.77
	<b>31,214.39</b>	<b>26,661.40</b>

## 30 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation and Impairment loss on PPE (refer note 3)	630.25	461.12
Amortisation of intangible assets (refer note 4)	677.58	777.90
Depreciation of Right of use asset (refer note 36)	1,198.23	1,359.56
	<b>2,506.06</b>	<b>2,598.58</b>

## 31 FINANCE COSTS

	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense		
- on facilities from banks	527.92	1,044.29
- on Intercorporate deposit from related parties (refer note 35)	-	49.87
- on financial liabilities carried at amortised cost	0.39	1.02
Other borrowing cost (processing fees)	632.44	685.23
Net interest expense on net defined benefit obligation	77.75	96.94
Unwinding of discount on asset retirement obligation (refer note 22(a))	5.07	0.69
Bank guarantee commission	44.48	22.43
Interest on lease liabilities (refer note 36)	281.09	349.93
Interest on income tax	6.27	-
	<b>1,575.41</b>	<b>2,250.40</b>



# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 32 OTHER EXPENSES

	Year ended 31 March 2022	Year ended 31 March 2021
Rent (refer note 36)	364.27	438.34
Power and fuel	309.11	293.05
Travelling and conveyance	518.91	332.09
Legal and professional charges	1,431.38	1,129.75
Consultancy expense	149.81	140.36
Repairs and maintenance	-	
- Building	251.97	250.71
- Others	227.56	239.06
- Plant and machinery	108.28	109.80
Recruitment and training expenses	261.45	79.02
Office maintenance expense	55.61	62.32
Communication expenses	351.92	406.67
Equipment hire charges	315.10	254.15
Auditor's remuneration (refer note (a) below)	84.78	86.28
Security charges	58.07	59.96
Rates and taxes	283.95	316.92
Sub contracting charges	3,598.24	3,322.02
Software subscription charges	1,471.29	1,040.97
Directors sitting fees (refer note 35)	39.90	33.30
Marketing and advertising expenses	468.06	243.27
Insurance expenses	147.03	153.96
Bank charges	118.43	125.17
Corporate social responsibility expenses (refer note 45)	29.69	44.46
Bad debts written off	37.88	76.57
Provision for doubtful debts and advances	96.47	52.88
Advance to supplier written off	-	38.88
Loss on disposal of property, plant and equipment	22.81	-
Net loss on foreign currency transaction and translation	160.75	63.08
Miscellaneous expenses	123.06	80.60
	<b>11,085.78</b>	<b>9,473.64</b>

### a) Auditor's remuneration\*

	Year ended 31 March 2022	Year ended 31 March 2021
Statutory audit fees	66.69	66.66
Other fees	15.75	16.00
Out of pocket expenses	2.34	3.62
	<b>84.78</b>	<b>86.28</b>

\* excluding goods and service tax.

## 33 EXCEPTIONAL ITEMS

	Year ended 31 March 2022	Year ended 31 March 2021
Impairment on goodwill and fair value change in contingent purchase consideration payable	(169.34)	(4,079.80)
	<b>(169.34)</b>	<b>(4,079.80)</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 34 EARNINGS PER SHARE (EPS) (BASIC AND DILUTED)

	Year ended 31 March 2022	Year ended 31 March 2021
a) Profit/ (Loss) after tax attributable to equity shareholders (₹)	2,223.32	(2,166.39)
b) Weighted average number of shares outstanding (in lakhs)	379.14	377.60
c) Nominal value of shares (₹)	5.00	5.00
d) Basic earning per share (₹)	5.86	(5.74)
e) Number of equity shares used to compute diluted earnings per share (refer note below)	386.20	377.60
f) Diluted earnings per share (₹)*	5.76	(5.74)

### Note:

	Year ended 31 March 2022	Year ended 31 March 2021
Weighted average number of shares outstanding (in lakhs)	379.14	377.60
<b>Effect of dilution:</b>		
Share options	7.06	-
Weighted average number of Equity shares adjusted for the effect of dilution	386.20	377.60

\*For the purpose of computation of diluted EPS for the year ended 31 March 2021, 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.

## 35 RELATED PARTY DISCLOSURES

Nature of relationship	Name of party
<b>I Parties where control exists:</b>	
<b>Holding Company</b>	Jupiter Capital Private Limited ('JCPL') *
* JCPL and its subsidiary Indian Aero Ventures Private Limited hold 67.67 percent voting rights of the Company as at 31 March 2022 (JCPL and its subsidiaries i.e., Tayana Digital Private Limited and Indian Aero Ventures Private Limited hold 67.95 percent voting rights of the Company as at 31 March 2021) (refer note IV (b))	
<b>Associate</b>	ASSYSTEMS AXISCADES Engineering Private Limited
<b>II Name of other related parties as per Ind AS 24 with whom transactions have taken place during the year:</b>	
<b>Fellow subsidiary</b>	Indian Aero Ventures Private Limited ("IAVPL") (subsidiary of JCPL) Indian Aero Infrastructure Private Limited (stepdown subsidiary of JCPL) Hindusthan Infrastructure Projects & Engineering Private Limited (subsidiary of JCPL)
<b>Key Management Personnel (KMP):</b>	
Chief Executive Officer & Managing Director	Mr. Arun Krishnamurthi (appointed w.e.f. 22 November 2021)
Chief Executive Officer & Executive Director	Mr. Sharadhi Chandra Babu Pampapathy (stepped down w.e.f. 21 November 2021)
Chairman and Non - Executive Director	Mr. David Bradley
Independent Director	Mr. Kailash Mohan Rustagi (term completed on 29 September 2020)
Independent Director	Mr. Pradeep Dadlani (term completed on 29 September 2020)
Independent Director	Mrs. Mariam Mathew
Independent Director	Mr. Desh Raj Dogra (appointed w.e.f. 29 September 2020)
Independent Director	Mr. Dhiraj Mathur (appointed w.e.f. 29 September 2020)
Non - Executive Director	Mr. Harold David Walker (appointed w.e.f. 29 June 2020)

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Nature of relationship	Name of party
Non - Executive Director	Mr. Sudhakar Gande
Non - Executive Director	Mr. Sharadhi Chandra Babu Pampapathy (w.e.f. 22 November 2021)
Non - Executive Director	Mr. Abhishek Kumar (appointed w.e.f. 22 March 2022)
Non - Executive Director	Mr. David Abikzir (appointed w.e.f. 22 March 2022)
<b>III Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year:</b>	
<b>Key Management Personnel (KMP):</b>	
Chief Financial Officer (CFO)	Mr. Shashidhar SK (appointed w.e.f. 3 January 2022) Mr. Anumanchipalli Srinivas (till 31 July 2021)
Company Secretary	Ms. Sonal Dudani (appointed w.e.f. 22 March 2022) Ms. Shweta Agrawal (till 31 October 2021)
Company in which Director is interested	Lexicon Infotech Limited

## IV Transactions with related parties:

Nature of transactions	Relationship	Year ended 31 March 2022	Year ended 31 March 2021
<b>Remuneration (Refer note (IV) (a) below)</b>			
Ms. Shweta Agarwal (refer note c below)	Key Management Personnel	24.35	25.60
Mr. Anumanchipalli Srinivas (refer note c and d below)	Key Management Personnel	64.73	314.57
Mr. Sharadhi Chandra Babu pampapathy (refer note c below)	Key Management Personnel	299.04	119.06
Mr. Shashidhar SK (refer note c below)	Key Management Personnel	39.34	-
Mr. Arun Krishnamurthi (refer note c below)	Key Management Personnel	146.86	-
Ms. Sonal Dudani	Key Management Personnel	0.39	-
<b>Service received from</b>			
Lexicon Infotech Limited	Company in which Director is a member	22.09	-
<b>Revenue from operations</b>			
ASSYSTEMS AXISCADES Engineering Private Limited	Associate	53.65	63.60
<b>Sitting fees paid to directors</b>			
Mr. Kailash Mohan Rustagi	Independent Director	-	5.00
Mr. Pradeep Dadlani	Independent Director	-	7.00
Mr. Dhiraj Mathur	Independent Director	9.50	3.00
Mr. Desh Raj Dogra	Independent Director	11.50	4.00
Mrs. Mariam Mathew	Independent Director	9.00	8.00
Mr. Harold David Walker	Non - Executive Director	2.10	0.90
Mr. David Bradley	Chairman and Non - Executive Director	3.90	3.00
Mr. Sharadi Chandra Babu Pampapathy	Non - Executive Director	0.90	-
Mr. Sudhakar Gande	Non - Executive Director	3.00	2.40
<b>Reimbursement of rental income</b>			
ASSYSTEMS AXISCADES Engineering Private Limited	Associate	45.53	65.14
<b>Corporate guarantee fee charged by</b>			
Jupiter Capital Private Limited	Holding Company	20.00	-
<b>Intercorporate deposits repaid</b>			
Hindusthan Infrastructure Projects & Engineering Private Limited	Fellow subsidiary	-	500.00
<b>Liability written back</b>			
Indian Aero Ventures Private Limited	Fellow subsidiary	-	27.82

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Nature of transactions	Relationship	Year ended 31 March 2022	Year ended 31 March 2021
<b>Interest expense on Inter corporate deposits</b>			
Hindusthan Infrastructure Projects & Engineering Private Limited	Fellow subsidiary	-	49.87
<b>Corporate guarantee received from</b>			
Jupiter Capital Private Limited	Holding Company	4,000.00	-

- (a) As the future liability for gratuity is provided on an actuarial basis for the Group as a whole, the amount pertaining to individual is not ascertainable and therefore not include above.
- (b) The Promoter Company, Tayana Digital Private Limited (TDPL), was merged with Promoter Group Company Jupiter Capital Private Limited (JCPL) with effect from 17 October 2018. As a result of the merger, Jupiter Capital Private Limited has become Promoter of the Company. The same was intimated by the Company to the Stock exchange on 18 October 2018. Until year ended 31 March 2021, underlying shares continued to be held in the name of Tayana Digital Private Company (TDPL) with the depository. During the year, these shares have been updated in the name of Promoter Company Jupiter Capital Private Limited in the records of the depository.
- (c) Total employee benefit expense includes employee stock compensation expense of ₹ 127.31 lakhs (31 March 2021 - ₹ 28.25 lakhs) for Mr. Sharadhi Chandra Babu Pampapathy, ₹ 10.42 lakhs (31 March 2021 - ₹ Nil) for Mr. Arun Krishnamurthi, ₹ 7.82 lakhs (31 March 2021 - ₹ Nil) for Mr. Shashidhar SK, ₹ 0.81 lakhs (31 March 2021 - ₹ 28.25 lakhs) for Mr. Anumanchipalli Srinivas, and ₹ 0.10 lakhs (31 March 2021 - ₹ 1.45 lakhs) for Ms. Shweta Agrawal, included in share based payments in the consolidated statement of profit and loss account.
- (d) Refer note 19 for details of security provided for borrowings.

## V Balances as at the year end:

Nature of transactions	Relationship	As at 31 March 2022	As at 31 March 2021
<b>Remuneration payable (refer note (IV) (a) above)</b>			
Ms. Shweta Agarwal	Key Management Personnel	-	4.72
Mr. Sharadhi Chandra Babu Pampapathy	Key Management Personnel	59.11	35.37
Mr. Anumanchipalli Srinivas	Key Management Personnel	-	67.35
Mr. Shashidhar SK	Key Management Personnel	13.12	-
Mr. Arun Krishnamurthi	Key Management Personnel	64.53	-
Ms. Sonal Dudani	Key Management Personnel	0.39	-
<b>Other receivable</b>			
ASSYSTEMS AXISCADES Engineering Private Limited	Associate	-	19.27
<b>Investment in equity shares</b>			
ASSYSTEMS AXISCADES Engineering Private Limited	Associate	187.41	233.23
<b>Trade payables</b>			
Indian Aero Infrastructure Private Limited	Fellow subsidiary	6.23	6.23
Lexicon Infotech Limited	Company in which Director is a member	9.68	-
<b>Corporate guarantee received from - outstanding</b>			
Jupiter Capital Private limited	Holding Company	4,000.00	-
<b>Trade Receivable</b>			
ASSYSTEMS AXISCADES Engineering Private Limited	Associate	-	18.40

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: Nil lakhs). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## 36 RIGHT OF USE ASSET AND LEASE LIABILITIES

### Group as a lessee

The Group has entered into property leases for office, product assembling space and other business operations. These leases are for a period of three to nine years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. These lease contracts include extension and termination options.

Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	As at 31 March 2022	As at 31 March 2021
<b>Balance as on 01 April</b>	9,618.67	9,343.58
Additions	662.09	1,835.19
Deletions	(336.92)	(200.54)
Depreciation expense (refer note 30)	(1,198.23)	(1,359.56)
<b>Carrying amount as on 31 March</b>	<b>8,745.61</b>	<b>9,618.67</b>

Below are the carrying amounts of lease liabilities and the movements during the year:

	As at 31 March 2022	As at 31 March 2021
<b>Balance as on 01 April</b>	3,132.76	2,776.64
Additions	657.86	1,551.92
Deletions	(346.38)	(258.09)
Lease rental concession	(75.41)	-
Accretion of interest (refer note 31)	281.09	349.93
Payment of principal portion of lease liabilities	(1,044.29)	(969.96)
Payment of Interest portion of lease liabilities	(281.09)	(317.68)
<b>Carrying amount as on 31 March</b>	<b>2,324.54</b>	<b>3,132.76</b>
Current	1,214.67	1,038.40
Non-current	1,109.87	2,094.36
<b>Total</b>	<b>2,324.54</b>	<b>3,132.76</b>

The weighted average incremental borrowing rate for lease liabilities is between 8.40% - 12.17% per annum, with maturities between financial year 2022-2030 for leasehold properties.

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	31 March 2022	31 March 2021
Less than one year	1,282.79	1,189.66
one to five years	1,123.21	2,310.15
more than five years	132.17	184.35

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for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## The following are the amounts recognised in the statement of profit or loss:

	31 March 2022	31 March 2021
Depreciation expense of right-of-use assets	1,198.23	1,359.56
Interest expense on lease liabilities	281.09	349.93
Expense relating to short-term leases and low value leases (included in other expenses)	364.27	438.34
Lease rental concession	(75.41)	-
<b>Total amount recognised in profit or loss</b>	<b>1,768.19</b>	<b>2,147.83</b>

The Group had total cash outflows for leases of ₹ 1,325.38 Lakhs for the year ended 31 March 2022 (31 March 2021: ₹ 1,287.64 lakhs). The Group has made non-cash additions of ₹ 662.09 lakhs (31 March 2021: ₹ 1,835.19 lakhs) and ₹ 657.86 lakhs (31 March 2021: ₹ 1,551.92 lakhs) to right-of-use assets and lease liabilities, respectively. There are no future cash outflows relating to leases that have not yet commenced.

## 37 CONTINGENT LIABILITIES AND COMMITMENTS

### Capital and other commitments

	As at 31 March 2022	As at 31 March 2021
Capital commitment*	13.94	250.75

\* Mainly pertains to commitment towards purchase of capital assets of ₹ 13.94 lakhs (31 March 2021: ₹ 250.75 lakhs)

### Bank guarantees

	As at 31 March 2022	As at 31 March 2021
i) Bank guarantees to government authorities and others	1,069.25	-

Bank guarantees are issued in favor of government authorities and others towards financial, performance guarantees and earnest money deposit as part of bidding process.

### Tax contingencies

	As at 31 March 2022	As at 31 March 2021
i) Direct tax matters under dispute/ pending before Income Tax Authorities	2,048.14	1,687.11
ii) Indirect tax matters for demands pending before various appellate authorities	142.39	1,150.90
	<b>2,190.53</b>	<b>2,838.01</b>

### Notes:

- i) The Supreme Court of India in a judgment on Provident Fund dated 28 February 2019 addressed the principle for determining salary components that form part of basic salary for individuals below a prescribed salary threshold. Group determined that they had not previously included such components in basic salary. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28 February 2019. As a matter of caution, the Group has implemented the above judgement on a prospective basis from the date of the SC order. The Group will update its provision, on receiving further clarity on the subject.
- ii) The Group has reviewed all its pending litigations and proceedings, and has adequately provided for where provisions are required and disclosed the contingent liabilities in its financial statements where financial outflow is not probable. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.



# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 38 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital, and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Group's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been breaches in the financial covenants of any interest-bearing loans and borrowing in the current period as mentioned in note 19.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

	As at 31 March 2022	As at 31 March 2021
Borrowings including current maturities of long term borrowings (refer note 19 )	4,881.11	7,277.61
Less: Cash and cash equivalents (refer note 15)	(7,109.49)	(5,269.93)
<b>Net debt*</b>	<b>-</b>	<b>2,007.68</b>
Equity share capital (refer note 17)	1,897.23	1,889.51
Other equity (refer note 18)	31,229.08	27,971.44
<b>Capital and net debt</b>	<b>33,126.31</b>	<b>31,868.63</b>
Gearing ratio	-	6%

\* Where the total debts are less than cash and cash equivalents, the net debts are shown as Nil.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

The Group is not subject to any externally imposed capital requirements.

## 39 INCOME TAX

The major components of income tax expense are:

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Current income tax:</b>		
Current income tax charge	1,360.14	951.19
Deferred tax charge	48.35	131.42
<b>Income tax expense reported in Statement of Profit and Loss</b>	<b>1,408.49</b>	<b>1,082.61</b>
<b>Deferred tax related to items recognised in OCI</b>		
Income tax relating to re-measurement losses on defined benefit plans	3.03	7.60
Income tax relating to gain on cash flow hedges	(14.87)	(82.08)
	<b>(11.84)</b>	<b>(74.48)</b>

### Reconciliation of deferred tax (net)

	As at 31 March 2022	As at 31 March 2021
<b>Opening balance</b>	<b>2,806.34</b>	<b>3,012.24</b>
Tax expense during the year recognized in the Statement of Profit and Loss	(48.35)	(131.42)
Tax (credit) during the year recognised in OCI	(11.84)	(74.48)
Exchange translation difference	56.79	-
<b>Closing balance</b>	<b>2,802.94</b>	<b>2,806.34</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Accounting loss before tax</b>	3,676.40	(1,037.94)
Tax on accounting profit at statutory income tax rate	1,245.07	(257.07)
Foreign tax expensed during the year	219.15	80.94
Provision related to impairment of investments in subsidiaries	(427.26)	1,674.39
Purchase consideration re-measurement	218.49	(547.33)
Other non-deductible expenses	18.59	-
Tax benefit on utilisation/expected utilisation of benefit on previously unrecognised tax losses	(34.32)	(48.04)
GILTI Income	13.68	-
Others (net)	155.09	179.73
<b>At the effective income tax rate of 38.31% [31 March 2021: 104.30%]</b>	<b>1,408.49</b>	<b>1,082.61</b>
Income tax expense reported in the Statement of Profit and Loss	1,408.49	1,082.61

\* Deferred tax is recognized to the extent that the future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised.

	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years	988.43	1,153.17
Impact of difference between depreciation charged for financial reporting and expenses allowed for tax purposes	422.07	482.59
Unutilised tax losses	484.33	265.38
Hedge Liability	0.17	24.60
Minimum alternate tax credit entitlement	913.22	737.22
Expenses disallowed under Section 35DD of Income-tax Act, 1961	-	126.16
Other adjustments	27.59	50.74
<b>Deferred tax asset, net</b>	<b>2,835.81</b>	<b>2,839.85</b>
<b>Deferred tax liability</b>		
Hedge Liability	5.31	-
Fair valuation of security deposits to fair value	-	33.51
Other items	27.56	-
	<b>32.87</b>	<b>33.51</b>
<b>Deferred tax asset, net</b>	<b>2,802.94</b>	<b>2,806.34</b>

## Reflected in the balance sheet as follows:

	As at 31 March 2022	As at 31 March 2021
Deferred tax assets	2,835.81	2,839.85
Deferred tax liabilities	(32.87)	(33.51)
<b>Deferred tax assets, net</b>	<b>2,802.94</b>	<b>2,806.34</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 40 FAIR VALUE MEASUREMENTS

### (i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2022 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Carrying value	Fair value
<b>Assets:</b>					
Investments (Current and Non Current) (refer note 9)	0.05	1,730.30	-	1,730.35	1,730.35
Trade receivables (Current) (refer note 10)	14,516.65	-	-	14,516.65	14,516.65
Other financial assets (Current and Non Current) (refer note 11)	8,501.53	-	19.13	8,520.66	8,520.66
Cash and cash equivalents (refer note 15)	7,109.49	-	-	7,109.49	7,109.49
Bank balances other than cash and cash equivalents (refer note 16)	3,427.40	-	-	3,427.40	3,427.40
<b>Total</b>	<b>33,555.12</b>	<b>1,730.30</b>	<b>19.13</b>	<b>35,304.55</b>	<b>35,304.55</b>
<b>Liabilities:</b>					
Borrowings (refer note 19)	4,881.11	-	-	4,881.11	4,881.11
Lease liability (refer note 36)	2,324.54	-	-	2,324.54	2,324.54
Trade payables (refer note 20)	6,953.16	-	-	6,953.16	6,953.16
Other financial liabilities (refer note 21)	1,808.23	21,157.12	0.66	22,966.01	22,966.01
<b>Total</b>	<b>15,967.04</b>	<b>21,157.12</b>	<b>0.66</b>	<b>37,124.82</b>	<b>37,124.82</b>

The carrying value and fair value of financial instruments by categories as of 31 March 2021 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Carrying value	Fair value
<b>Assets:</b>					
Investments (Current and Non Current) (refer note 9)	0.05	4,756.40	-	4,756.45	4,756.45
Trade receivables (Current) (refer note 10)	12,754.68	-	-	12,754.68	12,754.68
Other financial assets (Current and Non Current) (refer note 11)	7,367.95	-	-	7,367.95	7,367.95
Cash and cash equivalents (refer note 15)	5,269.93	-	-	5,269.93	5,269.93
Bank balances other than cash and cash equivalents (refer note 16)	3,208.31	-	-	3,208.31	3,208.31
<b>Total</b>	<b>28,600.92</b>	<b>4,756.40</b>	<b>-</b>	<b>33,357.32</b>	<b>33,357.32</b>
<b>Liabilities:</b>					
Borrowings (refer note 19)	7,277.61	-	-	7,277.61	7,277.61
Lease liability (refer note 36)	3,132.76	-	-	3,132.76	3,132.76
Trade payables (refer note 20)	5,061.50	-	-	5,061.50	5,061.50
Other financial liabilities (refer note 21)	2,190.03	19,728.32	92.02	22,010.37	22,010.37
<b>Total</b>	<b>17,661.90</b>	<b>19,728.32</b>	<b>92.02</b>	<b>37,482.24</b>	<b>37,482.24</b>

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables and working capital loans approximate the carrying amount largely due to short-term maturity of this instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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## (ii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

### Quantative disclosure of fair value measurement hierarchy as at 31 March 2022 :

Particulars	Date of valuation	Carrying value	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value:</b>					
Investments (Current and Non Current) (refer note 9)	31 March 2022	1,730.30	1,026.24	704.06	-
Derivative contracts (refer note 21)	31 March 2022	19.13	-	19.13	-
<b>Liabilities measured at fair value:</b>					
Derivative contracts (refer note 21)	31 March 2022	0.66	-	0.66	-
Purchase consideration payable (refer note 21)	31 March 2022	21,157.12	-	-	21,157.12

There have been no transfer among level 1 , Level 2 and level 3 during the year.

### Quantative disclosure of fair value measurement hierarchy as at 31 March 2021 :

Particulars	Date of valuation	Carrying value	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets carried at amortised cost, cost , FVTPL and FVTOCI for which fair values are disclosed</b>					
Investments (Current and Non Current) (refer note 9)	31 March 2021	4,756.40	3,335.31	1,421.09	-
<b>Liabilities measured at fair value:</b>					
Derivative contracts (refer note 21)	31 March 2021	92.02	-	92.02	-
Purchase consideration payable (refer note 21)	31 March 2021	19,728.32	-	-	19,728.32

### Below is reconciliation of fair value measurements categorized within level 3 of the fair value hierarchy

	As at 31 March 2022		
	Contingent Consideration	Deferred Consideration	Total
<b>Opening balance of purchase consideration payable</b>	-	19,728.32	19,728.32
Add: Unwinding of discount (interest expense)	-	643.42	643.42
Add: Fair value expense recognised during the year	-	785.38	785.38
<b>Closing balance of purchase consideration payable</b>	<b>-</b>	<b>21,157.12</b>	<b>21,157.12</b>
	As at 31 March 2021		
	Contingent Consideration	Deferred Consideration	Total
Opening balance of purchase consideration payable	5,069.50	16,189.87	21,259.37
Add: Additions during the year	-	-	-
Add: Unwinding of discount (interest expense)	521.52	121.98	643.50
Less: Fair value gain recognised during the year	(2,174.55)	-	(2,174.55)
<b>Closing balance of purchase consideration payable</b>	<b>3,416.47</b>	<b>16,311.85</b>	<b>19,728.32</b>

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## (iii) Valuation techniques and significant unobservable input

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Purchase consideration payable	Actual as per the terms of share purchase agreement	Adjusted earning of acquired entity	-

### Valuation technique used to determine fair value

- i) Derivative contracts: The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts and Currency options are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. As at 31 March 2022, the mark-to-market value of other derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.
- ii) Investments in liquid and short-term mutual funds which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.
- iii) Investments in equity shares which are classified as FVTPL are measured using market price of share at the reporting date multiplied by the quantity held.

## (iv) Valuation processes

The Corporate finance team has requisite knowledge and skills. The team headed by group CFO directly reports to the audit committee to arrive at the fair value of financial instruments.

## 41 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange exposure risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Group's risk management activity focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

### (A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group, resulting in a financial loss. The Group's maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 14,516.65 lakhs as at 31 March 2022 [31 March 2021: ₹ 12,754.68 lakhs].

#### Assets under credit risk:

	As at 31 March 2022	As at 31 March 2021
Trade receivables (Current ) (refer note 10)	14,516.65	12,754.68
Other receivables (refer note 11)	-	19.27
Security deposit (Current and Non Current) (refer note 11)	765.36	923.72
Unbilled revenue (refer note 11)	6,702.34	4,055.94
	<b>21,984.35</b>	<b>17,753.61</b>

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(All amounts in ₹ lakhs, unless otherwise stated)

## A1 Trade receivables, unbilled revenue and security deposits

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in India, USA and Europe. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, Financial Instruments, the Group uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors including the credit ratings of the various customers and Group's historical experience for customers.

The allowance for life time expected credit loss on customer balances and security deposit for the year ended 31 March 2022 is ₹ 1779.08 lakhs ( 31 March 2021 is ₹ 2,292.38 lakhs).

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	2,292.32	2,578.10
Impairment loss recognised	96.47	52.88
Impairment loss reversed/ written off	(609.71)	(338.66)
<b>Balance at the year end</b>	<b>1,779.08</b>	<b>2,292.32</b>

## A2 Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

### Financial assets that are neither past due nor impaired

Cash and cash equivalents, bank balances other than cash and cash equivalents, other receivables and other financial assets are neither past due nor impaired.

### Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired except for receivables of ₹ 1,628.77 lakhs and ₹ 2,178.46 lakhs, unbilled revenue of ₹ 104.97 lakhs and ₹ 104.97 lakhs and security deposit of ₹ 45.34 lakhs and ₹ 8.89 lakhs as at 31 March 2022 and 31 March 2021, respectively. The Group's credit period generally ranges from 30-120 days from invoicing date. The ageing analysis of the receivables has been considered from the date the invoice falls due. The age wise break up of trade receivables, unbilled revenue and security deposit, net of allowances that are past due, is given below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets that are neither past due nor impaired _(A)	18,322.08	14,828.48
Financial assets that are past due but not impaired		
Past due 0-60 days	2,989.30	1,427.94
Past due 61-180 days	687.20	821.06
Past due over 180 days	218.11	770.58
Total past due but not impaired_(B)	<b>3,894.61</b>	<b>3,019.58</b>
<b>Total (A+B)</b>	<b>22,216.69</b>	<b>17,848.06</b>

## (B) Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.



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(All amounts in ₹ lakhs, unless otherwise stated)

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

## Maturities of financial liabilities

As at 31 March 2022	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings (refer note 19)	4,835.79	45.32	-	4,881.11
Lease liability (refer note 36)	1,282.79	1,123.21	132.17	2,538.17
Trade payable (refer note 20)	6,953.16	-	-	6,953.16
Other financial liabilities (refer note 21)	22,966.01	-	-	22,966.01
<b>Total</b>	<b>36,037.75</b>	<b>1,168.53</b>	<b>132.17</b>	<b>37,338.45</b>

As at 31 March 2021	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings (refer note 19)	3,061.45	2,082.74	-	5,144.19
Lease liability (refer note 36)	1,189.66	2,310.15	184.35	3,684.16
Trade payable (refer note 20)	5,061.50	-	-	5,061.50
Other financial liabilities (refer note 21)	19,436.27	4,707.52	-	24,143.79
<b>Total</b>	<b>28,748.88</b>	<b>9,100.41</b>	<b>184.35</b>	<b>38,033.64</b>

## (C) Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

### Foreign currency sensitivity

The Group operates internationally and a significant portion of the business is transacted in USD and EURO currencies and consequently the Group is exposed to foreign exchange risk through its sales in various foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below.

Particulars	Currency	As at 31 March 2022		As at 31 March 2021	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
<b>Financial assets</b>					
Trade receivables	USD	59.15	4,483.48	42.45	3,108.80
	EURO	20.76	1,746.44	25.09	2,154.72
	SGD	0.21	11.70	0.21	11.37
	DKK	4.15	47.08	8.04	93.04
Unbilled revenue	USD	15.55	1,178.83	9.85	721.36
	EURO	1.11	93.71	0.40	34.35
	DKK	3.75	42.54	0.92	10.67
Cash and bank balances	USD	5.49	416.22	5.90	432.35
	EURO	7.83	658.45	6.71	576.38
	AED	1.59	32.86	1.59	31.75
	DKK	6.76	76.71	18.76	217.22
Other financial assets	AED	0.57	11.70	0.56	11.24
Loans and advances	EURO	-	-	0.17	14.84
Other current assets	EURO	1.08	91.24	1.06	91.17

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for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Currency	As at 31 March 2022		As at 31 March 2021	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
<b>Financial liabilities</b>					
Trade payables	USD	39.29	2,978.33	11.95	875.15
	EURO	18.15	1,527.51	18.49	1,587.92
	GBP	1.78	177.04	0.22	22.18
	DKK	2.60	29.50	0.74	8.55
Unearned Revenue	USD	0.03	2.00	0.08	5.86
Duties and taxes payable	EURO	4.33	364.03	1.19	102.00
	DKK	1.44	16.36	0.89	10.26
Lease Liability	EURO	1.18	99.21	-	-
Interest accrued but not due on borrowings	USD	0.04	2.89	0.10	7.49
Borrowings	USD	53.08	4,023.17	87.03	6,373.57

## Sensitivity

The following table details the Group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies net of forward contracts. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ strengthens 1% against the relevant currency. For a 1% weakening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Particulars	Increase		Decrease	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Sensitivity</b>				
INR/USD	(9.28)	9.28	(30.00)	30.00
INR/EURO	5.99	(5.99)	11.82	(11.82)
INR/AED	0.45	(0.45)	0.43	(0.43)
INR/SGD	0.12	(0.12)	0.11	(0.11)
INR/GBP	(1.77)	1.77	(0.22)	0.22
INR/DKK	1.20	(1.20)	3.02	(3.02)

## Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures arising from future forecasted revenues. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or in directly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward contracts

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Forward Contracts</b>		
In USD ( 31 March 2022 - ₹ 20.00 lakhs, 31 March 2021 - Nil)	1,590.80	-

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

The foreign exchange forward contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Foreign exchange forward contracts (highly probable forecast sales)	As at 31 March 2022		As at 31 March 2021	
	Notional amount (in ₹ lakhs)	Average forward rate	Notional amount (in ₹ lakhs)	Average forward rate
Not later than one month				
- In USD	-	-	-	-
Later than one month and not later than three months				
- In USD	1,590.80	79.29	-	-
Later than three months and not later a year				
- In USD	-	-	-	-
- In CAD	-	-	-	-

The following table summarizes activity in the cash flow hedging reserve within equity related to all derivative instruments classified as cash flow hedges:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Balance as at the beginning of the year</b>	<b>(83.34)</b>	<b>(401.69)</b>
Changes in fair value of effective portion of derivatives	53.39	258.45
Net gain reclassified to statement of profit and loss on occurrence of hedged transactions	-	59.90
Gain/ (Loss) on cash flow hedging derivatives, net	53.39	318.35
<b>Balance as at the end of the year</b>	<b>(29.95)</b>	<b>(83.34)</b>
Deferred tax liability thereon	9.47	24.34
<b>Balance as at the end of the year, net of deferred tax</b>	<b>(20.48)</b>	<b>(59.00)</b>

## Interest rate risk

At 31 March 2022, the Company and ACAT had an interest rate swap agreement in place whereby the Company and ACAT pays a fixed rate of interest of 6% and 7.75%, respectively. The Company and ACAT receives interest at a variable rate of USD SOFR CMP+495 Bps and 6 months LIBOR+415 Bps on the notional amount, respectively. The swap is being used to hedge the exposure to changes in the variable interest rate on USD SOFR CMP+495 Bps and 6 months LIBOR+415 Bps secured loan. The said swap has been settled during the current year in ACAT.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap is identical to the hedged risk component. To test the hedge effectiveness, the Company and ACAT uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Different interest rate curve applied to discount the hedged item and hedging instrument
- Differences in timing of cash flows of the hedged item and hedging instrument
- The counterparties' credit risk differently impacting the fair value movements of the hedging instrument and hedged item

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

The impact of the hedging instrument on the balance sheet as at 31 March 2022 and 31 March 2021 is, as follows:

Fair value hedge	As at 31 March 2022			As at 31 March 2021		
	Nominal amount (in lakhs)	Carrying amount (₹ lakhs)	Line item in balance sheet where hedging instrument is disclosed	Nominal amount (in lakhs)	Carrying amount (₹ lakhs)	Line item in balance sheet where hedging instrument is disclosed
Interest rate risk - Interest rate swap	USD 11.54	(1.28)	Other current financial assets	USD 56.16	92.02	Other current and Non current financial liability

The impact of the hedged item on the balance sheet as at 31 March 2022 and 31 March 2021 is, as follows:

Fair value hedge	As at 31 March 2022			As at 31 March 2021		
	Nominal amount (in lacs)	Carrying amount (₹ lakhs)	Line item in balance sheet where hedging instrument is disclosed	Nominal amount (in lakhs)	Carrying amount (₹ lakhs)	Line item in balance sheet where hedging instrument is disclosed
Interest rate risk - Borrowings	874.58	(1.28)	Short Term borrowings	4,094.90	92.02	Long Term borrowings and Short Term borrowings

## 42 DEFINED BENEFIT OBLIGATIONS

### A Defined benefit contributions

#### India

The Group makes contribution of statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952 for its Indian employees. This is a defined contribution plan as per Ind AS 19. Contribution made during the year ended 31 March 2022 is ₹ 878.66 lakhs [31 March 2021: ₹ 814.96 lakhs].

#### Overseas social security

The Group makes a contribution towards social security charges for its employees located at the respective branch offices in respective foreign geographies, that are defined contribution plans. The contributions paid or payable is recognised as an expense in the period in which the employee renders services in respective geographies. Contribution made during the year ended 31 March 2022 is ₹ 1,217.15 lakhs [31 March 2021: ₹ 1,033.14 lakhs].

### B Defined benefit plans

The Group has provided for gratuity liability, for its Indian employees as per actuarial valuation carried out by an independent actuary on the Balance Sheet date. The valuation has been carried out using the Project Unit Credit Method as per Ind AS 19 to determine the present value of Defined Benefit Obligations and the related current service cost. This is a defined benefit plan as per Ind AS 19.

The plan is governed by the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time). Employees are entitled to all the benefits enlisted under this act.

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Group is exposed to various risks in providing the above benefit which are as follows:

#### a Interest rate risk

The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability as shown in financial statements.

#### b Liquidity risk

This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/ cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## c Salary escalation risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of employees in future. Deviation in the rate of interest in future for employees from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

## d Demographic risk

The Group has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

## e Regulatory risk

Gratuity benefits are paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

### (i) Changes in the present value of the defined benefit obligation are as follows

	Gratuity	
	As at 31 March 2022	As at 31 March 2021
Changes in the present value of the defined benefit obligation are as follows:		
Defined benefit obligation at the beginning of the year	1,524.85	1,371.66
Current service cost	173.92	167.43
Interest cost	95.89	89.03
Benefits paid	(166.10)	(153.98)
Actuarial (gain)/ loss arising from change in financial assumptions	(20.47)	64.80
Actuarial (gain)/ loss arising from change in experience assumptions	37.32	(27.27)
Actuarial (gain)/ loss arising from change in demographic assumptions	(11.58)	13.17
Defined benefit obligation at the end of the year	<b>1,633.83</b>	<b>1,524.85</b>

### (ii) Reconciliation of present value of plan asset:

	Gratuity	
	As at 31 March 2022	As at 31 March 2021
Plan assets as at 1 April	588.81	365.64
Expected return on plan assets	39.53	25.72
Return on assets excluding interest income	(10.06)	20.03
Contributions	47.23	202.98
Benefits settled	(38.52)	(25.56)
Plan assets as at 31 March at fair value	<b>626.99</b>	<b>588.81</b>

### (iii) Reconciliation of net defined benefit asset/ (liability)

	Gratuity	
	As at 31 March 2022	As at 31 March 2021
Present value of obligation as at 31 March 2022	(1,633.83)	(1,524.85)
Plan assets at 31 March 2022 at fair value	626.99	588.81
Amount recognised in balance sheet liability	<b>(1,006.84)</b>	<b>(936.04)</b>
Non-Current Provision	874.63	822.13
Current Provision	132.21	113.91

### (iv) Components of costs are:

	Gratuity	
	As at 31 March 2022	As at 31 March 2021
<b>Employee benefits expense</b>		
Current service cost and past service cost	173.92	167.43
<b>Finance cost</b>		
Interest on defined benefit obligation	56.35	63.32
<b>Remeasurement loss</b>		
Expenses recognised in the Statement of profit and loss for the year	<b>245.60</b>	<b>261.43</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(v) Components Remeasurement losses/ (gains) in other comprehensive income

	Gratuity	
	As at 31 March 2022	As at 31 March 2021
Recognised net actuarial loss/ (gain) arising from change in financial assumptions	(20.47)	54.09
Recognised net actuarial gain arising from change in demographic assumptions	(11.58)	-
Recognised net actuarial (gain)/ loss arising from experience variance	37.32	(3.38)
Expected return on plan assets	10.06	(20.03)
Remeasurement loss in other comprehensive income	<b>15.33</b>	<b>30.68</b>

(vi) Investment details:

	Gratuity	
	As at 31 March 2022	As at 31 March 2021
	% Invested	% Invested
Insurer managed funds	100.00%	99.89%
Others	0.00%	0.11%

(vii) The principal assumptions used in determining gratuity obligations for the Group's plans are disclosed below:

	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate	5.38%-6.95%	5.52% - 6.70%
Salary escalation rate	5%-9%	5%-9%
Attrition rate	1.00% - 40.00%	1.00% - 32.00%
Retirement age	58 Years - 60 Years	58 Years - 60 Years
Mortality rate [as a percentage of Indian assured lives mortality (2012-2014)]	100%	100%

The assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of Government bonds that have terms to maturity approximating to the terms of the gratuity obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

**A quantitative sensitivity analysis for significant assumption as at 31 March 2022 and 31 March 2021 is as shown below:**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, attrition rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The following table summarizes the impact of change in the defined benefit obligation resulting from the specified percentage change in the aforementioned assumptions.

Particulars	Gratuity			
	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (Increase or decrease by 1%)	(68.94)	201.53	(124.56)	138.35
Salary growth rate (Increase or decrease by 1%)	158.24	(32.67)	102.79	(96.16)
Attrition rate (Increase or decrease by 50% of attrition rates)	10.71	(26.35)	1.31	(13.88)
Mortality rate (Increase or decrease by 10% of mortality rates)	0.17	(0.26)	0.20	(0.23)



# Notes to Consolidated Financial Statements

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The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method and assumptions used in preparing the sensitivity analysis from previous period.

#### (viii) Effect of plans on Group's future cash flows

The schemes are managed on an unfunded basis and hence, no funding arrangements or future contributions are applicable. The weighted average duration of the group's plan is estimated to be between 2.36 to 8.32 years (31 March 2021: 3.42 to 9.82). Following is a collective maturity profile of the defined benefit obligation of the plans as at 31 March 2022 and 31 March 2021.

Expected cash flows over the next: (valued on undiscounted basis)	Gratuity	
	As at 31 March 2022	As at 31 March 2021
1 year	190.80	157.97
2 - 5 years	676.74	579.60
6 - 10 years	1,755.37	508.04
More than 10 years	593.31	1,817.03

## 43 SEGMENT INFORMATION

Management currently identifies the Group's two service lines as its operating segments. These operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of adjusted segment operating results.

The activities undertaken under Engineering design segment is involved in providing Product Design, Engineering, research and development services.

Under the Strategic technology solutions segment, integration services are provided for defence & offsets business. It includes partnering with major original equipment manufacturers (OEM's) in the areas of strategic electronics, avionics, radar data processing and electronic warfare etc.

The chief operating decision makers monitor the results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Performance is internally assessed and evaluated based on the segment revenues and segment profits.

Segment information for the reporting period is as follows:

#### A Segment revenues and profits

	Year ended 31 March 2022		Year ended 31 March 2021	
	Technology Services and Solutions	Strategic technology solutions	Technology Services and Solutions	Strategic technology solutions
<b>Revenue</b>				
From external customers	45,273.09	15,757.50	36,737.47	15,647.19
<b>Segment Revenues</b>	<b>45,273.09</b>	<b>15,757.50</b>	<b>36,737.47</b>	<b>15,647.19</b>
Segment Results	4,660.11	996.15	1,834.84	2,962.04
<b>Segment Results</b>	<b>4,660.11</b>	<b>996.15</b>	<b>1,834.84</b>	<b>2,962.04</b>

#### Reconciliation of profit

	Year ended 31 March 2022	Year ended 31 March 2021
Segment profit / (loss)	5,656.26	4,796.88
Share in net profit/ (loss) of associate	(45.82)	44.76
Exceptional items (refer note 33)	(169.34)	(4,079.80)
Finance costs	(1,575.41)	(2,250.40)
Unallocable income net of unallocable expenditure net of other income	(189.29)	450.62
<b>Profit/ (Loss) before tax</b>	<b>3,676.40</b>	<b>(1,037.94)</b>

# Notes to Consolidated Financial Statements

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(All amounts in ₹ lakhs, unless otherwise stated)

## B Segment assets and liabilities

	As at 31 March 2022		As at 31 March 2021	
	Technology Services and Solutions	Strategic technology solutions	Technology Services and Solutions	Strategic technology solutions
Segment assets	29,186.41	30,720.03	28,140.22	25,858.96
Segment liabilities	12,510.13	32,013.35	13,573.11	29,151.64

## B1 Reconciliation of Segment assets

	Year ended 31 March 2022	Year ended 31 March 2021
Total reportable segment assets	59,906.44	53,999.18
Unallocable assets	19,533.76	20,236.86
<b>Total Assets</b>	<b>79,440.20</b>	<b>74,236.04</b>

## B2 Reconciliation of Segment liabilities

	Year ended 31 March 2022	Year ended 31 March 2021
Total reportable segment liabilities	44,523.48	42,724.75
Unallocable liabilities	1,255.65	1,160.17
<b>Total Liabilities</b>	<b>45,779.13</b>	<b>43,884.92</b>

## C The Group's revenues from external customers are divided into the following geographical areas:

	Year ended 31 March 2022	Year ended 31 March 2021
India (country of domicile)	15,524.41	14,071.40
Outside India	45,506.18	38,313.26
	<b>61,030.59</b>	<b>52,384.66</b>

Revenues from external customers in the Group's domicile, India, as well as its major markets, Europe and the USA, have been identified on the basis of the customer's geographical location.

## D The Group's non-current assets are divided into the following geographical areas (refer note below):

	Year ended 31 March 2022	Year ended 31 March 2021
India (country of domicile)	32,107.55	32,313.10
Outside India	159.70	309.37
	<b>32,267.25</b>	<b>32,622.47</b>

Non current assets of the Group are used interchangeably amongst geographical segments and are not allocable to any of the geographical segments. Assets have been therefore identified on the basis of their geographic location and not on the basis of usage.

Reportable assets for the purpose of this note constitute non-current assets other than financial assets and deferred tax assets.

## E Revenue from major customers

During the year ₹ 21,354.34 lakhs (31 March 2021: ₹ 13,313.54 lakhs) of the Group's revenue from operations were generated from two customers.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

## 44 SHARE-BASED PAYMENTS

The Group has the following Employees stock option schemes outstanding as at 31 March 2022:

### Employee Stock Option Plan 2010

The Board of Directors of MSPL approved the 'Mistral Solutions Private Limited Employee Stock Option Plan 2010' on 15 July 2010 and it is effective from 1 April 2010. The options granted have vesting period in the range of 1 to 4 years.

Particulars	31 March 2022	31 March 2021
Options outstanding as at beginning of the year	3,68,000	2,37,000
Options granted during the year	-	1,39,000
Options vested during the year	-	-
Options forfeited during the year	5,000	-
Options exercised during the year	-	8,000
Shares allotted against options exercised during the year	-	8,000
Options expired during the year	-	-
Options outstanding at the end of the year	3,63,000	3,68,000
Options exercisable as at the end of the year	2,62,250	2,29,000
Weighted average price per option (₹)	5.00	5.00

The fair value at grant date is determined using the Black Scholes valuation option-pricing model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The MSPL has granted Nil option (31 March 2021: 1,39,000 options) during the year.

### AXISCADES Employee Stock Option Plan- Series 1 & 2

The Company has two ESOP schemes titled "AXISCADES Employee Stock Option Plan - Series 1 & 2" under which option to subscribe for the Company's shares can be granted to certain executive and senior employees.

During the current year, the Nomination and Remuneration Committee of the Board of Directors of the Company has approved the grant to two eligible employees of the Company pursuant to the AXISCADES Employee Stock Option Plan - Series 2 ('ESOP Series 2'). The exercise price of the share options is equal to the 90-day average closing price as on date prior to the date of nomination and remuneration committee meeting with such discount as may be decided by the committee for the grant of options under the Scheme. 2/3<sup>rd</sup> of the share options will vest after 2 years, and remaining 1/3<sup>rd</sup> of the share options will vest after 3 years from the date of grant of options.

The fair value of the options granted is estimated using Black-Scholes model of pricing, taking into account the terms and conditions upon which the share options were granted.

The share options can be exercised up to eight years from the grant date. There are no cash settlement alternatives. The Company accounts for the Scheme as an equity-settled plan.

	31 March 2022	31 March 2021
Expense arising from equity-settled share-based payment transactions	636.33	140.89
Total expense arising from share-based payment transactions	636.33	140.89

# Notes to Consolidated Financial Statements

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(All amounts in ₹ lakhs, unless otherwise stated)

## Movements during the year

The following table illustrates the number and weighted average exercise prices ('WAEP') of, and movements in, share options during the year

Particulars	31 March 2022	31 March 2022	31 March 2021	31 March 2021
	Number	WAEP	Number	WAEP
Outstanding at 1 April	30,20,762	51.54	8,77,300	52.70
Granted during the year *	32,07,482	77.83	22,03,462	51.20
Lapsed during the year	(7,74,070)	51.20	(60,000)	52.65
Exercised during the year	(1,54,500)	52.80	-	-
Expired during the year	-	-	-	-
Outstanding at 31 March	<b>52,99,674</b>	<b>67.47</b>	<b>30,20,762</b>	<b>51.54</b>
Exercisable at 31 March	13,87,369	51.97	-	-

The weighted average share price at the date of exercise of these options was ₹ 92.11 (31 March 2021: ₹ Nil).

The weighted average remaining contractual life for the share options outstanding as at 31 March 2022 was 7.10 years (31 March 2021: 7.43 years).

The weighted average fair value of options granted during the year was ₹ 57.10 (31 March 2021: ₹ 29.54).

The range of exercise prices for options outstanding at the end of the year was ₹ 51.20 to ₹ 83.52 (31 March 2021: ₹ 51.20 to ₹ 52.95).

The following table list the input to the model used for the scheme for the year ended 31 March 2022 and 31 March 2021 respectively.

	31 March 2022	31 March 2021
Weighted average fair values at the measurement date	57.10	29.54
Dividend yield (%)	-	-
Expected volatility (%)	54.70%-57.23%	55.30%-59.90%
Risk-free interest rate (%)	5.48%-7.16%	5.48%-7.25%
Expected life of share options (years)	5.5 years	5.5 years
Weighted average exercise price (INR)	67.47	51.54
Model used	Black-Scholes	Black-Scholes

The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

## 45 DISCLOSURE IN ACCORDANCE WITH GUIDANCE NOTE ON ACCOUNTING FOR EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES:

		Year ended 31 March 2022	Year ended 31 March 2021
a) Gross amount required to be spent by the Group during the year		40.36	32.29
(b) Amount spent during the year ending on 31 March 2022:	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	30.40	1.25	31.65
(c) Amount spent during the year ending on 31 March 2021:	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	44.46	-	44.46

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for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

d) Details related to spent / unspent obligations:

	Year ended 31 March 2022	Year ended 31 March 2021
i) Contribution to Public Trust	-	5.60
ii) Contribution to Charitable Trust	30.40	38.86
iii) Unspent amount in relation to:		
-Ongoing project	-	-
-Other than ongoing project	9.96	-
	<b>40.36</b>	<b>44.46</b>

**In case of Section 135(5) (Other than ongoing project)**

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance*
44.46	-	40.36	30.40	9.96

**46** The Group's operations and financial results have been impacted by the outbreak of COVID-19 pandemic. The full impact of COVID-19 still remains uncertain and could be different from the estimates considered while preparing these financial results. The Group will continue to closely monitor any material changes to future economic conditions.

**47 TRANSFER PRICING**

The Finance Act, 2001 has introduced, with effect from Assessment Year 2002-03 (effective 1 April 2001), detailed Transfer Pricing regulations for computing the taxable income and expenditure from 'international transactions' between 'associated enterprises' on an 'arm's length' basis. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within due date of filing the Return of Income. The Group is in the process of updating the Transfer Pricing documentation for the financial year ended 31 March 2022 following a detailed transfer pricing study conducted for the financial year ended 31 March 2021. In the opinion of the Management, the same would not have an impact on these financial statements. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any.

**48 RATIO ANALYSIS AND ITS ELEMENTS**

The ratios have not been disclosed in the consolidated Ind AS financial statements pursuant to the guidance under the Revised Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India ("ICAI").

# Notes to Consolidated Financial Statements

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(All amounts in ₹ lakhs, unless otherwise stated)

## 49 STATUTORY GROUP INFORMATION

The entities consolidated in the consolidated financial statements are listed below:

Sl. No	Name of the entity	Country of incorporation	Relationship as at 31 March 2022	Percentage of effective ownership interest held (directly and indirectly) as at		Net assets, i.e. total assets minus total liabilities		Share in total comprehensive income					
				31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021				
				As a % of consolidated net assets	As a % of consolidated net assets	As a % of total comprehensive income	As a % of total comprehensive income	As a % of total comprehensive income	As a % of total comprehensive income				
<b>A. Parent</b>													
	AXISCADES Technologies Limited	India	Holding Company			49.40%	16,627.21	52.22%	15,849.31	13.37%	346.58	354.76%	(6,197.89)
<b>B. Subsidiaries</b>													
1	AXISCADES, Inc.	USA	Subsidiary	100%	100%	7.11%	2,393.62	6.62%	2,009.10	12.28%	318.27	-30.83%	538.63
2	AXISCADES UK Limited	United Kingdom	Step down subsidiary	100%	100%	1.44%	486.15	1.14%	345.06	5.75%	149.14	-5.69%	99.48
3	AXISCADES Technology Canada Inc.	Canada	Subsidiary	100%	100%	9.39%	3,159.48	9.83%	2,983.10	1.83%	47.44	-2.31%	40.42
4	AXISCADES GmbH	Germany	Subsidiary	100%	100%	0.13%	44.36	0.17%	53.02	-0.30%	(7.80)	-0.34%	5.90
5	AXIS MECHANICAL ENGINEERING DESIGN CO. (WUXI) LTD.	China	Subsidiary	100%	100%	-0.33%	(112.04)	-0.36%	(108.06)	0.14%	3.52	1.68%	(29.35)
6	Cades Studec Technologies (India) Private Limited	India	Subsidiary	76%	76%	6.68%	2,246.88	6.81%	2,065.45	7.00%	181.43	-11.80%	206.12
7	AXISCADES Aerospace and Technologies Private Limited	India	Subsidiary	100%	100%	39.68%	13,357.57	43.40%	13,173.33	6.57%	170.36	-90.16%	1,575.16
8	AXISCADES Aerospace Infrastructure Private Limited	India	Step down subsidiary	100%	100%	23.07%	7,764.16	25.72%	7,805.78	-1.63%	(42.22)	2.29%	(39.98)
9	Enertec Controls Limited	India	Step down subsidiary	100%	100%	10.54%	3,548.47	11.66%	3,539.65	0.34%	8.83	-2.30%	40.22
10	Mistral Solutions Private Limited	India	Subsidiary	100%	100%	41.54%	13,983.33	37.14%	11,272.31	93.54%	2,424.33	-87.88%	1,535.38



# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Sl. No	Name of the entity	Country of incorporation	Relationship as at 31 March 2022	Percentage of effective ownership interest held (directly and indirectly) as at		Net assets, i.e. total assets minus total liabilities		Share in total comprehensive income			
				31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021		
				As a % of consolidated net assets	As a % of consolidated net assets	As a % of total comprehensive income	As a % of total comprehensive income	As a % of total comprehensive income	As a % of total comprehensive income		
11	Aero Electronics Private Limited	India	Step down subsidiary	100%	100%	-0.05%	(16.91)	-0.07%	(1.72)	0.09%	(1.61)
12	Mistral Technologies Private Limited	India	Step down subsidiary	100%	100%	2.28%	766.61	1.48%	38.37	-1.87%	32.60
13	Mistral Solutions Inc.	USA	Step down subsidiary	100%	100%	2.40%	808.96	3.32%	86.14	-9.06%	158.28
14	Mistral Solutions Pte Limited	Singapore	Step down subsidiary	100%	100%	0.00%	-	0.00%	-	0.00%	-
	Translation adjustment					-	-	0.00%	-	0.16%	(2.76)
	<b>Total</b>					<b>193.27%</b>	<b>65,057.85</b>	<b>143.63%</b>	<b>3,722.67</b>	<b>116.73%</b>	<b>(2,039.40)</b>
	<b>C. Minority Interest</b>										
	Cades Studec Technologies (India) Private Limited	India	Subsidiary	24%	24%	-1.59%	(534.76)	1.72%	44.59	-2.62%	45.84
	Adjustment arising out of Consolidation					-91.68%	(30,862.02)	-45.35%	(1,175.39)	-14.11%	246.49
	<b>Consolidated net assets/ Total comprehensive income</b>					<b>100.00%</b>	<b>33,661.07</b>	<b>100.00%</b>	<b>2,591.87</b>	<b>100.00%</b>	<b>(1,747.07)</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

**50** The Code on Social Security, 2020 (the "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 is yet to be notified and the final rules/ interpretation are yet to be issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact accordingly.

## 51 OTHER STATUTORY INFORMATION

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with companies struck off.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

## 52 Previous year comparatives

Previous year figures have been regrouped/ reclassified, where necessary, to confirm to this year's classification.

### For S R Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration number : 101049W/E300004

Sd/-

**per Sunil Gaggar**

Partner

Membership Number : 104315

Place : Bengaluru

Date : 24 May 2022

For and on behalf of the Board of Directors of

**AXISCADES Technologies Limited** (formerly AXISCADES Engineering Technologies Limited)

CIN NO: L72200KA1990PLC084435

Sd/-

**Arun Krishnamurthi**

Chief Executive Officer and Managing Director

DIN : 09408190

Sd/-

**Shashidhar SK**

Chief Financial Officer

Place : Bengaluru

Date : 24 May 2022

Sd/-

**Sudhakar Gande**

Non Executive Director

DIN : 00987566

Sd/-

**Sonal Dudani**

Company Secretary

Membership No.: 40415

# NOTICE

## NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty Second (32<sup>nd</sup>) Annual General Meeting (AGM) of the members of AXISCADES Technologies Limited will be held on Tuesday, September 27, 2022 at 11:30 A.M. (IST) by way of Video Conferencing (VC) / Other Audio Visual Means ("OAVM") to transact the following businesses:

### ORDINARY BUSINESS

#### Item No. 1 Adoption of Audited Financial Statements (Standalone & Consolidated)

To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2022, including the audited Balance Sheet as on March 31, 2022, the Statement of Profit and Loss and Cash Flow Statement, for the year ended on that date (including the consolidated financial statements) together with the report of the Board of Directors and Auditors thereon.

#### Item No. 2 Appointment of Director, Mr. Sudhakar Gande (DIN: 00987566), liable to retire by rotation

To appoint a Director in place of Mr. Sudhakar Gande (DIN: 00987566), who retires by rotation and being eligible, offers himself for re-appointment.

#### Item No. 3 Appointment of Director, Mr. Harold David Walker (DIN: 08764633), liable to retire by rotation

To appoint a Director in place of Mr. Harold David Walker (DIN: 08764633), who retires by rotation and being eligible, offers himself for re-appointment.

#### Item No. 4 Appointment of Statutory Auditors of the Company

To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No.101049W/E300004), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the thirty-seventh AGM to be held in the year 2027, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

### SPECIAL BUSINESS:

#### Item No. 5 Reappointment of Mr. Desh Raj Dogra (DIN: 00226775) as an Independent Director

To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), Mr. Desh Raj Dogra (DIN: 00226775),

Non-Executive Independent Director of the Company, whose first term of office (as per the Companies Act, 2013) is completing in the ensuing AGM, being eligible and in respect of whom the Company has received a recommendation from Nomination & Remuneration Committee and Board proposing his candidature for the office of a Director, be and is hereby reappointed as Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office with effect from the conclusion of this Annual General Meeting till 34<sup>th</sup> Annual General Meeting."

#### Item No. 6 Reappointment of Mr. Dhiraj Mathur (DIN: 08478137) as an Independent Director

To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), Mr. Dhiraj Mathur (DIN: 08478137), Non-Executive Independent Director of the Company, whose first term of office (as per the Companies Act, 2013) is completing in the ensuing AGM, being eligible and in respect of whom the Company has received a recommendation from Nomination & Remuneration Committee and Board proposing his candidature for the office of a Director, be and is hereby reappointed as Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office with effect from the conclusion of this Annual General Meeting till 34<sup>th</sup> Annual General Meeting."

#### Item No. 7 Approval for increase in the Borrowing limits of the Company

To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the resolution passed by the shareholders on October 6, 2017 and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and subject to the approval of such authority, as may be required, the Board of Directors of the Company (Hereinafter referred to as the "Board", which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) be and is hereby authorized and shall be deemed to have always been so authorized to raise and borrow for and on behalf of the Company, any sum or sums of money, from time to time, from such authorities or bodies corporate or banks or financial institutions or any other agency, either domestic or foreign, or the general public, by way obtaining loans, overdraft facilities, lines of credit, commercial papers, debentures, external commercial borrowings (loans/bonds), bridge loans, term loans or any other loans in any other forms, whether secured or unsecured, notwithstanding that the sum or sums so borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of

the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any point of time exceed the limit of Rs.500 crores (Rupees Five Hundred Crores Only)."

**Item No. 8 Approval for creation of charge on the assets of the Company**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company is hereby accorded to the creation by the Board of Directors of the Company (Hereinafter referred to as the "Board", which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) of such mortgages, charges and hypothecations, as may be necessary on such assets of the Company, both present and future, in such a manner as the Board may direct, in favor of such authorities or bodies corporate or banks or financial institutions or any other agency, either domestic or foreign, or the general public, to secure rupee term loans, foreign currency loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding Rs.500 crores (Rupees Five Hundred Crores) with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Lending Agencies under their respective Agreements/Loan Agreements/Debenture Trust Deeds, in any other form entered into or to be entered into by the Company in respect of the said borrowings.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalize with the Lending Agencies/Trustees the terms and conditions on which all such monies are to be borrowed from time to time, as to interest, repayment, security or otherwise and to finalize the documents for creating the aforesaid mortgages, charges and/or hypothecation and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts, deeds and things to execute all such documents, instruments and writings, as may be required".

**Item No. 9 Approval for Material Related Party Transaction-Consultancy agreement between Wholly Owned Subsidiary AXISCADES Inc. & INBIS where Chairman Mr. David Bradley is interested.**

To consider and if thought fit, to pass, with or without modifications, the following resolution as **Ordinary Resolution**

**"RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of Companies (Meeting of the Board and its Powers) Rules, 2014, Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 (Listing Regulations) and other applicable provisions, if any of the Listing Regulations, Companies Act, 2013 and Rules made thereunder

including statutory modification(s) or re-enactment thereof for the time being in force and as may be notified from time to time, and Company's Policy, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to allow Mr. David Bradley, Chairman and Director (Non-Executive), to enter into contract(s)/ arrangement(s)/ transaction(s) with AXISCADES Inc. (Wholly Owned Subsidiary) through INBIS Consultants Limited where Mr. David Bradley is interested in the capacity of Director and CEO and holds majority stake on such terms and conditions as the Board of directors deem fit, for a period of one year and at an Annual Fees of USD 120,000."

**Item No. 10 Alteration of Articles of Association of company**

To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of Companies Act, 2013, read with the applicable Rules and Regulations made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the necessary registrations, approvals, consents, permissions and sanctions required, if any, from the jurisdictional Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, consent of the members of the Company be and is hereby accorded for the following alteration to ARTICLES OF ASSOCIATION.

Under existing set of ARTICLES OF ASSOCIATION, the following shall be omitted: The heading **"XIX THE SEAL"**, as stipulated below

*81. (i) The Board shall provide for the safe custody of the seal. (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.*

By Order of the Board of Directors  
For **AXISCADES Technologies Limited**

Sd/-

**Sonal Dudani**

Place: Bengaluru

Date: August 10, 2022 Company Secretary & Compliance Officer

**Registered office**

Block C, 2<sup>nd</sup> Floor, Kirloskar Business Park,  
Bengaluru-560024.

CIN: L72200KA1990PLC0084435,

e-mail: info@axiscades.in

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

In conformity with provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the special businesses mentioned in the accompanying Notice and should be taken as forming part of the Notice.

#### ITEM 4

The Company in its Annual General Meeting held on August 24, 2017 appointed S.R. Batliboi & Associates LLP as Statutory Auditors of the Company for a term of 5(five) years expiring in the ensuing Annual General Meeting. In accordance with Section 139(2) and Rule 5 of the Companies (Audit and Auditors) Rules 2014, an audit firm can be appointed as Statutory Auditors of the listed company for two consecutive terms of 5 years each. As such, S.R. Batliboi & Associates are eligible to be appointed as Statutory Auditors of AXISCADES Technologies Ltd. for one more term of 5 years, as recommended by the Audit Committee and the Board in their meeting held on May 24, 2022 to hold office for a second term of five consecutive years from the conclusion of the ensuing AGM until the conclusion of the 37<sup>th</sup> AGM to be held in the year 2027 on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in passing the proposed Resolution. The Board recommends the resolution set forth in item no. 4 for the approval of members.

#### ITEM 5 & 6:

Mr. Desh Raj Dogra and Mr. Dhiraj Mathur, were appointed as Independent Directors of the Company pursuant to Section 149 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, by the members at the AGM held on September 29, 2020, to hold office for 2 years till 32<sup>nd</sup> Annual General Meeting.

They are due for retirement from the first term as Independent Directors at this Annual General Meeting. The Nomination and Remuneration Committee vide circular resolution dated August 10, 2022, after taking into account the performance evaluation of Mr. Desh Raj Dogra and Mr. Dhiraj Mathur during their first term of two years and considering their knowledge, acumen, expertise, experience and substantial contribution and time commitment to the Company, recommended to the Board their reappointment for a second term of two years. The Nomination and Remuneration Committee has considered their diverse skills, leadership capabilities, expertise in governance and finance, risk management and vast global business experience, among others, as being key requirements for this role. In view of the above, the Nomination and Remuneration Committee and the Board are of the view that Mr. Desh Raj Dogra and Mr. Dhiraj Mathur possess the requisite skills and capabilities, which would be of immense benefit to the Company, and hence, it is desirable to reappoint them as Independent Directors.

Based on the recommendation of the Nomination and Remuneration Committee, the Board, at its meeting held on August 10, 2022, has recommended the reappointment of Mr. Desh Raj Dogra and Mr. Dhiraj Mathur as Independent Directors, not liable to retire by rotation, for a second term of two years from the conclusion of this Annual General Meeting till 34<sup>th</sup> Annual General Meeting.

In accordance with the provisions of Section 149 of the Companies Act, 2013, an Independent Director may hold office for two terms upto five consecutive years each.

Mr. Desh Raj Dogra (DIN: 00226775) and Mr. Dhiraj Mathur (DIN: 08478137) fulfill the requirements of Independent Directors as laid down under Section 149(6) of the Companies Act, 2013, and Regulation 16 of the LODR Regulations.

The Company has received all statutory disclosures / declarations from Mr. Desh Raj Dogra and Mr. Dhiraj Mathur, respectively including (i) consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules"), (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and (iv) affirmation that he has not been debarred or disqualified from being appointed or continuing as Director of a company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

In the opinion of the Board and based on its evaluation, Mr. Desh Raj Dogra and Mr. Dhiraj Mathur fulfil the conditions specified in the Companies Act, 2013 and Rules made thereunder and LODR Regulations for their reappointment as an Independent Director of the Company and they are independent of the Management of the Company. A copy of the draft letter for the reappointment of Mr. Desh Raj Dogra and Mr. Dhiraj Mathur setting out the terms and conditions is available for electronic inspection without any fee by the members.

The resolution seeks the approval of members for the reappointment of Mr. Desh Raj Dogra and Mr. Dhiraj Mathur as Independent Directors of the Company from the conclusion of this Annual General Meeting till 34<sup>th</sup> Annual General Meeting pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and their office shall not be liable to retire by rotation.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives except to the extent of their shareholding in the Company and except Mr. Desh Raj Dogra and Mr. Dhiraj Mathur to whom the resolution relate, are in any way concerned or interested, financially or otherwise in the Resolution set out at Item No.5 & 6 of the Notice.

#### ITEM 7 & 8:

The shareholders of the Company on October 6, 2017, by a special resolution (in accordance with the provisions of Companies Act, 2013), authorized the Board of Directors / Committee, of the Company, to borrow sums in excess of paid-up share capital and free reserves but not at any time exceeding Rs. 250 Crores (Rupees Two Hundred Fifty Crores only) and authorized for the said purpose mortgaging and/or creating charge on all or any part of the immovable and/or movable properties/assets. As required by provisions of Section 180(1)(c) & 180(1)(a) of the Companies Act, 2013 and keeping in view the company's existing and future business requirements and its growth plans, it is considered desirable to increase the borrowing / mortgage limit to Rs. 500 Crores or the limits prescribed under the Act, whichever is higher.



The Board recommends the resolution of the accompanying Notice for the approval of the members of the Company. None of the Directors or Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution except to the extent of their shareholding.

**ITEM 9:**

In terms of the Companies Act, 2013, the shareholders in their meeting held on September 28, 2021 approved material related party transaction for remunerating Mr. David Bradley, Chairman and Director (Non-Executive) partly for his efforts with AXISCADES Inc. (Wholly Owned Subsidiary) through his company INBIS Consultants Limited, where he is interested in the capacity of Director and CEO and holds majority stake. (Wholly Owned Subsidiary). The term of the said agreement was until March 31, 2022.

The Companies Act 2013, aims to ensure transparency in the transactions and dealing with related parties of the Company. The provisions of section 188(1)(f) govern the related party's appointment to any office or place of profit, in the company, its subsidiary or associate company. Accordingly, in order to re-enter into the said transaction and based on the recommendation and approval of the Nomination & Remuneration Committee and Audit Committee, the Board of Directors, in their meeting held on August 10, 2022 approved this contract for the said limit and with the terms agreed and recommends the same for shareholders' approval.

Mr. David Bradley was appointed as the Director of the Company w.e.f March 05, 2019 and as the Chairman w.e.f. May 31, 2019. He brings immense value in his role as Chairman having led a large global Engineering services company.

Mr. David Bradley was instrumental in developing and scaling several accounts into USD 50+ Mn relationships in the global Engineering industry. He also served as a Member of the Management Board of Assystem since December 13, 2007 and was CEO of Assystem UK Ltd. Assystem GPS is currently known as Expleo, has a presence in 25 countries and more than 14,000 employees with Euro 1Bn in revenues in 2017.

Mr. David is spending considerable time with the Company in mentoring senior management team and in improving and scaling up the organization processes. Some of the efforts are visible in the form of client mining, new customer acquisition, higher profitability over the last two years and the cash that is being generated from operations.

The consultancy agreement between AXISCADES Inc. (Wholly Owned Subsidiary) and INBIS shall commence on April 1, 2022 and shall continue until March 31, 2023 at which time the agreement may be renewed or terminated on mutually acceptable terms and conditions.

Mr. Bradley's continued contribution is crucial to provide impetus to expand the global footprint and business of the company. Considering his qualification, experience and present role, the prescribed upper limit in the Companies Act, 2013 is not sufficient to remunerate Mr. Bradley and hence requires approval of the Shareholders for the proposed remuneration. Section 188 of the Company's Act,

2013, provides that no company shall enter into any contract or arrangement with the related party except with the consent of the Board of Directors and in case it exceeds the prescribed threshold, then with the consent of shareholders as well.

Members are informed that no member shall vote on this resolution, if such member is a related party.

The Board recommends the said resolution for approval of the members as ordinary resolution.

Mr. David Bradley is deemed to be interested in the said resolution.

Apart from the above, none of the Director or Key Management personnel is in any way concerned or interested in this Resolution.

**ITEM 10:**

The Company is required to execute various agreements, documents etc. towards its business matters and other administrative necessities. In view of the same and to facilitate administrative convenience for execution of such documents on behalf of the Company it is proposed to alter the existing Articles of Association ("AOA") of the Company by omitting Clause XIX, pertaining to the affixation of common seal

Under existing set of ARTICLES OF ASSOCIATION, under clause XIX "THE SEAL", the following is stipulated

*81. (i) The Board shall provide for the safe custody of the seal. (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence*

The requirement of Common Seal under Section 22 of the Act has been made optional hence the Company desires to omit the said clause. Pursuant to Section 14 of the Companies Act, 2013, the said alteration can be effected only with the approval of Shareholders by passing a special resolution.

The Board recommends the Resolution of the accompanying Notice for the approval of the members of the Company. None of the Directors or Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution except to the extent of their shareholdings.

By Order of the Board of Directors  
For **AXISCADES Technologies Limited**

Sd/-

**Sonal Dudani**

Place: Bengaluru  
Date: August 10, 2022 Company Secretary & Compliance Officer

**Registered office**

Block C, 2<sup>nd</sup> Floor, Kirloskar Business Park,  
Bengaluru-560024.

CIN: L72200KA1990PLC0084435,

e-mail: info@axiscades.in



**NOTICE OF THE ANNUAL GENERAL MEETING****DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT, PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 ISSUED BY ICSI:**

<b>Name of Directors</b>	<b>Mr. Sudhakar Gande</b>	<b>Mr. Harold David Walker</b>	<b>Mr. Desh Raj Dogra</b>	<b>Mr. Dhiraj Mathur</b>
DIN	00987566	08764633	00226775	08478137
Date of Birth	03-09-1957	04-04-1951	21-09-1954	11-09-1958
Date of first appointment on the Board	30-07-2018	29-06-2020	29-09-2020	29-09-2020
Qualification	Mr. Gande holds a M.Tech (Electronics & Computers) degree from the Indian Institute of Technology (IIT), Delhi and MBA in Finance from Faculty of Management Studies (FMS), Delhi University.	Mr. Walker graduated cum laude from Vanderbilt University (Mechanical Engineering). He also graduated with an honors fellowship Master's degree in engineering.	Mr. Dogra holds a Bachelor's and Master's degree in agriculture from Himachal Pradesh University and MBA from Faculty of Management Studies, University of Delhi. He is a certified associate of the Indian Institute of Bankers.	Mr. Mathur holds a B. Tech degree from IIT Delhi, Masters in Economic Policy Management from Columbia University, MBA (Finance) from Pace University, New York, and an M. Phil in International Economics from New School University, New York.
Brief Resume and Expertise in specific functional area	His areas of expertise includes Strategy, General Management, Corporate Finance, Investment Banking, Financial Services, Technology & Media and in Infrastructure domains.	He shall constructively contribute to the development of the Company's strategy and shall be mentoring Senior Management of the Company (including its subsidiaries and Associates).  He has vast experience in the Aerospace industry.	His areas of expertise includes Financial sector in the areas of banking and credit rating.	He has strong expertise and understanding of strategic issues and regulatory regimes in a wide range of sectors.  His areas of specialisation include public policy, sectoral regulatory regimes, Defence procurement procedures, localisation and defence offset policies, state incentives schemes, FDI and Industrial Licensing policies, exchange control laws, TRM and foreign trade policy.
Directorship in the Boards of other Indian listed entities	Manjeera Constructions Limited	Nil	1. Capri Global Capital Limited 2. IFB Industries Limited 3. G R Infraprojects Limited 4. S Chand and Company Limited 5. Welspun Corp Limited	Nil
Membership/Chairmanship in Committees of other Indian listed entities	Membership in Audit Committee 1. Manjeera Constructions Limited	Nil	Membership in Audit Committee 1. S Chand and Company Limited 2. Welspun Corp Limited	Nil

**Notes:**

1. Directorships in unlisted entities, foreign companies and membership in governing councils, chambers and other bodies are not included.
2. Membership/Chairmanship in Audit Committee and Stakeholder Grievance Committees of other listed public entities is considered.
3. Mr. Desh Raj Dogra has resigned from IDFC First Bank Limited on 04/04/2019 and Sintex Plastics Technology Limited on 06/07/2021.
4. There is no inter-se relationship amongst the Directors and Key Managerial Personnel.
5. Mr. Sudhakar Gande holds 15,89,807 equity shares of the Company as on March 31, 2022.
6. The details of the number of Board and Committee meetings attended during the year are given in the Annual Report 2022.
7. The skills and capabilities of independent directors has been disclosed in the explanatory statement.
8. The detailed profile of Directors are disclosed in the Annual Report 2022 and are also hosted on the website of the Company at [www.axiscades.com](http://www.axiscades.com).

**NOTES:**

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special businesses is annexed hereto and forms part of the Notice.
2. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its circulars dated 5 May 2022 read with circulars dated 8 April 2020, 13 April 2020, 5 May 2020, 13 January 2021 and 8 December 2021 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM") through VC. Accordingly, in compliance with the provisions of the Companies Act, 2013 (the "Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 32<sup>nd</sup> AGM of the Company is being held through Video Conferencing (VC). The deemed venue for the AGM shall be the Registered Office of the Company.
3. ALTHOUGH, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF/ HERSELF, BUT SINCE THIS MEETING IS BEING HELD THROUGH VC/OAVM UNDER THE FRAMEWORK OF MCA CIRCULARS ON ACCOUNT OF THREAT POSED BY COVID-19, WHERE PHYSICAL PRESENCE OF MEMBERS HAS BEEN DISPENSED WITH, THE FACILITY OF APPOINTMENT OF PROXY WILL NOT BE AVAILABLE. AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED HERETO.
4. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
5. Pursuant to the provisions of Sections 112 and 113 of the Act, representatives of the Corporate Members may be appointed for the purpose of voting through remote e-voting or for participation and voting at the AGM through e-voting facility. Body corporates are entitled to appoint authorized representative(s) to attend the AGM through VC/ OAVM and to cast their votes through remote e-voting/ e-voting at the AGM. In this regard, the body corporates are required to send a latest certified copy of the Board Resolution/ Authorization Letter/ Power of Attorney authorising their representative(s) to attend the meeting and vote on their behalf through e-voting. The said resolution/ letter/ power of attorney shall be sent by the body corporate through its registered e-mail ID to the Scrutinizer by email through its registered email address to khamankarcs@gmail.com with a copy marked to einward.ris@kfintech.com (KFIN's ID).

**ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT**

6. In accordance with the MCA Circulars and SEBI Circulars dated May 13, 2022:
  - a) Notice of the AGM along with the Annual Report for the financial year 2021-22 is being sent to the Members and to all other persons so entitled in electronic mode only, whose email addresses has been registered with the Company/ Depository Participants ('DPs')/ Depository/ KFIN. Members are requested to verify/ update their details such as email address, mobile number etc. with their DPs, in case the shares are held in electronic form and with KFIN, in case the shares are held in physical form.

- b) Those Members who have not yet registered their email addresses and consequently, have not received the Notice and the Annual Report, are requested to get their email addresses and mobile numbers registered with KFIN, by following the guidelines mentioned below.

**Guidelines to register email address:**

- i) Visit the link <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>
- ii) Select the company name i.e. **AXISCADES Technologies Limited**.
- iii) Enter DPID-CLIENT ID (in case shares are held in electronic form)/ Physical Folio No. (in case shares are held in physical form) and PAN.
- iv) If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating the records.
- v) In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
- vi) Enter the email address and Mobile No.
- vii) System will check the authenticity of DPID-CLID/ Physical Folio No. and PAN/Certificate No., as the case may be, and will send the OTPs at the registered Mobile No. as well as email address for validation.
- viii) Enter the OTPs received by SMS and email to complete the validation process. Please note that the OTPs will be valid for 5 minutes only.
- ix) The Company through KFIN will send the Notice, Annual Report and the e-voting instructions along with the User ID and Password to the email address given by you.

Alternatively, Members may send a copy of the share certificate (in case shares are held in physical form) along with scanned copy of the signed request letter mentioning Name, Folio Number, Share certificate number, complete address, email address and mobile number, and scanned copy of self-attested PAN card to enable KFIN to register their e-mail address and to provide them the Notice, Annual Report and the e-voting instructions along with the User ID and Password at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

In order to enable the Company to comply with MCA circulars and to participate in the green initiative in Corporate Governance, members are requested to register their email addresses in respect of shares held in electronic form with their Depository Participant(s) permanently for sending the Annual report, Notice of AGM and the e-voting instructions.

- x) Kindly note that in case the shares are held in electronic form, the above facility is only for temporary registration of email address for receipt of Notice, Annual Report and the e-voting instructions along with the User ID and Password. Such Members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.
- xi) In case of queries, Members are requested to write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or call at the toll free number 1800 309 4001.

7. The notice of AGM along with Annual Report will be sent to those members / beneficial owners whose name will appear in the register of members/ list of beneficiaries received from the depositories as on Friday, August 26, 2022.
8. The Notice of the AGM and the Annual Report for the financial year 2021-22 will be available on the website of the Company ([www.axiscades.com](http://www.axiscades.com)), on the website of KFIN <https://evoting.kfintech.com/public/downloads.aspx> and on the website of National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) and BSE Limited ([www.bseindia.com](http://www.bseindia.com)), in compliance with the MCA Circulars

#### PROCEDURE FOR JOINING THE AGM THROUGH VC/ OAVM

9. The Company is providing VC/OAVM facility to its members for joining/participating at the AGM. Members may join the Meeting through Desktops, Laptops, Smartphones, Tablets and iPads. Further, Members are requested to use Internet with a good speed to avoid any disturbance during the Meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
10. Members are requested to follow the procedure given below to attend the AGM through VC / OAVM .or view the live webcast:
  - i) Launch internet browser (latest version of Chrome/ Firefox/Safari/ Internet Explorer 11 or MS Edge) by typing the URL: <https://emeetings.kfintech.com>.
  - ii) Enter the login credentials (i.e., User ID and password for e-voting provided by KFIN).
  - iii) After logging in, click on "Video Conference" option.
  - iv) Then click on camera icon appearing against AGM event of AXISCADES Technologies Limited to attend the AGM. Please do the echo test once you enter into the AGM room.
11. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions.
12. The facility for joining the AGM shall open 15 minutes before the time scheduled for AGM and will continue till the expiry of 15 minutes after conclusion of the AGM. Large shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel and Auditors are encouraged to attend the AGM.
13. The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password. On successful login, select 'Post Your Question' option which will be opened 9:00 A.M. (IST) on Friday, September 23, 2022 and will end at 5:00 P.M. (IST) on Sunday, September 25, 2022.
14. To ensure smooth transmission and co-ordination during the Q&A Session, the Company is providing the facility of Speaker Registration. Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after log in. The facility of 'Speaker Registration' will open at 9:00 A.M. (IST) on Friday, September 23, 2022 and will end at 5:00 P.M. (IST) on Sunday, September 25, 2022. Only those members who are registered will be allowed to express their views or ask questions.
  - 1) Members who wish to ask questions during the AGM, can do so by registering themselves as a 'Speaker', by following the instructions, as mentioned below:
    - (i) Click on the following URL: <https://emeetings.kfintech.com>
    - (ii) Use e-voting User ID and Password, to register as a 'Speaker'.
    - (iii) Only those Members holding shares either in physical form or in electronic form, as on the cut off date of Tuesday, September 20, 2022, may register themselves as a 'Speaker' from Friday, September 23, 2022 (9:00 A.M.) upto Sunday, September 25, 2022 (5:00 P.M.). This will enable KFIN to make requisite arrangements for the said Members to ask questions during the AGM through VC.
    - (iv) Only those Members who have registered themselves as a 'Speaker', as aforesaid, will be able to ask questions during the AGM.
    - (v) The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
  - 2) Members who wish to post their queries may do so before the AGM, up to Sunday, September 25, 2022 (5:00 P.M.) by following the instructions, as mentioned below:
    - (i) Click on the following URL: <https://emeetings.kfintech.com>
    - (ii) Use e-voting User ID and Password, to post queries.
15. Members can submit their questions in advance with regard to the accounts or any other matter to be placed at the AGM by sending an e-mail to the Company at [secretary@axiscades.in](mailto:secretary@axiscades.in) and marking a copy to [evoting@Kfintech.com](mailto:evoting@Kfintech.com) mentioning their name, DP ID-Client ID / Folio number on or before Friday, September 23, 2022 or they can post their questions from 9:00 A.M. (IST) on Sunday, September 23, 2022 to 5:00 P.M. (IST) on Tuesday, September 25, 2022, by logging on to <https://emeetings.kfintech.com>. They can also upload their video by registering themselves as speaker by accessing the facility provided at <https://emeetings.kfintech.com->speaker> registration. The maximum time limit of the video should be three minutes. At the AGM, such questions will be replied by the Company suitably. The Company reserves the right to restrict the number of questions and number of speakers,

depending upon the availability of time, for smooth conduct of the AGM.

16. In case of any query relating to the procedure for attending AGM through VC/ OAVM or for any technical assistance, Members may call on toll free no.: 1800 309 4001 or send an e-mail at einward.ris@kfintech.com.
17. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
18. The recorded transcript of this meeting, shall as soon as possible, be made available on the website of the Company at [www.axiscades.com](http://www.axiscades.com).
19. Institutional shareholders are encouraged to attend and vote at the AGM.

#### PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM

20. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Act, Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility provided by listed entities, the Company is pleased to provide the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM.
21. The Company is providing e-voting facility to its members to enable them to cast their votes electronically. The Company has engaged the services of KFin as the Authorised Agency to provide remote e-voting facility (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a general meeting). The instructions for e-voting are given below:
  - I. Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Entities" e-Voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/Depository Participants (DPs) in order to increase the efficiency of the voting process.
  - II. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
22. The Members attending the AGM who have not cast their vote by remote e-voting shall be entitled to vote at AGM through e-voting system. Facility to cast vote at the AGM will be made available on the Video Conferencing screen and will remain active throughout the Meeting.

23. The members can opt for only one mode of voting i.e. remote e-voting or e-voting at the AGM. In case of voting by both the modes, vote cast through remote e-voting will be considered final and e-voting at AGM will not be considered. The members who have cast their vote by remote e-voting may also attend the AGM but can't vote at the AGM.
24. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
25. The remote e-voting facility will be available during the following period:

#### Commencement of remote e-voting:

From 9.00 a.m. (IST) on September 24, 2022

#### End of remote e-voting:

Upto 5.00 p.m. (IST) on September 26, 2022

26. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFIN upon expiry of aforesaid period.
27. The voting rights of Members for remote e-voting and for e-voting at AGM shall be in proportion to the paid up value of their shares in the equity share capital of the Company as at close of business hours on September 20, 2022 ('cutoff date').
28. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting / e-voting at AGM. The person who is not a member/ beneficial owner as on the cut-off date should treat this Notice for information purpose only.
29. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
30. The members who will be present in attending the AGM through VC / OAVM and have not already cast their vote(s) through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

#### INFORMATION AND INSTRUCTIONS FOR REMOTE E-VOTING

31. The details of the process and manner for remote e-Voting are explained herein below:

**Step 1:** Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access to KFin e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Details on Step 1 are mentioned below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>1. User already registered for IDEAS facility:</b></p> <ol style="list-style-type: none"> <li>Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>Click on the “Beneficial Owner” icon under “Login” under ‘IDEAS’ section.</li> <li>On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”.</li> <li>Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ol> <p><b>2. User not registered for IDEAS e-Services</b></p> <ol style="list-style-type: none"> <li>To register click on link: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>Select “Register Online for IDEAS” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>Proceed with completing the required fields.</li> <li>Follow steps given in points 1.</li> </ol> <p><b>3. Alternatively by directly accessing the e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> <li>Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e KFin.</li> <li>On successful selection, you will be redirected to KFin e-Voting page for casting your vote during the remote e-Voting period.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<p><b>1. Existing user who have opted for Easi/Easiest</b></p> <ol style="list-style-type: none"> <li>Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>Click on New System Myeasi.</li> <li>Login with your registered user id and password.</li> <li>The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFin e-Voting portal.</li> <li>Click on e-Voting service provider name to cast your vote.</li> </ol> <p><b>2. User not registered for Easi/Easiest</b></p> <ol style="list-style-type: none"> <li>Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Proceed with completing the required fields.</li> <li>Follow the steps given in point 1.</li> </ol> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>Provide your demat Account Number and PAN No.</li> <li>System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>After successful authentication, user will be provided links for the respective ESP, i.e KFin where the e- Voting is in progress.</li> </ol>
Individual Shareholders login through their demat accounts / Website of Depository Participant	<ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</li> <li>Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>Click on options available against company name or e-Voting service provider –Kfin and you will be redirected to e-Voting website of KFin for casting your vote during the remote e-Voting period without any further authentication.</li> </ol>



**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: <b>1800 1020 990 and 1800 224 430</b>
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at <b>022- 23058738 or 022-23058542-43</b>

**Details on Step 2 are mentioned below:**

Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

- a) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFin which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
  - i. Launch internet browser by typing the URL:<https://emeetings.kfintech.com/>
  - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting the vote.
  - iii. After entering these details appropriately, click on "LOGIN".
  - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'AXISCADES TECHNOLOGIES LIMITED' and click on "Submit"
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email ID [khamankarcs@gmail.com](mailto:khamankarcs@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned image of the abovementioned documents should be in the naming format "Corporate Name Even No."
- b) Any person who becomes member of the Company after dispatch of the Notice of AGM and is holding shares as on the cut-off date i.e Tuesday, September 20, 2022 may obtain the User ID and password in the manner as mentioned below:
  - a) If the mobile number of the member is registered against Folio No./ DPID Client ID, the Member may send SMS: MYEPWD E-Voting Event Number +Folio no. or DPID Client ID to +91-9212993399 Example for NSDL: MYEPWDIN12345612345678 Example for CDSL:



MYEPWD1402345612345678 Example for Physical:  
MYEPWD XXXX1234567890.

- b) If e-mail address or mobile number of the member is registered against Folio No. / DPID Client ID, then on the home page of <https://evoting.kfintech.com>, the member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.
- c) Member may Call KFin's Toll free number 1800 309 4001.
- d) Member may send an e-mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com).

In order to enable the Company to comply with MCA circulars and to participate in the green initiative in Corporate Governance, members are requested to register their email addresses in respect of shares held in electronic form with their Depository Participant(s) permanently for sending the Annual report, Notice of AGM and the e-voting instructions.

After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

32. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
33. In case of any query pertaining to e-voting, please visit Help & FAQs section available at KFIN website (<https://evoting.kfintech.com/public/Faq.aspx>). In case of any other queries/grievances connected to remote e-voting or shares, you may contact Mr. Raj Kumar Kale, an official of KFIN, at telephone number: 040-67162222 or the toll free number 1800-309-4001 or at email: [evoting@kfintech.com](mailto:evoting@kfintech.com).
34. The Board of Directors has appointed Mr. Anant Khamankar (Membership No. 3198), as the Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.
35. The Scrutinizer, after scrutinizing the voting through e-voting / remote e-voting at AGM and through remote e-voting shall, within Forty Eight (48) Hours from conclusion of the AGM, make a consolidated scrutinizer's report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting or a person authorised by him. The Chairman or the authorized person shall declare the results. The results declared shall be available on the website of the Company ([www.axiscades.com](http://www.axiscades.com)) and on the website of KFIN (<https://evoting.kfintech.com>). The results shall simultaneously be communicated to the Stock Exchanges. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

#### PROCEDURE FOR INSPECTION OF DOCUMENTS:

36. All documents referred to in the Notice will be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM i.e. Tuesday, September 27, 2022. Members seeking to inspect such documents can send an email to [secretary@axiscades.in](mailto:secretary@axiscades.in).

37. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and all the documents referred to in the Notice and explanatory statement, including certificate from the Auditors of the Company under Regulation 13 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be available electronically for inspection by the members during the AGM.

#### OTHER INFORMATION:

38. Information regarding particulars of the Directors to be reappointed requiring disclosure in terms of the Secretarial Standard 2, Listing Regulations and the explanatory statement pursuant to Section 102 of the Act are annexed hereto. The directorships held by the Directors considered for the purpose of disclosure do not include the directorships held in foreign companies. The committee chairmanships/ memberships considered for the purpose of disclosure are those prescribed under Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies.
39. As per Regulation 40 of Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or KFIN for assistance in this regard.
40. Members who are holding shares in physical form are requested to address all correspondence concerning registration of transmissions, sub-division, consolidation of shares or any other share related matters and/ or change in address or updation thereof to KFIN. Members, whose shareholding is in electronic format are requested to direct change of address notifications, registration of e-mail address and updation of bank account details to their respective DPs.
41. Non-resident Indian shareholders are requested to inform about the following to the Company or KFIN or the concerned DP, as the case may be, immediately of:
  - a) The change in the residential status on return to India for permanent settlement;
  - b) The particulars of the NRE Account with a Bank in India, if not furnished earlier.
42. Securities and Exchange Board of India has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to KFIN.
43. Members who are holding shares in physical form in identical names in more than one folio are requested to write to KFIN enclosing their share certificates to consolidate their holding into one folio.

44. Members may contact the Company or KFin for conveying grievances, if any, relating to the conduct of the AGM, at the following address:

**AXISCADES Technologies Limited**

Sonal Dudani  
Company Secretary & Compliance Officer  
secretary@axiscades.in

**KFin Technologies Limited**

(formerly KFin Technologies Private Limited)  
Unit: AXISCADES Technologies Limited  
Selenium Tower B, Plot Nos. 31 & 32,  
Financial District, Nanakramguda, Gachibowli,  
Hyderabad, Telangana - 500032  
Toll Free No.1800 309 4001

Email: einward.ris@kfintech.com

**Contact Person:**

Shri Raj Kumar Kale,  
Assistant Vice President





**AXISCADES Technologies Limited**  
*(formerly AXISCADES Engineering Technologies Limited)*

Kirloskar Business Park, Block 'C',  
2<sup>nd</sup> Floor, Hebbal,  
Bangalore – 560 024, India  
Tel: +91 80 4193 9000  
Fax: +91 80 4193 9099  
[www.axiscades.com](http://www.axiscades.com)