September 06, 2023

The Manager
Dppt. Of Corporate Services
BSE Limited
Phirozee Jeejeebhoy Tower, Dalal Street
Mumbai 400 001
BSE Scrip Code: 532395

Listing Department
The National Stock Exchange of India Limited
Exchange Plaza, 5 Floor, Plot C/1, G Block
Bandra – Kurla Complex, Bandra(E),
Mumbai 400 051
NSE Symbol: AXISCADES

Dear Sir/Madam,

Sub.: Annual Report for FY 2022-23 and Notice of the 33rd 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 33rd Annual General Meeting of the Company scheduled to be held on Thursday, 28th September 2023 at 02:30 P.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means ("OAVM")
2. Annual Report for FY 2022-23.

The Annual Report along with the Notice is also available on the Company's website of the Company at https://www.axiscades.com.

Kindly take the above information on record.

Yours faithfully,
For **AXISCADES Technologies Limited**

SONAL KISHORE DUDANI
Digitally signed by SONAL KISHORE DUDANI
Date: 2023.09.06 14:59:15 +05'30'

Sonal Dudani
Company Secretary & Compliance Officer

Encl: A/a

AXISCADES

Axis of Excellence

Annual Report **2022-23**

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Corporate Information

BOARD OF DIRECTORS

MR. DAVID BRADLEY
Chairman and Non-Executive Director

MR. ARUN KRISHNAMURTHI
Chief Executive Officer and Managing Director

MR. DESH RAJ DOGRA
Independent Director

MR. DHIRAJ MATHUR
Independent Director

MS. MARIAM MATHEW
Independent Woman Director

DR. S. CHRISTOPHER
Non-Executive Director
(Appointed: 30th June 2023)

MR. SHARADHI CHANDRA BABU PAMPAPATHY
Non-Executive Director

MR. VENKATRAMAN VENKITACHALAM
Non-Executive Director
(Appointed: 06th January 2023)

MR. DAVID ABIKZIR
Non-Executive Director

MR. ABHISHEK KUMAR
Non-Executive Director
(Upto: 03rd June 2022)

MR. SUDHAKAR GANDE
Non-Executive Director
(Upto: 05th January 2023)

MR. DAVID WALKER
Non-Executive Director
(Upto: 28th June 2023)

MR. SHASHIDHAR SK
Group Chief Financial Officer

MS. SONAL DUDANI
Company Secretary (CS) & Compliance Officer

SECRETARIAL AUDITOR

MR. ANANT KHAMANKAR
Practicing Company Secretary, Mumbai

STATUTORY AUDITORS

M/S. S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants, Bengaluru

INTERNAL AUDITOR

M/S. ASA ASSOCIATES
Chartered Accountants, New Delhi

REGISTERED OFFICE/ CORPORATE OFFICE

Block C, Second Floor, Kirloskar Business Park,
Bengaluru -560024, Karnataka, India
CIN: L72200KA1990PLC084435
Email: info@axiscades.in
Website: www.axiscades.com

LISTED AT

NATIONAL STOCK EXCHANGE OF INDIA LIMITED
BSE LIMITED

REGISTRAR AND SHARE TRANSFER AGENT

KFIN TECHNOLOGIES LIMITED
Tower – B, Plot No 31 & 32, Selenium Building,
Financial District, Nanakramguda, Gachibowli,
Hyderabad – 500 032, Telangana, India
Email Id: einward.ris@kfintech.com
Contact No.: 18003094001

PRINCIPAL BANKERS

HDFC Bank Limited
RBL Bank Limited

As per circular from Ministry of Corporate Affairs, the physical copy of Annual Report will not be sent to the shareholders. Shareholders will receive the Annual Report only through e-mail registered with the Company.

About **AXISCADES**

AXISCADES Technologies Ltd. is a dynamic and innovative global engineering solutions company with a rich history of providing cutting-edge technology and engineering expertise. With a strong focus on customer satisfaction, AXISCADES Technologies Ltd. has earned a reputation for delivering high-quality solutions across various industries. The company offers a wide range of services, including product design & development, embedded hardware & software, digital engineering, manufacturing engineering, enterprise solutions, Industry 4.0 & IIOT solutions and aftermarket support. AXISCADES leverages its deep domain knowledge, advanced engineering capabilities, and state-of-the-art technology to tackle complex futuristic challenges and deliver exceptional results.

In addition to its extensive engineering expertise, AXISCADES Technologies strongly emphasises innovation and continuous improvement. The company invests in research and development to stay at the forefront of emerging technologies and industry trends. By fostering a culture of creativity and collaboration, AXISCADES encourages its team to push boundaries and explore new possibilities. AXISCADES has built a strong presence in key markets worldwide through strategic partnerships and a global network, enabling it to serve clients efficiently and effectively. With a customer-centric approach and a commitment to excellence, AXISCADES continues to drive innovation and deliver impactful engineering solutions to meet its clients' evolving and futuristic needs.

Chairman's Message

Dear Shareholders,

I am pleased to present the annual report of AXISCADES for the fiscal year 2022-23. With great satisfaction and pride, I reflect upon our company's outstanding growth and achievements this year.

An Axis of Excellence

I am pleased to report that AXISCADES has demonstrated strong financial performance, with overall revenue growth of 33.7% in INR terms and 24.3% in USD terms, surpassing the fiscal year 2021-22 This growth has been driven by our mainstay verticals, such as aerospace, product engineering services and defence, and increased traction in our emerging verticals, such as automotive and energy, as well as the continued expansion of our presence in key geographies.

In the automotive sector, we witnessed a remarkable growth of 65.2% YoY, fueled by new client acquisitions in embedded systems and mechanical engineering, albeit on a lower base. Our aerospace vertical continues to excel, offering a diverse range of services, and grew by 44.3% YoY, attracting new clients and expanding into new areas. The products and solutions business achieved over 50% growth in defence, with a promising order pipeline. Though the heavy engineering vertical remained flat, we have initiated new strategies to drive growth in FY24. Our energy sector achieved an impressive growth of 51.1% YoY, and we have invested in talent to seize future opportunities.

These achievements are a testament to AXISCADES' commitment to domain expertise, best-in-class services, and strategic partnerships. The integration of Mistral Solutions into our offerings has further enhanced our capabilities, and strategic collaborations, like the one with Mangal Industries, elevate our capabilities to the next level. We are confident in unlocking potential, generating incremental value, and achieving sustained growth in the future.

Client Acquisitions

We continually strive to elevate our standards through our digital-first strategy and foster deep engagement with our clients. During the fiscal year, we successfully acquired a significant number of new clients across various industry verticals. Notably, our initiatives with Airbus and the establishment of a UK delivery centre have fortified our position in the aerospace sector. Our ongoing integration with Mistral business is progressing as planned, and we continue to synergise our offerings, enabling us to cater to the evolving needs of our current and potential customer base across the group.

Endurance in a Challenging Environment

Despite the challenges posed by the global business environment, AXISCADES has demonstrated remarkable resilience. The COVID-19 pandemic disrupted supply chains and created uncertainty, yet we persevered and adapted to the changing circumstances. Our ability to navigate through adversity is a testament to the dedication and commitment of our employees, as well as our robust business strategies.

How We Create Value

Our product engineering and digital innovations create economic value by improving efficiency, boosting competitiveness, and fostering the emergence of new business models. These advancements also contribute to social value by driving job creation, facilitating reskilling, and promoting a safer work environment. Moreover, our offerings align with sustainability goals by optimising resource utilisation and enhancing energy efficiency. Our technology solutions enable smart cities and enhance transportation, healthcare, and public services, ultimately leading to an improved overall quality of life. Through automation, robotics, and data analytics, we stimulate economic growth, create job opportunities, promote sustainability, and enhance the well-being of individuals, positively impacting the economy and society.

Business Responsibility Reporting

I want to draw your attention to the inclusion of the Business Responsibility and Sustainability Report (BRSR) in this annual report. This report highlights our commitment to conducting business in a responsible and sustainable manner. It outlines our environmental, social, and governance initiatives, reflecting our dedication to creating long-term value for all stakeholders.

Strategic Priorities in the Future

As we look to the future, our outlook remains highly positive as we continue to focus on maintaining our domain expertise and delivering best-in-class services to our global clients. This year's renewal of long-term contracts is a testament to our team's unwavering commitment to client satisfaction and client-centric endeavours.

Furthermore, the conclusion of the acquisition of Mistral Solutions has positioned us to enhance our offerings even further, expanding our capabilities and strengthening our market presence. This strategic partnership will enable us to leverage our proven engineering services expertise and combine it with cutting-edge product design, manufacturing engineering, and Industry 4.0 solutions.

We are confident that this collaboration and the strategic partnership with Mangal Industries Limited, a part of the Amara Raja Group, will unlock the untapped potential within our organisation and generate incremental value for all stakeholders. As we progress on our ambitious path, we are excited about the opportunities ahead and our ability to deliver innovative solutions that address the evolving needs of our combined clientele.

We remain dedicated to driving growth, fostering innovation, and creating long-term value for our shareholders, employees, clients, and partners. With a strong foundation, a talented team, and a commitment to excellence, we are well-positioned to seize opportunities in the market and achieve continued success in the coming years.

In Conclusion

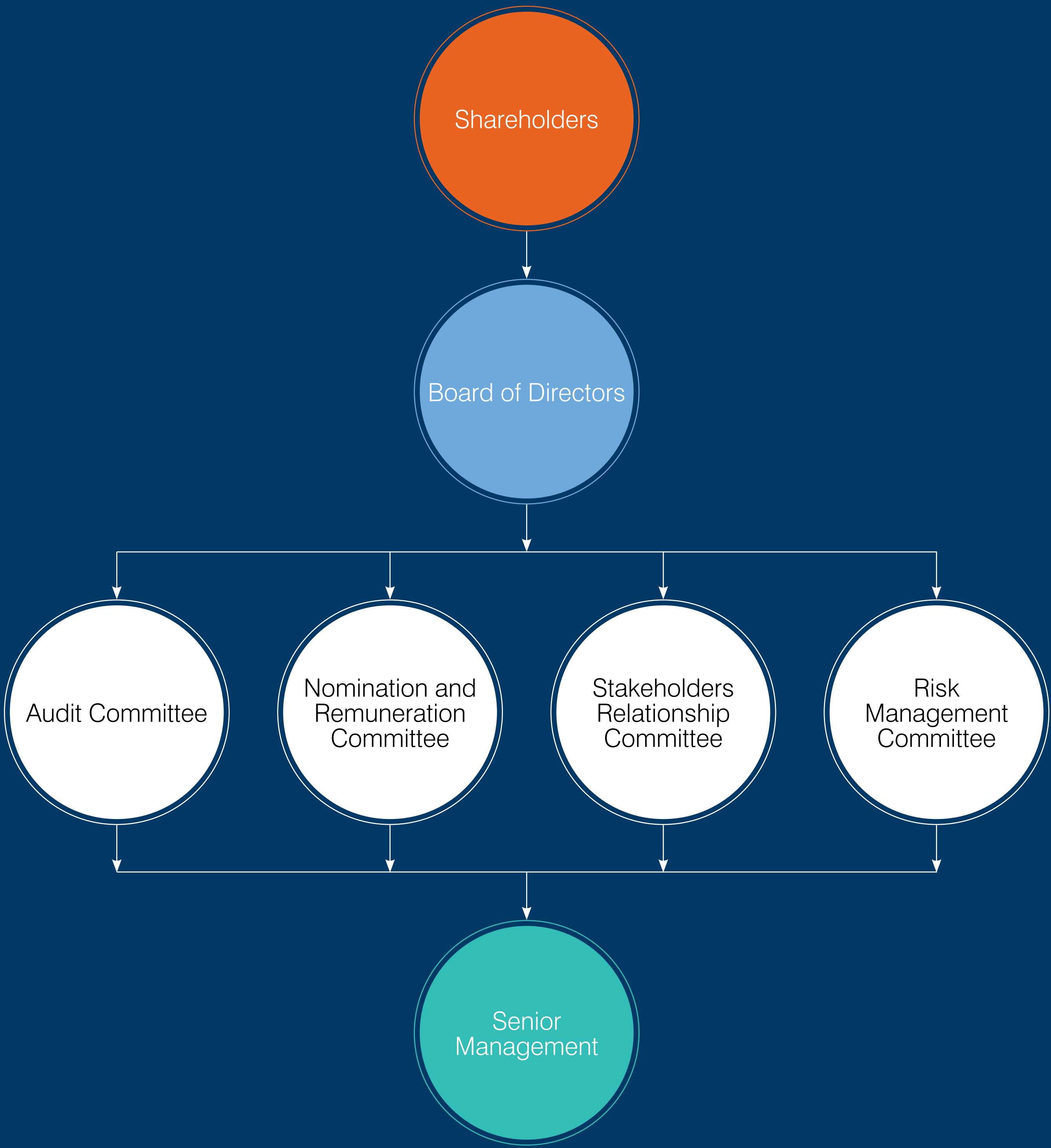
I want to express my heartfelt gratitude to all our stakeholders - our shareholders, employees, clients, banks and partners - for their unwavering support and trust in AXISCADES. Together, we have achieved significant milestones, and I am confident that we will continue to thrive in the future. Your commitment and collaboration are integral to our success, and we sincerely appreciate your ongoing support.

Thank you.

Warm regards

David Bradley
Chairman & Non-Executive Director

Governance **Structure**



Letter from CEO & MD

Dear Shareholders,

I am pleased to present an overview of AXISCADES' financial and operational performance for the fiscal year 2023. Indeed, I am delighted to share that, during the year, the Company scaled new heights in business performance and set new milestones in its growth journey.

My first full financial year in the Company has been around strengthening the core of the organization, by creating a new organizational structure, with emphasis on positive culture, profitable growth, cash flow generation and de-risking the business.

Business Performance :

Let me present an overview of AXISCADES' financial performance for the fiscal year 2023. It is my pleasure to report that, we have achieved our highest-ever revenue in the history of the Company, marking it a landmark year in the Company's journey.

In FY23, our revenue reached $101.8 million, representing a growth of 24.3% year-on-year. This achievement is further amplified when we consider our revenue in Indian Rupees, which stood at ₹ 8,136 million, demonstrating a growth of 33.7% year-on-year. This above industry growth rates, reflects the strength of our business model and commitment of our team to deliver on the same. It is heartening to note that the Company has grown sequentially in every single quarter from Q1FY23.

Our EBITDA for FY23 was at ₹ 1,375 million, with an EBITDA margin of 16.9%. This represents a substantial improvement of 561 basis points year-on-year, indicating the effectiveness of our operational strategies. Our adjusted PAT for the same period amounted to ₹ 632 million, reflecting a growth of 159.5% year-on-year.

Strategic De-risking, Driving Business Performance

Our financial performance reflects our strategic focus on de-risking the business with a three pronged approach of "Customer Diversification, Vertical Diversification and Digital First'. The revenue growth recorded during the year, reflects this approach, which was represented by our newer verticals, such as, Automotive and Energy and growth in other than top 10 customers, reducing our customer concentration risk. The revenue growth was also primarily driven by our traditional verticals, such as Aerospace, Product Engineering Services, and defense business. Engineering design services grew by 28.8%, contributed both by existing customers and new customers. Strategic Technology Solutions, representing the defense business saw a 51.3% growth, characterized by Indian defense and homeland security. Aerospace grew by 44.3%, lead by expanded business from OEMs while Heavy Engineering experienced muted performance, mainly due to macro-economic factors. Automotive and Industrial Products grew by 65.2%, although on a smaller base. Going forward automotive and energy verticals will constitute significant portion of our revenue. Except for Canada, all geographies showed double-digit growth. These results validate our customer-centric and future-ready approach, where we seek to de-risk the business from vertical and customer concentration and focus on high margin businesses.

Milestones and Accomplishments

We continue to strengthen our partnership with our strategic customers. In Aerospace, we signed up an expanded and extended contract with Airbus, which will lead to enhanced revenues in the coming years. We also signed a partnership agreement with Mangal Industries Limited, a part of the Amara Raja Group, which will enable us to leverage our established engineering services capabilities. Together, we will provide cutting-edge product design, manufacturing engineering, and Industry 4.0 solutions to our combined clientele.

We are also privileged to state that, we executed a Joint Development Agreement with the Advanced Manufacturing Technology Development Centre (AMTDC) at IIT-Chennai. This collaboration marks a pioneering effort in bridging the gap between industry and academia, with a focus on transformative research and global solutions in Indian manufacturing.

I am delighted to share that we have received the prestigious Diamond certification from Bombardier for the second consecutive year for outstanding operational performance and competitiveness in 2021. We are one of the 18 recipients of this esteemed recognition.

Additionally, I am proud to inform you that Bosch has recognised our achievements in the field of embedded electronics. During their inaugural Enrico Partner Day, an exclusive event for Bosch's strategic partners, we were honoured with the prestigious "The Rising Star" award. This accolade serves as a testament to our expertise and dedication in this domain, further strengthening our position as a trusted partner in the industry.

Performance across geographies

In FY23, we continued strengthening our presence and expanding our customer base in various geographies.

In Europe, we experienced robust growth, with our revenues grew by 43.2% year on year, mainly driven by growth in aerospace and defense business. USA remains an important market for us, where we witnessed a 17.1% year-on-year increase. The Asia-Pacific (APAC) region showcased significant growth, with sales revenue reflecting a Year on Year growth of 55.9%. This growth can be attributed to the increasing demand for our defense vertical in emerging markets within the APAC region, mainly India. The only region to show a marginal decline was Canada. The challenge in this region is being actively addressed for improvement.

Outlook

In FY23, we embarked on a journey of business transformation, and we have made considerable progress in de-risking the business. In FY24, our focus will be to further consolidate our business, to make it more sustainable and profitable. We are constantly raising the bar with our diversification and digital first strategy and continue to engage deeply with our customers. We continue to build on our order book and long-term contracts, with the aim and objective of delivering better than industry growth rates, while at the same time maintaining and improving our profitability

We remain committed to expanding our market presence in the Aerospace sector, targeting both existing and new clients to increase our share of the market. We have embarked on executing our enhanced long-term contract with Airbus, further solidifying our partnership with our prominent strategic partner. We are in the process of establishing a new delivery centre in Broughton, United Kingdom, which positions us to gain more wallet share from existing and new clients in this sector.

The completion of the Mistral acquisition has significantly enhanced our product engineering and defense capabilities, enabling us to deliver exceptional value and superior solutions in this industry. Furthermore, we are leveraging the embedded skills gained from Mistral to penetrate verticals where we already have a presence, strengthening our position in these markets. Our integration with Mistral business is progressing as per plan and we continue to synergize our offerings to our current and potential customer base, across the group.

In heavy engineering segment, we are optimistic that FY24 will be a growth year for the Company, as we have launched new initiatives, in digital and analytics. In our nascent Automotive and Energy segments, we continue to make strategic investments to build on our human capital with the requisite skills to capitalise on future growth opportunities. These segments are expected to play a significant role in our revenue growth moving forward. In Product Engineering Services, we remain focused on maintaining our growth trajectory by leveraging cross-competencies within the group and deploying them to the combined customer base. In Defence we are well-positioned for revenue growth with a substantial production order pipeline for FY24 and beyond.

Inorganically, the Company will explore targets, which will bring about 'competencies', as against 'size', which can be synergized and deployed across customers, verticals, and geographies.

We seek to make significant investments to build our digital capabilities, which is critical to de-risk our business and improve our margin profile, even though it may compromise our short term margins. Our engineering services aligns well our digital initiatives, presenting significant opportunities to transform our business model.

We aim to enhance our service delivery through increased utilisation of tools, platforms, and digital solutions. By embracing these innovations, we are confident in our ability to provide enhanced services to our clients while optimising efficiency and driving sustainable growth and profit margins.

On the financial front, the Company has successfully refinanced the high-cost debt taken for Mistral acquisition, which will lead to substantial reduction in our interest costs and have a positive impact on our financials, with effect from FY24 onwards.

These strategic initiatives, gives us confidence in our ability to sustain our business performance and drive profitable growth in the upcoming fiscal year and beyond.

In Conclusion

I would like to express my heartfelt gratitude to the Board of Directors, senior management, our dedicated employees, our valued customers, investors, bankers, and other stakeholders, for their unwavering support in our growth journey. Your trust, dedication, and collaboration have been instrumental to build a solid foundation for future growth.

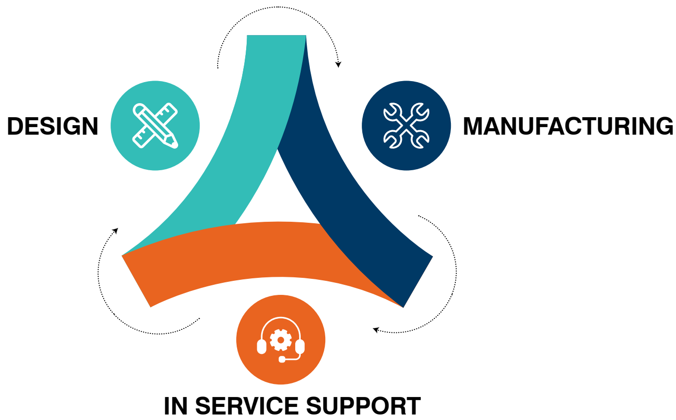
I look forward to embarking on the next chapter of our journey together.

Warm regards,

Mr. Arun Krishnamurthi
CEO & Managing Director

Our Business Model

AXISCADES offers a holistic and seamless end-to-end engineering & technology solutions to clients, covering the entire product lifecycle from design and development to manufacturing, installation, sustenance, and support. This comprehensive approach helps clients reduce time-to-market, enhance product quality, and optimise their engineering processes.



360 DEGREE OFFERINGS TO CATER TO ER&D SOLUTIONS ACROSS INDUSTRY VERTICALS

Product Design & Definition: AXISCADES starts the engineering process by assisting clients in defining their product requirements and designing the product conceptually. This phase involves CAD modelling, detailing, packaging considerations, and conducting DFM/DFx/FMEA studies to ensure that the product can be manufactured efficiently and meets quality standards. Design automation tools may also be utilised to streamline and automate design processes.

Engineering Analysis & Certification: After the product design phase, AXISCADES performs engineering analysis and certification to validate the structural integrity, performance, and safety of the product. This includes conducting structural analysis (both linear and non-linear), thermal and electromechanical analysis, CFD simulations, and optimisation techniques to improve the product's weight and performance.

Embedded & Electronics: AXISCADES specialises in embedded systems and electronics, providing services such as firmware development, hardware engineering, software development for applications and mobile apps, verification and validation, and leveraging IoT, AI, and advanced analytics for enhanced functionality and performance.

Manufacturing Engineering Services: AXISCADES supports the manufacturing process by offering virtual manufacturing and facility layout design services to optimise production efficiency. They also provide prototyping and manufacturing support, including tool and mold design and NC/CNC programming for precision manufacturing. Additionally, they assist in supply chain management to ensure smooth operations and timely delivery.

Systems Installation: AXISCADES covers the installation phase by providing services like harness layout design and installation, system integration, and validation. They also conduct flammability reports and design mechanical/electrical routings, plumbing, and tubing, ensuring proper installation and functionality of the product.

Product Sustenance: AXISCADES offers services aimed at sustaining the product's performance and addressing any defects or issues that may arise. This includes defect management, cost optimisation/value engineering, localisation of the product for different markets, legacy conversion to modern platforms, and obsolescence management to ensure product longevity.

PLM & Engineering IT: AXISCADES supports clients in managing product data and engineering processes through PLM implementation, integration, and operations. They also offer customisation and maintenance of CAX packages (Computer-Aided Technologies) to enhance functionality and efficiency. Additionally, they develop and maintain custom engineering applications to meet specific client needs, along with design automation solutions to streamline engineering workflows.

After Sales Product Support Services: AXISCADES provides comprehensive after-sales support services to clients. This includes platform migration assistance, technical publication for product documentation, reverse engineering to analyse and recreate existing products, and managing engineering change requests/orders (ECR/ECO). The company also conducts durability and warranty studies to ensure product reliability and customer satisfaction.

Industry **Verticals**

AEROSPACE

In the aerospace vertical, AXISCADES specialises in designing and analysing various components of aircraft, including primary and secondary structures, as well as aircraft interiors. They also provide expertise in installing mechanical and electrical systems (MSI and ESI) and developing electrical harnesses. Additionally, AXISCADES offers manufacturing engineering services and supports the maintenance and repair of aircraft and its equipment.

DEFENCE & HOMELAND SECURITY

AXISCADES plays a vital role in the defence and homeland security sector by providing critical solutions for avionics, radar, and command, control, communications, computers, intelligence, and information (C4I2) systems. They develop automated test solutions, simulators, and unmanned aerial vehicles (UAVs). AXISCADES also offers ground support equipment and handles system integration, design manufacturing, offset management, and in-service support for defence equipment.

HEAVY ENGINEERING

AXISCADES excels in heavy engineering by providing design solutions for structures and cabin layouts. They also offer expertise in designing engines, powertrain systems, and electrical, lube, and hydraulic systems. AXISCADES is well-versed in digital/virtual 3D manufacturing techniques that optimise production processes in heavy engineering industries.

AUTOMOTIVE

AXISCADES offers design and analysis services to enhance vehicle performance and efficiency. They specialise in body-in-white (BIW) and closures-in-white (CIW) design, interior and exterior design, and powertrain design. They provide cutting-edge electronics for applications like ADAS, in-vehicle infotainment, telematics, navigation, battery management for electric vehicles and more. They also offer a range of advanced Automotive Electronics solutions like mmWave Radar Modules and the AI based Sensor Fusion platforms.

ENERGY

In the energy sector, AXISCADES specialises in designing and analysing components used in renewable energy systems. This includes towers, generators, hubs, spinners, nacelles, yaw systems, and blades. They also provide services for mechanical and electrical routing, wind resource analysis, and perform advanced simulations to ensure efficient and reliable energy generation.

MEDICAL & HEALTHCARE

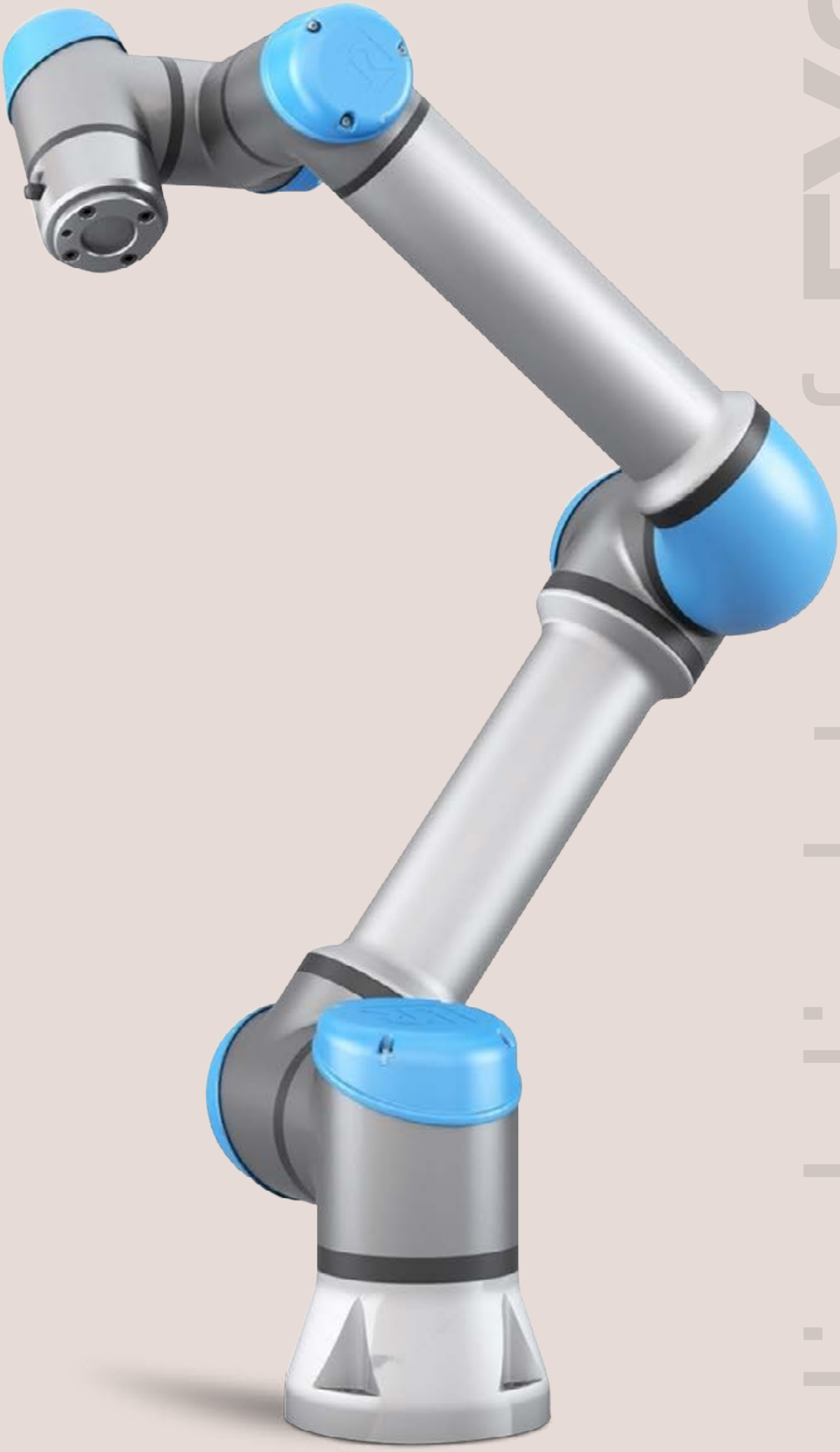
AXISCADES provides engineering solutions in the medical and healthcare field by developing health monitoring devices, such as wearable technologies. They specialise in designing infusion pumps and insulin delivery systems. AXISCADES also offers product sustenance services to ensure the quality and compliance of medical devices with regulatory standards.

PRODUCT ENGINEERING SERVICES

AXISCADES offers comprehensive range of Product Engineering Services focused on the embedded domain encompassing the entire product development lifecycle.

Our range of services include complex Hardware design, FPGA Design, RF design, Electrical CAD Services, System Software development, Audio & Video integration, Cloud, IoT and Mobile Apps, UI/UX designs, Testing and Validation, Production support and Product sustenance. AXISCADES provides cutting-edge designs for small footprint, power-optimized solutions that cater to a wide range of applications.

Highlights of FY23



1

AXISCADES renews its contract with Airbus for engineering services, covering product design, development, and plant engineering across all aircraft programs. This includes niche services for Fuselage & Wings division, across locations.

2

AXISCADES completes Acquisition of Mistral Solutions - a leader in Semiconductor, Embedded Electronics, Defence and Product Engineering capabilities.

3

Receives Bombardier's Diamond Supplier 2021 Certification for the second year in a row.

Highlights of FY23

4

AXISCADES was recognised and felicitated by the Government of Karnataka for having completed 25 years in Bengaluru and contributing towards the Indian ecosystem and making India a leader in IT and electronics. Our CEO & MD, Arun Krishnamurthi received recognition from the Honorable Chief Minister of Karnataka, Shri Basavaraj Bommai on the occasion of the 25th edition of Asia's largest Technology Summit – Bengaluru Tech Summit (BTS) 2022.

5

Opens Montoir de Bretagne office, enhancing engineering services, responsiveness, and customer support in France for increased demand and regional diversification.

6

AXISCADES is proud to have been awarded as the "Rising Star" in the Embedded domain, during the event of the first "Enrico Partner Day" organised by Bosch Global Software Technologies on 19th Jan' 23. An integrated AXISCADES & Mistral Solutions Pvt. Ltd. team showcased and demonstrated our cutting-edge technology products & offerings in embedded hardware & software areas.

7

AXISCADES and Mangal Industries, an Amara Raja Group company, signed MoU for a strategic partnership, focusing on engineering, digital, and manufacturing collaboration.

8

MoU signing with Central Manufacturing Technology Institute (an autonomous R&D institute under the Ministry of Heavy Industries, Govt. of India) to collaborate and work on Research & Development activities related to Smart Manufacturing involving Metaverse, Digital Twin and Quality inspection etc.

9

Joint Development Agreement with Advanced Manufacturing Technology Development Centre, IIT-Madras.

The partnership will focus on transformational research to develop solutions for the Indian manufacturing ecosystem and leverage it globally to address the futuristic needs of industries.

Strategic Priorities

AXISCADES' strategic priorities revolve around digital transformation, sector diversification, and client diversification, enabling the company to drive growth, expand its market presence, and capitalise on emerging opportunities.

DIGITAL TRANSFORMATION:

AXISCADES aims to be a thought leader for its customers by differentiating itself through digital innovation. The company focuses on automation, productivity improvements, and leveraging embedded electronics in areas such as autonomous vehicle technology, avionics, and smart automation.

SECTOR DIVERSIFICATION:

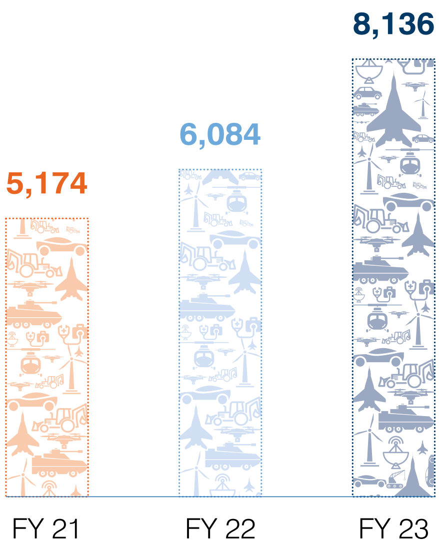
By reducing dependence on any single vertical and expanding into diverse sectors, AXISCADES mitigates seasonality risks and capitalises on the transferable skill sets of its employees. The company focuses on product lifecycle management, which is applicable across industries, and targets key sectors like automotive (connected and ADAS), aerospace (avionics and smart automation), energy (smart grid and efficient generation), and medical devices (automation).

CLIENT DIVERSIFICATION:

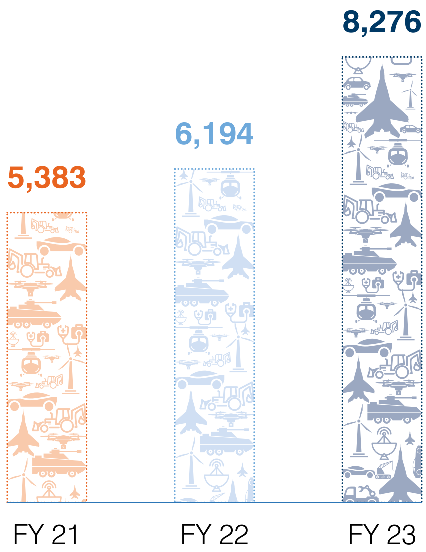
AXISCADES aims to provide products, platforms, and industry best practices to customers in similar verticals. By working with renowned clients and expanding its geographical presence, the company seeks to increase the number of strategic clients and establish itself as a trusted partner. AXISCADES has successfully utilised its "Design Authority" credentials to onboard subsidiaries of existing European clients and is in the process of onboarding a new client in the defence sector.

Financial **Highlights** ₹ in Million

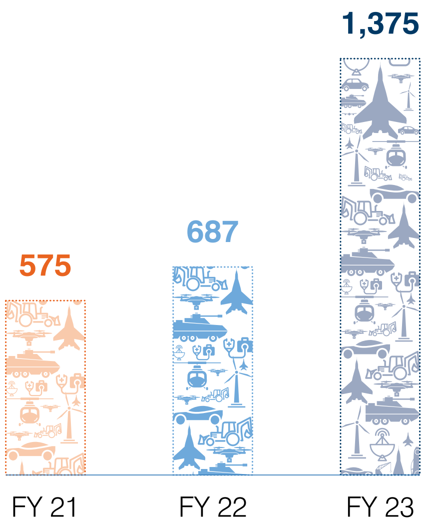
REVENUE



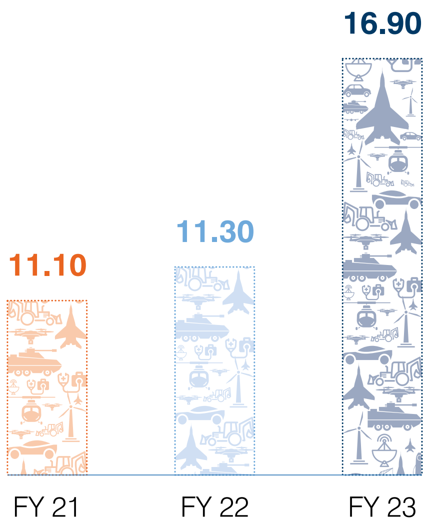
TOTAL INCOME



EBITDA



EBITDA MARGIN (%)



Vertical Expansions

With a track record of delivering innovative engineering solutions, AXISCADES aims to expand its footprint vertically by deepening its capabilities and offerings within specific industries. By focusing on vertical expansion, AXISCADES seeks to provide tailored solutions and services that meet clients' unique needs and challenges in aerospace, defence, heavy engineering, automotive, energy, product engineering services, medical device & healthcare sectors. This strategic approach enables AXISCADES to strengthen its position as a trusted partner, delivering high-quality solutions and driving growth in its target industries.

Vertical Expansions

AEROSPACE:

AXISCADES excels in the aerospace industry by offering a wide range of services. The company provides concept design expertise, structures and interior engineering solutions, and avionics support. Additionally, AXISCADES offers comprehensive manufacturing support to meet the highest quality standards.

HIGHLIGHTS OF FY23:

The Aerospace vertical experienced a remarkable growth of 44.3% year-on-year (YoY). This vertical has been witnessing consistent growth for the past 9 quarters. The acquisition of new clients and expansion into new areas of business has played a pivotal role in increasing our share of wallet from existing clients. As part of our commitment to long-term partnerships, we have commenced the execution of an enhanced contract with Airbus and recently established a new delivery centre in Broughton, United Kingdom. We are dedicated to further expanding our market presence and capturing more wallet share from existing and new clients in the Aerospace sector. By leveraging the expertise gained from Mistral, we aim to deliver exceptional value and superior solutions in this industry.

44.3%

Growth compared to the previous year

DEFENCE:

AXISCADES has established itself as a leader in defence solutions. The company's expertise includes electronic warfare systems, system integration, simulators, and automated test solutions. AXISCADES also provides supply chain management services, offset management, and specialised knowledge in RADAR and SONAR systems.

HIGHLIGHTS OF FY23:

The products and solutions business, representing our defence vertical, achieved impressive growth of over 50% compared to the previous year. The opportunities and order pipelines that have been built in this sector are highly promising.

51.3%

Growth compared to the previous year

Vertical Expansions

AUTOMOTIVE:

AXISCADES is a trusted partner in the automotive industry, providing diverse services. This includes design, analysis, and new product development (NPD). The company possess expertise in telematics, advanced driver assistance systems (ADAS), AUTOSAR, and human-machine interfaces (HMI).

HIGHLIGHTS OF FY23:

The automotive vertical experienced remarkable growth of 65.2% year-on-year (YoY). This growth can be attributed to the successful acquisition of new automotive clients in the fields of embedded systems, mechanical engineering, and hardware development by AXISCADES. The steady increase aligns perfectly with AXISCADES' projected expectations and demonstrates the company's ability to meet market demands.

65.2%

Growth year-on-year (YoY)

ENERGY:

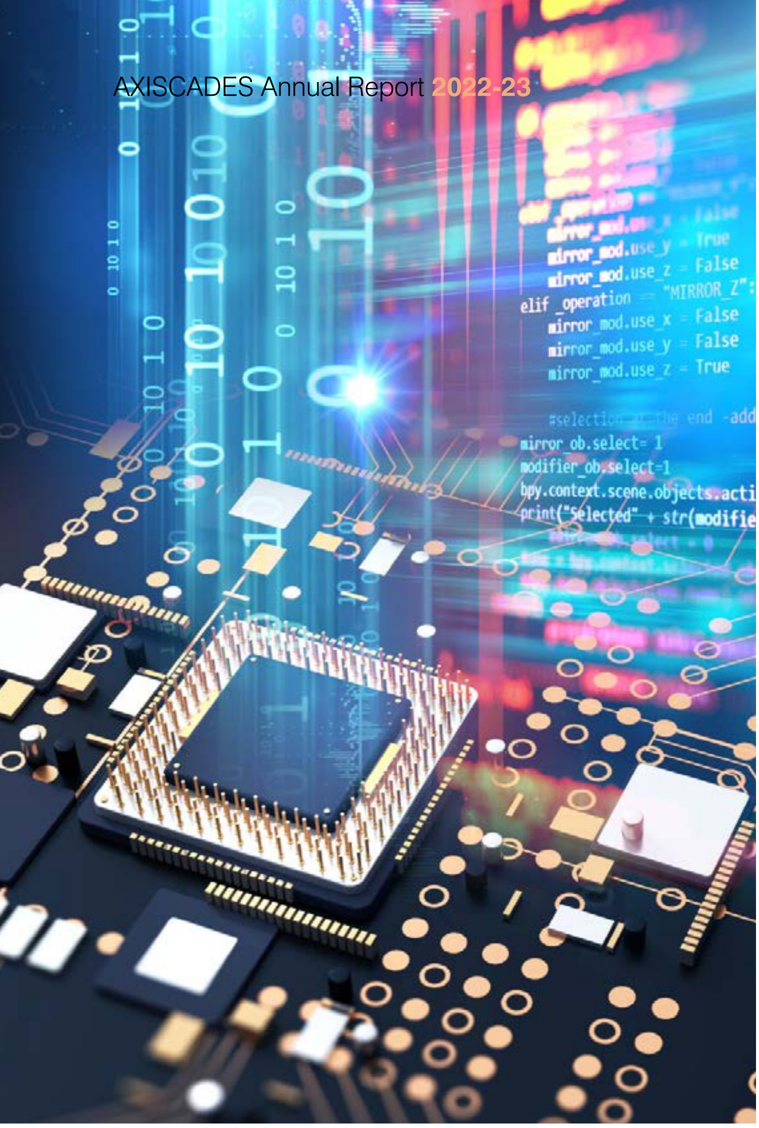
AXISCADES brings mechanical and electrical engineering expertise to the energy sector. The company offers site assessment and planning services, automation, and IoT integration to optimise energy systems. AXISCADES capabilities cover a wide range of mechanical and electrical engineering requirements.

HIGHLIGHTS OF FY23:

The Energy Vertical achieved an impressive growth of 51.1% year-on-year (YoY). Recognising the immense potential for future growth in this sector, AXISCADES is strategically investing in this vertical by acquiring new talents equipped with the necessary skills. This proactive approach ensures that AXISCADES is well-prepared to seize upcoming growth opportunities in the energy industry.

51.1%

Growth year-on-year (YoY)



Vertical **Expansions**

PRODUCT ENGINEERING SERVICES:

AXISCADES offers comprehensive Product Engineering Services, specialising in the embedded domain, spanning the entire product development lifecycle. Our services include intricate Hardware, FPGA, and RF design, Electrical CAD, System Software development, seamless Audio & Video integration, Cloud, IoT, and Mobile Apps. We excel in Testing, offer steadfast Production support, and ensure long-term Product sustenance. AXISCADES prioritises efficiency, delivering power-optimized, cutting-edge designs for diverse applications.

HIGHLIGHTS OF FY23:

The Product Engineering Services vertical achieved a noteworthy increase of 33.5% year-on-year and we are focused on maintaining this growth trajectory, with opportunities available in this sector. We will also focus on cross leveraging competencies across the group and deploying them with combined customer base of group companies.

33.5%

Growth year-on-year (YoY)

HEAVY ENGINEERING:

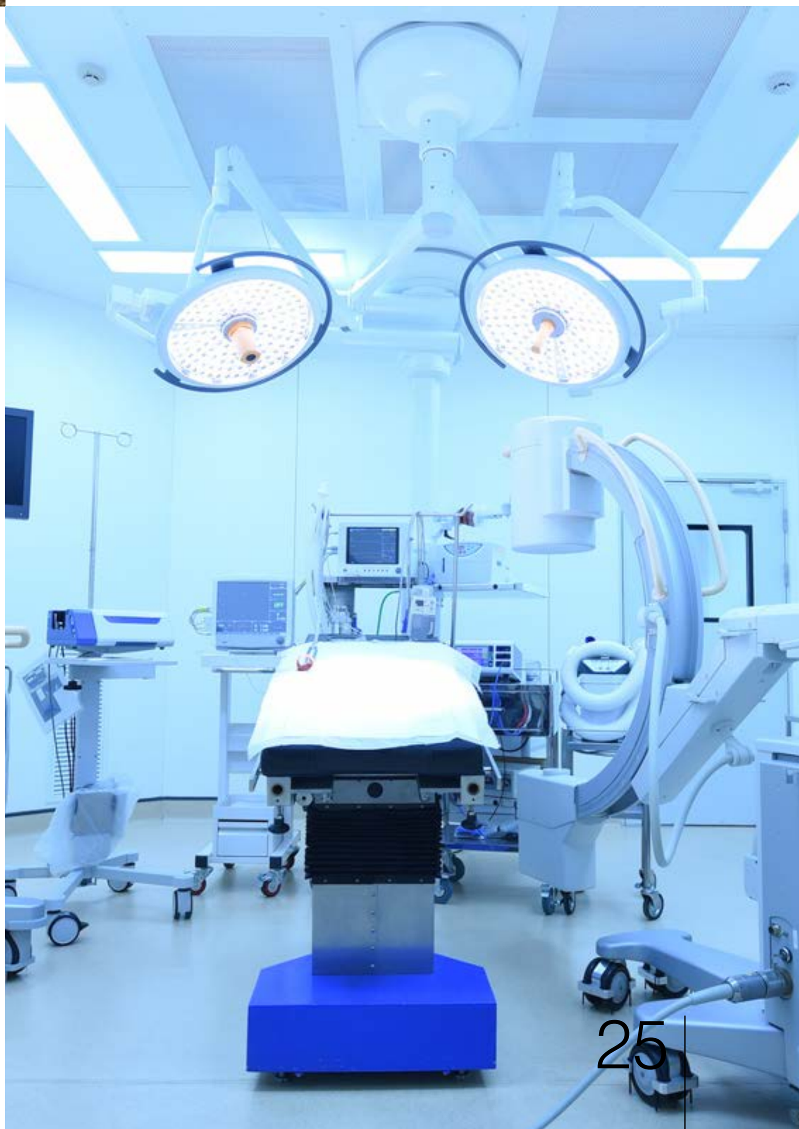
With a focus on heavy engineering, AXISCADES offers comprehensive solutions for design, analysis, new product development (NPD), and Continuous Product Development (CPD). The company also specialises in vehicle engineering, telematics, and fleet management solutions.

HIGHLIGHTS OF FY23:

The Heavy Engineering Business remained flat during the year due to macroeconomic factors. We are hopeful that FY24 will be a growth year for the Company in this vertical, with the new initiatives we have launched in this segment.

MEDICAL & HEALTHCARE:

AXISCADES supports the medical and healthcare industry by providing innovative engineering solutions. The company's expertise includes patient monitoring, hospital equipment, wearable electronics, remediation, and system engineering. AXISCADES aims to contribute to advancements in healthcare technology and improve patient care.

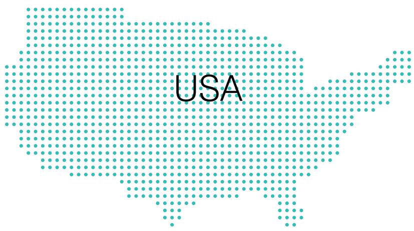


Review of **Sales Across Geographies**

AXISCADES has a notable international footprint, through its subsidiaries in six significant countries: USA, UK, Canada, Germany, India, and China. Further, the company has a comprehensive network of offices across five countries: Germany,

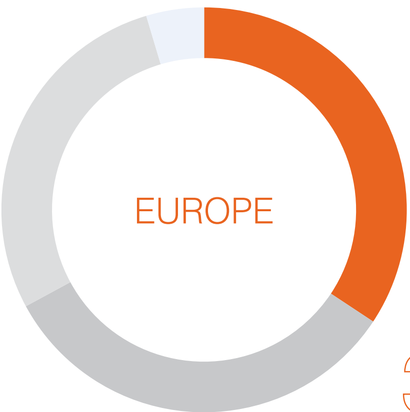
PERFORMANCE BY REGION

43.2%
Growth year-on-year (YoY)

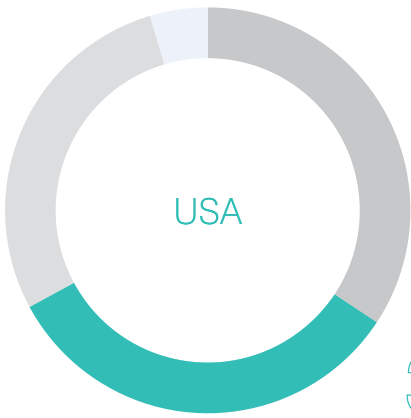


17.1%
Growth year-on-year (YoY)

REVENUE SHARE FROM REGIONS - FY23



34.3%



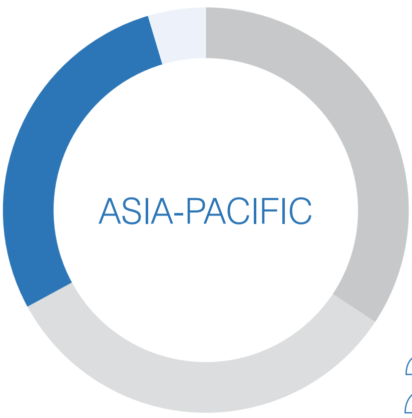
32.8%

France, Denmark, USA, and Canada. The Company's workforce comprises 2,700 professionals spread over 17 locations in North America, Europe, UK, and the Asia-Pacific.

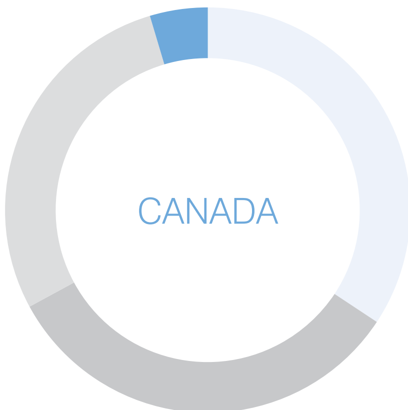
55.9%

Growth year-on-year (YoY)

In contrast, Canada was the only region that saw a marginal decline in sales year on year.



28.3%



4.6%

Expanding Horizons with **Mistral**

Established in 1997, Mistral is a renowned technology design and system engineering company offering clients comprehensive end-to-end embedded product design and development services worldwide. With a rich experience spanning over 25 years, Mistral has emerged as a prominent player in the embedded industry in Bengaluru, providing exceptional business value throughout the entire product engineering lifecycle. Mistral specialises in delivering cutting-edge product design and development services, catering to build-to-specification (BTS), build-to-print (BTP), and comprehensive system engineering requirements across diverse application domains.

Mistral Capabilities:

- AEROSPACE AND DEFENSE
  - Land, Naval and Airborne
- PRODUCT ENGINEERING SERVICES
  - Engineering Design Services
- HOMELAND SECURITY
  - Smart and Safe City

In FY23 AXISCADES Technologies completed the acquisition of Mistral Solutions for nearly Rs.300 crore. The acquisition holds great value for AXISCADES as Mistral specialises in product engineering services in India's semiconductor space and defence business. This aligns well with AXISCADES' existing aerospace, automotive, and energy verticals. Mistral's presence in the semiconductor industry is expected to bring significant growth opportunities, as semiconductors are becoming increasingly ubiquitous in every device. Additionally, Mistral's involvement in the Indian defence sector positions AXISCADES favourably to capitalise on initiatives like "Make in India" and the push for indigenous defence development. The acquisition is anticipated to result in revenue and margin accretion for AXISCADES. Mistral's defence capabilities include communication protocols for defence applications and radar technology development.

Cocreating Value - MOU with Mangal Industries

Signed memorandum of understanding (MOU) between AXISCADES and Mangal Industries Limited an Amara Raja Group company brings forth a range of perceived benefits and synergies. Here are the key advantages of this strategic partnership:

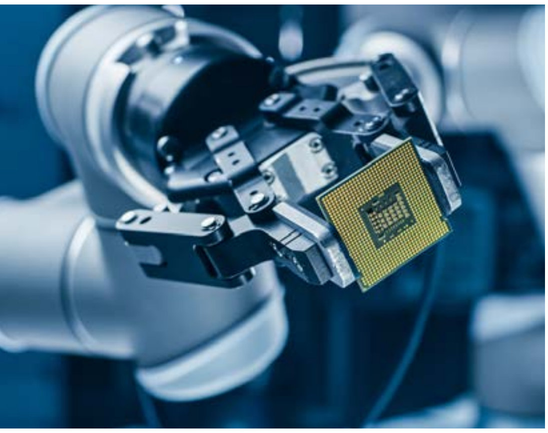
- **Enhanced Engineering Capabilities:** The collaboration enables Mangal Industries to leverage AXISCADES' digital technology expertise, advancing their engineering capabilities in areas such as product design, manufacturing engineering, and Industry 4.0 solutions.
- **Expanded Market Reach:** By joining forces, both companies gain access to each other's customer networks and can tap into new sectors, fostering business growth and expanding their market presence.
- **Comprehensive Solutions**: Together, Mangal Industries and AXISCADES offer comprehensive product engineering solutions, covering a wide range of industries such as aerospace, defence, medical, and heavy engineering, catering to the evolving needs of global customers.
- **Industry-Centric Approach:** With its industry-centric focus, the partnership allows for a deep understanding of customer requirements and the ability to provide tailored solutions that address the specific challenges of different sectors.
- **Value Chain Support:** The combined expertise of the two entities enables them to support customers across their entire value chains, providing end-to-end solutions and ensuring seamless integration of engineering, digital, and manufacturing processes.
- **Knowledge Sharing and Innovation:** The MOU encourages collaboration and knowledge sharing between Mangal Industries and AXISCADES, fostering innovation and facilitating the exchange of best practices.

Pillars of **Business Growth**

In today's rapidly evolving technological landscape, AXISCADES recognises the importance of staying ahead of the curve and embracing emerging trends to provide the best engineering solutions to our clients. Several technology trends are currently impacting our operations and presenting us with new opportunities. The advent of Industry 4.0 is revolutionising the manufacturing and engineering landscape. AXISCADES understands the significance of Industry 4.0 and actively incorporates its principles and technologies into our capabilities. Here's how AXISCADES is responding to these trends:

DIGITAL TRANSFORMATION: Digital transformation revolutionises the defence, aerospace, and automobile industries. It enhances operations, boosts innovation, and improves efficiency. Defence benefits from advanced surveillance, unmanned vehicles, and cyber defences. Aerospace employs digital tools for safer aircraft design, simulation, and maintenance. Automobile embraces connected vehicles, autonomous driving, and electric mobility, shaping transportation trends. This trend will continue to shape industries worldwide.

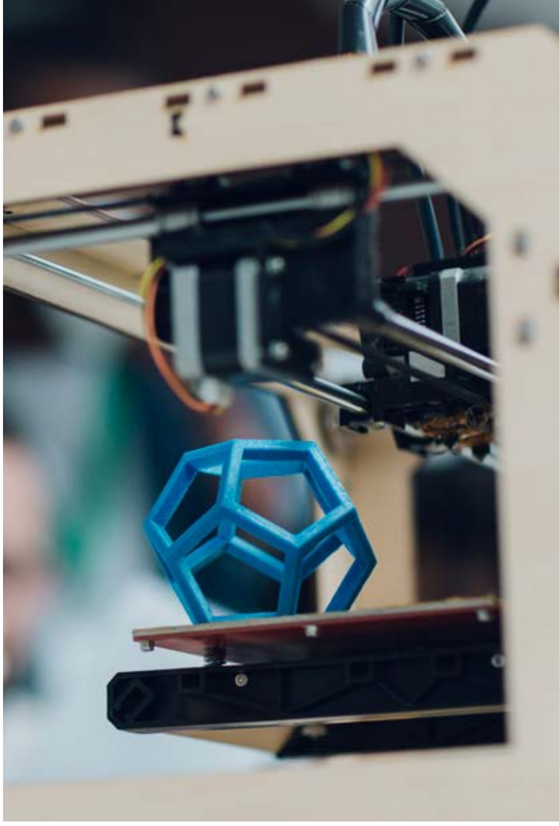
As digital technologies continue to revolutionise industries, AXISCADES is leveraging these advancements to enhance our engineering processes and deliver cutting-edge solutions. We are investing in technologies such as IoT, AI, and advanced analytics to enable us to develop smart and connected products for our clients. We can improve functionality, performance, and efficiency by integrating these technologies into our embedded systems and electronics services.



DESIGN AUTOMATION AND STREAMLINING: Automation and tools like CAD, simulation, and virtual prototyping expedite product development. Streamlined workflows enhance collaboration, communication, and productivity. These trends modernise manufacturing, architecture, electronics, and automotive sectors, ensuring competitiveness in the global market.

To reduce time-to-market and optimise engineering workflows, AXISCADES is embracing design automation tools. These tools enable us to streamline the design processes, automate repetitive tasks, and enhance collaboration among our teams. By adopting such tools, we can improve productivity, reduce errors, and deliver high-quality designs in a more efficient manner.

Pillars of **Business Growth**



ADDITIVE MANUFACTURING: Additive manufacturing is driving significant global trends that are reshaping industries. Across sectors such as aerospace, healthcare, automotive, and consumer goods, there is a notable surge in the adoption of this technology. A key driver is the ability to create intricate, customised, and lightweight designs while minimising material waste. Moreover, continuous advancements in materials suitable for additive manufacturing, including high-performance polymers, metals, and composites, are expanding the realm of possibilities for producing functional and durable end-use products.

Additive Manufacturing presents exciting opportunities for AXISCADES. We are exploring this technology to support rapid prototyping, tooling, and even small-scale production. By leveraging additive manufacturing, we can accelerate the product development cycle, reduce costs, and offer greater design flexibility to our clients.

ADVANCED ENGINEERING ANALYSIS: Global trends in Advanced Engineering Analysis are driven by the increasing demand for high-performance and reliable products. Industries across sectors such as aerospace, automotive, energy, and manufacturing are adopting advanced analysis techniques to optimise product design, improve performance, and ensure reliability. This includes advanced simulation, computational modelling, and predictive analytics to enhance decision-making processes. These trends enable companies to deliver innovative, efficient, and dependable products that meet the evolving needs of consumers in a competitive market.

As the demand for high-performance and reliable products grows, AXISCADES is investing in advanced engineering analysis techniques. We are utilising tools and simulations for structural analysis, thermal analysis, and optimisation techniques. These analyses allow us to validate product designs, ensure structural integrity, optimise weight and performance, and meet safety standards.

INDUSTRY-SPECIFIC EXPERTISE: Globally, there is a growing demand for industry-specific IT engineering and digital solutions across sectors such as manufacturing, healthcare, finance, retail, and logistics. These trends include the development of customised software applications, IoT (Internet of Things) integration, data analytics, cloud computing, artificial intelligence, and cybersecurity solutions that address each industry's unique challenges and requirements. The aim is to optimise operations, improve efficiency, enhance customer experiences, and drive innovation within specific sectors.

AXISCADES recognises the importance of industry-specific expertise and tailoring our solutions to meet the unique needs of different sectors. We are actively expanding our presence in key verticals such as aerospace, defence, automotive, heavy engineering, energy, and medical and healthcare. We can provide specialised solutions and better serve our clients by deepening our knowledge and capabilities in these industries.

EMBRACING SUSTAINABILITY: Globally, several notable trends in sustainable engineering and manufacturing practices exist. One trend is the adoption of circular economy principles, which emphasise resource recovery, recycling, and minimising waste throughout the product lifecycle. Another trend is the integration of renewable energy sources and energy-efficient technologies to reduce reliance on fossil fuels and decrease greenhouse gas emissions. Additionally, there is a growing emphasis on eco-design and product stewardship, where engineers and manufacturers prioritise the development of environmentally friendly and sustainable products. Collaboration and partnerships across industries and supply chains are also on the rise to share best practices, foster innovation, and achieve collective sustainability goals. Overall, these global trends highlight the increasing recognition of the importance of sustainability in engineering and manufacturing, driving the transition towards a more sustainable and responsible future.

With the increasing focus on sustainability, AXISCADES is committed to integrating environmentally friendly practices into our engineering processes. We are exploring eco-design principles, energy-efficient solutions, and sustainable manufacturing techniques. By doing so, we can help our clients develop environmentally conscious products and meet the growing demand for sustainable solutions.

Board of **Directors**

FUNCTIONAL EXPERIENCE:

The Board of Directors possess a diverse range of functional experience, including expertise in business strategy and development, project financing, mergers and acquisitions, accounting, public policy, sectoral regulatory regimes, defence procurement procedures, localisation and defence offset policies, state incentive schemes, FDI and industrial licensing policies, exchange control laws, taxation, corporate law compliances, ERP initiatives, and sales leadership.

INDUSTRY SECTORS:

The Board members have extensive experience in various industry sectors, such as aerospace, consulting, technology, banking, credit rating, agriculture, energy, infrastructure, real estate, outsourcing, engineering, digital markets, automotive, utilities, and commercial vehicle design. They have worked with renowned companies in these sectors, gaining deep insights and knowledge of their respective dynamics, challenges, and opportunities.

David Bradley
Chairman and Non-Executive Director

Arun Krishnamurthi
Chief Executive Officer & Managing Director

Sharadhi Chandra Babu Pampapathy
Non-Executive Director

Mariam Mathew
Independent Director

Dr. S. Christopher
Non-Executive Director
(Appointed w.e.f. June 30, 2023)

David Abikzir
Non-Executive Director

Desh Raj Dogra
Independent Director

Key Managerial Personnel

Dhiraj Mathur
Independent Director

Venkatraman Venkitachalam
Non-Executive Director

David Walker
Non-Executive Director
(Resigned w.e.f. June 28, 2023)

Arun Krishnamurthi
Chief Executive Officer & Managing Director

Shashidhar SK
Group Chief Financial Officer

Sonal Dudani
Company Secretary & Compliance Officer

Human **Resources**

OUR PEOPLE

One of our primary human resources priorities is attracting and retaining top talent. We understand that our ability to deliver exceptional engineering services relies on the expertise and dedication of our employees. Therefore, we prioritise implementing robust recruitment strategies to identify and onboard skilled engineers and professionals who align with our values and possess the industry knowledge required to excel in their roles. By fostering a strong employer brand and offering competitive compensation and benefits packages, we aim to create an environment where talented individuals are motivated to join our organisation and contribute to our collective success.

Another key priority for us is employee development and upskilling. We recognise that in the fast-paced world of digital engineering, staying ahead requires continuous learning and growth. We are committed to providing our employees with ample opportunities for professional development, including specialised training programs, access to cutting-edge technologies, and mentorship initiatives. By investing in our employees' growth, we aim to cultivate a skilled workforce equipped to tackle complex challenges, embrace innovation, and deliver exceptional results for our clients.

TRAINING & DEVELOPMENT:

Through our comprehensive learning and development programs, we empower employees with cutting-edge skills and new competencies, fostering growth and success in domains like Aerospace, Automotive, and more.

At AXISCADES, a competency-based approach forms the foundation for all workforce management activities, implying that all learning and development activities are based on AXISCADES Competency Framework (Functional, Behavioral & Leadership). During FY22-23, more than 200 trainings (a combination of e-learning & classroom training) were conducted, totalling 25,060 person-hours of training across 1300 employees in various locations. These training and interventions addressed critical role-based training, including technical/functional training in domains such as Aerospace, Automotive, Heavy Engineering, and Energy. They also focused on enhancing technical and tools skills in areas of Design, Analysis, PLM, and allied subjects. Moreover, we emphasised the development of new competencies in Automotive & Power Electronics, Hardware Design, High Voltage Safety, and Digital Technologies. A focused Foundation Program was also conducted for fresh university hires to prepare them for their upcoming full-time roles, covering domain, technical, and tool modules.

200+
Training Programs

1300
Employees across locations

25,060
Person Hours of Training

LEADERSHIP DEVELOPMENT:

Our structured Leadership Development Program ensures that individuals at all levels have the opportunity to enhance their leadership skills and capabilities, contributing to the overall success of the company.

AXISCADES provides a comprehensive Leadership Development Program designed to nurture and develop managers and leaders at various levels within the organisation. This program aims to equip individuals with the necessary skills and competencies to excel in their respective roles.

The First Time Managers program specifically caters to budding managers about to step into managerial or people management positions for the first time. This program focuses on providing them with the essential knowledge and skills needed to effectively navigate the challenges they may encounter in their new roles.

Additionally, the Managers Development Program targets project and technical leads, offering them the opportunity to enhance their skills and capabilities to tackle day-to-day challenges in their roles. This program covers project management training and equips participants with the skills required for their specific responsibilities.

For Project/Program Managers, the Leadership Development Program plays a crucial role in their transition from being a manager to a leader. This program provides them with the tools and strategies to navigate complex business challenges and effectively lead their teams to success.

At AXISCADES, we believe that investing in the development of our managers and leaders is key to driving organisational growth and achieving long-term success. Our structured Leadership Development Program ensures that individuals at all levels have the opportunity to enhance their leadership skills and capabilities, contributing to the overall success of the company.

RETAINING AND ACQUIRING TALENT:

At AXISCADES, we believe in unleashing the true potential of our team. Our commitment to talent management is reflected in our inspiring employee engagement programs, fair appraisal systems, competitive salaries, and comprehensive benefits. We create an environment that nurtures growth, excellence, and success.

EMPLOYEE ENGAGEMENT PROGRAMS:

We have strategically implemented the buddy and 30-60-90 employee feedback programs to foster employee engagement. These programs are integrated into our engagement events, which have been successfully conducted.

APPRAISAL SYSTEMS:

Our appraisal process begins with issuing role-based Key Result Areas (KRA) and Key Performance Indicators (KPI), followed by comprehensive 360-degree evaluations. This culminates in the annual appraisal process, ensuring a holistic evaluation of employee performance.

Human **Resources**

SALARIES AND BENEFITS:

We benchmark salaries based on roles and experience, ensuring competitive compensation aligned with market standards. Additionally, we provide employees with comprehensive benefits and subsidised food.

KEY OUTCOMES:

As a result of these initiatives, we have witnessed an increase in employee retention rates and a notable improvement in overall employee performance.

GRIEVANCE HANDLING:

We have established a grievance redressal committee to address employee grievances and defined a clear policy and process. This ensures transparency and accessibility for all employees seeking resolution.

TALENT ACQUISITION:

We have successfully recruited fresh graduates through targeted campus drives, building a skilled pool of talented resources. Our hiring strategy focuses on achieving both the quality and quantity of open positions.

MANAGEMENT DISCUSSION AND ANALYSIS

Key Drivers of the Business

ER&D and Digital Engineering Trends

While ER&D focuses on physical product development, digital engineering emphasises leveraging digital tools and techniques to enhance various aspects of the engineering process, including design, analysis, collaboration, and project management. It encompasses a wide range of digital technologies, such as computer simulations, virtual reality, artificial intelligence, and a data-driven approach, to improve efficiency, accuracy, and innovation in engineering practices.

According to a recent analysis by Bain & Company, executives are forecasting a compound annual growth rate (CAGR) of 10% for engineering and R&D spending until 2026. Investments in digital engineering primarily fuels this projected growth. The analysis suggests that companies investing in engineering and R&D during economic recessions can gain a competitive advantage in the race for innovation. Historical data indicates that in previous downturns, engineering and R&D spending growth was more resilient than GDP growth.

In response to this projected growth, leadership teams are intensifying their efforts to ensure a solid return on investment. Digital engineering is identified as a key driver for the surge in ER&D spending and it is expected to grow by CAGR of 19% till 2026. It involves developing and deploying new, connected, and digitally enabled products and services utilising technologies like Artificial Intelligence (AI), Machine Learning, and cloud computing. Examples of digitally engineered products include autonomous vehicles and Industry 4.0-enabled production plants.

The research conducted by Bain & Company highlights five significant challenges faced by ER&D-focused companies in the innovation race. These challenges include reducing time to market, enhancing the affordability of new technologies, integrating digital capabilities into hardware-centric engineering teams, exploring new avenues for value creation, and aligning with Environmental, Social, and Corporate governance (ESG) strategies.

Companies are strategically shifting their approach by outsourcing a broader range of activities, including full programs, rather than augmenting their staff. The primary factor influencing the choice of an outsourcing partner is expertise, rather than cost.

The utilisation of ER&D service providers varies across industries. Bain's research indicates that sectors such as advanced manufacturing and services, automotive and mobility, medical devices, energy & natural resources, and aerospace & defence are most inclined to increase outsourcing over the next three years.

Industry Trends

Global Civil Aviation and Aerospace

The burgeoning demand in the aviation industry directly influences the ER&D (Engineering Research and Development) and digital engineering service providers. Given the colossal order backlog and the pressing need for efficient production and delivery, there's an escalating demand for innovation and digital transformation. ER&D sectors would be pressured to expedite research on new materials, sustainable aviation technologies, and manufacturing processes to support the enhanced production rates. Digital engineering service providers, on the other hand, would play a pivotal role in integrating AI, IoT, and other Industry 4.0 technologies into the aerospace manufacturing ecosystem. The drive to fulfil orders while maintaining stringent safety and quality standards will necessitate cutting-edge digital solutions, predictive maintenance, and real-time data analytics. For these providers, this surge in the aerospace sector spells a period of heightened collaboration, innovation, and business growth.

A Surge in New Aircraft Orders:

A combined total of 1,594 new orders between Boeing and Airbus indicates a rebounding confidence in the aviation industry. This can be attributed to several factors , including anticipated post-pandemic recovery, airlines modernising their fleets, and global air travel demand growth.

Industry's Financial Backlog:

The industry's backlog stands at an impressive $720 billion, equating to over 12,000 aircraft units. Given this backlog, even at record production levels, it represents more than seven years of production. This suggests a strong long-term demand but also means the manufacturers have their work cut out in terms of production and delivery for the better part of this decade.

Automotive:

The global automotive sector is undergoing a profound transformation, characterised by unprecedented changes driven by the rapid advancement of electric vehicles (EVs) and autonomous vehicles (AVs). This evolution is witnessing a convergence of industries, reshaped supply chains, and a significant shift in consumer preferences towards more sustainable transportation options. Amidst this dynamic landscape, automotive companies are facing the challenging task of navigating the present changes, while strategically planning for the future of mobility.

Despite a volatile macroeconomic environment, the automotive industry is anticipated to experience growth in the upcoming years. The Automotive ER&D spend is expected to grow at ~6% CAGR by 2032 from current size of ~$167bn to $312bn by 2032 whereas the digital ER&D spends is expected to grow by 16% CAGR for the same period. India's share to offshoring is expected to be Tripled from $7bn to $20bn by 2032. This will be driven by shift towards electric vehicle, Autonomous and connected vehicle.

Looking ahead, car sales are expected to continue their upward trajectory, reaching 74 million units in 2024, thus continuing the recovery trend observed since 2020, approaching the pre-pandemic levels. A notable observation is that despite over 85% of the world's population residing in the Asia Pacific, Middle East, Africa (MEA), or South America regions, these areas currently have fewer cars than North America and Europe. However, we anticipate that this untapped potential will gradually be unlocked in the years to come, with higher penetration in both car sales and the automotive aftermarket categories. The future of the global automotive sector holds significant promise as it embraces innovation, sustainability, and expansion into new markets.

Heavy Engineering and Construction Industry:

The global Off-highway (Heavy Engineering) vehicle market was valued at USD ~ 800 Billion and is expected to reach 1.35 Trillion USD by 2031 growing at a moderate rate of 6% CAGR during the forecast period between 2023 and 2031, due to rapid growth in construction and mining activities, strong agriculture and forestry demand, and expansion of port & material handling industries.

The global political scenario has dented the recent growth in the sector, however the strong demand in Asia Pacific and Middle- east owing to the surge in infrastructural development across the region provides a significant growth opportunity.

The off-highway vehicle market is expected to surge substantially as industrialization, urbanisation, and import-export activities continue to accelerate.

The future of the Heavy engineering/ off-highway vehicle market looks promising with significant opportunities in automation, electrification of off-highway vehicles and expansion in regional markets such as Asia Pacific & Middle –East.

Energy Sector:

The global renewable energy trends are indicating a monumental shift in the energy landscape, moving away from fossil-based fuels like oil and coal towards cleaner and sustainable sources such as wind and solar power. US Energy Secretary Jennifer Granholm recently revealed that this energy transition is expected to create a staggering USD 23 trillion market by 2030, presenting an immense opportunity for businesses worldwide.

Over the next five years (2023-2027), GWEC Market Intelligence anticipates an astounding 680 GW of new capacity to be installed, translating to an average of 136 GW per year. This ambitious forecast reflects the industry's determination to accelerate renewable energy adoption and meet growing energy demands sustainably.

Furthermore, GWEC Market Intelligence remains optimistic about wind energy's trajectory up to 2030. The latest projections suggest an additional 143 GW to be added by the end of the decade, marking a substantial 13% increase compared to previous forecasts. Consequently, the total estimated new capacity between 2023 and 2030 is now revised to 1221 GW, compared to the earlier forecast of 1078 GW, underscoring the industry's unwavering commitment to driving clean and green energy solutions.

These trends signify a momentous shift towards cleaner and renewable energy sources, highlighting the immense potential of wind energy in combating climate change and fostering a more sustainable global energy landscape. With continuous advancements and growing investments, the wind energy sector is poised to play a pivotal role in shaping a greener and brighter future for generations to come.

Medical Devices:

According to estimates, the global market for medical devices will increase from USD 490 billion in 2022 to USD 720 billion in 2029, growing at a moderate CAGR of 5.5% during the forecast period.

With technological advancements reshaping the medical device sector, the market is expected to see an increase in connected, patient-centric medical devices, which will also strengthen these devices' position in healthcare. The medical device industry is therefore poised for sustained growth. Companies are focusing on growing their R&D resources to innovate and capture the rapidly rising markets such as India, China, Latin America etc.

The healthcare device market is being driven by current trends like AI/ML, 3-D printed devices, healthcare at home, and wearable technology.

Going forward the transformation of the medical device industry with technological breakthroughs, presents new opportunities as well as challenges for medical device companies.

Semi-Conductor Industry:

The future of the semiconductor industry looks promising, with potential long-term growth drivers firmly in place. Innovations in semiconductors will pave the way for transformative technologies, including artificial intelligence (AI), autonomous electric vehicles, and the Internet of things (IoT). As new semiconductor advancements emerge, that will fuel market demand and open up entirely new markets. The pandemic has caused some unexpected shifts in short-term demand, but it ultimately increased society's reliance on semiconductor-enabled technologies. The global semiconductor industry is on a path of growth and innovation, with a vital role in shaping future technologies and markets. Government push for Make in India for semiconductor sector will open new opportunities and the increasing adoption of electronic components in the automotive vertical is also significant potential for revenue growth

Global Defence Sector:

In 2022, the world observed a significant rise in global military expenditure, reaching a peak of $2.24 trillion, marking a 3.7% increase in real terms. This surge was driven primarily by geopolitical tensions, especially Russia's invasion of Ukraine and ongoing strains in East Asia. The escalation in Europe was noteworthy, with the continent seeing its sharpest annual military spending growth since the post-cold War era, largely attributed to increased budgets in Russia and Ukraine. However, many European nations amplified their allocations as well. Concurrently, regions like Asia and Oceania also witnessed raised military outlays.

Indian Defence Sector:

India's defence sector, transitioning towards self-reliance and indigenisation, presents a promising landscape for Indian defense companies. Historically reliant on imports for a significant portion of its defence procurements, India's drive for homegrown solutions and accelerated defence procurements creates vast opportunities. The Defence Research and Development Organization (DRDO), at the forefront of championing indigenous projects, signifies the immense potential for ER&D to contribute towards advanced technological solutions and innovations in defence mechanisms. Furthermore, the collaboration between DRDO and private defense companies in the form of DCPP, that is development cum production partners that opened up new opportunities for private players.

The planned growth in defence production and the strategic establishment of defence corridors in major regions and India's concerted push for indigenous defence capabilities translates into a golden era for established defence players.

India's defence landscape is undergoing a transformative phase, shaped by the nation's increasing emphasis on indigenisation and self-reliance. A significant chunk of India's defence procurements ~70% by value has traditionally been sourced from foreign nations, including Russia, Japan, Israel, and the United States. Such high dependency on imports has occasionally led to delays in modernisation, hampering the operational capabilities of Indian forces. However, with the escalating geopolitical tensions in the region, India prioritises the acceleration of defence procurements and pushes for increased indigenous content. The defence budget for 2023 stands at $56.8 billion, marking a 3.5% increase from the prior year. This upward trajectory in defence expenditure is underpinned by India's robust economic growth and the perceived security challenges posed by neighbours such as China and Pakistan.

The Indian government's vision for the defence sector is rooted in its long-term strategic planning. It projects the defence budget to surge from $67.5 billion in 2024 to $89 billion by 2028, translating to a Compound Annual Growth Rate (CAGR) of 7.2%. Additionally, the defence acquisition budget, pivotal for modernisation and capacity augmentation, is set to grow from $19.7 billion in 2023 to $27.4 billion by 2028. While defence expenditure as a percentage of GDP is anticipated to hover around 2.22%, the Indian government remains committed to promoting indigenous defence production. Implementing various policy measures, such as raising the FDI cap to 74%, streamlining domestic procurement through DAP-2020, and launching the SRIJAN portal, attest to this commitment. In monetary terms, defence production in the fiscal year 2022 amounted to ₹948 billion, and it's expected to witness accelerated growth, reaching between ₹1,630-1,690 billion by 2027. This surge will likely be driven by policy initiatives, private sector participation, and infrastructure development, especially with the inception of defence corridors in Uttar Pradesh and Tamil Nadu. The overarching goal is to bolster domestic defence production and achieve export targets of $5 billion by 2025.

Digitalisation Across Industries

Aerospace and Defence:

Digitalization is increasingly vital in Aerospace and Defence (A&D) companies, providing them with a competitive edge and becoming a requirement for competing in government programs. A&D companies are embracing digital thread and smart factory concepts to streamline product development and enhance efficiencies. The digital thread, connecting engineering, supply chain, manufacturing, and aftermarket, enables a model-based enterprise (MBE) that enhances agility. According to Deloitte, over 85% of surveyed manufacturing enterprises, including A&D, are investing in MBE capabilities. Advanced technologies like cloud, big data, AI/ML, digital twins, and IoT empower A&D companies to address operational challenges and achieve innovation.

Smart factory initiatives are gaining traction in the A&D industry in 2023, driven by the need for shortened lead times, improved cycle times, and increased factory efficiency. The smart factory approach helps A&D manufacturers adapt quickly to demand fluctuations and supply chain adjustments. It connects various processes, from engineering to aftermarket, providing critical visibility into material and component supply. Deloitte's outlook survey reveals that 36% of respondents still need to embark on the smart factory journey, while 26% are implementing initial initiatives. As companies pursue improvements in cycle time, throughput, inventory levels, and utilisation, smart factory initiatives are expected to expand across A&D manufacturing networks, contributing to enhanced efficiency and agility in the industry.

Automotive:

The automotive industry is experiencing a digital revolution with advancements in technology reshaping automobile design, performance, and efficiency. Innovations such as Artificial Intelligence (AI) and machine learning are revolutionising the industry, improving safety, efficiency, and cost-effectiveness. AI technologies like computer vision and machine learning guide self-driving cars, enhanced vehicle inspections and automated manufacturing processes, making the automotive industry more efficient and safe. Additionally, the industry is leveraging Big Data and Analytics to optimise vehicle lifecycles, enabling predictive maintenance, improving product design, and enhancing sales. The Internet of Things (IoT) is also playing a crucial role in the automotive sector, enabling connectivity between vehicles and other devices. IoT technology facilitates remote vehicle monitoring, predictive maintenance, and real-time traffic updates, enhancing the overall driving experience. Moreover, autonomous vehicles powered by AI and advanced technologies are reshaping the industry, providing improved safety, convenience, and efficiency.

Furthermore, the automotive industry is embracing sustainability by investing in green technologies like electric vehicles (EVs) and renewable energy-based charging grids. EV adoption is driven by governments' targets, such as India's goal of achieving 30% EV penetration by 2030. With government subsidies and incentives, the development and production of electric cars are increasing, making them more accessible to consumers. Additionally, 3D printing technology enables rapid prototyping and the production of lightweight, durable automotive parts, enhancing performance and efficiency. Blockchain technology is revolutionising the industry by providing secure data sharing, verifying supply chains, and supporting shared mobility solutions. Lastly, online retail is gaining momentum in the automotive sector, with consumers increasingly purchasing automotive products and services online, transforming the way cars are bought and sold.

Digital initiatives:

AXISCADES has already started its journey in enabling Digital capabilities in-house. Traditional engineering always been AXISACDES strength but with Digital capabilities, it will be able to add significant value to the existing customers and have confidence to reach out prospective Customers. Digital has two significant focus areas, (1) Internal optimization and data driven approach and (2) Grow % share of Digital Business. However, building such capabilities require strengthening of 3 critical elements: (1) People, (2) Process and (3) Product. People are heart of building any new capability; Digital product and solution building requires strong processes including ability to develop in Agile or Scaled agile due to its complexity and the Product itself which will give credibility and add value to Customer.

AXISCADES is focused on the entire product life cycle and building its own Digital Engineering platform capabilities to advance its competitive advantage in the market. In conclusion, AXISCADES is in a sweet spot to take advantage of large-scale adoption of Digital Engineering / Digitalization in various industries with its core engineering strength, domain expertise, product life cycle system knowledge and Digital Engineering capabilities. The organization will continue to build on its strength and bring agility in adapting to newer market trends. The company has already made significant investment in building the digital team which is expected to be margin accretive in coming years.

ER&D opportunities for India

According to a study by NASSCOM., India has emerged as a lucrative destination for Engineering R&D (ER&D) outsourcing, with significant business opportunities. The India ER&D revenue has consistently grown over the past three years. The revenue figures for the respective years are as follows: USD 31 billion in 2020-21, USD 36 billion in 2021-22, and USD 41 billion in 2022-23.

The Indian ER&D services sector has experienced remarkable growth over the past two decades, and it is projected to reach USD 63 billion by 2025, doubling its value from USD 31 billion in 2020-21. India holds a 30 per cent share of the global ER&D outsourcing market, which is expected to increase to 50 per cent within the next ten years. India's strategic position allows it to leverage the ongoing digitisation and technology transformation trends, making it an ideal partner for global multinational companies (MNCs) in their digital transformation endeavours.

With over 1300 ER&D Global Capability Centers (GCCs) across various industry verticals, India has established itself as one of the largest technology hubs for parent organisations. It offers differentiated ER&D services that cater to the diverse needs of global enterprises, including revenue growth, operational excellence, competitive differentiation, product innovation, and regulatory compliance. India has transitioned from merely providing engineering support to taking on end-to-end ownership of engineering and product development initiatives. This success story is attributed to India's abundant pool of qualified technology and digital talent, a thriving start-up ecosystem, strong university collaborations, and a focus on innovation and service delivery.

About AXISCADES

AXISCADES Technologies Ltd is a renowned global engineering solutions company at the forefront of technological innovation. With a strong market presence and diverse services, AXISCADES caters to industries including aerospace, defense, automotive, energy, and healthcare. Headquartered in Bengaluru with subsidiaries in USA, UK, Canada, Germany, India and China; and offices in Germany, France, Denmark, USA and Canada.

AXISCADES has a diverse team of over 2,700 professionals working across 17 locations across North America, Europe, UK and Asia-Pacific, striving to reduce the program risk and time to market. The company offers Product Engineering Solutions across Embedded Software and Hardware, Digitisation and Automation, Mechanical Engineering, System Integration, Test Solutions, Manufacturing Engineering, Technical Publications, and Aftermarket Solutions.

The solutions comprehensive portfolio covers the complete product development lifecycle from concept evaluation to manufacturing support and certification for Fortune 500 Companies in the Aerospace, Defense, Heavy Engineering, Automotive, Medical Devices & Industrial Product industries. The company is known for its robust system of certifications and best practices that address customer requirements and domain expertise.

The company's commitment to research and development has allowed it to develop cutting-edge technologies, embracing digital transformation and emerging trends such as artificial intelligence, machine learning, and automation. AXISCADES also places great importance on talent development, ensuring a skilled workforce capable of delivering high-quality solutions to clients. With a focus on expansion, strategic collaborations, and proactive risk management, AXISCADES Technologies Ltd continues to be a trusted partner for clients worldwide, driving sustainable growth and delivering value to stakeholders.

The wholly owned subsidiary of AXISCADES Technologies Ltd, AXISCADES Aerospace & Technologies Private Ltd (ACAT) is into system integration activities for defence & offsets sector business involving hardware.

AXISCADES has strengthened its position as a technology leader by acquiring Mistral Solutions. By integrating Mistral into its portfolio, AXISCADES enhances its ability to offer cutting-edge product design and development services for a wide range of applications, further catering to its customers' needs. The synergy between the two companies opens up diversified opportunities and promises substantial growth in revenue and margins. This strategic move strengthens AXISCADES' expertise in digital engineering, embedded electronics, and systems engineering domains, enabling the company to have a more significant impact and add substantial value to its clients across various industries and geographic regions.

Overview of Performance

Performance Highlights:

AXISCADES Technologies is pleased to share the exceptional performance achieved in FY23, with the company reaching its highest-ever revenue and profitability. This fiscal year marked a significant milestone as AXISCADES focused on strengthening the core of the organization and implementing key strategic initiatives.

Consistent Results:

In FY23, AXISCADES witnessed strong financial growth, with consolidated revenue increasing 33.7% year on year to reach highest ever revenue at Rs. 813.6 crores. Revenues in USD terms amounted to $101.8 million, representing a substantial growth of 24.3% compared to the previous year.

Sequential Growth:

Throughout the fiscal year, AXISCADES maintained a consistent growth trajectory, recording sequential growth in every quarter of FY23. This highlights the company's ability to adapt to changing market dynamics and capitalize on emerging trends and also its superior execution capabilities.

Strategic Partnerships:

Strategic partnerships played a pivotal role in the company's success. Notably, AXISCADES forged a collaboration with Mangal Industries Limited, a renowned part of the Amara Raja Group. This partnership leverages AXISCADES' proven engineering service capabilities to advance product design, manufacturing engineering, and industry 4.0 solutions.

Recognition in the Automotive Sector:

AXISCADES' dedication to the automotive sector was recognized by one of its major clients, Bosch. The company was honored with the Rising Star Award in the embedded electronics category at Bosch's maiden Enrico Partner Day. This accolade underscores the rapid scale-up and credible progress AXISCADES has achieved in this segment.

Integration with Mistral:

The Company completed the acquisition of Mistral Solutions Pvt Ltd during the year. Mistral has niche capabilities in semiconductors, embedded electronics and defense and serves marquee customers, Globally and in India, in this spectrum. The integration with Mistral is progressing as planned, enabling AXISCADES to synergize offerings across the group. Mistral has exhibited exceptional performance, recording a revenue growth of 40.2% from ₹ 196.4 crores to ₹ 275.3 crores, accompanied by improved profitability.

Review of Business

Overall, AXISCADES demonstrated strong sales performance in FY23, with a year-on-year revenue growth of 24.3% in $ terms. This growth was primarily driven by increased traction in the newer verticals of Automotive, Energy and the existing verticals of Aerospace, Product Engineering Services (PES), and Product and Solutions (Defence).

Engineering Design Services:

The Engineering Design segment experienced significant growth of 28.8% year-on-year, primarily attributed to the growing contribution from existing customers in Aerospace, Product Engineering Services, and recently acquired clients in the AIP (Automotive and Industrial Products) and Energy verticals.

Aerospace:

The Aerospace segment continued its growth trajectory, achieving a noteworthy increase of 44.3% year-on-year. This growth was primarily driven by an expansion of business from existing clients, showcasing the company's strong position and expertise in this domain.

Heavy Engineering (HEG):

The HEG segment's performance was muted, mainly due to the delayed revival of major industrial capital expenditure (capex) projects. We are exploring opportunities in digital and analytics in this sector and are hopeful that FY '24 will be a growth year for the company in this vertical, considering the new initiatives we have launched in this segment.

Product Engineering Services:

Product & Engineering services business, witnessed growth of 33.5% Y-o-Y, driven by an increased traction from existing clients. Government push for Make in India for semiconductor sector will open new opportunities and we will have competitive advantage in design services. The increasing adoption of electronic components in the automotive vertical is of significant potential for revenue growth.

Automotive and Industrial Products (AIP):

The AIP segment experienced robust growth of 65.2% year-on-year, driven by a ramp-up in recently acquired clients in the areas of Embedded, Mechanical, and Hardware. This growth reflects the company's success in expanding its client base within the AIP vertical. While currently this vertical constitutes 4.3% of FY23 revenue going forward this vertical is expected to contribute significant portion to the company's revenue.

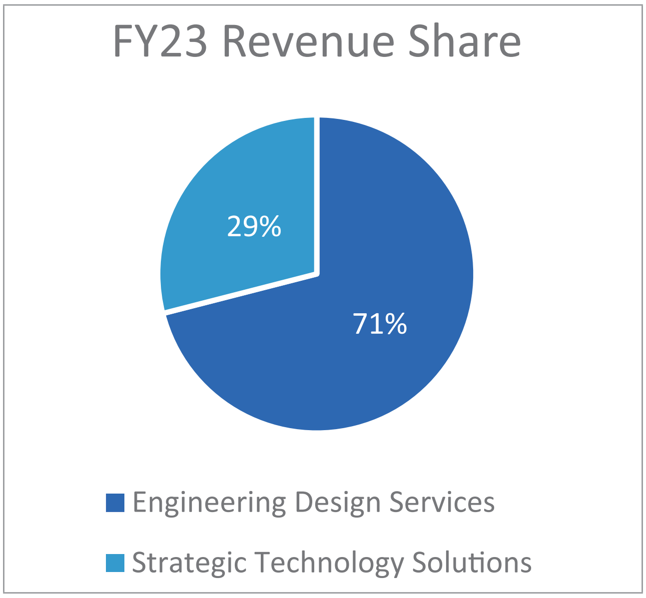
Energy:

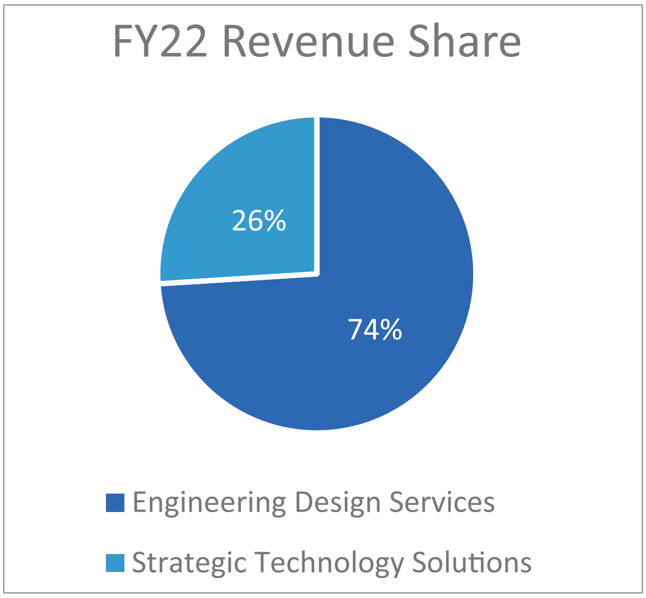
The company's energy vertical has witnessed an impressive 51.1% year-on-year growth, signalling a marked improvement in its performance. This growth underscores the firm's strategic foresight in investing within this vertical and recruiting skilled talent. Such initiatives demonstrate the company's dedication to tapping into the burgeoning energy sector and ensuring they have the apt workforce to continue and amplify their industry success.

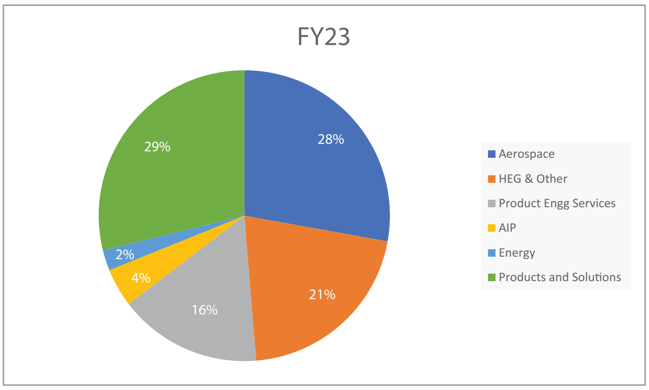
Products and Solutions:

The Products and Solutions vertical, representing the defence business of the Company's wholly owned subsidiaries, namely AXISCADES Aerospace & Technologies and Mistral Solutions exhibited strong growth during the year. This growth was primarily fueled by the traction gained from recently secured contracts, such as the supply of Anti-drone systems to the Indian defence sector.

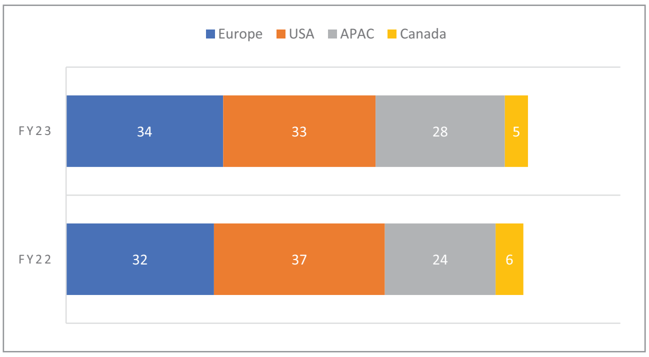
Revenue by Verticals







Revenue by Geography (%)



Review of Geographies and Performance.

AXISCADES has a notable international footprint, through its subsidiaries in six significant countries: USA, UK, Canada, Germany, India, and China.

Further the company has a comprehensive network of offices across five countries: Germany, France, Denmark, USA, and Canada. The company's workforce comprises 2,700 professionals spread over 17 locations in North America, Europe, UK, and the Asia-Pacific.

Performance by Region:

Europe: The European business stands out with a robust 43.2% growth year-on-year. This points to a dominant market position and strong acceptance of the company's offerings in the region.

USA: The American market also showed a promising upward trajectory with a 17.1% year-on-year growth. This solidifies the USA as a valuable contributor to AXISCADES global success.

Asia-Pacific: This region turned in a standout performance, with a 55.9% year-on-year growth. This growth was driven by impressive perfomance by Defence vertical and the customers are predominantly Indian defence players.

Canada: Canada remained flat during the year and it is expected to show growth in coming quarters.

FINANCIAL RATIOS

Sl. No	Ratio discription	March 31, 2023	March 31, 2022	Variance	Explanation
1	Debtors turnover (in days)	80	87	-8%	
2	Inventory turnover (in days)	134	161	-17%	
3	Interest coverage ratio	4.22	5.06	-17%	
4	Current ratio	1.51	0.99	52%	Note (i)
5	Debt equity ratio	1.01	0.21	379%	Note (ii)
6	Operating margin (%)	19%	13%	42%	Note (iii)
7	Net profit margin (%)	-1%	4%	-116%	Note (iv)
8	Return on net worth (%)	-1%	7%	-121%	Note (v)

Note (i) Current liabilities are decreased due to repayment of Purchase consideration on account of Mistral Acquisition.

Note (ii) The Borrowings have increased due to payment for Mistral acquisition.

Note (iii) Operating Profit Margin Increased driven by growth in key accounts and operating leverage.

Note (iv) Net Profit is Decreased due to an Exceptional Item on account of additional consideration and interest cost with respect to Mistral acquisition.

Note (v) Reduction is due to an Exceptional Item on account of additional consideration and interest cost with respect to Mistral acquisition.

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.	• Continued interaction by Dedicated client relationship teams that can develop a significantly better understanding of client's needs and operating environment. • Focus on innovation and development of solutions. – 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. – Partnerships with technology partners, internal R&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.
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.	• Strict enforcement of a comprehensive IT Security Management framework covering systems, processes, manpower and overall infrastructure. • Campaign on Cyber Security awareness for all employees. • Regular audit and reviews of security management.

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.	• 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: – Diversification in regional markets by increasing the exposure to a wider basket of currencies. – Development of a risk management policy that involves proactive hedging of incremental exposures through available financial instruments.
Human resource risk	Increase in attrition rate.	• Employee engagement, health & wellbeing and motivation.
Competition risk	Competition from other players may impact the business performance of the company.	• 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.
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.	• 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.

BOARD'S REPORT

To,
The Members,

Your Directors have pleasure in presenting the Thirty Third (33rd) Annual Report on the business and operations of the Company, along with the audited financial statements for the financial year ended March 31, 2023. The Consolidated performance of the Company and its subsidiaries has been referred to, wherever required.

1. FINANCIAL RESULTS

(₹ Lakhs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Total income	28,469.98	18,402.64	82,758.05	61,940.02
Total expenditure (before interest & depreciation)	24,235.00	16,675.14	67,605.69	53,966.99
Earnings before interest, depreciation, amortization and extra-ordinary items	4,079.85	1,522.93	13,754.78	6,873.78
Interest & finance charges	3,342.48	1,171.56	3,589.98	1,575.41
Depreciation & amortization	1,093.65	950.96	2,651.83	2,506.06
Earnings/before Tax and Exceptional Items	(201.15)	(395.02)	8,910.55	3,891.56
Share in net profit/(Loss) of associate	-	-	(4.41)	(45.82)
Exceptional item	(1,664.87)	750.42	(6,803.74)	(169.34)
Profit/(Loss) before Tax (PBT)	(1,866.02)	355.40	2,102.40	3,676.40
Provision for Tax – Current & Deferred	116.85	47.52	2,582.22	1,408.49
Net Profit/(Loss) after Tax (PAT)	(1,982.87)	307.88	(479.82)	2,267.91
Minority Interest	-	-	43.43	44.59
Profit/(loss) for the period	(1,982.87)	307.88	(523.25)	2223.32
EPS Basic Diluted	 (5.21) (5.21)	 0.81 0.80	 (1.37) (1.37)	 5.86 5.76

PERFORMANCE REVIEW

During the financial year 2022-23, the Company achieved 33.7% growth in overall revenue. Its key verticals, namely, Aerospace, Product Engineering Services and Product & Solutions grew by 44.3%, 33.5% and 51.3% respectively. Our recent foray in the automotive & energy segments is scaling up well. Both segments have delivered robust growth, north of 50% in this fiscal year. Going forward, both these segments will grow substantially and will form significant portion of our revenue. The Engineering design services revenue has grown by 28.8% Y-o-Y and the Strategic Technology Solutions vertical by 51.3%. In FY23, the Company has made considerable progress, in de-risking the business, with three-pronged approach of 'vertical diversification, customer diversification and digital first' and it will continue to execute its strategy in coming years. In FY24, our focus will be to further consolidate our business, to make it more sustainable and profitable.

FINANCIAL HIGHLIGHTS – STANDALONE

Total Income increased by 54.71% in 2022-23 to ₹ 28,469.98 lakhs. EBIDTA increased by 167.9% to ₹ 4,079.85 lakhs and Loss before tax and exceptional items is ₹ (201.15) lakhs in 2022-23. Net loss after tax stood at ₹ 1,982.87 lakhs in 2022-23.

FINANCIAL HIGHLIGHTS – CONSOLIDATED

Total Income increased by 33.61% to ₹ 82,758.05 lakhs in 2022-23. EBIDTA increased by 100.1% to ₹ 13,754.78 lakhs in 2022-23. Profit before tax and exceptional items increased from ₹ 3891.56 lakhs to ₹ 8,910.55 lakhs in 2022-23. Net Profit/(loss) after tax, before minority interest, Decreased by (123.5)% to ₹ (523.25) lakhs in 2022-23.

RESERVES

The Company has not transferred any amount to its general reserves for the Financial Year ended March 31, 2023.

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 2022-23.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Board has formulated and adopted the Dividend Distribution Policy. The Policy is available on our website at https://www.axiscades.com/investors_data/corp_policy/DividendDistributionPolicy_18Aug2023.pdf

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 2022-23, the Company has allotted 89,000 equity shares under ESOP Plan which were listed on NSE and BSE vide letters NSE/LIST/2022/31324 and LOD/ESOP/TP/No.90/2022-2023 and 196,280 equity shares listed on NSE and BSE vide letters NSE/LIST/2022/33763 and LOD/ESOP/TP/No.197/2022-2023 respectively.

DEBENTURES

During the year 2022-23, the Company has raised an amount of ₹145 crores by way of issuance of Unlisted, Unrated, Secured, Redeemable, Non-convertible Debentures on a Private Placement basis.

The outstanding number of Non-Convertible Debentures as on 31st March 2023 is 1,450.

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.

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.

The Company believed 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 had initiated arbitration proceedings against shareholders of MSPL and the Arbitral Tribunal vide its interim order dated August 28, 2020 had directed to maintain the status quo with respect to shareholding in MSPL and had 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 were ordered to maintain status quo with respect to the existing constitution of the Board of Directors of MSPL.

During the year, the Company received 'interim final award' dated 21st May, 2022 from Arbitral Tribunal in which the Tribunal passed concluding directions directing, both the Company and the Second Party (Explosoft Tech Solutions Pvt Ltd, the promoters of Mistral and Mistral Solutions Pvt Ltd) to specifically perform their respective obligations under the Definitive Agreements to ensure completion of acquisition of 100% of the shares of Mistral by AXISCADES Technologies Ltd, in accordance with specified timelines in the interim final award read with orders subsequently passed by the Arbitral Tribunal.

Accordingly, the Company completed of the acquisition in accordance with the directions of the Arbitral Tribunal.

The Company acquired Mistral Solutions Private Limited with the acquisition of 100% shares of Explosoft Tech Solutions Private Limited on 22nd December 2022, which held 16,79,359 equity shares (41.28% of equity share capital) of Mistral. Accordingly, Explosoft became a wholly owned subsidiary of AXISCADES Technologies Limited.

The Arbitration Tribunal, vide its Final Award, dated January 13, 2023, terminated the Arbitration Proceedings recording that both parties submitted and declared that all disputes between them have been settled with the performance of/compliance with the declarations and directions in the Interim Final Award dated May 21, 2022.

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.

Indian Subsidiaries

Sl. No	Name of the subsidiary	Location/Country	%age Shareholding
1.	Cades Studec Technologies (India) Private Limited (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 % shares are held by ACAT and 48.16% shares are held by AAIPL
5.	Mistral Solutions Pvt. Ltd.	Bengaluru, India	99.20%
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.
8.	Explosoft Tech Solutions Pvt. Ltd.	Mumbai, India	100%

During the year, in view of changed circumstances and subsequent experience, the Joint Venture with ASSYSTEM AXISCADES Engineering Pvt. Ltd was not beneficial to either parties hence the Joint Venture Agreement was terminated on 12th July 2022 with mutual consent.

A report on the performance and financial position of each of the subsidiaries as per rule 8(1) of Companies (Accounts) Rules 2014 is furnished under the statement containing salient features of financial statements of subsidiaries 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. 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

Induction and cessation of Directors and KMPs during the year:

Sl No	Name of the Director/KMP	Category	Appointment / reappointment / Cessation	Date
1	Mr. Abhishek Kumar	Non-Executive, Non-Independent	Cessation	03-06-2022
2	Mr. Desh Raj Dogra	Non-Executive, Independent	Re-appointment	27-09-2022
3	Mr. Dhiraj Mathur	Non-Executive, Independent	Re-appointment	27-09-2022
4	Mr. Sudhakar Gande	Non-Executive, Non-Independent	Cessation	05-01-2023
5	Mr. Venkatraman Venkitachalam	Non-Executive, Non-Independent	Appointment	06-01-2023
6	Ms. Mariam Mathew	Non-Executive, Independent	Re-appointment	12-02-2023

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 2,685 employees on a consolidated basis as of March 31, 2023.

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 10 (ten) 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 and Stakeholders Relationship Committee. The Risk Management Committee was constituted on May 06, 2023 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.

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.

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 Risk Management Committee is responsible for monitoring risk levels on various parameters and the senior management group ensures implementation of mitigation measures, if required. The Audit Committee has additional oversight in the area of financial risks and controls.

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 2022-23, 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 re-appointed as Auditors of the Company by the shareholders at the 32nd Annual General Meeting (AGM) held on September 27, 2022 to hold office til the conclusion of the 37th AGM of the Company. Hence, they will continue to be the Statutory Auditors of the Company.

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 2022-23. The Secretarial Audit Report of the Company and its material subsidiaries for the FY23 are attached as **Annexure VIII** which 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company 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.

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.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

In pursuance of Regulation 34 of the SEBI Listing Regulations, the Business Responsibility and Sustainability Report describing the initiatives taken by the Company from an environmental, social and governance perspective is enclosed as **Annexure X** to this report.

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, 2023, 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 https://www.axiscades.com/investors_data/annual_report/ACTL-Annual_ReturnFY2022-23.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.

6. CONSERVATION OF ENERGY, FOREIGN EXCHANGE EARNINGS AND OUTGO

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)

₹ Lakhs

	FY 2022-23	FY 2021-22
Foreign Exchange Earnings (actual inflows)	22,741.03	14,449.07
Foreign Exchange Outgo (actual outflows)	4,271.10	5,698.35

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. APPLICATION UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the year, the Company has not made any application under the Insolvency and Bankruptcy Code, 2016 during the FY 2023.

8. 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.

9. GREEN INITIATIVES

With reference to the MCA circular dated December 28, 2022 read with and SEBI circular dated January 05, 2023, this year the Company is dispensed with the printing and dispatch of Annual Reports to the Shareholders. Electronic copies of the Annual Report are sent to all the members whose email address are so registered.

10. 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 & Bengaluru 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 of Directors

Sd/-
Arun Krishnamurthi
Chief Executive Officer and Managing Director
DIN: 09408190

Sd/-
David Bradley
Chairman and Non-Executive Director
DIN: 08380717

Place: Bengaluru
Date: May 25, 2023

ANNEXURE - I

PARTICULARS OF CONTRACT / ARRANGENMENTS WITH RELATED PARTIES

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 read with Sub-Section (1) of Section 188 of the Companies Act, 2013-AOC-2)

1. Details of contracts or arrangements or transactions not at arm's length basis:

S. NO.	Particulars	Details
(a)	Name(s) of the Related Party and nature of relationship	NIL
(b)	Nature of contracts / arrangements / transactions	NIL
(c)	Duration of the contracts / arrangements / transactions	NIL
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any.	NIL
(e)	Justification for entering into such contracts or arrangements or transactions.	NIL
(f)	Date(s) of approval by the Board	NIL
(g)	Amount paid as advances, if any	NIL
(h)	Date on which the special resolution was passed in General Meeting as required under first provision to Section 188	NIL

2. Details of contracts or arrangements or transactions at arm's length basis:

Sl. No.	Particulars	Details									
	Name (s) of the related party	AXISCADES Inc.	AXISCADES UK Ltd.	AXISCADES Technology Canada Inc.	AXIS Mechanical Engineering Design (Wuxi) Co., Ltd.	AXISCADES Aerospace & Technologies Private Limited	AXISCADES GmBH	Cades Studec Technologies (India) Private Limited	Mistral Solutions Private Limited	Explosoft Tech Solutions Private Limited	Jupiter Capital Private limited
(a)	Nature of relationship	Wholly Owned Subsidiary	Stepdown Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Subsidiary	Subsidiary	Wholly Owned Subsidiary	Holding Company
(b)	Nature of contracts/ arrangements/ transaction	Buy & Sale of service / Cross charge transactions	Buy & Sale of service, reimbursement / payment of expenses/ Cross charge transactions	Sale of service, reimbursement / payment of expenses/ Cross charge transactions	Sale of service	Service contract/ Cross charge transactions/ ICD/Corporate guarantee	Service contract / Cross charge transactions	Inter-corporate Deposits	Cross charge transactions	Inter-corporate Deposits	Inter-corporate Deposits and Corporate guarantee fee
(c)	Duration of the contracts/ arrangements/ transaction	1. 36 Months from 1st Apr 2022 in respect of sale of services	1. 36 Months from 1st Apr 2022 in respect of sale of services	1. 36 Months from 1st Apr 2022 in respect of sale of services	1. 36 Months from 1st Apr 2020 in respect of sale of services	On assignment basis	36 months w.e.f. 01.04.2021	36 months w.e.f. 21.12.2020/ On assignment basis			On assignment basis
		2. Other transactions on ongoing basis	2. Other transactions on ongoing basis	2. Other transactions on ongoing basis							
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any Value of transactions during the year. (Rs)	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 30days	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.		Interest 10% p.a.	Interest 18.5%-19.5% p.a.

Sl. No.	Particulars	Details									
5	1. Revenue from operations	272,791,361.65	62,210,405.22	161,804,869.56	-	725,000.00	23,089,460.82	-	-	-	-
	2. Expenses incurred on behalf of	4,269,843.00	1,897,476.00	989,812.00	-	4,900,521.05	-	-	3,198,506.00	-	-
	3. Software subscription charges charged by	7,396,415.76	-	-	-	-	-	-	-	-	-
	4. Salaries, wages and bonus incurred on behalf of	20,268,234.24	-	5,054,730.94	-	20,204,492.00	-	-	-	-	-
	5. Services received from	-	-	-	4,900,652.77	-	-	2,964,555.00	-	-	-
	6. Software and Legal expenses charged to	5,660,375.00	-	567,619.000	-	-	-	-	-	-	-
	7. Interest Expenses	-	-	-	-	3,489,041.15	-	3,103,698.63	-	-	67,080,000.00
	8. Corporate guarantee fee charged by	-	-	-	-	-	-	-	-	-	2,000,000.00
	9. Corporate guarantee received from	-	-	-	-	-	-	-	-	-	1,650,000,000.00
	10. Reimbursement of expenses by	-	-	-	-	-	-	-	60,000,000.00	-	-
	11. Intercorporate deposits given to									1,000,000.00	-
	12. Intercorporate deposits availed from	-	-	-	-	50,000,000.00	-	40,000,000.00	-	-	514,200,000.00
	13. Intercorporate deposits repaid to	-	-	-	-	-	-	-	-	-	50,000,000.00
	14. Interest Income on intercorporate deposit	-	-	-	-	-	-	-	-	8,767.00	-
(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	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board

Sd/-
Arun Krishnamurthi
Chief Executive Officer and Managing Director
DIN: 09408190
Place: Bengaluru

Sd/-
David Bradley
Chairman and Non-Executive Director
DIN: 08380717
Place: Bengaluru

Sd/-
Shashidhar SK
Chief Financial Officer

Place: Philadelphia, Pennsylvania

Sd/-
Sonal Dudani
Company Secretary
Membership No.: 40415
Place: Bengaluru

Date : May 25, 2023

ANNEXURE - II

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

(Pursuant to first proviso to Sub Section (3) of Section129 of the Companies Act 2013, read with Rule 5 of the Companies (Accounts) Rules 2014 (AOC -1)

Part A Subsidiaries

Sl. No.	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 TECH-NOLOGIES (INDIA) Private Limited (India)	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.	Explosoft Tech Solutions Private Limited
1	Financial period ended	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23
	Date of acquisition of Control	2004	2004	7-Dec-12	24-Mar-14	12-Jul-16	24-Mar-14	5-Dec-16	5-Dec-16	5-Dec-16	1-Dec-17	1-Dec-17	1-Dec-17	1-Dec-17	22-Dec-22
2	Reporting currency and Exchange rate 2.1 Reporting Currency	USD	GBP	RMB	CAD	EUR	INR	INR	INR	INR	INR	INR	INR	USD	INR
	2.2 Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries (closing rate)	82.1805	101.6418	11.9542	60.6372	89.3657	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	82.1805	1.0000
	2.2 Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries (Average rate)	80.3395	96.7927	11.7233	60.7403	83.6343	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	80.3395	1.0000
3	Share capital	2,247,227	575,476	450,476	100	25,000	6,250,000	168,385,000	41,725,000	13,659,000	20,529,000	353,000	100,000	643,600	241,914,000
4	Reserves & surplus	2,829,781	76,139	(1,320,151)	5,775,848	24,478	236,957,000	1,308,120,000	721,610,000	344,516,000	1,635,992,000	38,827,000	81,570,000	487,341	-7,720,000
5	Total assets	6,736,929	1,166,162	1,246,641	7,705,562	115,868	304,589,000	2,152,395,000	824,578,000	414,127,000	2,592,320,000	39,230,000	84,238,000	1,506,344	826,400,000
6	Total Liabilities*	5,077,008	651,615	-869,675	5,775,948	49,478	243,207,000	1,476,505,000	763,335,000	358,175,000	1,656,521,000	39,180,000	81,670,000	1,130,941	234,194,000
7	Investments	518,100	-	-	-	-	44,677,000	1,063,478,000	120,300,000	-	341,360,000	-	-	-	235,110,000
8	Turnover	16,031,883	3,269,281	539,654	6,143,333	290,988	169,443,000	906,115,000	-	-	2,701,200,000	-	12,822,000	2,730,034	-

Sl. No.	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 TECH-NOLOGIES (INDIA) Private Limited (India)	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.	Explosoft Tech Solutions Private Limited
9	Profit before taxation	2,723,122	149,640	68,155	771,037	(1,697)	24,348,000	185,745,000	-10,691,000	3,328,000	331,299,000	-4,140,000	6,687,000	79,712	5,574,000
10	Provision for taxation	803,939	(13,183)	-	209,255	1,548	6,251,000	44,905,000	2,390,000	-	113,772,000	-	1,659,000	16,974	-
11	Profit after taxation	1,919,183	162,823	68,155	561,782	-3,245	18,097,000	140,840,000	-13,081,000	3,328,000	217,527,000	-4,140,000	5,028,000	62,738	5,574,000
12	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	% of shareholding	100%	100% Subsidiary of AXISCADES Inc.	100%	100%	100%	76%	100%	100% Subsidiary of ACAT	51.84 % Subsidiary of ACAT and 48.16% Subsidiary of AAIPL	99.20%	100% Subsidiary of Mistral Solutions Pvt.ltd.	100% Subsidiary of Mistral Solutions Pvt. ltd.	100% Subsidiary of Mistral Solutions Pvt.ltd.	100%

* Total liabilities includes Share capital and Reserves & Surplus.

1. AXISCADES Inc: The revenue decreased by 6.12% as compared to last year due to reduction in billing. During the year the Company has received financial assistance aggregating USD 27,05,378 from the U.S. Government towards compensation of employee expenses incurred during the Covid-19 period. The same has reduced from employee benifit expenses, due to which the profit is increased.
2. AXISCADES UK Limited: The revenue Increased by 17.15% due to ramp up in existing customers and addition of new customers, the profits increased by 11.15% in line with revenue.
3. AXISCADES Technology Canada Inc: The revenue decreased by 3.19 % as compared to previous year due to reduction in billing. The profit has increased due to decrease in direct project expenses and forex gain during FY23.
4. CADES STUDEC TECHNOLOGIES (INDIA) Private Limited: The Revenue has decreased by 0.63%.
5. Axis Mechanical Engineering Design (Wuxi) Co. Ltd: The revenue for the year has decreased by 50.57%.
6. AXISCADES GmbH: The revenue has increased by 97.52% compared to last year.
7. AXISCADES Aerospace & Technologies Private Limited: The Operating revenue has increased by 59.75% during the year compared to previous year majorly due to higher revenue from existing customers, thereby the resultant profit has increased.
8. AXISCADES Aerospace Infrastructure Private Limited: It is an investment company. Hence no revenue.
9. Enertec Controls Limited: This is an investment company earning rental income. The net profit after tax for the year was ₹33.28 lakhs as against ₹8.83 lakhs in the previous year.
10. Mistral Solutions Private Limited: The revenue for the year has increased by 44.16% compared to previous year majorly due to higher revenue from existing customers.
11. Aero Electronics Private Limited: This is a 100% subsidiary of Mistral Solutions Private Limited and there is no revenue for the period.
12. Mistral Technologies Private Limited: This is a 100% subsidiary of Mistral Solutions Private Limited and revenue for the year is ₹128.22 lakhs.
13. Mistral Solutions Inc: This is a 100% subsidiary of Mistral Solutions Private Limited and revenue for the year decreased to USD 27.30 lakhs. The revenue for the previous year USD 31.58 lakhs.
14. 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 previous year.
15. Explosoft Tech Solutions Private Limited: During the year the ACTL has acquired 100% control in Explosoft Tech Solutions Private Limited.

For and on behalf of the Board

Sd/-
Arun Krishnamurthi
Chief Executive Officer and Managing Director
DIN: 09408190
Place: Bengaluru

Sd/-
David Bradley
Chairman and Non-Executive Director
DIN: 08380717
Place: Bengaluru

Sd/-
Shashidhar SK
Chief Financial Officer

Place: Philadelphia, Pennsylvania

Sd/-
Sonal Dudani
Company Secretary
Membership No.: 40415
Place: Bengaluru

Date : May 25, 2023

ANNEXURE - III

DISCLOSURE UNDER SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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 ESOPs	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	NA
Total number of Options approved and granted	NA
Exercise price per option	NA
Maximum term of Options Granted	NA
Source of Shares	NA
Options vested/Vesting Schedule	NA
Number of options outstanding at the beginning of the period	52,99,674
Number of options granted during the year	NA
Number of options forfeited / lapsed during the year	-
Number of options vested during the year	NA
Number of options exercised during the year	2,85,280
Number of shares arising as a result of exercise of options	2,85,280
Money realized by exercise of options (₹), if scheme is implemented directly by the company	1,50,25,122
Loan repaid by the Trust during the year from exercise price received	NA
Number of options outstanding at the end of the year	50,14,394
Number of options exercisable at the end of the year	16,81,485

Employee wise details of options granted to

Senior Managerial Personnel (SMP)	Nil
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	Nil

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

285,280 options have been exercised during the financial year 2022-2023. However, the fair value of above options has been estimated using Black-Scholes Option pricing model.

For and on behalf of the Board of Directors

Sd/-
Arun Krishnamurthi
Chief Executive Officer and Managing Director
DIN: 09408190

Sd/-
David Bradley
Chairman and Non-Executive Director
DIN: 08380717

Place: Bengaluru
Date: May 25, 2023

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 – 560 024

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 referrSed 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.

The Company in accordance with Regulation 12 (3) of SEBI SBEBSE Regulations, Company was required to obtain in-principle approval from the recognised Stock Exchange prior to grant of 26,43,167 (Twenty Six Lakhs Forty Three Thousand One Hundred and Sixty Seven Only) equity shares under ESOP. The default was condoned by the Securities and Exchange Board of India on November 21, 2022.

We understand that this report is required to be placed by the Company at its Thirty Third Annual General Meeting, to be held for the financial year 2022-23, in accordance with the requirements of Regulation 13 of the SEBI SBEBSE Regulations 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.

For Anant B Khamankar & Co.

Sd/-
Anant B Khamankar
FCS No. - 3198
CP No. – 1860
UDIN: F003198E000377352

Date: May 25, 2023
Place: Mumbai

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.	Arun Krishnamurthi	138.50
		b.	Shashidhar S K	72.58
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the Financial Year	a.	Arun Krishnamurthi	Nil
		b.	Shashidhar S K	Nil
		c.	Sonal Dudani	Nil
(iii)	The percentage increase in the median remuneration of employees in the financial year.	0%		
(iv)	The number of permanent employees on the rolls of the Company	1,766		
(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.	64.60% (excluding managerial personnel) 60.86% (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 of Directors

	Sd/- **Arun Krishnamurthi**	Sd/- **David Bradley**
Place: Bengaluru Date: May 25, 2023	Chief Executive Officer and Managing Director DIN: 09408190	Chairman and Non-Executive Director DIN: 08380717

ANNEXURE - VI

STATEMENT SHOWING 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 Rs. 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
Arun Krishnamurthi	CEO & MD	8,30,97,767	MCA - Computer Applications and BSc (Hons) in Mathematics	31	22-Nov-21	54	Tata Technologies
Shashidhar S K	Group CFO	4,35,49,105	CGMA, FCMA and FCS	34	03-Jan-22	56	Stovekraft Limited
Sriram Jayakrishna	Senior VP	1,78,36,349	BTech	28	09-Apr-15	50	Tata Technologies
Abhay Sharma	Senior VP	1,55,46,006	BTech	27	24-Sep-12	51	Mahindra Satyam
Brotzki, Oliver	AVP	1,31,66,651	Diploma – Hamburg University of Applied Science	30	20-Jan-12	54	3D CONTECH
Sreedhar Ellentala	Senior VP	1,03,95,374	MBA	36	12-Feb-09	59	Health Management & Research Institute
Hari Babu V	Senior VP	91,02,023	BTech	32	05-Sep-05	55	HAL, Bengaluru
Basavanna R	Senior VP	91,02,023	PHD	29	10-Nov-10	51	CSIR - National Aerospace Laboratories (NAL)
Sathyajith T K	Senior VP	70,02,598	BTech, MBA & PGD in AI & ML	22	03-May-17	46	Infosys Technologies Ltd
Tereshchenko, Dmitry	Lead Engineer	63,72,848	Diploma – Technical University - Russia	22	01-May-12	45	3D CONTECH

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, ESOP 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 of Directors

Place: Bengaluru
Date: May 25, 2023

Sd/-
Arun Krishnamurthi
Chief Executive Officer and Managing Director
DIN: 09408190

Sd/-
David Bradley
Chairman and Non-Executive Director
DIN: 08380717

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, 2023

[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
Office at Block C, Second Floor,
Kirloskar Business Park,
Bengaluru 560024.

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**"). 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, 2023 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, 2023 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. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under;
5. 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 Non-Convertible Securities) Regulations, 2021;
   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, 2021 – 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 buyback its securities during the financial year under review; and
   i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. **OTHER APPLICABLE LAWS INCLUDING:**
   a. Special Economic Zone Act, 2005
   b. Software Technology Parks of India its Rules and Regulations
   c. The Indian Copyright Act, 1957
   d. The Patents Act, 1970;
   e. The Trade Marks Act, 1999;
   f. The Information Technology Act, 2000
   g. Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Rules/ Scheme thereunder;
   h. Employees State Insurance Act, 1948 and Rules made thereunder;

i. The Payment of Bonus Act, 1965 & its Central Rules / concerned State Rules, if any;

j. The Payment of Gratuity Act, 1972 & its Central Rules / concerned State Rules, if any;

k. The Maternity Benefit Act, 1961 & its Rules;

l. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

m. The Information Technology Act, 2000;

n. The Goods and Services Tax, 2017;

o. The Income Tax Act, 1961 and

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, Independent Directors and a Woman Director. 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 other than mentioned in the later part of the report.

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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes book.

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 during the financial year 2022-2023 has allotted 2,85,280 (Two Lakh Eighty Five Thousand Two Hundred and Eighty) equity shares of ₹5 each fully paid up, on the following dates, to the employees of the Company on their exercise of stock options granted to them under the Company's AXISCADES ESOP 2018 – SERIES 2 Schemes and vested in their favor.

2. Arbitration proceedings had been initiated by the Company with respect to the obligations of Explosoft Tech Solutions Private Limited and its promoters under the Definitive Agreements with respect to merger of Explosoft Tech Solutions Private Limited with the Company as part of the Phase II of the transaction. The proceedings have been concluded by the Arbitration Tribunal and as per the Award dated January 13, 2023, the Company has completed the acquisition of Mistral Solutions Private Limited upon payment of phase II consideration of INR 72.13 Cr in accordance with Share Purchase Agreement.

   The Company has acquired Mistral Solutions Private Limited with the acquisition of 100% shares of Explosoft Tech Solutions Private Limited on 22.12.2022, which held 16,79,359 equity shares (41.28% of equity share capital) of the Company. Accordingly, Explosoft is now a wholly owned subsidiary of the Company.

   Post the acquisition, the Company owns 99.20% of MSPL , both directly and through Explosoft Tech Solutions Private Limited.

3. The Company in its Board Meeting held on March 22, 2022, had appointed two non-executive, non-independent additional directors as a result the Composition of its board changed and was not in compliance with Regulation 17(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

   The Stock Exchanges (NSE and BSE) levied a fine of INR 59,000/- (Rupees Fifty-nine Thousand Only) each for March 2022 Quarter and INR 3,77,000/- (Rupees Three Lakhs Seventy Seven Thousand Only) each for quarter ending 30th June, 2022. The Company has paid the fine and has subsequently compiled with Regulation 17(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with effect from 3rd June, 2022.

4. During the audit period, there were three instances of violation of Company's Insider Trading Code during the period of window closure. In this regard, 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 INR 1000 each and the amount of penalty was contributed to the Investor Protection and Education Fund of SEBI.

5. The Company has allotted 1,450 Unlisted Secured Redeemable Non-Convertible Debentures to Grand Anicut Trust/Fund during the financial year 2022-2023 which were secured by a Deed of Hypothecation executed by the Company and Mistral Solutions Private Limited (MSPL) and an Unattested Pledge Agreement executed by the Company, creating a pledge over the equity shares of MSPL, dated July 21, 2022 and further secured by a Supplemental Deed of Hypothecation and Supplemental

Unattested Pledge Agreement executed by the Company and Explosoft Tech Solution Private Limited (ETSPL) creating a pledge over equity shares of MSPL dated December 16, 2022. The Board of ETSPL and MSPL ratified the same on January 16, 2023 and February 02, 2023 respectively.

The Company has not filed the required Charge Forms with the Ministry of Corporate Affairs (MCA). However, Catalyst Trusteeship Limited (Debenture Trustee) has issued a No Objection Certificate for non-registration of Charge.

Further, the Company, by way of the Debenture Trust Deed executed in favor of Catalyst Trusteeship Limited (Debenture Trustee) on July 21, 2022 and Term Sheet executed on December 16, 2022 has granted "Right to Invest" to Debenture holder to subscribe to Shares of MSPL by investing an amount of INR 30,00,00,000 and INR 10,12,50,000 respectively.

6. In accordance with Regulation 12(3) of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Company was required to obtain prior in principal approval before the grant. The Company granted 26,43,167 equity shares under ESOP prior to in principal approval from the Stock Exchange. The default was condoned by the SEBI on November 21, 2022.

FOR ANANT B KHAMANKAR & CO.
COMPANY SECRETARIES

Sd/-
ANANT B KHAMANKAR
PROPRIETOR
FCS No. - 3198
CP No. - 1860
UDIN: F003198E000377473

DATE : May 25, 2023
PLACE : Mumbai

Annexure to Secretarial Auditors' Report

To
The Members,
AXISCADES TECHNOLOGIES LIMITED
Office at Block C, Second Floor,
Kirloskar Business Park,
Bengaluru 560024.

Our Secretarial Audit Report for the Financial Year ended March 31, 2023, of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to the secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

FOR ANANT B KHAMANKAR & CO.
COMPANY SECRETARIES

Sd/-
ANANT B KHAMANKAR
PROPRIETOR

FCS No. - 3198
CP No. - 1860

DATE : May 25, 2023
PLACE : Mumbai

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

[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, 2nd Cross 2nd Main,
Electronic City, 1 Stage
Bengaluru 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 31st March, 2023 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 31st March 2023 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 Byelaws 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, 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 Non-Convertible Securities) Regulations, 2021.

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(viii) OTHER APPLICABLE LAWS:

(i) The Information Technology Act, 2000

(ii) Software Technology Parks of India its Rules and Regulations

(iii) The Indian Copyright Act, 1957

(iv) The Patents Act, 1970

(v) The Trademarks 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 was 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 minute book, and there was no dissenting members' view in any of the meetings.

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. There were no instances of:
    a) Public/Rights/Preferential issue of shares/debentures.
    b) Redemption / buy-back of securities.
    c) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
    d) Merger/amalgamation/reconstruction etc.
    e) Foreign Technical Collaborations

FOR ANANT B KHAMANKAR & CO.
COMPANY SECRETARIES

Sd/-
ANANT B KHAMANKAR
PROPRIETOR

FCS No. - 3198
CP No. - 1860

UDIN: F003198E000323815

DATE: 17.05.2023
PLACE: Mumbai

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

[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 Infrastructure Private Limited
Jupiter Innovision Centre No. 54,
Richmond Road
Bengaluru 560025

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **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 **AXISCADES Aerospace Infrastructure 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 31st March, 2023 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 Infrastructure Private Limited for the financial year ended on 31st March 2023 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 Byelaws 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 Infrastructure 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) 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 Non-Convertible Securities) Regulations, 2021.

   (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

   (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(viii) OTHER APPLICABLE LAWS:

(i) The Information Technology Act, 2000

(ii) Software Technology Parks of India its Rules and Regulations

(iii) The Indian Copyright Act, 1957

(iv) The Patents Act, 1970

(v) The Trademarks 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 was 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 minute book, and there was no dissenting members' view in any of the meetings.

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. There were no instances of:
    a) Public/Rights/Preferential issue of shares/debentures.
    b) Redemption / buy-back of securities.
    c) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
    d) Merger/amalgamation/reconstruction etc.
    e) Foreign Technical Collaborations

FOR S. CHAUHAN & ASSOCIATES.

Sd/-
SURENDER SINGH CHAUHAN

FCS No. - 10958
CP No. – 15640
UDIN: F010958E000293108

DATE: MAY 11, 2023
PLACE: MUMBAI

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

[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,
ENERTEC CONTROLS LIMITED
Plot No.14/15, Electronic City,
Hosur Road,
Bengaluru 560029

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

Based on our verification of **ENERTEC CONTROLS 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 31st March, 2023 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 ENERTEC CONTROLS LIMITED for the financial year ended on 31st March, 2023 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 Byelaws 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 ENERTEC CONTROLS 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) 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 Non-Convertible Securities) Regulations,2021.

  (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

  (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(viii) OTHER APPLICABLE LAWS:

  (i) The Information Technology Act, 2000

  (ii) Software Technology Parks of India its Rules and Regulations

  (iii) The Indian Copyright Act, 1957

  (iv) The Patents Act, 1970

  (v) The Trademarks 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. However, during the year under review the Company had three directors as on February 24, 2022. One of the Directors resigned with effect from closing hours of February 24, 2022, and another director resigned with effect from closing hours of February 28, 2022. Two directors were appointed on board with effect from March 1, 2022. As per Section 149 (1)(a) every public company is required to have a minimum of three directors on board.

Adequate notice was 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 minute book, and there was no dissenting members' view in any of the meetings.

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. There were no instances of:
   a) Public/Rights/Preferential issue of shares/debentures.
   b) Redemption / buy-back of securities.
   c) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
   d) Merger/amalgamation/reconstruction etc.
   e) Foreign Technical Collaborations

FOR S. CHAUHAN & ASSOCIATES.

Sd/-
SURENDER SINGH CHAUHAN

FCS No. - 10958
CP No. – 15640
UDIN: F010958E000323732

DATE: 17.05.2023
PLACE: MUMBAI

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To
The Members,
MISTRAL SOLUTIONS PRIVATE LIMITED
60, Adarsh Regent, 100
Feet Ring Road, Domlur,
Bengaluru - 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 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, 2023 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, 2023 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 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 Non-Convertible Securities) Regulations, 2021;

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;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(vi) 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. Arbitration proceedings have been concluded by the Arbitration Tribunal and as per the Award dated January 13, 2023, AXISCADES Technologies Limited has completed the acquisition of Mistral Solutions Private Limited upon payment of phase II consideration of INR 72.13 Cr in accordance with Share Purchase Agreement.

   AXISCADES Technologies Limited has acquired Mistral Solutions Private Limited with the acquisition of 100% shares of Explosoft Tech Solutions Private Limited on 22.12.2022, which held 16,79,359 equity shares (41.28% of equity share capital) of the Company. Accordingly, Explosoft is now a wholly owned subsidiary of AXISCADES Technologies Limited.

   Post the acquisition, AXISCADES Technologies Limited owns 99.20% of the Mistral Solutions Private Limited both directly and through Explosoft Tech Solutions Private Limited. The Promoters of the Company have been given time till July 31, 2023 to complete the transfer of balance of 32,731 shares (the balance out of Phase IV shares - 40,089 shares), constituting 0.80% of the Company in favor of AXISCADES Technologies Limited.

2. The Company has entered into a Deed of Hypothecation to secure Unlisted Secured Redeemable Non-Convertible Debentures issued by AXISCADES Technologies Limited during the year by entering into Deed of Hypothecation on July 21, 2022 and Supplemental Deed of on December 16, 2022. The authority to enter into the above agreements was granted by the Board on February 02, 2023.

   The Company has not filed the required Charge Forms with the Ministry of Corporate Affairs (MCA). However, Catalyst Trusteeship Limited (Debenture Trustee) has issued a No Objection Certificate for non-registration of Charge.

FOR ANANT B KHAMANKAR & CO.
COMPANY SECRETARIES

Sd/-
ANANT KHAMANKAR
PROPRIETOR

FCS No. – 3198
CP No. – 1860

UDIN: F003198E000323859

DATE: May 17, 2023
PLACE: Mumbai

ANNEXURE - IX

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2022-2023

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 Rs. 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.

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/investors_data/corp_gov_report/ACTL_CSR%20Policy-26-jun-2021.pdf

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

4. Executive summary along with web-link(s) 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. (a) Average net profit of the company as per sub-section (5) section 135.

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

   (b) Two percent of average net profit of the company as per sub-section (5) section 135 – Nil

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – Nil

   (d) Amount required to be set off for the financial year, if any Nil

   (e) Total CSR obligation for the financial year [(b)+(c)-(d)] – Nil

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Nil

   (b) Amount spent in Administrative Overheads: Nil

   (c) Amount spent on Impact Assessment, if applicable, Nil

   (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Nil

   (e) CSR amount spent or unspent for the Financial Year:

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

f) Excess amount for set off, if any – NA

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

7. Details of Unspent CSR amount for the preceding three financial years: Nil

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in Rs)	Date of transfer		
Nil								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

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

For and on behalf of the Board of Directors

Sd/-
Arun Krishnamurthi
Chief Executive Officer and Managing Director
DIN: 09408190

Sd/-
David Bradley
Chairman and Non-Executive Director
DIN: 08380717

Place: Bengaluru
Date: May 25, 2023

ANNEXURE X

Business Responsibility & Sustainability Report

Section A) General Disclosures

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L72200KA1990PLC084435
2.	Name of the Listed Entity	AXISCADES Technologies Limited
3.	Year of incorporation	24-08-1990
4.	Registered office address	Block C, Second Floor, Kirloskar Business Park, Bengaluru 560024
5.	Corporate address	Block C, Second Floor, Kirloskar Business Park, Bengaluru 560024
6.	E-mail	info@axiscades.com
7.	Telephone	+91 80 4193 9000
8.	Website	www.axiscades.com
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited and BSE Limited
11.	Paid-up Capital	₹ 19,09,96,550/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Sonal Dudani, Telephone: +91 80 4193 9000 and email address: secretary@axiscades.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures under this report are made on a standalone basis.

II. Product & Services

14. Details of business activities (accounting for 90% of the turnover):

S No	Description of Main Activity	Description of Business Activity	% of turnover of the entity
1	Technology services and solutions	Provide engineering and technology solutions and services to top tier OEM's and reknown brands in aerospace, heavy engineering, automotive and energy sectors. Segment also includes semiconductor business in the form of programming tools, processors / micro processors, memory devices etc. along with other embedded engineering services and platforms that allow customers to realize their product and business vision in a short time frame.	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S No	Product /Service	NIC Code	% of the total turnover contributed
1	Technology services and solutions and strategic technology Solutions	620	100

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of Plants	Number of Offices	Total
National	0	5	5
International	0	7	7

17. Markets served by the entity:

a. Number of Locations

Locations	Number
National (No of States)	4
International (No of Countries)	3

b. What is the contribution of exports as a percentage of the total turnover of the entity?

73.73%

c. A brief on types of customers

AXISCADES is a leading, end to end technology and engineering solutions provider aiding creation of innovative, sustainable and safer products worldwide. The company offers Product Engineering Solutions across Embedded Software and Hardware, Digitization and Automation, Mechanical Engineering, System Integration, Test Solutions, Manufacturing Engineering, Technical Publications, and Aftermarket Solutions.

The solutions comprehensive portfolio covers the complete product development lifecycle from concept evaluation to manufacturing support and certification for Fortune 500 Companies in the Aerospace, Defense, Heavy Engineering, Automotive, Medical Devices & Industrial Product industries. The company is known for its robust system of certifications and best practices that address customer requirements and domain expertise.

Aerospace:

AXISCADES with a rich pedigree of over 25 years in aerospace offers solutions that extend from concept generation phase to manufacturing support and certification, making us a preferred engineering & technology partner for aerospace OEMs and tier 1 Suppliers to conceptualize and build futuristic aircrafts. Our deep domain expertise across commercial, business and military aircraft both in fixed wing and rotary aircraft segments has enabled us to adopt customer centric approach and an ability to co-create innovative solutions.

Automotive

AXISCADES has established itself as a prominent player in the automotive industry, offering a wide range of capabilities and services to help businesses stay competitive in today's dynamic market by creating world class products and driving innovation through our end-end engineering capabilities.

- Strong pedigree in product design and manufacturing engineering solutions
- AR, VR, AI, ML capabilities that will help you be the leader in Industry 4.0 adoption
- Preferred partner for EU and NA Auto OEMs in Commercial vehicles, Trucks, Buses, Cars & SUVs
- A wide array of Engineering Solutions expertise in BIW/CIW, Chassis, Powertrain, Interiors, Plastics, Localization, Prototyping, SCM, Body control & display electronics, Advanced Driver Assistance, Telematics and Infotainment, Active and Passive safety systems, and After-market solutions like TPM

With our commitment to innovation, quality, and customer satisfaction, AXISCADES continues to drive the transformation of the automotive industry, enabling businesses to thrive in the digital age.

Defence & Homeland security

AXISCADES is recognized as the preferred partner to the global aerospace & defence industry, addressing the strategic needs across air, ground and marine systems. Engineers designing Aerospace and Defence solutions face ever-increasing challenges of implementing complex systems, while ensuring stringent product quality, security standards and certification criteria.

Our portfolio of offerings include

Avionics, Electronic Warfare Systems & C4I2, Test solutions and ground handling and support equipment, Software and Simulation, RF & Microwave and Optics, RADAR, SONAR, Telemetry, Airborne Systems, Naval Systems.

Heavy Engineering (Off Highway and Industrial)

AXISCADES excels in providing end-to-end engineering design and development services, ensuring the creation of cutting-edge technologies that meet the industry's highest standards. With a dedicated team of experienced engineers and domain experts, the company offers a wide range of capabilities, including concept development, 3D modeling, system integration, prototyping, Design Validation, Simulation, Engineering Software Development & PLM customization, Manufacturing Support etc.

AXISCADES' service offerings in the Heavy Engineering & Off-highway industry are aimed at empowering organizations to overcome challenges and achieve sustainable growth. By combining engineering expertise, digital transformation solutions, advanced manufacturing capabilities, and comprehensive after-sales support, AXISCADES continues to make a significant impact on the industry.

Energy

We at AXISCADES offer a complete package of domain expertise right from the concept development stage, analysis, testing, manufacturing and validation. A reliable team of highly trained professionals, who work efficiently to ensure your investments return high value at minimal risk, with future proofing, is our indispensable asset

- Product Engineering Solutions
- Simulation and Validation
- Manufacturing Engineering Solutions
- After Sales Solutions
- Enterprise Engineering Solutions

With extensive research on siting of turbines in challenging conditions, our domain experts join hands with OEMs to build on ideas and expertise to break the barriers for innovation.

Medical Devices

AXISCADES has entered into the foray of medical devices sector. It is a relatively new sector that we have ventured into and is expected to grow at a significant pace in the coming years. Below are some of the service offerings we provide:

- Engaged in Orthopedic, Patient Monitoring Systems & Lab / Hospital Equipment Segments
- Product development with Electro Mechanical Packaging
- Value Engineering with Localization for existing/emerging markets

Regulatory compliance Services.

IV. Employees

18. Details as at the end of Financial Year:

18.a Employees and Workers (including differently abled):

Sl No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
			Employees			
1	Permanent (D)	1766	1578	89.35%	188	10.65%
2	Other than Permanent (E)	78	66	84.62%	12	15.38%
3	Total Employees (D+E)	1844	1644	89.15%	200	10.85%
Differently abled employees				Nil		
			Workers			
4	Permanent (F)	NA	NA	NA	NA	NA
5	Other than Permanent (G)	NA	NA	NA	NA	NA
6	Total (F+G)	NA	NA	NA	NA	NA
Differently abled workers				Nil		

19 Participation/Inclusion/Representation of Women

Particulars	Total (A)	No. and percentage of Females	
		No.(B)	% (B/A)
Board of Directors	9	1	11.11
Key Management Personnel	3	1	33.33

20. Turnover rate for permanent employees and workers.

	Turnover Rate - FY2023			Turnover Rate – FY2022			Turnover Rate – FY2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	17%	2%	19%	19%	2%	21%	16%	3%	19%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

V. Holding, Subsidiary and Associate Companies (Including joint ventures)

21. (a) Names of holding/subsidiary/associate companies/joint ventures

S No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Jupiter Capital Private Limited	Holding Company	66.18	No
2	AXISCADES Aerospace & Technologies Private Limited	Wholly Owned Subsidiary	100%	No. However, our subsidiaries share our vision and values and are responsible businesses.
3	AXISCADES Technology Canada Inc.	Wholly Owned Subsidiary	100%	
4	AXISCADES Inc.	Wholly Owned Subsidiary	100%	
5	AXIS Mechanical Engineering Design (Wuxi) Co. Ltd	Wholly Owned Subsidiary	100%	
6	AXISCADES GmbH	Wholly Owned Subsidiary	100%	
7	Mistral Solutions Private Limited	Subsidiary	99.20%	
8	Explosoft Tech Solutions Private Limited	Wholly Owned Subsidiary	100%	
9	Cades Studec Technologies (India) Private Limited	Subsidiary	76%	
10	Enertec Controls Limited	Step down subsidiary*	51.84%	
11	AXISCADES UK Ltd.	Step down subsidiary#	100%	
12	Aero Electronics Pvt. Ltd.	Step down subsidiary$	100%	
13	Mistral Technologies Pvt Ltd.	Step down subsidiary**	100%	
14	Mistral Solutions Inc.	Step down subsidiary##	100%	
15	AXISCADES Aerospace Infrastructure Private Limited	Step down subsidiary$$	100%	

*Enertec Controls Limited is the step down subsidiary of AXISCADES Technologies Limited. 51.84% shares are held by AXISCADES Aerospace & Technologies Private Limited which is the Wholly Owned Subsidiary of AXISCADES Technologies Limited.

#AXISCADES UK Limited is the step down subsidiary of AXISCADES Technologies Limited. 100% shares are held by AXISCADES Inc. which is the Wholly Owned Subsidiary of AXISCADES Technologies Limited.

$Aero Electronics Private Limited is the step down subsidiary of AXISCADES Technologies Limited. 100% shares are held by Mistral Solutions Private Limited which is the Subsidiary of AXISCADES Technologies Limited.

**Mistral Technologies Private Limited is the step down subsidiary of AXISCADES Technologies Limited. 100% shares are held by Mistral Solutions Private Limited which is the Subsidiary of AXISCADES Technologies Limited.

##Mistral Solutions Inc. is the step down subsidiary of AXISCADES Technologies Limited. 100% shares are held by Mistral Solutions Private Limited which is the Subsidiary of AXISCADES Technologies Limited.

$$AXISCADES Aerospace Infrastructure Private Limited is the step down subsidiary of AXISCADES Technologies Limited. 100% shares are held by AXISCADES Aerospace & Technologies Private Limited which is the Wholly Owned Subsidiary of AXISCADES Technologies Limited.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: No

(ii) Turnover (in ₹): 2,83,14,85,163.00

(iii) Net worth (in ₹): 1,13,83,76,500.00

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in Place. Yes/No If yes link	FY2023			FY2022		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	https://www.axiscades.com/contact.html	Nil	Nil	No Complaints	Nil	Nil	No Complaints
Investors (Other than Shareholders)	https://www.axiscades.com/investor-relations.html	Nil	Nil	No Complaints	Nil	Nil	No Complaints
Shareholders	https://www.axiscades.com/investor-relations.html	Nil	Nil	No Complaints	Nil	Nil	No Complaints
Employees & Workers	https://www.axiscades.com/investor-relations.html	Nil	Nil	No Complaints	Nil	Nil	No Complaints
Customers	https://www.axiscades.com/contact.html	Nil	Nil	No Complaints	Nil	Nil	No Complaints
Value Chain Partners	https://www.axiscades.com/contact.html	Nil	Nil	No Complaints	Nil	Nil	No Complaints
Other (Please specify)							

24. Overview of the entity's material responsible business conduct issues

Indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, the rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format

Sl No	Material Issue Identified	Risk / Opportunity (R / O)	Rational for identifying risk or opportunity	In case of risk approach to adapt or mitigate	The financial implication of risk or opportunity (Indicate positive or negative implications)
1	Environmental: Climate Change	R	We believe climate change risks impacts our businesses and that of our customers. If not managed adequately, could adversely affect our operations, reputation and profitability.	• We have undertaken a commitment to safeguard our environment through prevention of pollution and minimize consumption of resources; understand and assess the impact of our services on environment and plan for reduction of pollution; sustainable waste management; training and building awareness to all stakeholders in the value chain; adhere and comply with all applicable environmental laws, regulation. • External environmental conditions such as floods, storms, draught etc. which have the capacity to affect out environmental impact negatively are planned for accordingly with the Business Continuity Plan.	Negative Implications
2	Environmental: Climate actions initiated by our clients	O	AXISCADES is one of the leading technology solutions providers, catering to the futuristic needs including climate change initiatives supported by our customers	-	Positive Implications

Sl No	Material Issue Identified	Risk / Opportunity (R / O)	Rational for identifying risk or opportunity	In case of risk approach to adapt or mitigate	The financial implication of risk or opportunity (Indicate positive or negative implications)
3	Societal: Employee Experience	O	Human resources is a material issue for AXISCADES. We prioritise employee well-being, diversity, and development to mitigate risks and maximise opportunities. By fostering a positive work environment and investing in our workforce, we anticipate financial benefits, increased employee satisfaction, and enhanced client relationships, contributing to our long-term sustainability and success.	-	Positive Implications
4	Governance: Data Security	R	Advancement in technology resulting in increased vulnerability to cyber attacks	• We deploy robust measures, ensure compliance with regulations, conduct employee training, and develop incident response plans. • We deploy monitoring tools to ensure data security such as DLP, SIEM/XDR and Encryption wherever possible. • Adequate insurance coverage including cyber risk.	Negative Implications

SECTION B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	https://www.axiscades.com/investor-relations.html Corporate Governance > Corporate Policies								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	AS 9100D, ISO 9100 : 2015, ISO 14001 : 2015, ISO27001 : 2015								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Minimize energy consumption by 5 % in current year as compared to Base year 2022								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable								
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) The statement by the director responsible for the business responsibility and ESG priorities is included in the letter to the shareholders from the Chairman of the Company on page No. 4									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Arun Krishnamurthi Designation: CEO & Managing Director								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, details.	Yes, Managing Director is responsible for decisions on sustainability related issues.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Director									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Director									Annually								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, Name of the agency. Name of the agency: NVT Quality Certification International	Y	Y	Y	Y	Y	Y	Y	Y	Y

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Questions:

Not Applicable.

Section C) Principle 1. Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.

Essential Indicators:

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total Number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	4	• Macro-economic environment and industry developments, as and when necessary. • Business overview, operations, financial statements and other material updates. • Update on statutory compliances for Board members including their roles, rights and responsibilities. • Regulatory updates in the areas of Companies Act, Listing Regulations and other related regulations.	100%
Key Managerial Personnel	1	PIT Regulations	100%
Employees other than BoD and KMPs	12	Topics relating to principles covered through Corporate & HR Induction sessions	51%
Workers	NA	NA	NA

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

   No prosecution was initiated and no penalties were imposed by any statutory authorities under the Companies Act, SEBI Act, SCRA, Depositories Act and Rules, Regulations and Guidelines framed under these Acts against/on the Company, its Directors and officers. However, during the year under review, Stock Exchanges (National Stock Exchange of India Limited and BSE Limited) imposed a fine of amount is Rs. 6,40,000 (BSE and NSE - Rs. 3,20,000 each) consequent to non-compliance with regulation 17(1) of SEBI listing regulations, with respect to composition of Board of Directors.

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory /enforcement agencies/judicial institutions
NA	NA

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, details in brief and if available, a web-link to the policy.**

   Yes: AXISCADES has well defined anti- corruption policy.

   Name: ANTI CORRUPTION POLICY, AXC-PL-ACP, Ver 2.0

   Availability: AXISCADES intranet:

   https://www.axiscades.com/investor-relations.html

   Corporate Governance>Corporate Policies

   Following are the key points of the policy:

Commercial Bribery: The receipt of bribes or personal payments by company employees, or by spouse, family or friends on behalf of the employee, from suppliers, contractors, contract workmen, customers, other employees, government staff or any other person or body will be treated as a violation of the Anti-Corruption policy. Any attempt to bribe an employee must also be reported to the management.

Receiving Favors, Gifts & Hospitality: No employee shall receive any gift, favor or hospitality from any person, be it a contractor, supplier, customer etc. Receiving of favors or hospitality which may be of value personally to the individual is strictly prohibited, even though the same may not have a commercial value. An example of this would be a contractor securing admission to a school for the child of an employee.

Fraud & Dishonesty in transaction: The Company policy prohibits fraud, and establishes procedures to be followed concerning the recognition, reporting and investigation of suspected fraud. Fraud includes, but is not limited to:

- Dishonest or fraudulent act
- Theft of Company property, including information
- Forgery or alteration of negotiable instruments such as Company cheques and drafts
- Conversion to personal use of cash, securities, supplies or any other Company asset
- Using Company resources for personal benefit. For example asking a Company employee to carry out some personal work in one's residence.
- Unauthorized handling or reporting of Company transactions; and Falsification of Company records or financial statements for personal or other reasons.
- Tapping/ intercepting telephone/ mobile conversations and passing on the same to outsiders or to any person not authorized to receive such information.

DICIPLINARY ACTIONS: Any employee who violates the terms of this policy will be subject to disciplinary action. Any employee who has direct knowledge of potential violations of this policy but fails to report such potential violations to company management will be subject to disciplinary action. In all cases disciplinary action may include termination of employment.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY2023	FY2022
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NA	NA

6. Details of complaints with regard to conflict of interest

Particulars	FY2023		FY2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. Details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

Section C) Principle 2. Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators:

1. **Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Category	FY2023	FY2022	Details of improvements in environmental and social impacts
R&D	0	0	-
Capex	0	0	We have taken a commitment to safeguard our environment through prevention and reduction of pollution and minimize consumption of resources; understand and assess the impact of our services on environment; sustainable waste management; training and building awareness to all stakeholders in the value chain; adhere and comply with all applicable environmental laws, regulation.

2. **Sustainable Sourcing**
   a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

   Yes

   b. If yes, what percentage of inputs were sourced sustainably?

   Our procurement policy factors environmental considerations in sourcing including but not limited to vendor selection. However, we do not undertake material purchases since we are an IT services Company and do not manufacture any product.

3. **Processes in place to reclaim products for reuse, recycle, and safe disposal of products at the end of life for**
   a. Plastics (Including Packaging)
   b. E-Waste
   c. Hazardous waste
   d. other waste

   The Company being an IT Services Company, there are no products of the Company to reclaim at the end of life. However, the Company recycles and disposes its wastes via authorised vendors.

4. **Extended Producer Responsibility (EPR)**

   Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, steps taken to address the same.

   EPR is not applicable for AXISCADES Technologies Limited as it is IT Service Company.

Section C) Principle 3. Businesses should respect and promote the well-being of all employees, including those in their value chains.

1. **a. Details of measures for the well-being of employees**

Category	Total A	% of employees covered by									
		Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent employees											
Male	1578	1578	100%	1578	100%	0	0%	1578	100%	-	-
Female	188	188	100%	188	100%	188	100%	0	0%	-	-
Total	1766	1766	100%	1766	100%	188	10.65%	1578	89.35%	-	-
Other than permanent employees											
Male	27	27	100%	-	-	-	-	-	-	-	-
Female	5	5	100%	-	-	-	-	-	-	-	-
Total	32	32	100%	-	-	-	-	-	-	-	-

b. Details of measures for the well-being of Workers

Category	Total A	% of workers covered by									
		Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

2. Details of retirement benefits, for current financial year and previous financial year

Benefits	FY 2023			FY 2022		
	Number of employees covered as % of total employees	Number of Workers covered as % of total workers	Deducted and deposited with the authority (Y/N/N.A)	Number of employees covered as % of total employees	Number of Workers covered as % of total workers	Deducted and deposited with the authority (Y/N/N.A)
PF	100%	NA	Yes	100%	NA	Yes
Gratuity	100%	NA	N.A	100%	NA	N.A
ESI	0%	0%	Yes	0%	0%	Yes
Others – specify		NA	N.A		NA	N.A

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, All of our office/locations are accessible for differently abled/physically disabled.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, a web-link to the policy.

Yes, the Company has an equal opportunity policy. These policies can be accessed through the link: https://www.axiscades.com/investor-relations.html

Corporate Governance >Corporate Policies

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate	Retention Rate	Return to work Rate	Retention Rate
Male	100	100	NA	NA
Female	60	60	NA	NA
Total	160	160	NA	NA

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (if yes then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes, AXISCADES has a grievance redressal policy that is published in the policy section for the employees. The policy highlights the workflow thus enabling the employees to raise concerns and track the status of the concerns.
Other than permanent Employees	

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY2023			FY2022		
	Total employees /workers in respective category (A)	Total employees/ workers in respective category, who are part of association (s) or Union (B)	% B/A	Total employees /workers in respective category (A)	Total employees/ workers in respective category, who are part of association (s) or Union (B)	% B/A
Total Permanent Employees						
Male	1578	0	-	1117	0	-
Female	188	0	-	138	0	-
Total Permanent Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

8. **Details of Training imparted to the employees and workers on health & safety measures and on skill upgradation**

Category	FY2023					FY2022				
	Total (A)	On health and safety Measures		On skill upgradation		Total (D)	On health and safety Measures		On skill upgradation	
		NO. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No.(F)	%(F/D)
Employees										
Male	1629	806	49.48%	1095	67.22%	1117	467	41.81%	547	48.97%
Female	211	129	61.14%	175	82.94%	138	76	55.07%	77	55.80%
Others	-	-	-	-	-	-	-	-	-	-
Total	1840	935	50.82%	1270	69.02%	1255	543	43.27%	624	49.72%
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Others	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

9. **Details of performance and career development reviews of employees and workers:**

Category	FY2023			FY2022		
	Total (A)	No.(B)	% (B/A)	Total C	No.(D)	% (D/C)
Employees						
Male	1221	887	72.65%	1146	944	82.37%
Female	141	99	70.21%	137	105	76.64%
Total	1362	986	72.39%	1283	1049	81.76%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes.

- Water portable test
- Food test
- Air quality test
- Lux level test
- Fire extinguisher test
- Smoke detector test
- Fire drill training
- Cleaning of ac ducts

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- Preventive maintenance of electrical equipment - Quarterly
- Maintenance of transformers and electrical panel – Yearly
- Fire extinguishers maintenance – monthly
- Restricted area – electrical rooms, UPS rooms, AC rooms.

Work place safety related risks are monitored periodically to ensure adequate safety measures are effectively implemented and functional. The monitoring process includes regular inspection (to measure unsafe conditions and unsafe acts), internal audits, management review meetings, mock drills. Mitigation plan and controls are provided to eliminate the identified hazards and risks.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the Company organizes general medical and healthcare services on a periodic basis in the interest of employees well-being.

11. Details of safety related incidents

Safety Incident / Number	Category	FY2023	FY2022
Lost Time Injury Frequency Rate (LTIFR) Per One million -person hours worked	Employees	Nil	Nil
	Workers	NA	NA
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	NA	NA
No of fatalities	Employees	Nil	Nil
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

12. Measures taken by the entity to ensure a safe and healthy work place.

At AXISCADES, we are committed to maintaining a safe and healthy workplace for our employees. We prioritize the well-being of our workforce by implementing various measures and practices. This includes adhering to relevant safety regulations, conducting regular assessments to identify and address potential hazards, providing necessary training on safety protocols, and fostering a culture of open communication. By focusing on the safety and health of our employees, we aim to create an environment where everyone can work with confidence and contribute to the success of our organization.

13. Number of complaints made by employees and workers

	FY2023			FY2022		
	Filed during the year	Pending resolutions at the end of the year	Remarks	Filed during the year	Pending resolutions at the end of the year	Remarks
Working Conditions	Nil	Nil	NA	Nil	Nil	NA
Health & Safety	Nil	Nil	NA	Nil	Nil	NA

14. Assessments for the year

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	NA

15. Details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No such incidents has taken place during the year.

Section C) Principle 4. Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators:

1. Process for identification of key stakeholders

At AXISCADES, the process of identifying key stakeholders involves a systematic approach to understand and engage with individuals and groups who have a direct or indirect interest in our operations. We begin by conducting a stakeholder analysis to identify and categorize stakeholders based on their level of influence, impact, and dependency on our organization. This analysis considers a wide range of stakeholders, including clients, employees, investors, regulatory bodies, local communities, and industry associations. We also consider emerging trends and issues that may affect our stakeholders. Regular communication, feedback mechanisms, surveys, and engagement initiatives are used to foster productive relationships and address the needs and expectations of our key stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	• Annual report • Customer satisfaction surveys • Customer experience centers	As and when required	• Better services • Competitive pricing and product quality • Optimizing environmental performance
Employees	No	• Transparent performance management systems • Skill development, career development and welfare initiatives • Inter departmental updated and in-house magazines	As and when required	• Ethical practices • Employee safety and wellbeing • Work life balance and career growth

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers	No	• Email communication • Supplier location visits • Annual report	• As and when required. • Annual supplier location visits as applicable	• Stronger partnerships • Fair business practices • Governance
Investors and shareholders	No	• Annual report • Quarterly report • Media • Website	As and when required	• Growth and profitability • Operational efficiency • Future expansion strategies
Regulators / Government Authorities	No	• Interactions as and when required • Regulatory compliance reporting • Industry bodies memberships • Stock Exchange filings • Annual reports • Quarterly reports • Media • Website	As and when required	• Transparency and ethics • Regulatory compliance • Timely and transparent reporting

Section C) Principle 5. Businesses should respect and promote human rights

Essential Indicators

1. Training on human rights issues and policies

Category	FY2023			FY2022		
	Total (A)	Number of employees / workers covered (B)	% (B/A)	Total (C)	Number of employees / workers covered (D)	% (D/C)
Employees						
Permanent	1766	756	42.81%	1158	447	38.60%
Other than Permanent	78	78	100%	97	96	98.97%
Total Employees	1844	834	45.23%	1255	543	43.27%
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than Permanent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	NA	NA	NA

2. **Details of minimum wages paid to employees and workers, in the following format**

Category	FY2023					FY2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1766	0	0%	1766	100%	1158	0	0%	1158	100%
Male	1578	0	0%	1578	100%	1054	0	0%	1054	100%
Female	188	0	0%	188	100%	104	0	0%	104	100%
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. **Details of remuneration/ salary/ wages (including differently abled)**

Category	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors	9	3,15,000	1	12,50,000
Key Managerial Personnel	2	6,00,000	1	6,00,000
Employees other than BoD and KMP	1564	8,90,881	201	6,91,262
Workers	NA	NA	NA	NA

4. **Focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   AXISCADES is committed to providing a safe and positive work environment. In keeping with this philosophy, the organization has an open-door policy. Robust grievance redressal mechanism is defined and implemented through Grievance Redressal Policy which is applicable to all employees of AXISCADES including contractual hires. All complaints are fairly investigated as per the standard process which also ensures protection against retaliation.

6. **Disclosure of complaints made by employees and workers on sexual harassment, discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages or other human rights related issues.**

Category	FY2023			FY2022		
	Filed during the year	Pending Resolution at the end of the year	Remarks	Filed during the year	Pending Resolution at the end of the year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human right related issues	Nil	Nil	NA	Nil	Nil	NA

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.** Yes, available as a policy and process.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   Yes

9. **Assessments of the year**

Category	% of plants and offices that were assesses by the entity or by the statutory authorities or third parties
Child Labour	100%
Forced/Involuntary Labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	NA

10. **Details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

    Adequate control measures are being implemented to address human rights requirements.

Section C) Principle 6. Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators:

1. **Details of total energy consumption (in Joules or multiples) and energy intensity**

Parameter	FY23	FY22
Total electricity consumption (A)	2,084,159.00	1,566,542.00
Total fuel consumption (B)	1,607.83	1,795.36
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	2,085,766.83	1,568,337.36
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	73.66 GJ/INR Lakh Revenue	86.18 GJ/INR Lakh Revenue
Energy intensity (optional) – the relevant metric may be selected by the entity		

Any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

2. Sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N)

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, the remedial action taken, if any.

No, the organization is not classified as a designated consumer for the Performance, Achieve, and Trade (PAT) program administered by the Bureau of Energy Efficiency (BEE).

3. Details of the following disclosures related to water

Parameter	FY23	FY22
Water Withdrawal by Source (In Kiloliters)		
(i) Surface water	Nil	Nil
(ii) Groundwater	6,063	3,796
(iii) Third party water	170	80.16
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	6,233	3,876.16
Total volume of water consumption (in kilolitres)	6,233	3,876.16
Water intensity per rupee of turnover (Water consumed / turnover)	0.22 KL/INR Lakh Revenue	0.21 KL/INR Lakh Revenue
Water intensity (optional) – the relevant metric may be selected by the entity		

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency

No

4. Mechanism for Zero Liquid Discharge? If yes, details of its coverage and implementation.

Yes. The wastewater generated at our sites is treated through the sewage treatment plants (STPs) and the recycled water is used for sanitation and gardening purposes.

5. Details of air emissions (other than GHG emissions) by the entity

Parameter	Please specify unit	FY23	FY22
NOx	Mg/Nm3	121.2	55
SOx	Mg/Nm3	33.4	56.6
Particulate Matter (PM)	Mg/Nm3	48.6	61.1
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	ppm	0.042	0.045
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify			

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes – Reported based on independent assessment covering the registered office carried out by Scientific & Industrial Research Centre.

6. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity

Parameter	Unit	FY23	FY22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Nil	Nil
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	205.36	614.81
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric Tonnes of CO2 equivalent	9.60E+00	2.40E+00
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA	Nil	Nil

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency

No

7. Project related to reducing Green House Gas emission? If yes, details.

Yes, AXISCADES has selected a project on minimizing energy consumption.

Project name: Minimize energy consumption

Target: Reduction by 5% from previous year

Stakeholders : This project involves all the employees of the AXISCADES and led by Quality Assurance team

Key improvements

- Awareness programs, mailers, signboards wherever possible
- Replace old bulbs with LEDs
- Keep rating in mind while buying electric goods
- Awareness on to turn off the appliance like Fan, Induction Stove etc., when you're done.
- Turn off unnecessary lights.
- Run AC at 23+- degrees temperature only.
- Use power strips for multiple gadgets.
- Unplug unused electronics.
- Use natural light.
- Turn water off when washing hands
- Fix the leaky faucet
- Ditch the desktop computer

8. Details of waste generated, re-cycled re-used and disposed off

Parameter	FY23	FY22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	0	1
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0.45	0
Radioactive waste (F)	0	0
Other Hazardous waste (G)	0	0
Other Non-hazardous waste generated (H) (Break-up by composition i.e by materials relevant to the sector	0	0
Total (A+B+C+D+E+F+G+H)	0.45	1
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		

Parameter	FY23	FY22
i. Re-cycled	0	0
ii. Re-used	0	0
iii. Other recovery operations	0	0
Total	0	0
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of Waste		
i. Incineration	0	0
ii. Landfilling	0	0
iii. Other disposal operations	0	0
Total	0	0

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes – We responsibly dispose our E-waste through our authorized vendors "V Power Solutions" and "H.M.G. Ecocare Recycling Private Limited."

9. **Details of waste management practices, strategy adopted by the company to reduce usage of hazardous and toxic chemicals in our products and processes and the practices adopted to manage such wastes**

   At our organization, we follow the process of managing canteen garbage, biodegradable waste and utility waste, which is sorted into dry and wet categories and moved to a disposable location on a daily basis, before being disposed of by the building owner. This is in accordance with the BBMP requirements, and the waste is collected from the building by a BBMP-authorized staff. The Karnataka pollution control board (KSPCB) has certified our structure

   Authorization no – H-112022

   PCB ID – 83165

   Valid up to – 11/12/2024

   E-waste - Identify the E waste to be disposed of, remove the hardware from the system if can be reusable, create inventory of e waste, connect with certified vendor for e waste dispose, will be disposed by authorized vendor and certificate will be provided by them. Below is the details of Agency who disposed our e waste last time.

   V Power Solutions and H.M.G. Ecocare Recycling Private Limited.

10. **Operations/offices if any in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required,**

    Our campuses are built on government-approved land in industrial zones and do not fall within or adjacent to protected areas or high-biodiversity areas.

Sl. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	NA	NA	NA

11. **Details of environmental impact assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

    We have not conducted environmental impact assessments (EIA) of our operations and as per the Environmental Impact Assessment ("EIA") notification 2006, the Company is not required to comply with certain environmental regulations or assessments.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
None	-		-	-	-

12. Compliance with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes, we are compliant with applicable environmental laws / regulations / guidelines in India.

Sl No	Law / regulation / guidelines which was not complied with	Details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	None	-	-	-

Section C) Principle 7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1 a. Number of affiliations with trade and industry chambers/associations.

5

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of /affiliated to

Sl No	Name of the trade and industry chambers/associations	The reach of trade and industry chambers/ associations (State/National/International)
1	NASSCOM	National
2	FICCI	National
3	Society of Indian Aerospace Technologies and Industries (SIATI)	National
4	Hanseatic Engineering & Consulting Association e.V. (HECAS)	International
5	Hamburg Aviation Membership	International

2. Details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regular authorities.

Name of authority	Brief of the case	Corrective actions taken
NA	NA	NA

Section C) Principle 8. Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of social impact assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of the project	SIA notification No.	Date of notification	Whether conducted by an independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant weblink
This section is not applicable to AXISCADES as there were no projects that required Social Impact Assessment (SIA) to be undertaken under the law.					

2. Information on project(s) for which ongoing rehabilitation and resettlement (R&R) is being undertaken by the entity

Sl No	Name of project for which R&R is ongoing	State	District	No. of project-affected families	% of PAFs covered by R&R	Amount paid to PAFs in FY23
	NA	-	-	-	-	-

3. Mechanisms to receive and redress grievances of the community

On the contact us page in our website, we have a section that allows queries to be posted from external communities. The queries get re-directed to the corporate team for resolution and response.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

Particulars	FY23	FY22
Directly sourced from MSMEs/small producers	36%	28%
Sourced directly from within the district and neighbouring districts	NA	NA

Section C) Principle 9. Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanism in place to receive and respond to consumer complaints and feedback

AXISCADES has a Quality management team which conducts regular feedback from customers as per Company's established QMS documented information formats. Customer complaints & feedbacks are received through email, transmittal letter communications and verbal communications directly to the project management teams. The project management teams acknowledge, analyze incidents and develop an action plan to resolve the same to ensure customer satisfaction.

2. Turnover of products and /services as a percentage of turnover from all products/service that carry information about:

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	-
Recycling and/or safe disposal	-

This metric is not relevant to AXISCADES as our main business is providing IT Services, and it does not involve the manufacturing of any product which would carry the information.

3. Number of consumer complaints in respect of the following

Particulars	FY2023		Remarks	FY2022		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data Privacy	NIL	NIL	NA	NIL	NIL	NA
Advertising	NIL	NIL	NA	NIL	NIL	NA
Cyber-security	NIL	NIL	NA	NIL	NIL	NA
Delivery of essential services	NIL	NIL	NA	NIL	NIL	NA
Restrictive Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Unfair Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Other	NIL	NIL	NA	NIL	NIL	NA

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	NIL	NA
Forced recalls	NIL	NA

5. Framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, web-link of the policy.

No - We are in process of implementing a new data protection / privacy framework to be complaint under GDPR and Digital Personal Data Protection Act of India.

6. Details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

None

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 to 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, 2023, the Company has nine directors. Out of these nine Directors, eight (88%) are Non-Executive (including independent directors), including one-woman director. Three members (33%) of the Board are Independent Directors. The composition of the Board is in conformity with Regulation 17 of SEBI (LODR), Regulations, 2015 and Companies Act, 2013. The Chairman of the Company is a Non-Executive Director.

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 23rd May 2022. 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	Catergory[1]	No. of BM during 2022-2023		Attendance Last AGM	No. of other Directorships[2] and Committee Membership/Chairmanship[3] held as on March 31, 2023		
		Held	Attended		Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Arun Krishnamurthi	CEO & MD	10	9	Yes	2	0	0
Mr. Desh Raj Dogra	ID	10	10	Yes	6	4	3
Mr. Dhiraj Mathur	ID	10	10	Yes	0	1	0
Ms. Mariam Mathew	ID	10	10	Yes	3	2	0
Mr. David Bradley (Chairman)	NED	10	10	Yes	0	2	0
Mr. Sudhakar Gande	NED	8	8	Yes	-	-	-
Mr. Sharadhi Chandra Babu Pampapathy	NED	10	10	Yes	4	0	0
Mr. David Walker	NED	10	9	Yes	0	0	0
Mr. David Abikzir	NED	10	9	No	0	0	0
Mr. Abhishek Kumar	NED	2	1	NA	-	-	-
Mr. Venkatraman Venkitachalam	NED	2	2	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:

1. CEO & MD- Chief Executive Officer and Managing Director, ID- Independent Director, NED- Non-Executive Director, BM- Board Meeting, AGM- Annual General Meeting NA - Not Applicable
2. Other Directorship includes Directorships in the Subsidiary of Public Company
3. Membership/Chairmanship includes membership/ Chairmanship in this Company

Appointments during the year:

1. Mr. Desh Raj Dogra was re-appointed as Independent Director w.e.f. 27th September 2022 after the completion of his first term of Office as such.
2. Mr. Dhiraj Mathur was re-appointed as Independent Director w.e.f. 27th September 2022 after the completion of his first term of Office as such.
3. Mr. Venkataraman Venkitachalam was appointed as Non-Executive Director (Additional Director) w.e.f. the start of business hours of 06th January 2023.
4. Ms. Mariam Mathew was re-appointed as Independent Director w.e.f. 12th February 2023 after the completion of her first term of Office as such.

Resignations during the year:

1. Mr. Sudhakar Gande resigned from the Office of Directorship (Non-Executive Director) w.e.f. the closing hours of 05th January 2023.
2. Mr. Abhishek Kumar resigned from the Office of Directorship (Non-Executive Director) w.e.f. 03rd June 2022.

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

x. Ten Board meetings were held during the fiscal year 2022-23 and the gap between two meetings did not exceed one hundred twenty days. The dates on which the said meetings were held are:

May 24, 2022; May 31, 2022; June 21, 2022; July 21, 2022; August 10, 2022, November 09, 2022; December 14, 2022; January 05, 2023; February 12, 2023; and March 20, 2023.

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.

As on 31st March 2023, Mr. Sharadhi Chandra Babu Pampapathy, Non-Executive Director, holds 15,466 equity shares of the Company. None of the other directors hold any equity shares in the Company.

xii. **Familiarization program for Directors**

The Board of Directors are 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.axiscades.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 the 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 laws	Trade Policy & Economics
Aerospace & Defense	

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 Aerospace & Defense
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. David Walker	Strategy/Business Leadership Technology Corporate Strategy Consultant Sales and Marketing Experience Board service & Governance Administration & Government Relations Aerospace & Defense

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. Venkataraman Venkitachalam	Strategy/Business Leadership Corporate strategy consultant Mergers and Acquisition Board service & Governance Corporate law Finance Trade Policy & Economics Administration & Government Relations

III. COMMITTEES OF THE BOARD

As on March 31, 2023, the Board has three Committees. The role of the committees of the Board is in alignment with the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. 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 operations, 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 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 acts 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 27, 2022. All the members of the Committee have expertise in Accounting and Financial management

vi. During the fiscal year 2022-2023, four 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:

May 24, 2022; August 10, 2022; November 08, 2022; and February 12, 2023.

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 -4)
Mr. Desh Raj Dogra, Chairman	ID	4
Mr. Dhiraj Mathur	ID	4
Mr. David Bradley	NED	4

#Notes: 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 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 2022-2023, four meetings of Nomination & Remuneration Committee were held on May 23, 2022; January 05, 2023; February 12, 2023; and March 03, 2023.

iv. The Chairperson of the Committee is an Independent Director and was present at the last AGM held on September 27, 2022.

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 -4)
Ms. Mariam Mathew, Chairperson	ID	4
Mr. Desh Raj Dogra	ID	4
Mr. Sudhakar Gande[1]	NED	2
Mr. David Abikzir[2]	NED	2

#Notes: ID – Independent Director, NED – Non Executive Director

[1]Mr. Sudhakar Gande ceased to be member of the Committee w.e.f. the closing hours of 05th January 2023.

[2]Mr. David Abikzir was appointed as member of the Committee w.e.f. start of business hours of 6th January 2023.

Note: The Committee was reconstituted on 05th January 2023.

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 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 are 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, 2023 are as follows:

Sl No	Name	Category#	Amount in Rupees
1	Mr. Desh Raj Dogra	ID	14,50,000
2	Mr. Dhiraj Mathur	ID	12,00,000
3	Ms. Mariam Mathew	ID	12,50,000
4	Mr. Sudhakar Gande	NED	3,00,000
5	Mr. David Bradley	NED	4,50,000
6	Mr. Sharadhi Chandra Babu Pampapathy	NED	2,40,000
7	Mr. David Walker	NED	2,70,000
8	Mr. David Abikzir	NED	3,30,000
9	Mr. Abhishek Kumar	NED	30,000
10	Mr. Venkataraman Venkitachalam	NED	60,000
	Total		**55,80,000**

#Notes: ID- Independent Director, NED- Non-Executive Directors

Remuneration to Executive Directors

Name of the Director	Fixed Salary			Performance linked Variable pay	Total
	Salary	ESOP	Retiral Benefits		
Mr. Arun Krishnamurthi	2,61,49,125	3,96,28,625	13,20,048	1,59,99,996	8,30,97,794

Note: Remuneration includes company's contribution to P.F., variable pay, ESOP and excludes the value of perquisites.

On Accrual basis

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

C. STAKEHOLDER'S RELATIONSHIP COMMITTEE

i. 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.

ii. One meeting was held during the year FY 2022-23 on February 12, 2023.

iii. The composition of the Stakeholder 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)
Mr. Desh Raj Dogra, Chairman	ID	1
Ms. Mariam Mathew	ID	1
Mr. David Bradley	NED	1

Notes: ID – Independent Director, NED – Non-Executive Director

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

iv. 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.

v. Details of investor complaints received and redressed during the financial year 2022-2023 are as follows:

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

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 transacted
March 31, 2020	September 29, 2020; 5:00 pm	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	Change of name of the Company
March 31, 2021	September 28, 2021; 4:00 pm	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	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 2. Approval for grant of additional stock Options to employees & directors of the subsidiary Companies under the AXISCADES ESOP 2018 Series 2 (the "scheme" / the "plan") 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") 4. Revision in the Remuneration of Mr. Sharadhi Chandra Babu Pampapathy, CEO & Executive Director.
March 31, 2022	September 27, 2022; 11:30 am	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	1. Reappointment of Mr. Desh Raj Dogra (DIN: 00226775) as an Independent Director 2. Reappointment of Mr. Dhiraj Mathur (DIN: 08478137) as an Independent Director 3. Approval for increase in the Borrowing limits of the Company 4. Approval for creation of charge on the assets of the Company 5. Alteration of Articles of Association of company

Postal Ballot

During the fiscal year 2022-23 two postal ballot processes were conducted and three special resolutions were passed through postal ballot, the details of which are as under:

Resolutions	Votes cast in favor		Votes cast against		Date of declaration of results
	No. of votes cast	% to the paid-up capital	No. of votes cast	% to the paid-up capital	
1. Appointment of Mr. Arun Krishnamurthi (DIN: 09408190) as Chief Executive Officer and Managing Director of the Company.	27079703	99.9996	120	0.0004	26th May 2022
2. Re-appointment of Ms. Mariam Mathew as Non-Executive, Independent Director, of the Company	27099848	99.9999	21	0.0001	03rd April 2023
3. Approval for an increase in the Investment limits of the Company under section 186 of the Companies Act 2013	27099848	99.9999	21	0.0001	03rd April 2023

The Company successfully completed the process of obtaining approval of its shareholders for special resolutions on the items detailed above through postal ballot. Mr. Anant Khamankar of M/s Anant B Khamankar & Co., Company Secretaries, was appointed as the Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure of Postal Ballot

The Postal Ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, read with other relevant circulars including General Circular No. 20/2021 dated December 8, 2021 and General Circular No. 11/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs.

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, 2023, 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

ii. Details of non-compliance

2022-23

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.

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.

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.

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

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.

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 & Managing Director are separate in the Company.
- The Internal Auditor directly reports to the Audit Committee.

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. 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.

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.

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.

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 6 (six) material subsidiaries, out of which two is incorporated outside India. The details as required have been given below:

S. No.	Name of the Subsidiary	Date of incorporation	Place of incorporation	Name of the Statutory Auditors	Date of appointment of Statutory Auditors
1.	AXISCADES Aerospace & Technologies Private Limited (ACAT)	03/01/2001	Bengaluru, Karnataka	S.R. Batliboi & Associates LLP	26/09/2022
2.	AXISCADES Aerospace Infrastructure Private Limited (AAIPL)	23/10/2000	Bengaluru, Karnataka	M/s. M.K.U.K & Associates	20/09/2022
3.	Enertec Controls Limited (ECL)	20/01/1988	Bengaluru, Karnataka	M/s. M.K.U.K & Associates	20/09/2022
4.	Mistral Solutions Private Limited (MSPL)	20/05/1999	Bengaluru, Karnataka	B S R & Associates LLP	27/09/2019
5.	AXISCADES Inc.	07/06/1987	Illinois, United States	S.R. Batliboi & Associates LLP	17/05/2022
6.	AXISCADES Technology Canada Inc.	24/03/2014	Montreal, Quebec, Canada	M/s. Chhapolika and Company	18/05/2022

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_Subsidiary_Policy.pdf

VII. MEANS OF COMMUNICATION

The quarterly, half-yearly & nine months un-audited financial results and annual audited results of the Company are generally published in leading newspapers such as Economic Times and Vijay Karnataka. The results are also displayed on the Company's website 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: Thursday, September 28, 2023

Time: 02:30 P.M. (IST)

Mode: Video Conferencing

ii. Financial Calendar

Financial Year: April 1 to March 31 (2022-2023)

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 2022-2023 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, 2023.

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

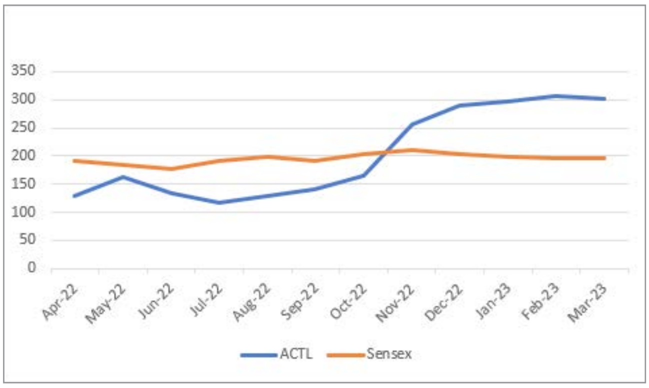
v. The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on March 31, 2023 the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

vi. Market Price Data

Monthly High, Low market price data in the Financial Year 2022-2023 on the National Stock Exchange of India Limited (NSE) and BSE Limited are given below:

Month	National Stock Exchange (NSE)		BSE	
	High	Low	High	Low
April	177.50	162.65	177.50	163.00
May	137.30	129.35	137.65	127.00
June	121.15	112.10	122.00	112.10
July	123.65	117.00	123.65	116.80
August	145.65	135.20	146.00	135.90
September	174.00	167.95	173.65	167.95
October	241.00	224.20	244.00	222.80
November	319.00	230.35	320.70	297.95
December	307.30	295.00	304.30	296.65
January	319.25	295.55	316.60	300.95
February	312.75	297.25	312.60	297.00
March	274.10	258.05	273.75	260.45

vii. Performance of share price of the Company in comparison to the BSE Sensex:



Note: Sensex has been baselined to 300.

viii. Registrar and Transfer Agent

Name and Address:
KFin Technologies 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@kfintech.com

ix. Share transfer System:

With a view to expedite the process of share transfer, the Board of Directors of the Company have constituted a Stakeholder Relationship Committee, which considers and approves the shares received for transfer, transmission, re-materialization and dematerialization etc.

KFin Technologies Limited is the common Registrar & Transfer Agent for shares held in both physical and dematerialized mode. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, considering the enhanced measures to ease dealings in securities market by the Investors, has mandated listed companies to issue shares in dematerialized form only, when such shares are required to be issued pursuant to the following requests:

i. While processing issue of duplicate securities certificate;

ii. Claim from Unclaimed Suspense Account;

iii. Renewal/Exchange of securities certificate, Endorsement, Sub-division/Splitting of securities certificate, Sub-division/Splitting of securities certificates/folios; and

iv. Transmission and Transposition received from the Members of the Company holding shares in physical form.

The prescribed process for dealing with the above requests have been advised to the shareholders holding shares in physical form vide our letter dated April 25, 2022 and the shareholders are requested to refer to the same. In view of the above circular, we would like to urge the shareholders holding shares in physical form to dematerialize their holdings at the earliest. Dematerialization of shares ensures quick, error-free and seamless transactions. It is a safe and convenient way to trade or invest and enables to monitor portfolio from anywhere across the Globe.

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 for the year ended March 31, 2023.

x. Shareholding as on March 31, 2023:

Distribution of equity shareholding as on March 31, 2023

Category	No. of Cases	% of Cases	Amount	% of Amount
1-5000	14,256	93.44	94,28,805	4.94
5001-10000	430	2.82	32,97,530	1.73
10001-20000	260	1.70	37,97,245	1.99
20001-30000	90	0.59	22,70,475	1.19
30001-40000	49	0.32	16,95,975	0.89
40001-50000	27	0.18	12,71,705	0.67
50001-100000	63	0.41	45,27,875	2.37
100001 and above	82	0.54	16,47,06,940	86.24
Grand Total	**15,257**	**100.00**	**19,09,96,550**	**100.00**

Categories of equity shareholders as on March 31, 2023:

Category	No. of shares	Percentage
Promoters Group – Indian	2,52,82,047	66.18
Indian Public	1,06,35,617	27.85
Bodies Corporate	14,99,283	3.93
NRIs/ OCBs/ Foreign Nationals/FIIs	7,23,625	1.89
Others	58,738	0.15
Total	**3,81,99,310**	**100**

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,
Kirloskar Business Park,
Bengaluru-560024
Karnataka

Other locations of offices of the Company are available at the Company's website www.axiscades.com

xvi. Credit Ratings: The Company has credit rating CARE BBB and CARE A3 from CARE India Limited for Bank facilities and has been removed from "Rating Watch". 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 2022-2023.

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 ₹ 1,05,55,979 (excluding out of pocket expenses).

xix. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the FY 2022-23.

No. of Complaints filed	Nil
No. of Complaints disposed off	Nil
No. of Complaints pending as on March 31, 2023	Nil

xx. The Company has received a certificate from S. Chauhan & Associates, Company Secretaries 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 SEBI/Ministry of Corporate Affairs or any such other statutory authority.

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

xxii. The details of loans and advances in the nature of loans to firms/companies in which directors are interested form part of Note No. 28 of Standalone Financial Statements published in this Annual Report.

For and on behalf of the Board of Directors

Date: May 25, 2023
Place: Bengaluru

Sd/-
David Bradley
Chairman and Non-Executive Director

Sd/-
Arun Krishnamurthi
Chief Executive Officer and Managing Director

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
AXISCADES Technologies Limited
Block C, Second Floor, Kirloskar Business Park
Bengaluru – 560 024

We have examined the compliance of the conditions of Corporate Governance by **AXISCADES Technologies Limited ('the Company')** for the year ended on March 31, 2023, 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, 2023, except:

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 and quarter ended June 30, 2022.

The Stock Exchanges (NSE and BSE) levied a fine of INR 59,000/- (Rupees Fifty nine Thousand Only) each for March 2022 Quarter and INR 3,77,000/- (Rupees Three Lakhs Seventy Thousand Only) each for quarter ending 30th June, 2022. The Company has paid the fine and has subsequently compiled with Regulation 17(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with effect from 3rd June, 2022.

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

Sd/-
Anant B Khamankar
FCS No.: 3198
CP No.: 1860
UDIN: F003198E000377440

Date: May 25, 2023
Place: Mumbai

CEO/CFO CERTIFICATION

PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Board of Directors
AXISCADES Technologies Limited

Dear Sirs,

Certification under Regulation 17 of the Listing Regulations for the Year ended March 31, 2023.

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, 2023 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
Date: 25.05.2023	Place: Bengaluru	Place: Philadelphia, Pennsylvania

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, 2023.

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

INDEPENDENT AUDITOR'S REPORT

To the Members of AXISCADES Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of AXISCADES Technologies Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, 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 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 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, 2023, its loss 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 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 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 financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone 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 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 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 financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessment of carrying value of investments in Mistral Solutions Private Limited ('MSPL') (as described in note 2(i)(l) and note 5(5) of the standalone financial statements)	
During the current year, the Management has assessed the carrying value of investment in Mistral Solutions Private Limited ('MSPL'). 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, future operating expenditure, discount rates and long-term growth rates. 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 financial statements.	Our audit procedures included the following: • We understood, evaluated and tested Management's key controls over the process of assessment of carrying value of investments; • 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; • We engaged expert to assess the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates and methodologies used by the Management to determine the recoverable amount; • We tested the arithmetical accuracy of the impairment testing model; and • We have assessed the disclosures in the standalone financial statements as per the relevant accounting standards.

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 financial statements and our auditor's report thereon.

Our opinion on the standalone 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the 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 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 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 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 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 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 financial statements, including the disclosures, and whether the standalone 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 financial statements for the financial year ended March 31, 2023 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 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 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, 2023 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 financial statements – Refer note 44 to the standalone 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, as disclosed in note 45(v) to the standalone financial statements, 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, as disclosed in note 45(vi) to the standalone financial statements, 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 performed that have been 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.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

Sd/-
per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 23104315BGXPYP2134

Place of Signature: Bengaluru
Date: May 25, 2023

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 ('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, 2023.

(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 11 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. 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 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 not provided advances in the nature of loans, or provided security, or stood guarantee to companies, firms, Limited Liability Partnerships or any other parties. Further, during the year the Company has granted loan to a subsidiary as follows:

	Loans (INR in lakhs)	Guarantee (INR in lakhs)
Aggregate amount granted during the year		
- Subsidiary	10.00	-
Balance outstanding as at balance sheet date in respect of above case		
- Subsidiaries	10.00	3500.00

(b) During the year, the Company has not provided security, provided guarantees and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Further, during the year the investments made and the terms and conditions of the grant of loan to a subsidiary and investments are not prejudicial to the Company's interest.

(c) The Company has granted loan during the year to a subsidiary where the schedule of repayment of principal and payment of interest has been stipulated. The loan and interest were not due as at the year end.

(d) There are no amounts of loans or advances in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(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 Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, custom duty, 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 deposits of professional tax and employees' state insurance in few cases. Further, the Company has not been regular in deposit of withholding tax and there have been significant delays 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 that have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (INR in lakhs)	Amount paid under protest (INR in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	194.43	40.00	Financial Year 2015-16	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	163.57	-	Financial Year 2017-18	Commissioner of Income Tax (Appeals)
The Finance Act, 1994	Service Tax	956.37	-	April 2006 to September 2010	Honourable Supreme Court of India
German Federal Tax	Corporate Income tax	3,280.00	-	Financial Year 2015-16 to Financial Year 2017-18	Honourable Hamburg Finance Court, Germany

(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 dues to financial institutions, banks and Government/ debenture holders during the year. However, there has been a default in payment of interest on loan to other lenders as stated below. This matter has been disclosed in note 15 to the standalone financial statements:

Nature of borrowing	Name of lender	Amount not paid on due date (INR in lakhs)	Whether principal or interest	No. of days delay or unpaid
Loan from subsidiary	Cades Studec Technologies Private Limited	6.94	Interest	9 days
Loan from subsidiary	Cades Studec Technologies Private Limited	1.22	Interest	Unpaid

(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 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 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 the year on 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 lender	Amount of loan (INR in lakhs)*	Name of the subsidiary	Relation	Details of security pledged
Cash Credit	HDFC Bank Limited	3,000.00	Mistral Solutions Private Limited ("MSPL")	Subsidiary	26% of shares in MSPL
Bank Guarantee	HDFC Bank Limited	10.00	Mistral Solutions Private Limited ("MSPL")	Subsidiary	26% of shares in MSPL
Unrated Unlisted Secured Redeemable Non-Convertible Debentures	Anicut Capital LLP	14,500.00	Mistral Solutions Private Limited ("MSPL")	Subsidiary	74% of shares in MSPL

*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 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 is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(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 is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred any cash losses in the current and 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 financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone 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 Companies Act, 2013 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
Firm Registration Number: 101049W/E300004

Sd/-
per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 23104315BGXPYP2134

Place of Signature: Bengaluru
Date: May 25, 2023

ANNEXURE 2

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AXISCADES TECHNOLOGIES LIMTED

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 financial statements of AXISCADES Technologies Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A Company's internal financial controls with reference to standalone 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 controls with reference to standalone 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 Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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 standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

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

Sd/-
per Sunil Gaggar
Partner
Membership Number: 104315

UDIN: 23104315BGXPYP2134

Place of Signature: Bengaluru
Date: May 25, 2023

STANDALONE BALANCE SHEET
AS AT 31 March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	3	577.29	447.50
Intangible assets	4	273.96	144.38
Right-of-use assets	29	2,984.61	1,797.15
Financial assets			
Investments	5	38,083.91	33,557.23
Other financial assets	6	599.13	403.44
Deferred tax assets, net	32	533.60	837.84
Non-current tax asset, net	7	1,214.61	699.77
Other non-current assets	8	6.51	11.36
		44,273.62	**37,898.67**
Current assets			
Financial assets			
Loans	9	10.00	-
Trade receivables	10	5,188.34	3,844.45
Cash and cash equivalent	11	1,665.01	642.42
Bank balances other than cash and cash equivalent	12	228.35	239.44
Other financial assets	6	3,418.39	2,614.37
Other current assets	8	1,366.70	1,491.42
		11,876.79	**8,832.10**
Total assets		**56,150.41**	**46,730.77**
Equity and liabilities			
Equity			
Equity share capital	13	1,911.50	1,897.23
Other equity	14	13,700.24	14,729.98
Total equity		**15,611.74**	**16,627.21**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	17,555.83	250.00
Lease liabilities	29	1,794.18	471.06
Provisions	16	593.27	610.26
		19,943.28	**1,331.32**
Current liabilities			
Financial liabilities			
Borrowings	15	13,679.98	3,582.19
Lease liabilities	29	573.90	724.61
Trade payables	17		
(a) Total outstanding dues of micro enterprises and small enterprises		106.49	26.56
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,684.61	1,311.53
Other financial liabilities	18	2,588.16	22,129.01
Provisions	16	582.67	446.83
Other current liabilities	19	1,379.58	551.51
		20,595.39	**28,772.24**
Total liabilities		**40,538.67**	**30,103.56**
Total equity and liabilities		**56,150.41**	**46,730.77**

The accompanying notes form an integral part of the Standalone 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 : 25 May 2023

For and on behalf of the Board of Directors of
AXISCADES Technologies Limited
CIN NO : L72200KA1990PLC084435

Sd/-
Arun Krishnamurthi
Chief Executive Officer and Managing Director
DIN: 09408190

Place : Bengaluru
Date : 25 May 2023

Sd/-
David Bradley
Chairman and Non - Executive Director
DIN: 08380717

Place : Bengaluru
Date : 25 May 2023

Sd/-
Shashidhar SK
Chief Financial Officer

Place : Philadelphia, Pennsylvania
Date : 25 May 2023

Sd/-
Sonal Dudani
Company Secretary
Membership No.: 40415

Place : Bengaluru
Date : 25 May 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from contracts with customers	20	28,314.85	18,198.07
Other income	21	155.13	204.57
Total income		**28,469.98**	**18,402.64**
Expenses			
Employee benefits expense	22	17,293.09	11,403.96
Finance costs	23	3,342.48	1,171.56
Depreciation and amortization expense	24	1,093.65	950.96
Other expenses	25	6,941.91	5,271.18
Total expenses		**28,671.13**	**18,797.66**
Loss before exceptional items and tax		**(201.15)**	**(395.02)**
Exceptional items, net	26	(1,664.87)	750.42
(Loss)/profit before tax		**(1,866.02)**	**355.40**
Income tax expense:	32		
(i) Current tax		146.21	140.45
(ii) Adjustment of tax relating to earlier years		(340.79)	-
(iii) Deferred tax expense/(credit)		311.43	(92.93)
Total income tax expense		**116.85**	**47.52**
(Loss)/profit after tax for the year		**(1,982.87)**	**307.88**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains in defined benefit plans	35	3.52	34.54
Income tax effect		(0.98)	(9.61)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**2.54**	**24.93**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
(Losses)/gains on cash flow hedges	34	(29.38)	19.08
Income tax effect		8.17	(5.31)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(21.21)**	**13.77**
Other comprehensive income for the year, net of tax		**(18.67)**	**38.70**
Total comprehensive (loss)/income for the year, net of tax		**(2,001.54)**	**346.58**
(Loss)/earnings per equity share in ₹ [nominal value of shares ₹ 5 (31 March 2022 : ₹ 5)]	**27**		
Basic		(5.21)	0.81
Diluted		(5.21)	0.80

The accompanying notes form an integral part of the Standalone 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 : 25 May 2023

For and on behalf of the Board of Directors of
AXISCADES Technologies Limited
CIN NO : L72200KA1990PLC084435

Sd/-
Arun Krishnamurthi
Chief Executive Officer and Managing Director
DIN: 09408190

Place : Bengaluru
Date : 25 May 2023

Sd/-
David Bradley
Chairman and Non - Executive Director
DIN: 08380717

Place : Bengaluru
Date : 25 May 2023

Sd/-
Shashidhar SK
Chief Financial Officer

Place : Philadelphia, Pennsylvania
Date : 25 May 2023

Sd/-
Sonal Dudani
Company Secretary
Membership No.: 40415

Place : Bengaluru
Date : 25 May 2023

STANDALONE STATEMENT OF CASH FLOWS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flow from operating activities			
(Loss)/profit before tax		(1,866.02)	355.40
Adjustments to reconcile (loss)/profit before tax to net cash flows:			
Exceptional items, net	26	1,664.87	(750.42)
Depreciation and amortization expense	24	1,093.65	950.96
Interest income	21	(133.60)	(86.34)
Fair value loss on derivative	25	565.18	-
Fair value gain on financial instruments at fair value through profit or loss	21	(5.62)	-
Finance costs	23	3,342.48	1,171.56
Recovery of bad debts written off	21	(2.70)	-
Advances written off	25	60.00	-
Loss on sale of investment in associate	25	4.95	-
Provision for doubtful debts and advances	25	28.36	44.10
Share based payment expense	22	747.77	245.63
Gain on sale of property, plant and equipment	21	(3.87)	(0.26)
Gain on lease modification/rental concession	21	(7.05)	(58.59)
Loss on export incentive receivable		15.17	-
Net unrealised foreign exchange (gain)/loss		(100.03)	60.09
Operating profit before working capital changes		**5,403.54**	**1,932.13**
Movements in working capital			
(Increase) in trade receivables		(1,333.65)	(1,022.15)
(Increase) in other assets including financial assets		(778.31)	(143.49)
Increase in trade payables, other liabilities and financial liabilities		2,565.78	756.15
Increase/(decrease) in provisions		49.00	(13.21)
Cash generated from operating activities		**5,906.36**	**1,509.43**
Direct taxes paid, net		(320.26)	(430.49)
Net cash generated from operating activities (A)		**5,586.10**	**1,078.94**
B. Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets		(453.98)	(354.98)
Proceeds from sale of property, plant and equipment		22.82	0.26
Payment of deferred purchase consideration		(19,039.57)	-
Purchase of units of mutual funds		(239.77)	-
Loan to subsidiary		(10.00)	-
Proceeds from disposal of stake in associate		222.55	-
Interest received		72.14	47.12
Redemption of fixed deposits, net		12.96	451.58
Net cash (used in)/generated from investing activities (B)		**(19,412.85)**	**143.98**
C. Cash flow from financing activities			
Repayment of principal and interest portion of lease liabilities	29	(847.83)	(716.25)
Proceeds from long-term borrowings		16,581.40	1,078.88
Repayment of long-term borrowings		(887.12)	(1,959.01)
Proceeds/(repayment) of short term borrowings, net		5,589.86	(341.90)
Proceeds from exercise of share options		150.25	81.57
Interest paid		(5,739.49)	(333.12)
Net cash generated from/(used in) financing activities (C)		**14,847.07**	**(2,189.83)**
Net increase/(decrease) in cash and cash equivalent (A+B+C)		**1,020.32**	**(966.91)**
Effect of exchange rate changes, net		2.27	(6.11)
Cash and cash equivalent at the beginning of the year		642.42	1,615.44
Cash and cash equivalent at the end of the year	11	**1,665.01**	**642.42**
Refer note 15 for changes in liabilities arising from financing activities.			

The accompanying notes form an integral part of the Standalone 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 : 25 May 2023

For and on behalf of the Board of Directors of
AXISCADES Technologies Limited
CIN NO : L72200KA1990PLC084435

Sd/-
Arun Krishnamurthi
Chief Executive Officer and Managing Director
DIN: 09408190

Place : Bengaluru
Date : 25 May 2023

Sd/-
David Bradley
Chairman and Non - Executive Director
DIN: 08380717

Place : Bengaluru
Date : 25 May 2023

Sd/-
Shashidhar SK
Chief Financial Officer

Place : Philadelphia, Pennsylvania
Date : 25 May 2023

Sd/-
Sonal Dudani
Company Secretary
Membership No.: 40415

Place : Bengaluru
Date : 25 May 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital

Equity shares of ₹ 5 each (March 31, 2022: ₹ 5 each), fully paid-up	Equity shares	
	Number (in lakhs)	Amount
At 1 April 2021	377.60	1,889.51
Add: Issued and subscribed during the year*	1.54	7.72
At 31 March 2022	**379.14**	**1,897.23**
Add: Issued and subscribed during the year*	2.85	14.27
At 31 March 2023	**381.99**	**1,911.50**

* During the year, the Company allotted 285,280 (31 March 2022 - 154,000) equity shares of ₹ 5 each aggregating ₹ 14.27 lakhs (31 March 2022 - ₹ 7.72 lakhs), consequent to the exercise of stock options by employees of the Company under the "AXISCADES ESOP 2018 – Series 1" and "AXISCADES ESOP 2018 – Series 2

B. Other equity (refer note 14)

	Reserves and Surplus				Items of other comprehensive income	Total
	Securities premium account	Surplus/ (deficit) in the Statement of Profit and Loss	Share based payment reserve	Capital reserve	Hedge reserve	
Balance as at 1 April 2021	10,077.23	(644.80)	308.72	4,227.97	(9.32)	13,959.80
Profit for the year	-	307.88	-	-	-	307.88
Fair value gain on derivative instruments, net of tax	-	-	-	-	13.77	13.77
Re-measurement gains in defined benefit plans, net of tax	-	24.93	-	-	-	24.93
Total comprehensive income for the year	**-**	**332.81**	**-**	**-**	**13.77**	**346.58**
Exercise of share options	120.70	-	(46.67)	-	-	74.03
Share based payments expense (refer note 39)	-	-	349.57	-	-	349.57
Balance as at 31 March 2022	**10,197.93**	**(311.99)**	**611.62**	**4,227.97**	**4.45**	**14,729.98**
Loss for the year	-	(1,982.87)	-	-	-	(1,982.87)
Fair value loss on derivative instruments, net of tax	-	-	-	-	(21.21)	(21.21)
Re-measurement gains in defined benefit plans, net of tax	-	2.54	-	-	-	2.54
Total comprehensive loss for the year	**-**	**(1,980.33)**	**-**	**-**	**(21.21)**	**(2,001.54)**
Exercise of share options	218.58	-	(82.60)	-	-	135.98
Share based payments expense (refer note 39)	-	-	835.82	-	-	835.82
Balance as at 31 March 2023	**10,416.51**	**(2,292.32)**	**1,364.84**	**4,227.97**	**(16.76)**	**13,700.24**

The accompanying notes form an integral part of the Standalone 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 : 25 May 2023

For and on behalf of the Board of Directors of
AXISCADES Technologies Limited
CIN NO : L72200KA1990PLC084435

Sd/-
Arun Krishnamurthi
Chief Executive Officer and Managing Director
DIN: 09408190

Place : Bengaluru
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Shashidhar SK
Chief Financial Officer

Place : Philadelphia, Pennsylvania
Date : 25 May 2023

Sd/-
Sonal Dudani
Company Secretary
Membership No.: 40415

Place : Bengaluru
Date : 25 May 2023

Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2023

1. Corporate information:

AXISCADES 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, Kirloskar 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 25 May 2023.

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.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

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

Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2023

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.

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 39.

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.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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 equivalent. 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,

Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2023

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.

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

Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2023

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.

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 Company expects to be entitled in exchange for those goods or services and excludes amounts collected on behalf of third parties. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

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 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). Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section 2 (p) Impairment of financial assets.

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,

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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 deputes 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 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, plant and machinery 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:

Buildings	3 to 9 years
Plant and machinery	3 years

"If ownership of the leased asset transfers to the Company at the end of the lease term or the

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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 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 in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

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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 in 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. In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements.

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 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.

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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

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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 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

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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 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.

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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.

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:

a. 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.

b. Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

c. 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

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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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.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Management present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

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

r) Cash and cash equivalent

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 equivalent 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 Technology Services and Solutions, 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

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for the year ended 31 March 2023

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 2022. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Ind AS 16 - Property, Plant and Equipment: Proceeds before Intended Use

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23 March 2022,which is effective from 1 April 2022 to amend the Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the standalone financial statements of the company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

(ii) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23 March 2022, which is effective from 1 April 2022 to amend the Ind AS 109 to clarify the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.These amendments had no impact on the standalone financial statements of the company as there were no modifications/exchange's of the Company financial instruments during the period.

(iii) Ind AS 37 - Onerous Contracts – Costs of Fulfilling a Contract

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23 March 2022,which is effective from 1 April 2022 to clarify that an onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.These amendments had no impact on the standalone financial statements of the company as there were no contracts for which the Company has not yet fulfilled all of its obligations.

(iv) Ind AS 103 - Reference to the Conceptual Framework

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for

Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2023

Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to Ind AS 103 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the standalone financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

2(iv) Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Ind AS 8 - Definition of Accounting Estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the standalone financial statements.

(ii) Ind AS 1 - Disclosure of Accounting Policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Ind AS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Company is currently assessing the impact of the amendments.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

3 Property, plant and equipment (PPE)

	Computers	Furniture and fixtures	Office equipment	Office building	Vehicles	Leasehold improve-ments	Total
Cost							
Balance as at 1 April 2021	**726.85**	**90.22**	**129.15**	**136.19**	**5.25**	**40.29**	**1,127.95**
Additions	272.96	5.66	4.25	-	-	-	282.87
Disposals	(101.82)	-	(0.35)	-	-	-	(102.17)
Balance as at 31 March 2022	**897.99**	**95.88**	**133.05**	**136.19**	**5.25**	**40.29**	**1,308.65**
Additions	148.59	27.59	46.61	-	42.60	76.37	341.76
Disposals	(74.29)	(57.25)	(27.20)	-	-	(13.24)	(171.98)
Balance as at 31 March 2023	**972.29**	**66.22**	**152.46**	**136.19**	**47.85**	**103.42**	**1,478.43**
Depreciation							
Balance as at 1 April 2021	664.94	59.46	79.76	14.18	5.25	22.29	845.88
Charge for the year	82.42	9.98	14.99	2.98	-	7.07	117.44
Disposals	(101.82)	-	(0.35)	-	-	-	(102.17)
Balance as at 31 March 2022	**645.54**	**69.44**	**94.40**	**17.16**	**5.25**	**29.36**	**861.15**
Charge for the year	139.39	14.17	14.96	2.98	7.98	13.54	193.02
Disposals	(72.19)	(51.17)	(26.46)	-	-	(3.21)	(153.03)
Balance as at 31 March 2023	**712.74**	**32.44**	**82.90**	**20.14**	**13.23**	**39.69**	**901.14**
Net book value							
As at 31 March 2022	**252.45**	**26.44**	**38.65**	**119.03**	**-**	**10.93**	**447.50**
As at 31 March 2023	**259.55**	**33.78**	**69.56**	**116.05**	**34.62**	**63.73**	**577.29**

a. Property, plant and equipment pledged as security

Details of properties pledged are as per note 15

b. Decommissioning cost

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

4 Intangible assets

	Software	Process manuals	Total
Cost			
Balance as at 1 April 2021	1,480.76	1,754.44	3,235.20
Additions	1.85	-	1.85
Balance as at 31 March 2022	**1,482.61**	**1,754.44**	**3,237.05**
Additions	251.68	-	251.68
Balance as at 31 March 2023	**1,734.29**	**1,754.44**	**3,488.73**
Amortisation			
Balance as at 1 April 2021	1,192.20	1,754.44	2,946.64
Charge for the year	146.03	-	146.03
Balance as at 31 March 2022	**1,338.23**	**1,754.44**	**3,092.67**
Charge for the year	122.10	-	122.10
Balance as at 31 March 2023	**1,460.33**	**1,754.44**	**3,214.77**
Net book value			
As at 31 March 2022	**144.38**	**-**	**144.38**
As at 31 March 2023	**273.96**	**-**	**273.96**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Financial Assets

5 Investments

Non-current

i) Unquoted Investments

	As at 31 March 2023	As at 31 March 2022
Investment in equity shares of subsidiaries carried at cost:		
AXISCADES Inc.	1,489.06	1,489.06
19,725 equity shares (31 March 2022: 19,725) of no par value		
Cades Studec Technologies (India) Private Limited	719.66	719.66
475,000 equity shares (31 March 2022: 475,000) of ₹10 each, fully paid up		
AXISCADES Technology Canada Inc.	0.05	0.05
100 equity shares (31 March 2022: 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 2022: 1) of no par value		
AXISCADES GmbH	18.87	18.87
1 equity share (31 March 2022: 1) of no par value		
AXISCADES Aerospace & Technologies Private Limited*	11,962.04	11,962.04
16,838,512 equity shares (31 March 2022: 16,838,512) of ₹10 each, fully paid up		
Mistral Solutions Private Limited (refer note 2 and 3 below)*	16,435.79	24,213.97
2,356,200 equity shares (31 March 2022: 3,805,370) of ₹ 5 each, fully paid up		
Explosoft Tech Solutions Private Limited (refer note 2 below)	7,213.00	-
24,191,364 equity shares (31 March 2022: Nil) of ₹ 10 each, fully paid up		
	37,881.15	**38,446.33**
Less: Provision for impairment in value of investment in Axis Mechanical Engineering Design (Wuxi) Co., Ltd.	**(42.68)**	**(42.68)**
Less: Provision for impairment in value of investment in Mistral Solutions Private Limited (refer note 5 below)	**-**	**(5,073.97)**
Net Investment in equity shares of subsidiaries:	**37,838.47**	**33,329.68**
Investment in equity shares of associate carried at cost:		
ASSYSTEMS AXISCADES Engineering Private Limited	-	227.50
Nil equity shares (31 March 2022: 455,000) of ₹ 50 each, fully paid up (refer note 6 below)		
Total investment carried at cost (i)	**37,838.47**	**33,557.18**

ii) Investments in equity shares of other companies (at FVTPL)

	As at 31 March 2023	As at 31 March 2022
Axis Cogent Global Limited	-	-
946,822 equity shares (31 March 2022: 946,822) of ₹ 10 each, fully paid up		
Datum Technology Limited	-	-
50,000 equity shares (31 March 2022: 50,000) of ₹ 10 each, fully paid up		
Total investment carried at fair value through profit or loss (ii)	**-**	**-**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

iii) Other investments (at amortised cost)

	As at 31 March 2023	As at 31 March 2022
National savings certificates	0.05	0.05
Total investment carried at amortised cost (iii)	**0.05**	**0.05**

iv) Investments in quoted mutual funds (at FVTPL)

	As at 31 March 2023	As at 31 March 2022
Investments in mutual funds*	245.39	-
Total investment carried at fair value through profit and loss (iv)	**245.39**	**-**
Aggregate value of investments (i+ii+iii+iv)	**38,083.91**	**33,557.23**
Aggregate value of unqouted investments	**37,881.20**	**38,673.88**
Aggregate market value of quoted investments	**245.39**	**-**
Aggregate provision for impairment in value of investment	**(42.68)**	**(5,116.65)**

* Refer note 15 for details of assets pledged as security of borrowings.

1) 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.

During the quarter ended 30 June 2018, the Company has filed an application with National Company Law Tribunal ('NCLT') for amalgamation of Explosoft Tech Solutions Private Limited, 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 received the Interim Arbitration Award ('Interim Award') on 26 May 2022, dated 21 May 2022, from the Arbitral Tribunal, directing all parties for specific performance of their obligations under the SPA and other definitive agreements, to ensure completion of acquisition of 100% of shares of MSPL by the Company. In accordance with the Interim Award –

i. the Company has discharged the purchase consideration for all the phases including Phase II and has filed an application to withdraw the Scheme of amalgamation;

ii. the Company has recorded an additional charge of ₹ 4,444.98 lakhs (including interest of ₹ 2,944.84 lakhs and additional consideration of ₹ 1,500 lakhs) during the year ended 31 March 2023 as an exceptional item;

iii. on 22 December 2022, consequent to non-approval of the abovementioned Scheme, the Company has acquired 100% shares of Explosoft in cash (including accrued interest of ₹ 2,293.86 lakhs). Accrued interest of ₹ 2,293.86 lakhs has been disclosed as an exceptional item during the year ended 31 March 2023.

The Arbitral Tribunal has issued the Final Arbitration Award dated 13 January 2023, stating that all the parties have discharged their obligations in accordance with the Interim Award and accordingly, terminated the Arbitration proceedings.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

2) The Company was carrying 100% investment in equity shares of MSPL including 1,679,359 equity shares of MSPL held through Explosoft (representing 41.28% shareholding of MSPL) as Investments in MSPL. Pursuant to completion of acquisition of 100% shares of Explosoft during the year; Investments in equity shares of Explosoft of ₹ 7,213 lakhs representing the purchase consideration paid, is separately recognised under Investments.

3) During the year, the Company has issued Unrated, Unlisted, Secured Non-Convertible Debentures ("NCDs") aggregating ₹ 14,500 lakhs to a financial institution repayable over a period of three years. The interest rate is 15.75% - 16.00% per annum on the NCDs payable quarterly. The Company has also entered into an Investment Agreement with the aforesaid financial institution and provided a Right to Invest ("Share Warrants") in the Compulsorily Convertible Preference Shares ("CCPS") of the subsidiary, MSPL, at an agreed value and mutually agreed terms and conditions. These Share Warrants are issued by MSPL for the benefit of the Company. Share Warrants are classified as Derivative Liability carried at fair value by MSPL. The Company has recorded a Share Warrant expense of ₹ 565.18 lakhs in the Statement of Profit and Loss and reduced the equivalent amount of investment in equity shares of MSPL in the Balance Sheet.

4) During the previous year, the Company had recognised a net fair value loss of ₹ 785.38 lakhs on re-estimation of the contingent purchase consideration payable as per the terms of the Share Purchase Agreement ('SPA'), in the Statement of Profit and Loss. The change in fair value is based on the actual performance of MSPL Group. The entire purchase consideration is discharged by the Company except for certain individual shareholders that are in the process of settlement.

	As at 31 March 2023	As at 31 March 2022
Opening balance of purchase consideration payable	21,157.12	19,728.32
Add: Interest and additional purchase consideration	6,863.50	-
Add: Unwinding of discount (interest expense)	163.27	643.42
Add: Fair value loss	-	785.38
Less: Deferred purchase consideration - settled	(28,058.76)	-
Closing balance of purchase consideration payable	**125.13**	**21,157.12**

5) As at 31 March 2023, 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 their carrying value. Accordingly, the Company has reversed previously recognised impairment loss of ₹ 5,073.97 lakhs during the year ended 31 March 2023 (31 March 2022 ₹ 1,535.80 lakhs). The aforesaid amounts have been disclosed as exceptional items, refer note 26.

6) On 11 July 2022, the Company has sold the investment in its associate ASSYSTEMS AXISCADES Engineering Private Limited (AAEPL) for a consideration of ₹ 222.55 lakhs. The Company has recognised a loss of ₹ 4.95 lakhs on sale of the aforesaid investment in the Statement of Profit and Loss (refer note 25).

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

6 Other financial assets

	As at 31 March 2023	As at 31 March 2022
Non-current		
(carried at amortised cost)		
(Unsecured, considered good)		
Security deposits	579.50	402.12
Margin money deposits with banks against bank guarantees (refer note 12)*	19.63	1.32
	599.13	**403.44**
Current *		
(carried at amortised cost)		
(Unsecured, considered good)		
Interest accrued on fixed deposits	2.56	0.74
Margin money deposits with banks against bank guarantees (refer note 12)	-	20.18
Contract assets - Unbilled revenue #	2,968.87	1,949.62
Export Incentive receivable	-	365.04
Other receivables from related parties (refer note 28)	402.90	153.08
Security deposits	44.06	106.58
	3,418.39	**2,595.24**
(Unsecured, considered doubtful)		
Contract assets- Unbilled revenue	104.97	104.97
Security deposits	33.83	33.83
	138.80	**138.80**
Less:		
Allowance for doubtful contract assets	(104.97)	(104.97)
Allowance for doubtful security deposit	(33.83)	(33.83)
	(138.80)	**(138.80)**
(carried at FVTOCI)		
(Unsecured, considered good)		
Hedge asset	-	19.13
	-	19.13
	3,418.39	2,614.37

* Refer note 15 for details of assets pledged as security for borrowings.

Includes ₹ 504.96 lakhs (31 March 2022:₹ 395.14 lakhs) from related parties (refer note 28)

7 Non-current tax asset, net

	As at 31 March 2023	As at 31 March 2022
Advance income tax (net of provision for tax)	1,214.61	699.77
	1,214.61	**699.77**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

8 Other assets

Non-current	As at 31 March 2023	As at 31 March 2022
Non-current		
(Unsecured, considered good)		
Prepaid expenses	6.51	11.36
	6.51	**11.36**
Current *		
(Unsecured, considered good)		
Duties and taxes recoverable	624.11	847.09
Prepaid expenses	692.80	535.96
Advance to suppliers	11.30	83.96
Advance to employees	38.49	24.41
	1,366.70	**1,491.42**
(Unsecured, considered doubtful)		
Duties and taxes recoverable	27.67	27.67
	27.67	**27.67**
Less: Allowance for duties and taxes recoverable	(27.67)	(27.67)
	(27.67)	**(27.67)**
	1,366.70	**1,491.42**

* Refer note 15 for details of assets pledged as security for borrowings.

9 Loans

	As at 31 March 2023	As at 31 March 2022
Current		
(Unsecured, considered good)		
Inter-corporate deposit to related party (refer note 28)	10.00	-
	10.00	**-**

Disclosure required under Sec 186(4) of the Companies Act, 2013

Included in loans are intercorporate deposits the particulars of which are disclosed below as required by Section 186(4) of the Companies Act, 2013

Name of the loanee	Rate of Interest	Due date	Secured/ unsecured	Purpose	As at 31 March 2023	As at 31 March 2022
Explosoft Tech Solutions Private Limited	10%	4 January 2024	Unsecured	Working capital requirements	10.00	-
					10.00	**-**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

10 Trade receivables

	As at 31 March 2023	As at 31 March 2022
Current		
(a) Trade receivables from other parties	4,623.37	3,075.63
(b) Trade receivables from related parties (refer note 28)	564.97	768.82
Total trade receivables	**5,188.34**	**3,844.45**
Break-up for security details:		
Trade receivables (Current)		
Secured, considered good	-	-
Unsecured, considered good	5,188.34	3,844.45
Trade receivables which have significant increase in credit risk	257.36	229.00
Trade receivables - credit impaired	5.33	5.33
	5,451.03	**4,078.78**
Impairment Allowance (allowance for bad and doubtful debts)		
Trade receivables which have significant increase in credit risk	(257.36)	(229.00)
Trade receivables - credit impaired	(5.33)	(5.33)
Total trade receivables	**5,188.34**	**3,844.45**

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

	As at 31 March 2023	As at 31 March 2022
As at 1 April	234.33	224.06
Provision for expected credit losses (refer note 25)	28.36	10.27
As at 31 March	**262.69**	**234.33**

Trade receivables ageing schedule as on 31 March 2023

		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	5,006.18	95.74	2.07	0.40	46.68	37.27	5,188.34
(ii)	Undisputed trade receivables - which has signiifcant increase in credit risk	-	2.41	4.19	22.57	6.78	200.10	236.05
(iii)	Undisputed trade receivables - credit impaired	-	-	-	-	-	5.33	5.33
(iv)	Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v)	Disputed trade receivables - which has signiifcant increase in credit risk	-	-	-	-	-	21.31	21.31
(vi)	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total		**5,006.18**	**98.15**	**6.26**	**22.97**	**53.46**	**264.01**	**5,451.03**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Trade receivables ageing schedule as on 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	3,620.48	124.89	-	59.14	24.13	15.81	3,844.45
(ii)	Undisputed trade receivables - which has signiifcant increase in credit risk	-	-	1.02	6.57	191.78	8.32	207.69
(iii)	Undisputed trade receivables - credit impaired	-	-	-	-	-	5.33	5.33
(iv)	Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v)	Disputed trade receivables - which has signiifcant increase in credit risk	-	-	-	-	-	21.31	21.31
(vi)	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total		**3,620.48**	**124.89**	**1.02**	**65.71**	**215.91**	**50.77**	**4,078.78**

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 28.

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

Refer note 15 for details of assets pledged as security for borrowings.

11 Cash and cash equivalent

	As at 31 March 2023	As at 31 March 2022
Cash on hand	0.61	0.56
Balances with banks		
- on current accounts	1,664.40	641.86
	1,665.01	**642.42**

(i) As at 31 March 2023, the Company has ₹ 3,318.66 lakhs (31 March 2022: ₹ 1,628.01 lakhs) of undrawn committed borrowing facilities.

(ii) Refer note 15 for details of assets pledged as security for borrowings.

(iii) Sanction limits of domestic operations are secured against current assets. The quarterly returns or statements of current assets filed by the Company against sanctioned working capital limits with banks are in agreement with the books of accounts.

Notes:	As at 31 March 2023	As at 31 March 2022
a) For the purpose of statement of cash flows, cash and cash equivalent comprises the following:		
Cash and cash equivalent	1,665.01	642.42
Cash and cash equivalent reported in cash flow statement	**1,665.01**	**642.42**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

12 Bank balances other than cash and cash equivalent

	As at 31 March 2023	As at 31 March 2022
Margin money deposits (with original maturity of more than 3 months but less than 12 months)	215.59	227.74
Bank deposits (with original maturity of more than 3 months but less than 12 months)	12.76	11.70
Margin money deposits (with original maturity of more than 12 months)	19.63	21.50
	247.98	**260.94**
Less : Amounts disclosed as other non-current financial assets (refer note 6)	(19.63)	(1.32)
Less : Amounts disclosed as other current financial assets (refer note 6)	-	(20.18)
	228.35	**239.44**

(i) Fixed deposits of a carrying amount ₹ 200.00 lakhs (31 March 2022: ₹ 200.00 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 ₹ 35.22 lakhs (31 March 2022: ₹ 49.24 lakhs) have been deposited as bank guarantee in favour of various government authorities and customers.

(iii) Refer note 15 for assets pledged as security for borrowings.

a) Breakup of financial assets carried at amortised cost	As at 31 March 2023	As at 31 March 2022
Investments (Non-current) (refer note 5)	0.05	0.05
Other financial assets (Current and Non Current) (refer note 6)	4,017.52	2,998.68
Loans (Current) (refer note 9)	10.00	-
Trade receivables (Current) (refer note 10)	5,188.34	3,844.45
Cash and cash equivalent (refer note 11)	1,665.01	642.42
Bank balances other than cash and cash equivalent (refer note 12)	228.35	239.44
	11,109.27	**7,725.04**

13 Share capital

	As at 31 March 2023		As at 31 March 2022	
	Number (in lakhs)	Amount	Number (in lakhs)	Amount
Authorized share capital				
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
	2,041.00	**10,300.00**	**2,041.00**	**10,300.00**
Issued share capital				
Equity shares of ₹ 5 each, fully paid-up	382.50	1,912.52	379.65	1,898.25
Subscribed and paid-up				
Equity shares of ₹ 5 each (March 31, 2022 ₹ 5 each), fully paid-up	381.99	1,909.97	379.14	1,895.70
Add: Forfeited shares (amount originally paid ₹ 3 per share on 51,100 equity shares)*	-	1.53	-	1.53
	381.99	**1,911.50**	**379.14**	**1,897.23**

* Out of 51,100 equity shares of ₹ 5 each issued, ₹2 had not been subscribed amounting to ₹ 1.02 lakhs.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

(a) Reconciliation of the equity shares

	As at 31 March 2023		As at 31 March 2022	
	Number (in lakhs)	Amount	Number (in lakhs)	Amount
Equity shares of ₹ 5 each, par value				
Balances as at the beginning of the year	379.14	1,897.23	377.60	1,889.51
Add: Issued and subscribed during the year*	2.85	14.27	1.54	7.72
Balance at the end of the year	**381.99**	**1,911.50**	**379.14**	**1,897.23**

* During the year, the Company allotted 285,280 (31 March 2022 - 154,000) equity shares of ₹ 5 each aggregating ₹ 14.27 lakhs (31 March 2022 - ₹ 7.72 lakhs), consequent to the exercise of stock options by employees of the Company under the "AXISCADES ESOP 2018 – Series 1" and "AXISCADES ESOP 2018 – 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 2023		As at 31 March 2022	
	Number (in lakhs)	Amount	Number (in lakhs)	Amount
Holding Company:				
Jupiter Capital Private Limited	252.82	1,264.10	252.82	1,264.10
Subsidiaries of Holding Company:				
Indian Aero Ventures Private Limited	-	-	3.75	18.73

(d) Details of shareholders holding more than 5% shares:

	As at 31 March 2023		As at 31 March 2022	
	Number (in lakhs)	Percentage holding	Number (in lakhs)	Percentage holding
Equity shares of ₹ 5 each, par value				
Jupiter Capital Private Limited [refer note (c) above]	252.82	66.18%	252.82	66.68%
Indian Aero Ventures Private Limited	-	-	3.75	0.99%

(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) In the period of five years immediately preceding the Balance Sheet date, the Company has not allotted any shares for consideration other than cash.

(g) Shares held by promoters at the end of the year

As at 31 March 2023

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
Jupiter Capital Private Limited	252.82	-	252.82	66.18%	0%
Indian Aero Ventures Private Limited	3.75	(3.75)	-	0.00%	-100%

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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%

(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 31st 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 2023 is 5,014,394 shares (31 March 2022: 5,299,674).

14 Other equity

	As at 31 March 2023	As at 31 March 2022
Securities premium	10,416.51	10,197.93
Hedge reserve	(16.76)	4.45
Retained earnings	(2,292.32)	(311.99)
Capital reserve [reserve credited pursuant to the Scheme of Amalgamation]	4,227.97	4,227.97
Share based payment reserve	1,364.84	611.62
	13,700.24	**14,729.98**

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.

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-based share based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 39 for further details of these plans.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

15 Borrowings

	Effective interest rate %	Maturity (Financial year ending)	As at 31 March 2023	As at 31 March 2022
Non current				
Debentures				
15.75% Unrated Unlisted Non-Convertible Debentures (secured) [refer note (a)(i) below]	17.40%-17.95%	2025 and 2026	9,755.29	-
Loan from related parties				
Intercorporate deposit from subsidiary (unsecured) [refer note 28 and a(ii) below]	9%	2026	500.00	250.00
Intercompany payable to related party (unsecured) [refer note 28 and a(ii) below]	13%	2025	5,908.37	-
Term loan				
Term loan from financial institution (secured) [refer note (a)(iii) below]	16.49%	2025 and 2026	1,377.53	-
Vehicle loan from financial institution (secured) [refer note (a)(iv) below]	8.01%	2025	14.64	-
			17,555.83	**250.00**
Current				
Debentures				
16% Unrated Unlisted Non-Convertible Debentures (secured) [refer note (a)(i) below]	18.93%	2024	4,489.45	-
Working capital loan				
Working capital loan from bank (secured) [refer note (a)(v) below]	SOFR+2.20%	on demand	3,339.34	2,325.17
Cash credit from bank (secured) [refer note (a)(v) below]	MCLR-1 year+2.3%	on demand	-	382.44
Loan from related parties				
Intercorporate deposit from subsidiary (unsecured) [refer note 28 and (a)(ii) below]	9%	2024	650.00	-
Intercorporate term loan from holding company (unsecured) [refer note 28 and a(ii) below]	20.09%-20.55%	2024	4,616.96	-
Current maturities of long term borrowings				
Term loan				
Term loan from banks (secured) [refer note (a)(vi) below]	6%	2023	-	874.58
Term loan from financial institution (secured) [refer note (a)(iii) below]	16.49%	2024	570.59	-
Vehicle loan from financial institution (secured) [refer note (a)(iv) below]	8.01%	2024	13.64	-
			13,679.98	**3,582.19**
Aggregate secured loans			**19,560.48**	**3,582.19**
Aggregate unsecured loans			**11,675.33**	**250.00**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

a) Details of borrowings

(i) The 15.75% Unrated Unlisted Non-Convertible Debentures of ₹ 10,000.00 lakhs is secured and repayable in 12 equal monthly installments of ₹ 833.00 lakhs starting from August 2024 and 16% Unrated Unlisted Non-Convertible Debentures of ₹ 4,500.00 lakhs is secured and repayable on December 2023 from a financial institution. The Debentures are secured by exclusive charge on the movable assets and intangible assets of the Company and subsidiary company, Mistral Solutions Private Limited. Further it is also secured by pledge of 100% shares of the subsidiary company, Mistral Solutions Private Limited and corporate guarantee by Jupiter Capital Private Limited, the Parent Company.

(ii) Loan from related parties includes unsecured intercorporate loans of

a) ₹ 250.00 lakhs and ₹ 400.00 lakhs from subsidiary company, Cades Studec Technologies (India) Private Limited is unsecured and repayable on July 2023 and November 2023, respectively, carries an interest rate of 9% per annum. In current year, there has been delay in repayment of interest amounting to ₹ 8.16 lakhs.

b) ₹ 500.00 lakhs from subsidiary company, Axiscades Aerospace & Technologies Private Limited is unsecured and repayable on June 2025, carries an interest rate of 9% per annum.

c) ₹ 5,908.37 lakhs from subsidiary company, Explosoft Tech Solutions Private Limited is unsecured and repayable on December 2024, carries an interest rate of 13% per annum, includes principal portion of ₹ 3,614.52 lakhs and accrued interest of ₹ 2,293.86 lakhs [refer note 5(1)(iii)].

d) ₹ 4,616.96 lakhs from parent company, Jupiter Capital Private Limited is unsecured and repayable on July 2023, carries an interest rate of 18.5% per annum.

(iii) Term Loan of ₹ 2,000.00 lakhs from financial institution is secured and repayable in equal quarterly installment of ₹ 200.00 lakhs starting from August 2023, carries an interest rate of 14.50%. The loan is secured by exclusive charge on current assets, movable assets of the Company and subsidiary company, Axiscades Aerospace & Technologies Private Limited, land and bulidings of the Company and step down subsidiary, Enertec Controls Limited and pledge of shares of the Company with minimum cover of 1.15x of the loan amount. Further, unconditional and irrevocable corporate guarantee of Jupiter Capital Private Limited, Axiscades Aerospace & Technologies Private Limited and Enertec Controls Limited.

(iv) Vehicle loan of ₹ 40.99 lakhs from financial institution is secured against the vehicle and repayable in equal monthly installment of ₹ 1.28 lakhs from April 2022.

(v) Packing credit facility in foreign currency ("PCFC") 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 step down subsidiary, Enertec Controls Limited at Electronic City, Bangalore, fixed deposits of ₹ 200.00 lakhs, pledge of 26% shares of the subsidiary company, Mistral Solutions Private Limited, and corporate guarantee from step down subsidiary, 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, the Parent Company.

(vi) Foreign currency Term Loan ('FCTL') from a bank is secured by exclusive charge on current assets and movable fixed assets, fixed deposits of ₹ 200.00 lakhs, corporate guarantee from the step down subsidiary company, 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, the Parent Company. During the year, the outstanding loan amount has been fully repaid.

b) 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 debt covenants prescribed in the terms of bank loan except liabilities to net worth, total debt to net worth, debt repayment to net operating income, total debt to EBITDA and adjusted total net worth. The Management is of the view that this is a minor breach and hence no adjustments are made to Standalone Financial Statements in this respect.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

c) Changes in liabilities arising from financing activities

	Loan from banks and financial institutions	Inter-corporate deposit	Lease liabilities	Total
Balance as at 1 April 2021	**4,762.05**	**250.00**	**1,631.29**	**6,643.34**
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
Balance as at 31 March 2022	**3,582.19**	**250.00**	**1,195.67**	**5,027.86**
Net additions to lease liability	-	-	1,941.30	1,941.30
Cash flows	15,767.18	5,516.96	(847.83)	20,436.31
Other adjustments	211.11	5,908.37	78.94	6,198.42
Balance as at 31 March 2023	**19,560.48**	**11,675.33**	**2,368.08**	**33,603.89**

16 Provisions

	As at 31 March 2023	As at 31 March 2022
Non-current		
Employee defined benefits liability		
- Provision for gratuity (refer note 35)	542.85	564.49
Asset retirement obligation	50.42	45.77
	593.27	**610.26**
Current		
Employee defined benefits liability		
- Provision for gratuity (refer note 35)	138.83	77.31
- Provision for compensated absences	443.84	369.52
	582.67	**446.83**

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 2023 is ₹ 50.42 lakhs (31 March 2022: ₹ 45.77 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 2022: 12.17 percent per annum)

	Asset retirement obligation
As at 1 April 2021	41.11
Unwinding of discount	4.66
As at 31 March 2022	**45.77**
Unwinding of discount	4.65
As at 31 March 2023	**50.42**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

17 Trade payables

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 42)	106.49	26.56
Total outstanding dues of creditors other than micro enterprises and small enterprises#	1,684.61	1,311.53
	1,791.10	**1,338.09**

Includes ₹ 64.61 lakhs (March 31, 2022:₹ 105.26 lakhs) from related parties (refer note 28)

Trade Payables ageing schedule as at 31 March 2023

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	106.49	-	-	-	-	106.49
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,272.88	386.90	0.06	3.46	-	1,663.30
(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
Total	**1,379.37**	**386.90**	**0.06**	**3.46**	**21.31**	**1,791.10**

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	1,234.22	49.98	6.02	-	-	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
Total	**1,260.78**	**49.98**	**6.02**	**-**	**21.31**	**1,338.09**

Trade payables are non-interest bearing and are normally settled on 60-day terms

For terms and conditions with related parties, refer note 28.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

18 Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Current		
(carried at amortised cost)		
Creditors for capital goods	145.42	5.95
Dues to employees	1,624.84	963.05
Interest payable to subsidiary (refer note 28)*	18.59	-
Interest accrued but not due on borrowings*	24.85	2.89
Other payable to related parties	600.00	-
(carried at FVTPL)		
Purchase consideration payable on acquisition of subsidiary [refer note 5(4)]	125.13	21,157.12
(carried at FVTOCI)		
Hedge liability	49.33	-
	2,588.16	**22,129.01**

* The details of interest rates, repayment and other terms are disclosed under note 15.

19 Other liabilities

	As at 31 March 2023	As at 31 March 2022
Current		
Contract liabilities - Advances received from customers	347.84	-
Duties and taxes payable	1,031.74	551.51
	1,379.58	**551.51**

	As at 31 March 2023	As at 31 March 2022
Breakup of financial liabilities carried at amortised cost		
Borrowings (refer note 15)	31,235.81	3,832.19
Other financial liabilities (refer note 18)	2,413.70	971.89
Trade payables (refer note 17)	1,791.10	1,338.09
Lease Liabilty (refer note 29)	2,368.08	1,195.67
	37,808.69	**7,337.84**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

20 Revenue from contracts with customers

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of services		
Technology Services and Solutions	28,314.85	18,198.07
	28,314.85	**18,198.07**

20.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	Year ended 31 March 2023	Year ended 31 March 2022
India	7,436.94	4,637.37
Outside India	20,877.91	13,560.70
Total revenue from contracts with customers	**28,314.85**	**18,198.07**

Timing of revenue recognition	Year ended 31 March 2023	Year ended 31 March 2022
Services transferred at a point in time	-	-
Services transferred over time	28,314.85	18,198.07
Total revenue from contracts with customers	**28,314.85**	**18,198.07**

20.2 Trade receivables and contract balances

	Year ended 31 March 2023	Year ended 31 March 2022
Trade receivables (refer note 10)	5,188.34	3,844.45
Contract assets - Unbilled revenue (refer note 6)	2,968.87	1,949.62
Contract liabilities - Advances received from customers (refer note 19)	347.84	-

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days. In 31 March 2023, ₹ 28.36 lakhs (31 March 2022: ₹ 10.27 lakhs) was recognised as provision for expected credit losses on trade receivables. As at 31 March 2023, the Company has provision for expected credit losses of trade receivables of ₹ 262.69 lakhs (31 March 2022: ₹ 234.33 lakhs).

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 revenue).

Contract assets relates to revenue earned from engineering design services rendered within the financial year and for which invoicing happens subsequent to the year end. As such, the balances of this account vary and depend on the quantum of engineering design services at the end of the year. During the year ended 31 March 2023, ₹ 1,949.62 lakhs of contract assets as at 31 March 2022 has been reclassified to receivables on completion of performance obligation. 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. As at 31 March 2023, the Company has provision for expected credit losses on contract assets of ₹ 104.97 lakhs (31 March 2022: ₹ 104.97 lakhs).

Contract liabilities include short-term advances received from customers to provide engineering design services. The outstanding balance of this account increased in 2022-23 on account of receipt of one time advance from customers. During the year ended 31 March 2023, the Company recognised revenue of ₹ nil lakhs arising from advance from customers as at 31 March 2022. During the year ended 31 March 2022 the Company recognised revenue of ₹ 7.49 lakhs arising from advance from customers as at 31 March 2021.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

20.3 Performance Obligation

The performance obligation is satisfied as and when services are rendered and accordingly, there is no outstanding performance obligation as on 31 March 2023 and 31 March 2022.

20.4 There are no significant adjustment between the contracted price and revenue recognised.

21 Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income		
- from fixed deposits	73.87	39.98
- from financial assets carried at amortised cost	59.64	46.36
- from Inter-corporate deposit to related party (refer note 28)	0.09	-
Gain on lease modification/rental concession	7.05	58.59
Recovery of bad debts written off	2.70	-
Gain on sale of property, plant and equipment	3.87	0.26
Fair value gain on financial instruments at fair value through profit or loss	5.62	-
Miscellaneous income	2.29	59.38
	155.13	**204.57**

22 Employee benefits expense

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	14,612.32	9,985.03
Contribution to provident and other funds (refer note 35)	576.03	368.32
Contribution to overseas social security (refer note 35)	701.36	435.99
Provision for gratuity (refer note 35)	115.10	86.96
Provision for compensated absences	159.22	91.03
Staff welfare expense	381.29	191.00
Employee stock option scheme (refer note 39)	747.77	245.63
	17,293.09	**11,403.96**

23 Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense		
- on loan from banks / financial institutions	362.19	311.12
- on debentures from financial institution	1,413.84	-
- on Inter-corporate deposit from related party (refer note 28)	861.39	17.50
- others	28.47	13.28
Other borrowing cost	451.31	615.31
Interest on lease liability (refer note 29)	156.56	150.69
Net interest expense on leave defined benefit liability	68.72	63.66
	3,342.48	**1,171.56**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

24 Depreciation and amortization expense

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of PPE (refer note 3)	193.02	117.44
Amortization of intangible assets (refer note 4)	122.10	146.03
Depreciation of Right-of-use assets (refer note 29)	778.53	687.49
	1,093.65	**950.96**

25 Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Rent (refer note 29)	127.06	120.83
Power and fuel	247.99	194.92
Travelling and conveyance	452.07	251.01
Legal and professional charges	720.44	715.77
Repairs and maintenance		
- Building	258.16	202.25
- Others	47.23	20.49
Auditor's remuneration (refer note 37)	73.13	60.68
Equipment hire charges	312.87	228.57
Recruitment and training expenses	277.86	190.27
Marketing and advertising expenses	152.60	97.44
Communication expenses	259.91	255.53
Software subscription charges	1,123.99	1,225.95
Printing and stationery	25.56	7.19
Security charges	49.58	41.81
Rates and taxes	212.97	194.83
Project consultancy charges	1,629.33	1,108.73
Insurance expenses	61.44	64.75
Bank charges	24.64	49.88
Postage and courier charges	8.61	5.24
Loss on sale of investment in associate	4.95	-
Advances written off	60.00	-
Provision for doubtful debts and advances	28.36	44.10
Directors sitting fees (refer note 28)	55.80	39.90
Exchange loss, net	129.60	121.95
Fair value loss on derivative (refer note 5(3))	565.18	-
Miscellaneous expenses	32.58	29.09
	6,941.91	**5,271.18**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

26 Exceptional item

	Year ended 31 March 2023	Year ended 31 March 2022
Interest and additional purchase consideration [refer note 5(1)]	(6,738.84)	-
Reversal of impairment allowance on investments [refer note 5(5)]	5,073.97	1,535.80
Fair value change in contingent purchase consideration payable [refer note 5(4)]	-	(785.38)
	(1,664.87)	**750.42**

27 Earnings per share (EPS) (basic and diluted)

	Year ended 31 March 2023	Year ended 31 March 2022
a) (Loss)/profit after tax attributable to equity shareholders (₹)	(1,982.87)	307.88
b) Number of shares outstanding at the year end	381.99	379.14
c) Weighted average number of shares outstanding (in lakhs)	380.56	379.14
d) Nominal value of shares (₹)	5.00	5.00
e) Basic earning per share (₹)	(5.21)	0.81
f) Number of equity shares used to compute diluted earnings per share (in lakhs)	380.56	386.20
g) Diluted earnings per share (₹)*	(5.21)	0.80

	Year ended 31 March 2023	Year ended 31 March 2022
Weighted average number of shares outstanding (in lakhs)	380.56	379.14
Effect of dilution:		
Share options*	-	7.06
Weighted average number of equity shares adjusted for the effect of dilution	380.56	386.20

*For the purpose of computation of diluted EPS for the year ended 31 March 2023, 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 dilutive EPS are same.

28 Related party

Nature of relationship	Name of party
I Parties where control exists:	
Holding Company	Jupiter Capital Private Limited ('JCPL') *
* JCPL hold 66.18 percent voting rights of the Company as at 31 March 2023 (JCPL and its subsidiary Indian Aero Ventures Private Limited hold 67.67 percent voting rights of the Company as at 31 March 2022)	
Subsidiary companies	AXISCADES Inc.
	AXISCADES UK Limited (a 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 (a step down subsidiary)
	AXISCADES Aerospace Infrastructure Private Limited (a step down subsidiary)
	Mistral Solutions Private Limited
	Mistral Solutions Inc. (a step down subsidiary)
	Aero Electronics Private Limited (a step down subsidiary)
	Mistral Technologies Private Limited (a step down subsidiary)
	Explosoft Tech Solutions Private Limited (subsidiary with effect from 22 December 2022)
Associate	ASSYSTEMS AXISCADES Engineering Private Limited (upto 11 July 2022)

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Nature of relationship	Name of party
II Name of other related parties as per Ind AS 24 with whom transactions have taken place during the year:	
Key Management Personnel (KMP):	
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 from Chief Executive Officer & Executive Director w.e.f. 21 November 2021)
Chairman and Non - Executive Director	Mr. David Bradley
Independent Director	Mrs. Mariam Mathew
Independent Director	Mr. Desh Raj Dogra
Independent Director	Mr. Dhiraj Mathur
Non - Executive Director	Mr. Harold David Walker
Non - Executive Director	Mr. Sudhakar Gande (stepped down w.e.f. 5 January 2023)
Non - Executive Director	Mr. Sharadhi Chandra Babu Pampapathy (apppointed as Non - Executive Director w.e.f. 22 November 2021)
Non - Executive Director	Mr. Abhishek Kumar (stepped down w.e.f. 3 June 2022)
Non - Executive Director	Mr. David Abikzir (appointed w.e.f. 22 March 2022)
Non - Executive Director	Mr. Venkataraman Venkitachalam (appointed w.e.f. 6 January 2023)
III Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year:	
Chief Financial Officer (CFO)	Mr. Shashidhar SK (appointed w.e.f. 3 January 2022)
Chief Financial Officer (CFO)	Mr. Anumanchipalli Srinivas (till 31 July 2021)
Company Secretary	Ms. Sonal Dudani (appointed w.e.f. 22 March 2022)
Company Secretary	Ms. Shweta Agrawal (till 31 October 2021)
Company in which Director is a member	Lexicon Infotech Limited

IV Transactions with related parties:

Nature of transactions	Relationship	Year ended	
		31 March 2023	31 March 2022
Revenue from operations			
AXISCADES Inc.	Subsidiary	2,727.91	2,220.93
AXISCADES UK Limited	Step down subsidiary	622.10	395.36
AXISCADES Technology Canada Inc.	Subsidiary	1,618.05	1,129.81
AXISCADES GmbH	Subsidiary	230.89	120.14
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	7.25	-
ASSYSTEMS AXISCADES Engineering Private Limited	Associate	-	53.65
Remuneration (Refer note (IV) (a) and (b) below)			
Mr. Sharadhi Chandra Babu Pampapathy	Key Management Personnel	-	196.77
Mr. Anumanchipalli Srinivas	Key Management Personnel	-	64.73
Ms. Shweta Agrawal	Key Management Personnel	-	24.35
Mr. Arun Krishnamurthi	Key Management Personnel	817.78	146.86
Mr. Shashidhar S K	Key Management Personnel	431.29	39.34
Ms. Sonal Dudani	Key Management Personnel	15.49	0.39
Sitting fees paid to directors			
Mr. David Bradley	Chairman and Non - Executive Director	4.50	3.90
Mr. Abhishek Kumar	Non - Executive Director	0.30	-

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Nature of transactions	Relationship	Year ended	
		31 March 2023	31 March 2022
Mr. David Abikzir	Non - Executive Director	3.30	-
Mrs. Mariam Mathew	Independent Director	12.50	9.00
Mr. Sudhakar Gande	Non - Executive Director	3.00	3.00
Mr. Dhiraj Mathur	Independent Director	12.00	9.50
Mr. Desh Raj Dogra	Independent Director	14.50	11.50
Mr. Harold David Walker	Non - Executive Director	2.70	2.10
Mr. Sharadhi Chandra Babu	Non - Executive Director	2.40	0.90
Mr. Venkataraman Venkitachalam	Non - Executive Director	0.60	-
Expenses incurred by the Company on behalf of			
Marketing and advertising, travelling and insurance expenses			
AXISCADES Inc.	Subsidiary	42.70	26.55
AXISCADES UK Limited.	Step down subsidiary	18.97	3.20
AXISCADES Technology Canada Inc.	Subsidiary	9.90	12.77
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	49.01	-
Mistral Solutions Private Limited	Subsidiary	31.99	-
Mr. Sudhakar Gande	Non - Executive Director	35.05	-
Software and Legal expenses			
AXISCADES Inc.	Subsidiary	56.60	60.97
AXISCADES Technology Canada Inc.	Subsidiary	5.68	11.09
Salaries, wages and bonus			
AXISCADES Technology Canada Inc.	Subsidiary	50.55	74.79
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	202.04	47.10
AXISCADES Inc.	Subsidiary	202.68	264.43
Expenses incurred on behalf of the Company by			
Software subscription charges			
AXISCADES Inc.	Subsidiary	73.96	62.71
Salaries, wages and bonus			
AXISCADES UK Limited	Step down subsidiary	-	61.17
Amount paid on behalf of the Company			
Mistral Solutions Private Limited	Subsidiary	600.00	-
Services received (Project consultancy charges) from			
Lexicon Infotech Limited	Company in which Director is a member	11.91	22.09
Cades Studec Technologies (India) Private Limited	Subsidiary	29.65	5.77
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.	Subsidiary	49.01	65.92
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	-	4.42
Rental income			
ASSYSTEMS AXISCADES Engineering Private Limited	Associate	-	45.53
Interest Income on intercorporate deposit			
Explosoft Tech Solutions Private Limited	Subsidiary	0.09	-

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Nature of transactions	Relationship	Year ended	
		31 March 2023	31 March 2022
Interest expense on intercorporate deposit			
Cades Studec Technologies (India) Private Limited	Subsidiary	31.04	17.50
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	34.89	-
Jupiter Capital Private limited	Holding Company	670.80	-
Explosoft Tech Solutions Private Limited	Subsidiary	124.66	-
Corporate guarantee fee charged by			
Jupiter Capital Private Limited	Holding Company	20.00	20.00
Corporate guarantee provided to			
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	-	4,850.00
Corporate guarantee received from			
Jupiter Capital Private Limited	Holding Company	16,500.00	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) Total employee benefit expense includes employee stock compensation expense of ₹ Nil lakhs (31 March, 2022 - ₹ 80.21 lakhs) for Mr. Sharadhi Chandra Babu Pampapathy, ₹ 396.29 lakhs (31 March, 2022 - ₹ 10.42 lakhs) for Mr.Arun Krishnamurthi, and ₹ 297.21 lakhs(31 March, 2022 - ₹ 7.82 lakhs) for Mr. Shashidhar SK, respectively included in the employee stock option scheme expense in the Standalone Statement of Profit and Loss account.

(c) Refer note 15 for details of security provided for borrowings.

V Balances as at the year end:

Nature of transactions	Relationship	As at 31 March 2023	As at 31 March 2022
Trade receivables			
AXISCADES Inc.	Subsidiary	-	329.12
AXISCADES UK Limited.	Step down subsidiary	88.95	56.55
AXISCADES Technology Canada Inc.	Subsidiary	193.38	114.49
AXISCADES GmbH	Subsidiary	25.31	15.84
Axis Mechanical Engineering Design (Wuxi) Co., Ltd. (allowance for bad and doubtful debts of ₹ 167.20 lakhs (31 March 2022 - ₹ 167.20 lakhs)	Subsidiary	252.98	252.82
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	4.35	-
Unbilled revenue			
AXISCADES Technology Canada Inc.	Subsidiary	210.09	112.41
AXISCADES Inc.	Subsidiary	221.64	202.80
AXISCADES UK Limited.	Step down subsidiary	56.82	59.25
AXISCADES GmbH	Subsidiary	12.91	20.68
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	3.50	-
Investments			
AXISCADES, Inc.	Subsidiary	1,489.06	1,489.06
Cades Studec Technologies (India) Private Limited	Subsidiary	719.66	719.66

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Nature of transactions	Relationship	As at 31 March 2023	As at 31 March 2022
AXIS Mechanical Engineering Design (Wuxi) Co., Ltd. (net of impairment allowance of ₹ 42.68 lakhs (31 March 2022 - ₹ 42.68 lakhs)	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 of ₹ Nil lakhs (31 March 2022 - ₹ 5,073.97 lakhs) [refer note 5(3) and 5(5)]	Subsidiary	16,435.79	19,140.00
Explosoft Tech Solutions Private Limited [refer note 5(2)]	Subsidiary	7,213.00	-
ASSYSTEMS AXISCADES Engineering Private Limited [refer note 5(6)]	Associate	-	227.50
Other Receivables			
Expenses recoverable			
AXISCADES, Inc.	Subsidiary	69.10	81.28
AXISCADES UK Limited	Step down subsidiary	15.37	3.08
AXISCADES Technology Canada Inc.	Subsidiary	16.57	21.62
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	301.86	47.10
Trade payables			
AXISCADES, Inc.	Subsidiary	29.57	24.06
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	3.46	3.26
Lexicon Infotech Limited	Companies in which Director is Interested	4.95	9.68
AXIS Mechanical Engineering Design (Wuxi) Co., Ltd.	Subsidiary	12.60	67.82
Cades Studec Technologies (India) Private Limited	Subsidiary	14.03	0.44
Other financial liabilities			
Mistral Solutions Private Limited	Subsidiary	600.00	-
Remuneration payable (Refer note (IV) (a) and (b) above)*			
Mr. Sharadhi Chandra Babupampapathy	Key Management Personnel	-	36.18
Mr. Arun Krishnamurthi	Key Management Personnel	224.53	64.53
Mr. Shashidhar S K	Key Management Personnel	33.13	13.12
Ms. Sonal Dudani	Key Management Personnel	2.21	0.39
Corporate guarantee provided to - outstanding			
AXISCADES Aerospace & Technologies Private Limited	Subsidiary	3,500.00	4,850.00
Corporate guarantee received from - outstanding			
Jupiter Capital Private limited	Holding Company	20,500.00	4,000.00

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Loans to related parties

Particulars	Opening balance	Loans given	Received	Loan outstanding	Interest receivable
Explosoft Tech Solutions Private Limited					
31 March 2023	-	10.00	-	10.00	0.09
31 March 2022	-	-	-	-	-

Loans from related parties

Particulars	Opening balance	Loans taken	Repayment	Loan outstanding	Interest payable
Cades Studec Technologies (India) Private Limited (Subsidiary)					
31 March 2023	250.00	400.00	-	650.00	7.78
31 March 2022	250.00	-	-	250.00	-
AXISCADES Aerospace & Technologies Private Limited (Subsidiary)					
31 March 2023	-	500.00	-	500.00	10.81
31 March 2022	-	-	-	-	-
Explosoft Tech Solutions Private Limited (Subsidiary)					
31 March 2023	-	5,908.37	-	5,908.37	-
31 March 2022	-	-	-	-	-
Jupiter Capital Private Limited (Holding Company)					
31 March 2023	-	5,116.96	500.00	4,616.96	-
31 March 2022	-	-	-	-	-

* Remuneration payable does not include amount payable on employee stock option scheme

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 2023, the Company has written off the advance relating to amounts owed by related parties (with Explosoft) amounting to ₹ 60.00 lakhs (31 March 2022: ₹ Nil 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.

Loan to a subsidiary

The loan granted to Explosoft Tech Solutions Private Limited is intended for the purpose of meeting their working capital requirements. The loan is unsecured and repayable in full on 4 January 2024. Interest is charged at 10%. The loan has been utilized for the purpose it was granted.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

29 Right-of-use assets and lease liabilities

Right-of-use assets and lease liabilities

Company as a lessee

The Company has lease contracts for immovable properties and plant and machinery. 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 31 March 2023	As at 31 March 2022
Opening balance as of 1 April	1,797.15	2,291.89
Additions	2,102.26	216.67
Lease modifications	(75.55)	-
Deletions	(60.72)	(23.92)
Depreciation expense	(778.53)	(687.49)
Carrying amount as on 31 March	**2,984.61**	**1,797.15**

Below are the carrying amounts of lease liabilities and the movements during the year:

	As at 31 March 2023	As at 31 March 2022
Balance as on transition date 1 April	1,195.67	1,631.29
Additions	2,010.23	212.45
Deletions	(68.93)	(23.92)
Lease modifications/rental concession	(77.62)	(58.59)
Accretion of interest (refer note 23)	156.56	150.69
Payment of principal portion of lease liabilities	(691.27)	(565.56)
Payment of Interest portion of lease liabilities	(156.56)	(150.69)
Carrying amount as on 31 March	**2,368.08**	**1,195.67**
Current	573.90	724.61
Non-current	1794.18	471.06
	2,368.08	**1,195.67**

The weighted average incremental borrowing rate for lease liabilities is between 7.5% to 12.17% per annum (31 March 2022 is between 7.5% to 12.17% per annum), with maturity between three years to nine years for leasehold properties.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2023 and 31 March 2022 on an undiscounted basis:

	As at 31 March 2023	As at 31 March 2022
Less than one year	781.77	809.10
one to five years	2,073.00	481.84
more than five years	34.38	32.39

The following are the amounts recognised in statement of profit and loss:

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation expense of right-of-use assets	778.53	687.49
Interest expense on lease liabilities	156.56	150.69
Expense relating to short-term leases and low value leases (included in other expenses)	127.06	120.83
Gain on lease modification/rental concession	(7.05)	(58.59)
Total amount recognised in profit or loss	**1,055.10**	**900.42**

The Company had total cash outflows for leases of ₹ 974.89 lakhs for the year ended 31 March 2023 (31 March 2022: ₹ 837.08 lakhs). The Company has made non-cash additions of ₹ 2,102.26 lakhs (31 March 2022: ₹ 216.67 lakhs) and ₹ 2,010.23 lakhs (31 March 2022: ₹ 212.45 lakhs) to right-of-use assets and lease liabilities, respectively. There are no future cash outflows relating to leases that have not yet commenced.

30 Commitments

As at 31 March 2023, the Company has a commitment towards purchase of intangible assets of ₹ 51.13 lakhs (31 March 2022: ₹ Nil lakhs).

31 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 15(b))

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 equivalent.

	As at 31 March 2023	As at 31 March 2022
Borrowings including current maturities of long term borrowings (refer note 15)	31,235.81	3,832.19
Less: Cash and cash equivalent (refer note 11)	(1,665.01)	(642.42)
Net debt	**29,570.80**	**3,189.77**
Equity (refer note 13)	1,911.50	1,897.23
Other Equity (refer note 14)	13,700.24	14,729.98
Capital and net debt	**45,182.54**	**19,816.98**
Gearing ratio	65%	16%

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023 and 31 March 2022.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

32 Income Tax

The major components of income tax expense are:

	Year ended 31 March 2023	Year ended 31 March 2022
Current income tax:		
Current income tax charge	146.21	140.45
Adjustment of tax relating to earlier years	(340.79)	-
Deferred tax credit		
Relating to the origination and reversal of temporary differences	311.43	(92.93)
Income tax expense reported in Statement of Profit and Loss	**116.85**	**47.52**
Deferred tax related to items recognised in OCI		
Income tax relating to re-measurement (losses)/gains on defined benefit plans	(0.98)	(9.61)
Income tax relating to gains on cash flow hedges	8.17	(5.31)
	7.19	**(14.92)**
Bifurcation of the income tax recognized in OCI		
Items that will not be reclassified to Statement of Profit and Loss	(0.98)	(9.61)
Items that will be reclassified to Statement of Profit and Loss	8.17	(5.31)
	7.19	**(14.92)**

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 2023	Year ended 31 March 2022
Accounting (loss)/profit before tax	**(1,866.02)**	**355.40**
Tax on accounting (loss)/profit at statutory income tax rate of 27.82% (31 March 2022 - 27.82%)	(519.13)	98.87
Adjustments in respect of current income tax of previous years	(340.79)	-
Foreign tax expensed during the year	-	114.41
Non-deductible expenses for tax purposes:		
Provision related to impairment of investments	(1,411.58)	(427.26)
Purchase consideration re-measurement	1,502.32	218.49
Effect of lower tax rate in the capital gains	94.34	-
Disallowance for capital expenditure	780.99	-
Others	10.70	43.01
At the effective income tax rate of -6.26% [March 31, 2022: 13.37%]	**116.85**	**47.52**
Income tax expense reported in the Statement of Profit and Loss	116.85	47.52

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Deferred tax asset		
Impact of difference between depreciation charged for financial reporting and expenses allowed for tax purposes	105.22	131.26
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	313.12	249.10
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent year	46.52	-
Minimum Alternate Tax Credit	60.57	60.57
Losses available for offseting against future taxable income	-	402.22
Hedge liability	8.17	-
	533.60	**843.15**
Deferred tax liability		
Hedge assets	-	5.31
	-	**5.31**
Deferred tax asset, net	**533.60**	**837.84**

Reflected in the balance sheet as follows:	As at 31 March 2023	As at 31 March 2022
Deferred tax assets	533.60	843.15
Deferred tax liabilities	-	(5.31)
Deferred tax assets, net	**533.60**	**837.84**

	As at 31 March 2023	As at 31 March 2022
Opening balance as of 1 April	837.84	759.82
Tax (expense)/income during the period recognised in profit or loss	(311.43)	92.93
Tax income/(expense) during the period recognised in OCI	7.19	(14.92)
Closing balance as at 31 March	**533.60**	**837.84**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

33 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2023 are as follows:

Particulars	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Carrying value	Fair value
Assets:					
Other Investments (refer note 5)	0.05	245.39	-	245.44	245.44
Other financial assets (refer note 6)	4,017.52	-	-	4,017.52	4,017.52
Loans (refer note 9)	10.00	-	-	10.00	10.00
Trade receivables (refer note 10)	5,188.34	-	-	5,188.34	5,188.34
Cash and cash equivalent (refer note 11)	1,665.01	-	-	1,665.01	1,665.01
Bank balances other than cash and cash equivalent (refer note 12)	228.35	-	-	228.35	228.35
Total	**11,109.27**	**245.39**	**-**	**11,354.66**	**11,354.66**
Liabilities:					
Borrowings (refer note 15)	31,235.81	-	-	31,235.81	31,235.81
Trade payables (refer note 17)	1,791.10	-	-	1,791.10	1,791.10
Other financial liabilities (refer note 18)	2,413.70	125.13	49.33	2,588.16	2,588.16
Lease Liabilities (refer note 29)	2,368.08	-	-	2,368.08	2,368.08
Total	**37,808.69**	**125.13**	**49.33**	**37,983.15**	**37,983.15**

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
Assets:					
Other Investments (refer note 5)	0.05	-	-	0.05	0.05
Other financial assets (refer note 6)	2,998.68	-	19.13	3,017.81	3,017.81
Trade receivables (refer note 10)	3,844.45	-	-	3,844.45	3,844.45
Cash and cash equivalent (refer note 11)	642.42	-	-	642.42	642.42
Bank balances other than cash and cash equivalent (refer note 12)	239.44	-	-	239.44	239.44
Total	**7,725.04**	**-**	**19.13**	**7,744.17**	**7,744.17**
Liabilities:					
Borrowings (refer note 15)	3,832.19	-	-	3,832.19	3,832.19
Trade payables (refer note 17)	1,338.09	-	-	1,338.09	1,338.09
Other financial liabilities (refer note 18)	971.89	21,157.12	-	22,129.01	22,129.01
Lease Liabilities (refer note 29)	1,195.67	-		1,195.67	1,195.67
Total	**7,337.84**	**21,157.12**	**-**	**28,494.96**	**28,494.96**

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(All amounts in ₹ lakhs, unless otherwise stated)

The Management assessed that the fair value of Cash and cash equivalent, 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.

(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 2023:

Particulars	Date of valuation	Carrying value	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Other Investments (refer note 5)	31 March 2023	245.39	245.39	-	565.18
Liabilities measured at fair value:					
Purchase consideration payable (refer note 18)	31 March 2023	125.13	-	-	125.13
Derivative contracts (refer note 18)	31 March 2023	49.33	-	49.33	-

There have been no transfer among Level 1, Level 2 and Level 3 during the year.

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(All amounts in ₹ lakhs, unless otherwise stated)

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)
Assets measured at fair value:					
Derivative contracts (refer note 6)	31 March 2022	19.13	-	19.13	-
Liabilities measured at fair value:					
Purchase consideration payable (refer note 18)	31 March 2022	21,157.12	-	-	21,157.12

Refer note 5(4) for the reconcialition of fair value measurements categorized within level 3 of the fair value hierarchy.

(iii) Valuation techniques and significant unobservable input

Type	Valuation technique	Significant unobservable inputs	Range	Inter-relationship between significant unobservable inputs and fair value measurement
Purchase consideration payable	Actuals as per the terms of share purchase agreement	Adjusted earnings of acquired entity	-	-
FVTPL assets in unquoted equity shares	Binomial option pricing model	Exercise price per share Risk free rate Sigma range	₹ 969.10 7.1% 50.6% - 51.8%	These inputs would result in fair value loss on derivative by ₹ 565.18 lakhs

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 2023, 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 the Company CFO directly reports to the audit committee to arrive at the fair value of financial instruments.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

34 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 it's 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 ₹ 5,188.34 lakhs as of 31 March 2023 (31 March 2022: ₹ 3,844.45 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

Assets under credit risk

	As at 31 March 2023	As at 31 March 2022
Other receivables (refer note 6)	402.90	153.08
Security deposits (refer note 6)	623.56	508.70
Unbilled revenue (refer note 6)	2,968.87	1,949.62
Inter-corporate deposit to related party (refer note 9)	10.00	-
Trade receivables (refer note 10)	5,188.34	3,844.45
Total	**9,193.67**	**6,455.85**

Credit risk exposure

The allowance for life time expected credit loss on customer balances and security deposits for the year ended 31 March 2023 is ₹ 401.49 lakhs (31 March 2022 is ₹ 373.13 lakhs).

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning	373.13	329.03
Impairment loss recognised (refer note 25)	28.36	44.10
Balance at the end	**401.49**	**373.13**

Credit risk on Cash and cash equivalent and Bank balances other than cash and cash equivalent are limited as the Company generally invest in deposits with banks with high credit ratings as signed by international and domestic credit rating agencies.

NOTES TO STANDALONE FINANCIAL STATEMENTS
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(All amounts in ₹ lakhs, unless otherwise stated)

Financial assets that are neither past due nor impaired

Cash and cash equivalent, Bank balances other than cash and cash equivalent, loans, security deposits and unbilled revenue 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 ₹ 262.69 lakhs and ₹ 234.33 lakhs, unbilled revenue of ₹ 104.97 lakhs and ₹ 104.97 lakhs and security deposit of ₹ 33.83 lakhs and ₹ 33.83 as at 31 March 2023 and 31 March 2022 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, other receivables security deposits, loans and unbilled revenue, net of allowances that are past due, is given below:

Particulars	As at 31 March 2023	As at 31 March 2022
Financial assets that are neither past due nor impaired _ (A)	8,800.08	6,247.95
Financial assets that are past due but not impaired		
Past due 0-60 days	147.66	95.49
Past due 61-180 days	58.58	29.40
Past due over 180 days	187.35	83.01
Total past due but not impaired_(B)	393.59	207.90
Total (A+B)	**9,193.67**	**6,455.85**

(B) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalent and the cash flow that is generated from operations. As of 31 March 2023, the Company has the negative working capital of ₹ 8,718.60 lakhs (31 March 2022: ₹ 19,940.14 lakhs) including purchase consideration payable on acquisition of Mistral Solutions Private Limited of ₹ 125.13 lakhs (31 March 2022: ₹ 21,157.12 lakhs) and cash and cash equivalent of ₹ 1,665.01 lakhs (31 March 2022: ₹ 642.42 lakhs).

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 2023	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings (refer note 15)	13,744.98	17,823.01	-	31,567.99
Trade payable (refer note 17)	1,791.10	-	-	1,791.10
Other financial liabilities (refer note 18)	2,588.16	-	-	2,588.16
Lease Liabilities (refer note 29)	781.77	2,073.00	34.38	2,889.15
Total	**18,906.01**	**19,896.01**	**34.38**	**38,836.40**

As at 31 March 2022	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings (refer note 15)	3,582.19	250.00	-	3,832.19
Trade payable (refer note 17)	1,338.09	-	-	1,338.09
Other financial liabilities (refer note 18)	22,129.01	-	-	22,129.01
Lease Liabilities (refer note 29)	809.10	481.84	32.39	1,323.33
Total	**27,858.39**	**731.84**	**32.39**	**28,622.62**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

(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 2023		As at 31 March 2022	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Financial assets					
Trade receivables	USD	39.53	3,248.88	33.52	2,540.93
	EURO	3.34	298.12	3.85	323.99
	GBP	0.88	88.95	0.57	56.55
	CAD	0.28	17.13	-	-
	CNY	21.16	252.98	21.16	252.82
	SGD	0.21	12.91	0.21	11.70
	DKK	4.20	50.67	4.15	47.08
Unbilled revenue	USD	22.34	1,836.17	19.55	1,481.91
	EURO	1.14	102.03	1.36	114.39
	GBP	0.56	56.82	0.60	59.25
	CAD	0.33	20.29	-	-
	DKK	1.42	17.16	3.75	42.54
Other receivables from related parties	USD	0.84	69.09	1.07	81.28
	GBP	0.15	15.37	0.03	3.08
	CAD	0.27	16.57	0.36	21.68
Cash and bank balances	USD	7.61	625.69	5.49	416.22
	EURO	0.88	78.81	2.36	198.63
	AED	1.58	35.26	1.59	32.86
	DKK	2.07	24.88	6.76	76.71
Other financial assets	AED	0.57	12.76	0.57	11.70
Financial liabilities					
Trade payables	USD	4.50	369.87	2.77	210.17
	EURO	4.54	405.82	2.36	198.63
	DKK	8.95	107.87	2.60	29.50
Lease liability	EURO	1.17	104.98	1.18	99.21
Interest accrued but not due on borrowings	USD	0.10	8.58	0.04	2.89
Borrowings	USD	34.55	2,839.34	36.54	2,769.57

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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/(loss) before tax of the Company.

(In ₹ lakhs)

Particulars	31 March 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Sensitivity				
INR/USD	25.62	(25.62)	15.38	(15.38)
INR/EURO	(0.32)	0.32	0.66	(0.66)
INR/GBP	1.61	(1.61)	1.19	(1.19)
INR/CAD	0.54	(0.54)	0.22	(0.22)
INR/AED	0.48	(0.48)	0.45	(0.45)
INR/DKK	(0.15)	0.15	1.20	(1.20)
INR/CNY	2.53	(2.53)	-	-
INR/SGD	0.13	(0.13)	2.53	(2.53)

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 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

(In ₹ lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Forward Contracts		
In USD (31 March 2023 - 40 lakhs, 31 March 2022 - 20 lakhs)	3,257.93	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 2023		As at 31 March 2022	
	Notional amount (in ₹ lacs)	Average forward rate	Notional amount (in ₹ lacs)	Average forward rate
Not later than one month				
- In USD	396.05	79.21	-	-
Later than one month and not later than three months				
- In USD	1,211.00	80.73	-	-
Later than three months and not later a year				
- In USD	1,650.88	82.54	1,585.80	79.29

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(All amounts in ₹ lakhs, unless otherwise stated)

The following table summarizes activity in the cash flow hedging reserve within equity related to all derivative instruments classified as cash flow hedges:

(In ₹ lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at the beginning of the year	4.45	(9.32)
Changes in fair value of effective portion of derivatives	(29.38)	19.08
Balance as at the end of the year	**(24.93)**	**9.76**
Deferred tax thereon	8.17	(5.31)
Balance as at the end of the year, net of deferred tax	**(16.76)**	**4.45**

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. As at 31 March 2023, the Company does not have any long term debt obligations with floating interest rates, hence, is not exposed to any significant 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
- 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 2023 and 31 March 2022 is, as follows:

Fair value hedge	As at 31 March 2023			As at 31 March 2022		
	Nominal amount (in lacs)	Carrying amount (₹ lacs)	Line item in balance sheet where hedging instrument is disclosed	Nominal amount (in lacs)	Carrying amount (INR lacs)	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

The impact of the hedged item on the balance sheet as at 31 March 2023 and 31 March 2022 is, as follows:

Fair value hedge	As at 31 March 2023			As at 31 March 2022		
	Nominal amount (in lacs)	Carrying amount (₹ lacs)	Line item in balance sheet where hedging instrument is disclosed	Nominal amount (in lacs)	Carrying amount (INR lacs)	Line item in balance sheet where hedging instrument is disclosed
Interest rate risk						
- Borrowings	-	-	-	874.58	(1.28)	Short Term borrowings

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35 Defined benefit obligations

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 2023 : ₹ 576.03 lakhs (31 March 2022 : ₹ 368.32 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 2023 : ₹ 701.36 lakhs (31 March 2022 : ₹ 435.99 lakhs).

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.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

(i)	Changes in the present value of the defined benefit obligation are as follows	Gratuity	
		As at 31 March 2023	As at 31 March 2022
	Defined benefit obligation at the beginning of the year	641.80	640.54
	Current service cost	115.10	86.96
	Interest cost	43.61	40.97
	Benefits paid	(115.31)	(92.13)
	Actuarial gain arising from change in financial assumptions	(89.20)	(18.59)
	Actuarial loss arising from change in demographic assumptions	26.15	-
	Actuarial loss/(gain) arising from experience adjustments	59.53	(15.95)
	Defined benefit obligation at the end of the year	**681.68**	**641.80**
	Non-Current Provision	542.85	564.49
	Current Provision	138.83	77.31

(ii)	Components of expense recognised in the Statement of Profit and Loss	Gratuity	
		Year ended 31 March 2023	Year ended 31 March 2022
	Employee benefits expense		
	-Current service cost	115.10	86.96
	Finance costs		
	-Interest expense on defined benefit obligation	43.61	40.97
	Expenses recognised in the Statement of Profit and Loss for the year	**158.71**	**127.93**

(iii)	Components of defined benefit costs recognised in other comprehensive income	Gratuity	
		Year ended 31 March 2023	Year ended 31 March 2022
	Re-measurement on the net defined benefit liability :		
	Recognised net actuarial gain arising from change in financial assumptions	(89.20)	(18.59)
	Recognised net actuarial loss arising from change in demographic assumptions	26.15	-
	Recognised net actuarial loss/(gain) arising from experience variance	59.53	(15.95)
	Re-measurement gain in other comprehensive income	**(3.52)**	**(34.54)**

(iv)	The principal assumptions used in determining gratuity obligations for the Company's plans disclosed below	As at 31 March 2023	As at 31 March 2022
	Discount rate	7.25%	6.80%
	Salary escalation rate		
	- onsite	2.50%	5.00%
	- offshore	10.00%	5.00%
	Attrition rate		
	- up to 5 years	26.00%	20.00%
	- more than 5 years	15.00%	10.00%
	Retirement age	60 Years	60 Years
	Mortality rate [as a percentage of Indian assured lives mortality (2012-2014)]	100%	100%

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(All amounts in ₹ lakhs, unless otherwise stated)

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 2023 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%)	(23.37)	24.93
Salary growth rate (Increase or decrease by 1%)	25.60	(24.41)
Attrition rate (Increase or decrease by 50% of attrition rate)	6.19	(33.53)
Mortality rate (Increase or decrease by 10% of mortality rate)	0.11	(0.11)

A quantitative sensitivity analysis for significant assumption as at 31 March 2022 is as shown below:

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)

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 2023 and 31 March 2022 respectively. Following is a maturity profile of the defined benefit obligation as at 31 March 2023 and 31 March 2022.

Expected cash flows over the next: (valued on undiscounted basis)	Gratuity	
	As at 31 March 2023	As at 31 March 2022
Within the next 12 months	138.83	77.31
Between 2 - 5 years	373.85	281.37
Between 6 - 10 years	294.43	293.90
More than 10 years	243.32	501.20

NOTES TO STANDALONE FINANCIAL STATEMENTS
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(All amounts in ₹ lakhs, unless otherwise stated)

36 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.

Two customers individually accounted for ₹ 14,396.97 lakhs and ₹ 3,319.84 lakhs respectively, which is more than 10% of the total revenue of the Company for the year ended 31 March 2023 and three customers individually accounted for ₹ 8,675.15 lakhs, ₹ 2,991.55 lakhs and ₹ 2,203.93 lakhs respectively, which is more than 10% of the total revenue of the Company for the year ended 31 March 2022.

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 2023 amounts to ₹ 7,436.94 lakhs (31 March 2022: ₹ 4,637.37 lakhs) and from outside India for the year ended 31 March 2023 amounts to ₹ 20,877.91 lakhs (31 March 2022: ₹ 13,560.70 lakhs). Majority of the non-current assets of the Company are located in India.

37 Auditor's remuneration *

	Year ended 31 March 2023	Year ended 31 March 2022
Statutory audit fees	65.00	40.00
Other fees	4.00	19.00
Out of pocket expenses	4.13	1.68
	73.13	**60.68**

* excluding goods and service tax

38 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.

39 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 subscibe for the Company's shares can be granted to certain executives and senior employees of the Company and its subsidiaries.

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 2023	Year ended 31 March 2022
Expense arising from equity-settled share-based payment transactions	835.82	349.57
Less: Cross charge to subsidaries	(88.05)	(103.94)
Total expense arising from share-based payment transactions	**747.77**	**245.63**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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-23		31-Mar-22	
	Number	WAEP (₹)	Number	WAEP (₹)
Outstanding at 1 April	5,299,674	67.47	3,020,762	51.54
Granted during the year	-	-	3,207,482	77.83
Lapsed during the year	-	-	(774,070)	51.20
Exercised during the year	(285,280)	52.67	(154,500)	52.80
Outstanding at March 31	**5,014,394**	**68.48**	**5,299,674**	**67.47**
Exercisable at March 31	1,681,485	51.54	1,387,369	51.97

The weighted average remaining contractual life for the share options outstanding as at 31 March 2023 was 6.31 years (31 March 2022: 7.10 years).

The weighted average fair value of options granted during the year was ₹ Nil (31 March 2022: ₹ 57.10).

The range of exercise prices for options outstanding at the end of the year was ₹ 51.20 to ₹ 83.52 (31 March 2022: ₹ 51.20 to ₹ 83.52).

Details of share options exercised during the year:

Number of options exercised	Year	Exercise date	Share price (₹) at exercise date
196,280	2022-23	03 December 2022	303.10
89,000	2022-23	17 May 2022	149.05
154,500	2021-22	14 January 2022	103.75

The following tables list the inputs to the model used for the scheme for the year ended 31 March 2023 and 31 March 2022 respectively:

	31-Mar-23	31-Mar-22
Weighted average fair values at the measurement date	47.28	57.10
Dividend yield (%)	-	-
Expected volatility (%)	54.70%-57.23%	54.70%-57.23%
Risk–free interest rate (%)	5.48%-7.16%	5.48%-7.16%
Expected life of share options(years)	5.5 years	5.5 years
Weighted average exercise price (INR)	68.48	67.47
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.

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 2023 following a detailed transfer pricing study conducted for the financial year ended 31 March 2022. 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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 2023	31 March 2022	31 March 2023	31 March 2022	
Explosoft Tech Solutions Private Limited	10.00	-	10.00	-	Nil

1. The above loans have been given for business purpose.
2. 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 2023 and 31 March 2022. The details in respect of such dues are as follows:

	As at 31 March 2023	As at 31 March 2022
Principal amount remaining unpaid to any supplier as at the end of the accounting year	82.67	17.94
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	8.62	-
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;	23.82	8.62
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	23.82	8.62
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.	23.82	8.62

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 FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

43 Ratio analysis and its elements

Particulars	Numerator	Denominator	31 March 2023	31 March 2022	% Change	Reason for variance
(a) Current ratio	Current asset	Current liabilities	0.58	0.31	87.86%	There is a decrease in current liabilities due to discharge of deferred purchase consideration.
(b) Debt-equity ratio	Total debt*	Shareholder's Equity	2.15	0.30	611.83%	Borrowings have been taken during the year to discharge the deferred purchase consideration.
(c) Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	0.71	0.63	13.34%	
(d) Return on equity ratio	Net Profits after taxes	Total Equity	(0.12)	0.02	-748.79%	Decreased due to loss after tax incurred during the year.
(e) Trade receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	6.27	5.46	14.79%	
(f) Trade payables turnover ratio	Other expenses + Employee benefits expense	Average Trade Payable	15.49	13.27	16.73%	
(g) Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	(1.98)	(1.09)	81.49%	There is a decrease in current liabilities due to discharge of deferred purchase consideration.
(h) Net profit ratio	Net Profit	Net sales = Total sales - sales return	(0.07)	0.12	-158.36%	Decreased due to loss after tax incurred during the year.
(i) Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	0.03	0.07	-57.50%	Decreased due to borrowings taken during the year to discharge the deferred purchase consideration.
(j) Return on investment	Interest (Finance income)	Investment	0.29	0.06	383.84%	Increased due to increase in interest income.

*Total Debt includes lease liabilities

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

44 Commitments and Contingent liabilities

	As at 31 March 2023	As at 31 March 2022
Claims against the group not acknowledged as debts		
Indirect tax matters for demands pending before various appellate authorities (refer note (i) below)	956.39	-
Direct tax matters under dispute/ pending before Income Tax Authorities (refer note (ii) below)	3,638.00	358.00
Financial guarantees		
Corporate Guarantee for a facility granted to a subsidiary	3,500.00	4,850.00
Bank Guarantees	-	8.50
	8,094.39	**5,216.50**

(i) The Company has received demand notices from the authorities under the Finance Act, 1994 for FY 2006-07 to FY 2009-10 aggregating ₹ 956.39 lakhs towards non payment of Service tax on reverse charge mechanism. The Company has filed the appeals against the above orders. The Company is contesting the demands and the Management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the demand raised. The Management believe that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

(ii) During the year ended 31 March 2023, the Company has received an income tax demand (including interest) aggregating EUR 41.17 lakhs (₹ 3,280 lakhs) for the FY 2015-16 to FY 2017-18 from the German tax authorities. The Company is contesting the demand and the Management, including its tax advisors, believe that its position is more likely to be upheld in the appellate process. The Management believe that the ultimate outcome of this proceedings will not have a material adverse effect on the Company's financial position and result of operations, accordingly, no expense has been accrued in the financial statements for the demand raised.

In respect of other tax matters, the Company is contesting the demand in respect of various years and the Management, including its tax advisors, belives that its position will likely to be upheld at various forums where the matters are pending. No expense has been accrued in the financial statements for the demand raised.

45 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Company does not have any transactions with companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other persons or entities 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

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

(vi) The Company has not received any fund from any persons or entities including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company 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 Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(viii) 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 Events after the reporting period

There are no events or transactions which have occured since the balance sheet date which would have a material effect and require adjustments in the standalone financial statements.

47 Previous year comparitives

Previous year figures have been regrouped/ reclassified, wherever 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 : 25 May 2023

For and on behalf of the Board of Directors of
AXISCADES Technologies Limited
CIN NO : L72200KA1990PLC084435

Sd/-
Arun Krishnamurthi
Chief Executive Officer and Managing Director
DIN: 09408190

Place : Bengaluru
Date : 25 May 2023

Sd/-
David Bradley
Chairman and Non - Executive Director
DIN: 08380717

Place : Bengaluru
Date : 25 May 2023

Sd/-
Shashidhar SK
Chief Financial Officer

Place : Philadelphia, Pennsylvania
Date : 25 May 2023

Sd/-
Sonal Dudani
Company Secretary
Membership No.: 40415

Place : Bengaluru
Date : 25 May 2023

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of AXISCADES 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, 2023, 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 financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated 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 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, 2023, 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 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 Financial Statements' section of our report. We are independent of the Group and 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 financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated 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 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 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 financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Assessment of impairment of Goodwill and other intangible assets (as described in note 2(i)(c), (2)(i)(e) and note 4 of the consolidated financial statements)	
The Group's Balance Sheet includes ₹ 13,967.61 lakhs of goodwill and other intangible assets representing 15.44% 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). Recoverable amounts are based on Management's assumptions of variables and market conditions such as volume growth rates, future operating expenditure, discount rates 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 financial statements	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. • We engaged expert to assess the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates 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 financial statements as per the relevant accounting standards.

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 financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 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 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 Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated 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 their respective companies 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 financial statements that give a true and 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated 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 their respective companies 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.

The 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 their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 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 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 financial statements, including the disclosures, and whether the consolidated 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 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 financial statements of which we are the independent auditors. For the other entities included in the consolidated 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 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 financial statements for the financial year ended March 31, 2023 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

(a) We did not audit the financial statements and other financial information, in respect of eleven subsidiaries, whose financial statements include total assets of ₹ 54,057.28 lakhs as at March 31, 2023, and total revenues of ₹ 35,409.90 lakhs and net cash inflows of ₹ 917.26 lakhs for the year ended on that date. These 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. Our opinion on the consolidated 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.

(b) The accompanying consolidated financial statements also include the Group's share of net loss of ₹ 4.41

lakhs for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of one associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of this associate, and our report in terms of Sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated 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-sections (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 subsidiary companies, 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, 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 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 except that with respect to one subsidiary as disclosed in note 49 to the consolidated financial statements, the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India on daily basis.;

   (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 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, 2023 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, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2023 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 financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

   (h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above;

   (i) 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, as noted in the 'Other matter' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer note 35 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2023;

iv. a) The respective Managements of the Holding Company and its subsidiaries 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 respectively that, to the best of its knowledge and belief, as disclosed in note 48(v) to the consolidated financial statements, 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 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 ("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 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 respectively that, to the best of its knowledge and belief, as disclosed in note 48(vi) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries 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 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 that performed by the auditors of the subsidiaries 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 and its subsidiaries companies, incorporated in India.

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company and its subsidiaries companies incorporated in India, hence reporting under this clause is not applicable.

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

Sd/-
per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 23104315BGXPYR9143

Place of Signature: Bengaluru
Date: May 25, 2023

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 ('the Holding Company'), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group")

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, 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	Clause number of the CARO report which is qualified or is adverse
1.	AXISCADES Aerospace & Technologies Private Limited	U72900KA2001PTC028394	Subsidiary Company	iii(e) and vii(a)
2.	AXISCADES Technologies Limited	L72200KA1990PLC084435	Holding Company	vii(a) and ix(a)
3.	Cades Studec Technologies (India) Private Limited	U72900KA2006PTC049241	Subsidiary Company	iii(c), iii(e) and vii(a)
4.	Explosoft Tech Solutions Private Limited	U74110MH2014PTC259722	Subsidiary Company	ix(a)

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

Sd/-
per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 23104315BGXPYR9143

Place of Signature: Bengaluru
Date: May 25, 2023

ANNEXURE 2

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AXISCADES TECHNOLOGIES LIMTED

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 financial statements of AXISACDES Technologies Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated 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.

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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A Company's internal financial control with reference to consolidated 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 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, 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 financial statements of the Holding Company, in so far as it relates to these 6 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 & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 23104315BGXPYR9143

Place of Signature: Bengaluru
Date: May 25, 2023

CONSOLIDATED BALANCE SHEET
AS AT 31 March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	3	5,683.68	5,780.73
Right-of-use assets	34	11,568.96	8,745.61
Goodwill	4	11,347.76	11,157.93
Other intangible assets	5	2,619.85	2,898.23
Investment in an associate	6	-	187.41
Financial assets			
Investments	7	446.19	203.81
Other financial assets	8	975.53	925.31
Deferred tax assets, net	37	1,980.33	2,802.94
Non-current tax asset, net	9	1,969.68	1,462.77
Other non-current assets	10	42.27	2,034.58
		36,634.25	**36,199.32**
Current assets			
Inventories	11	6,585.39	5,157.70
Financial assets			
Investments	7	2,899.98	1,526.59
Trade receivables	12	17,902.93	14,516.65
Cash and cash equivalent	13	7,506.73	7,109.49
Bank balances other than cash and cash equivalent	14	2,456.16	3,427.40
Other financial assets	8	5,876.19	3,411.45
Other current assets	10	10,576.82	8,091.60
		53,804.20	**43,240.88**
Total assets		**90,438.45**	**79,440.20**
Equity and liabilities			
Equity			
Equity share capital	15	1,911.50	1,897.23
Other equity	16	31,895.57	31,229.08
Non-controlling interests		579.20	534.76
Total equity		**34,386.27**	**33,661.07**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	17,091.32	45.32
Lease Liabilities	34	2,248.00	1,109.87
Provisions	18	984.57	1,055.56
		20,323.89	**2,210.75**
Current liabilities			
Financial liabilities			
Borrowings	17	14,309.03	4,835.79
Lease Liabilities	34	947.85	1,214.67
Trade payables	19		
(a) Total outstanding dues of micro enterprises and small enterprises		295.89	218.16
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,213.44	6,735.00
Other financial liabilities	20	3,636.45	22,968.90
Provisions	18	1,690.12	1,310.60
Current tax liability, net	21	1,131.26	161.10
Other current liabilities	22	6,504.25	6,124.16
		35,728.29	**43,568.38**
Total liabilities		**56,052.18**	**45,779.13**
Total equity and liabilities		**90,438.45**	**79,440.20**

The accompanying notes are an integral part of these Consolidated 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 : 25 May 2023

For and on behalf of the Board of Directors of
AXISCADES Technologies Limited
CIN NO : L72200KA1990PLC084435

Sd/-
Arun Krishnamurthi
Chief Executive Officer and Managing Director
DIN: 09408190

Place : Bengaluru
Date : 25 May 2023

Sd/-
David Bradley
Chairman and Non - Executive Director
DIN: 08380717

Place : Bengaluru
Date : 25 May 2023

Sd/-
Shashidhar SK
Chief Financial Officer

Place : Philadelphia, Pennsylvania
Date : 25 May 2023

Sd/-
Sonal Dudani
Company Secretary
Membership No.: 40415

Place : Bengaluru
Date : 25 May 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from contracts with customers	23	81,360.47	60,840.77
Other operating income	24	801.74	189.82
Other income	25	595.84	909.43
Total income		**82,758.05**	**61,940.02**
Expenses			
Cost of materials consumed	26	17,918.63	11,666.82
Employee benefits expense	27	36,089.20	31,214.39
Finance costs	28	3,589.98	1,575.41
Depreciation and amortisation expense	29	2,651.83	2,506.06
Other expenses	30	13,597.86	11,085.78
Total expenses		**73,847.50**	**58,048.46**
Profit before share in loss of an associate, exceptional items and tax		**8,910.55**	**3,891.56**
Share in loss of an associate, net of tax	6	(4.41)	(45.82)
Profit before exceptional items and tax		**8,906.14**	**3,845.74**
Exceptional items	31	(6,803.74)	(169.34)
Profit before tax and non-controlling interests		**2,102.40**	**3,676.40**
Income tax expense:	37		
(i) Current tax		2,085.61	1,297.33
(ii) Adjustment of current tax relating to earlier years		(368.00)	62.81
(iii) Deferred tax charge		864.61	48.35
Total income tax expense		**2,582.22**	**1,408.49**
(Loss)/profit after tax for the year		**(479.82)**	**2,267.91**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains/(losses) on defined benefit plans	40	5.50	(15.67)
Income tax effect		(1.43)	3.03
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:		**4.07**	**(12.64)**
a) (Losses)/gains on cash flow hedges, net	39	(28.72)	53.39
Income tax effect		8.00	(14.87)
		(20.72)	**38.52**
b) Exchange differences on translation of foreign operations		528.68	298.08
Income tax effect		-	-
		528.68	**298.08**
Net other comprehensive income to be reclassified to profit or loss in subsequent periods:		**507.96**	**336.60**
Other comprehensive income for the year, net of tax		**512.03**	**323.96**
Total comprehensive income for the year, net of tax		**32.21**	**2,591.87**
Total (loss)/profit attributable to:			
Equity holders of the Company		**(523.25)**	**2,223.32**
Non-controlling interest		**43.43**	**44.59**
Other comprehensive income attributable to:			
Equity holders of the Company		**511.02**	**323.96**
Non-controlling interest		**1.01**	**-**
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(12.23)**	**2,548.33**
Non-controlling interests		**44.44**	**44.59**
(Loss)/earning per equity share in ₹ [nominal value of shares ₹ 5 (31 March 2022: ₹ 5)]	32		
Basic		**(1.37)**	**5.86**
Diluted		**(1.37)**	**5.76**

The accompanying notes are an integral part of these Consolidated 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 : 25 May 2023

For and on behalf of the Board of Directors of
AXISCADES Technologies Limited
CIN NO : L72200KA1990PLC084435

Sd/-
Arun Krishnamurthi
Chief Executive Officer and Managing Director
DIN: 09408190

Place : Bengaluru
Date : 25 May 2023

Sd/-
David Bradley
Chairman and Non - Executive Director
DIN: 08380717

Place : Bengaluru
Date : 25 May 2023

Sd/-
Shashidhar SK
Chief Financial Officer

Place : Philadelphia, Pennsylvania
Date : 25 May 2023

Sd/-
Sonal Dudani
Company Secretary
Membership No.: 40415

Place : Bengaluru
Date : 25 May 2023

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flow from operating activities			
Profit before tax		2,102.40	3,676.40
Adjustments to reconcile profit before tax to net cash flows:			
Exceptional items, net	31	6,803.74	169.34
Depreciation and amortisation expense	29	2,651.83	2,506.06
Impairment of property, plant and equipment	30	203.79	-
Interest income	25	(322.13)	(334.15)
Fair value gain on financial instruments at fair value through profit or loss	25	(88.77)	(136.45)
Dividend income from mutual funds	25	(32.51)	(17.89)
Finance costs	28	3,589.98	1,575.41
Fair value loss on derivative	30	565.18	-
Gain on lease modification/rental concession	25	(7.05)	(137.04)
Gain on sale of investment in associate	25	(39.55)	-
Share of loss of an associate	6	4.41	45.82
Provision/liabilities no longer required written back	25	(6.44)	(62.39)
Recovery of bad debts written off	25	(25.12)	-
Advances written off	30	13.40	-
Provision for doubtful debts and advances and bad debts written off	30	153.44	134.35
Share based payment expense	27	542.75	636.33
Provision for foreseeable losses on contracts	18	19.37	-
Loss on export incentive receivable		17.29	-
(Gain)/loss on sale of property, plant and equipment	25,30	(1.50)	22.81
Net unrealised foreign exchange (gain)/loss		(126.96)	127.60
Operating profit before working capital changes		**16,017.54**	**8,206.20**
Movements in working capital			
(Increase) in trade receivables		(3,223.48)	(2,659.92)
(Increase) in inventories		(1,396.02)	(2,827.40)
(Increase) in other assets including financial assets		(4,129.35)	(2,857.31)
Increase in trade payables, other liabilities and financial liabilities		871.96	4,234.31
Increase in provisions		189.35	325.63
Cash generated from operating activities		**8,330.00**	**4,421.51**
Direct taxes paid, net		(1,266.32)	(1,303.72)
Net cash generated from operating activities (A)		**7,063.68**	**3,117.79**
B. Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets		(1,088.13)	(1,361.69)
Proceeds from sale of property, plant and equipment		27.31	2.20
Interest received		111.81	364.71
Payment of deferred purchase consideration		(19,036.36)	-
(Investment)/redemption in units of mutual funds and other funds		(1,497.10)	3,171.34
Proceeds from disposal of stake in associate		222.55	-
Redemption of fixed deposits, net		1,179.04	763.57
Dividend received		-	17.89
Net cash (used in)/generated from investment activities (B)		**(20,080.88)**	**2,958.02**
C. Cash flow from financing activities			
Repayment of principal portion and interest portion of lease liabilities	34	(1,441.81)	(1,325.38)
Proceeds of long term borrowings		16,081.40	1,078.88
Repayment of long term borrowings		(2,252.34)	(3,116.30)
Proceeds/(repayment) of short term borrowings, net		6,463.38	(364.17)
Proceeds from exercise of share options		150.25	81.56
Interest paid		(5,720.82)	(584.72)
Net cash generated from/(used in) financing activities (C)		**13,280.06**	**(4,230.13)**
Net increase in cash and cash equivalent (A+B+C)		**262.86**	**1,845.68**
Effect of exchange rate changes, net		134.38	(6.12)
Cash and cash equivalent at the beginning of the year		7,109.49	5,269.93
Cash and cash equivalent at the end of the year	13	**7,506.73**	**7,109.49**
Refer Note 17 for Change in liabilities arising from financing activities.			

The accompanying notes are an integral part of these Consolidated 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 : 25 May 2023

For and on behalf of the Board of Directors of
AXISCADES Technologies Limited
CIN NO : L72200KA1990PLC084435

Sd/-
Arun Krishnamurthi
Chief Executive Officer and Managing Director
DIN: 09408190

Place : Bengaluru
Date : 25 May 2023

Sd/-
David Bradley
Chairman and Non - Executive Director
DIN: 08380717

Place : Bengaluru
Date : 25 May 2023

Sd/-
Shashidhar SK
Chief Financial Officer

Place : Philadelphia, Pennsylvania
Date : 25 May 2023

Sd/-
Sonal Dudani
Company Secretary
Membership No.: 40415

Place : Bengaluru
Date : 25 May 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital

Equity shares of ₹ 5 each (31 March 2022 : ₹ 5 each), fully paid-up	Equity shares	
	Number (in lakhs)	Amount
As at 1 April 2021	377.60	1,889.51
Add: Issued and subscribed during the year*	1.54	7.72
As at 31 March 2022	**379.14**	**1,897.23**
Add: Issued and subscribed during the year*	2.85	14.27
As at 31 March 2023	**381.99**	**1,911.50**

* During the year, the Company allotted 285,280 (31 March 2022 - 154,000) equity shares of ₹ 5 each aggregating ₹ 14.27 lakhs (31 March 2022 - ₹ 7.72 lakhs), consequent to the exercise of stock options by employees of the Company under the "AXISCADES ESOP 2018 – Series 1" and "AXISCADES ESOP 2018 – Series 2".

B. Other equity (refer note 16)

	Reserves and surplus						Items of other comprehensive income				
	General reserve	Securities premium	Retained earnings	Capital Contribution Reserve	Share based payment reserve	Capital reserve	Foreign currency translation reserve	Hedge reserve	Total other equity	Non-controlling interests	Total
Balance as at 1 April 2021	3.39	10,077.23	11,253.53	107.68	315.03	5,698.31	575.27	(59.00)	27,971.44	490.17	28,461.61
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
Total comprehensive income for the year	**-**	**-**	**2,210.68**	**-**	**-**	**-**	**298.08**	**38.52**	**2,547.28**	**44.59**	**2,591.87**
Exercise of share options	-	120.70	-	-	(46.67)	-	-	-	74.03	-	74.03
Share based payment expenses (refer note 42)	-	-	-	-	636.33	-	-	-	636.33	-	636.33
Balance as at 31 March 2022	**3.39**	**10,197.93**	**13,464.21**	**107.68**	**904.69**	**5,698.31**	**873.35**	**(20.48)**	**31,229.08**	**534.76**	**31,763.84**
Loss/(profit) for the year	-	-	(523.25)	-	-	-	-	-	(523.25)	43.43	(479.82)
Fair value changes on derivatives designated as cash flow hedge, net of tax	-	-	-	-	-	-	-	(21.61)	(21.61)	0.89	(20.72)
Re-measurement gain in defined benefit plans, net of tax	-	-	3.95	-	-	-	-	-	3.95	0.12	4.07
Exchange differences on translation of foreign operations	-	-	-	-	-	-	528.68	-	528.68	-	528.68
Total comprehensive income/ (loss) for the year	**-**	**-**	**(519.30)**	**-**	**-**	**-**	**528.68**	**(21.61)**	**(12.23)**	**44.44**	**32.21**
Exercise of share options	-	218.58	-	-	(82.61)	-	-	-	135.97	-	135.97
Share based payment expenses (refer note 42)	-	-	-	-	542.75	-	-	-	542.75	-	542.75
Balance as at 31 March 2023	**3.39**	**10,416.51**	**12,944.91**	**107.68**	**1,364.83**	**5,698.31**	**1,402.03**	**(42.09)**	**31,895.57**	**579.20**	**32,474.77**

The accompanying notes are an integral part of these Consolidated 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 : 25 May 2023

For and on behalf of the Board of Directors of
AXISCADES Technologies Limited
CIN NO : L72200KA1990PLC084435

Sd/-
Arun Krishnamurthi
Chief Executive Officer and Managing Director
DIN: 09408190

Place : Bengaluru
Date : 25 May 2023

Sd/-
David Bradley
Chairman and Non - Executive Director
DIN: 08380717

Place : Bengaluru
Date : 25 May 2023

Sd/-
Shashidhar SK
Chief Financial Officer

Place : Philadelphia, Pennsylvania
Date : 25 May 2023

Sd/-
Sonal Dudani
Company Secretary
Membership No.: 40415

Place : Bengaluru
Date : 25 May 2023

Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2023

1. Corporate Information:

AXISCADES 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 2023	31 March 2022
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 previous year)*	Singapore	0%	0%
Explosoft Tech Solutions Private Limited (Subsidiary with effect from 22 December 2022)**	India	100%	0%

Associate

On 11 July 2022, the ACTL has sold the investment in its associate ASSYSTEMS AXISCADES Engineering Private Limited (AAEPL) for a consideration of ₹ 222.55 lakhs (refer note 6).

*During the previous 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.

**On 22 December 2022, consequent to non-approval of the scheme of amalgamation, the Company has acquired 100% shares of Explosoft in cash (refer note 20).

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

Summary of significant accounting policies and other explanatory information
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have been approved by the Board of Directors in the meeting held on 25 May 2023.

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.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2023. 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)
- 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 off 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 2023. 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.

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for the year ended 31 March 2023

(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 intra-group 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.

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.

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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.

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.

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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.

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.

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

Summary of significant accounting policies and other explanatory information
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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.

Impairment of non-financial assets including Goodwill

Impairment exists when the carrying value of a cash generating unit or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next three to six years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 4.

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 42.

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.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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 equivalent. 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

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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 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

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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.

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 and excludes amounts collected on behalf of third parties. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

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 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 collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, 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

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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). Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section 2 (s) Impairment of financial assets.

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 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.

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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 deputes 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.

l) 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 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

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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 in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

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 the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further

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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 obsolesence 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. In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements.

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.

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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 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.

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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 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.

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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. Financial liabilities like non convertable debenutures are measured at amortised cost using the effective interest method.

The Group'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 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/ loss 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 and the amount recognised less cumulative amortisation.

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

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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.

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.

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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:

a. 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.

b. Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

c. 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.

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.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Management present the valuation results to the Audit Committee and the Group's independent auditors This includes a discussion of the major assumptions used in the valuations.

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

u) Cash and cash equivalent

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 equivalent 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 2022. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Ind AS 16 - Property, Plant and Equipment: Proceeds before Intended Use

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23 March 2022, which is effective from 01 April 2022 to amend the Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2023

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

(ii) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23 March 2022, which is effective from 1 April 2022 to amend the Ind AS 109 to clarify the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.These amendments had no impact on the consolidated financial statements of the Group as there were no modifications/exchange's of the Group financial instruments during the period.

(iii) Ind AS 37 - Onerous Contracts – Costs of Fulfilling a Contract

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23 March 2022, which is effective from 01 April 2022 to clarify that an onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.These amendments had no impact on the consolidated financial statements of the Group as there were no contracts for which the Group has not yet fulfilled all of its obligations.

(iv) Ind AS 103 - Reference to the Conceptual Framework

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to Ind AS 103 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the consolidated financial statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

2(iv) Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Ind AS 8 - Definition of Accounting Estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2023

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the consolidated financial statements.

(ii) Ind AS 1 - Disclosure of Accounting Policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Ind AS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Group is currently assessing the impact of the amendments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

3 Property, plant and equipment (PPE)

	Freehold land	Computers	Furniture and fixtures	Test equipments	Office equipments	Electrical installations	Vehicles	Office building	Leasehold improvements	Plant and machinery	Total
Cost or valuation											
Balance as at 1 April 2021	3,370.50	1,629.05	243.99	292.44	289.57	12.18	158.08	621.38	261.21	1,592.47	8,470.87
Additions	-	408.11	46.87	42.81	32.89	-	223.32	-	177.08	318.68	1,249.76
Disposals	-	(107.83)	-	-	(3.61)	-	(0.78)	-	(53.51)	(0.54)	(166.27)
Other adjustments (refer note 1 below)	-	3.17	0.84	-	0.38	-	-	-	-	-	4.39
Balance as at 31 March 2022	**3,370.50**	**1,932.50**	**291.70**	**335.25**	**319.23**	**12.18**	**380.62**	**621.38**	**384.78**	**1,910.61**	**9,558.75**
Additions	-	297.57	40.30	34.83	82.19	-	186.75	-	177.15	10.15	828.94
Disposals	-	(334.29)	(86.44)	-	(37.55)	(10.09)	(28.83)	-	(13.24)	(49.00)	(559.44)
Other adjustments (refer note 1 below)	-	8.44	2.04	-	0.85	-	-	-	-	-	11.33
Balance as at 31 March 2023	**3,370.50**	**1,904.22**	**247.60**	**370.08**	**364.72**	**2.09**	**538.54**	**621.38**	**548.69**	**1,871.76**	**9,839.58**
Depreciation											
Balance as at 1 April 2021	-	1,353.66	183.51	228.52	186.49	10.12	115.67	51.36	77.47	1,064.02	3,270.82
Charge for the year	-	202.97	27.92	27.84	33.61	0.39	27.13	11.68	39.03	259.68	630.25
Disposals	-	(107.56)	(0.01)	-	(3.45)	-	(0.71)	-	(14.68)	(0.44)	(126.85)
Other adjustments (refer note 1 below)	-	2.76	0.77	-	0.27	-	-	-	-	-	3.80
Balance as at 31 March 2022	**-**	**1,451.83**	**212.19**	**256.36**	**216.92**	**10.51**	**142.09**	**63.04**	**101.82**	**1,323.26**	**3,778.02**
Charge for the year	-	252.69	35.74	27.42	39.70	0.15	66.40	11.35	111.70	152.01	697.16
Impairment (refer note 5 below)	-	-	-	-	-	-	-	-	-	203.79	203.79
Disposals	-	(331.26)	(80.25)	-	(36.81)	(10.09)	(22.91)	-	(3.21)	(49.00)	(533.53)
Other adjustments (refer note 1 below)	-	8.14	1.86	-	0.46	-	-	-	-	-	10.46
Balance as at 31 March 2023	**-**	**1,381.40**	**169.54**	**283.78**	**220.27**	**0.57**	**185.58**	**74.39**	**210.31**	**1,630.06**	**4,155.90**
Net book value											
As at 31 March 2022	**3,370.50**	**480.67**	**79.51**	**78.89**	**102.31**	**1.67**	**238.53**	**558.34**	**282.95**	**587.35**	**5,780.73**
As at 31 March 2023	**3,370.50**	**522.82**	**78.06**	**86.30**	**144.45**	**1.52**	**352.96**	**546.99**	**338.38**	**241.70**	**5,683.68**

Notes

1 Represents adjustments consequent to foreign exchange translation of property, plant and equipment in foreign geographies.

2 Capitalised borrowing cost

No borrowing costs are capitalised during the year ended 31 March 2023 (31 March 2022: Nil).

3 Property, plant and equipment pledged as security

Details of properties pledged are as per note 17.

4 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 18).

5 Impairment of property, plant and equipment

During the year ended 31 March 2023, the impairment loss of ₹ 203.79 lakhs represented the write-down value of certain plant and machinery as a result of technological obsolescence. This was recognised in the statement of profit and loss (refer note 30).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

4 Goodwill

		As at 31 March 2023	As at 31 March 2022
(a)			
	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	(4,475.53)	(4,665.36)
	Net carrying value at the end of the year	**11,347.76**	**11,157.93**

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 2023 and 31 March 2022 is as below:

Entity	Allocated operating segment / CGU	As at 31 March 2023	As at 31 March 2022
AXISCADES UK Limited	Technology Services and Solutions	130.95	128.14
AXISCADES Inc.		2,406.02	2,219.00
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	6,944.74
		11,347.76	**11,157.93**

(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 Group has engaged an independent external valuer to carry out an assessment of any impairment on goodwill and other intangibles. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. The recoverable amount of all CGUs has been determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by senior management covering a period of three to six years.

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 11.40% to 16.20% (31 March 2022 - 11.60% to 16.50%) for computation of value in use of different CGUs. These estimates are likely to differ from future actual results of operations and cash flows.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Terminal growth rate estimates – The cash flow projections include specific estimates for three to six 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% (31 March 2022 - 1% to 5%) for computation of value in use.

The Group assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase the operating costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount, These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

5 Other intangible assets

	Computer software	Non-compete fee	Customer contract	Process manuals	Total
Cost					
Balance as at 1 April 2021	1,859.81	1,500.87	3,127.52	1,849.38	8,337.58
Additions	49.88	-	-	-	49.88
Other adjustments (refer note 1 below)	1.52	-	-	-	1.52
Balance as at 31 March 2022	**1,911.21**	**1,500.87**	**3,127.52**	**1,849.38**	**8,388.98**
Additions	384.36	-	-	-	384.36
Disposals	(8.05)	-	-	-	(8.05)
Other adjustments (refer note 1 below)	0.46	-	-	-	0.46
Balance as at 31 March 2023	**2,287.98**	**1,500.87**	**3,127.52**	**1,849.38**	**8,765.75**
Amortisation					
Balance as at 1 April 2021	1,420.41	500.27	1,042.53	1,849.38	4,812.59
Charge for the year	214.74	150.08	312.76	-	677.58
Other adjustments (refer note 1 below)	0.58	-	-	-	0.58
Balance as at 31 March 2022	**1,635.73**	**650.35**	**1,355.29**	**1,849.38**	**5,490.75**
Charge for the year	200.00	150.08	312.76	-	662.84
Disposals	(8.05)	-	-	-	(8.05)
Other adjustments (refer note 1 below)	0.36	-	-	-	0.36
Balance as at 31 March 2023	**1,828.04**	**800.43**	**1,668.05**	**1,849.38**	**6,145.90**
Net book value					
As at 31 March 2022	**275.48**	**850.52**	**1,772.23**	**-**	**2,898.23**
As at 31 March 2023	**459.94**	**700.44**	**1,459.47**	**-**	**2,619.85**

Notes:

1 Represents adjustments consequent to foreign exchange translation of other intangible assets in foreign geographies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

6 Investment in an associate

The Company entered into a 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 financial statements.

On 11 July 2022, the Company has sold the investment in its associate ASSYSTEMS AXISCADES Engineering Private Limited (AAEPL) for a consideration of ₹ 222.55 lakhs. The Company has recognised a gain of ₹ 39.55 lakhs on sale of the aforesaid investment in the Consolidated Statement of Profit and Loss (refer note 25).

The following table gives the summarised financial information of the Group's investment in AAEPL:

	As at 31 March 2023	As at 31 March 2022
Current assets	-	392.97
Non-current assets	-	14.61
Current liabilities	-	(32.76)
Non-current liabilities	-	-
Equity	**-**	**374.82**
Proportion of the Group's ownership	-	50%
Carrying amount of the investment	-	187.41

	For the period ended from 01 April 2022 to 11 July 2022	Year ended 31 March 2022
Revenue from contracts with customers	-	535.28
Other Income	3.02	1.29
Depreciation and amortisation expense	(3.77)	(26.79)
Employee benefits expense	(0.69)	(268.57)
Other expenses	(7.38)	(326.40)
Loss before tax	**(8.82)**	**(85.19)**
(i) Current tax	-	(1.28)
(ii) Deferred tax	-	(5.17)
Loss for the year	**(8.82)**	**(91.64)**
Group's share of loss for the year	(4.41)	(45.82)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

7 Investments

	As at 31 March 2023	As at 31 March 2022
Non-current		
Unquoted		
i) Investments (at amortised cost)		
National savings certificate	0.05	0.05
Total investment carried at amortised cost	**0.05**	**0.05**
ii) Investment in equity shares of other companies (at FVTPL)		
Axis Cogent Global Limited	-	-
946,822 (31 March 2022: 946,822) equity shares of ₹ 10 each, fully paid up		
Datum Technology Limited	-	-
50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each, fully paid up		
Raaga Axis Avicom Private Limited	-	-
1,000 (31 March 2022: 1,000) equity shares of ₹ 10 each, fully paid up		
iii) Other Investment (at FVTPL)		
Investment in real estate fund	200.75	203.76
Quoted		
iv) Other Investment (at FVTPL)		
Investment in mutual funds	245.39	-
Total investment carried at fair value through profit or loss	**446.14**	**203.76**
Total Investment	**446.19**	**203.81**
Current		
Unquoted		
i) Other investments (at FVTPL)		
Investment in mutual funds	446.77	974.55
Quoted		
ii) Other investments (at FVTPL)		
Investment in mutual funds	2,453.21	309.34
Investment in other funds	-	242.70
Total investment carried at fair value through profit or loss	**2,899.98**	**1,526.59**
Aggregate book value of quoted (current and non-current) investments	**2,698.60**	**552.04**
Aggregate market value of quoted investments	**2,698.60**	**552.04**
Aggregate book value of unquoted (current and non-current) investments	**647.57**	**1,178.36**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

8 Other financial assets

	As at 31 March 2023	As at 31 March 2022
Non-current		
(carried at amortised cost)		
(Unsecured, considered good)		
Bank deposits (with original maturity of more than 12 months) (refer note 14)*	105.47	293.08
Loans to employees	32.03	-
Security deposits	838.03	632.23
	975.53	**925.31**
Current *		
(carried at amortised cost)		
(Unsecured, considered good)		
Interest accrued on fixed deposits	44.94	49.52
Bank deposits (with original maturity of more than 12 months) (refer note 14)	-	25.08
Security deposits	55.66	133.13
Government incentive receivable	-	68.77
Loans to employees	52.60	76.97
Export incentives receivable	1,619.83	365.04
Contract assets - Unbilled revenue	4,022.92	2,518.44
Others	80.24	155.37
	5,876.19	**3,392.32**
(Unsecured, considered doubtful)		
Contract assets - Unbilled revenue	104.97	104.97
Security deposits	45.34	45.34
	150.31	**150.31**
Less :		
Allowance for Contract assets - Unbilled revenue	(104.97)	(104.97)
Allowance for doubtful security deposit	(45.34)	(45.34)
	(150.31)	**(150.31)**
(carried at FVTOCI)		
(Unsecured, considered good)		
Hedge asset	-	19.13
	-	**19.13**
	5,876.19	**3,411.45**

* Refer note 17 for details of assets pledged as security for borrowings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

9 Non-current tax assets

	As at 31 March 2023	As at 31 March 2022
Advance income tax (net of provision for tax)	1,969.68	1,462.77
	1,969.68	**1,462.77**

10 Other assets

	As at 31 March 2023	As at 31 March 2022
Non-current		
(Unsecured, considered good)		
Duties and taxes recoverable	29.73	58.02
Prepaid expenses	12.54	16.35
Capital advances (refer note 34)	-	1,960.21
	42.27	**2,034.58**
(Unsecured, considered doubtful)		
Capital advances	178.38	178.38
	178.38	**178.38**
Less : Allowance for capital advances	(178.38)	(178.38)
	(178.38)	**(178.38)**
	42.27	**2,034.58**
Current *		
(Unsecured, considered good)		
Advance to employees	58.41	40.24
Duties and taxes recoverable	1,790.32	1,854.21
Prepaid expenses	1,310.36	829.02
Advance to suppliers	627.52	1,100.97
Export incentive receivable	72.79	76.14
Deferred rent	0.96	0.79
Unbilled revenue	6,691.08	4,183.90
Other advances	25.38	6.33
	10,576.82	**8,091.60**
(Unsecured, considered doubtful)		
Duties and taxes recoverable	27.67	27.67
	27.67	**27.67**
Less : Allowance for duties and taxes recoverable	(27.67)	(27.67)
	(27.67)	**(27.67)**
	10,576.82	**8,091.60**

* Refer note 17 for details of assets pledged as security for borrowings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

11 Inventories * (lower of cost or net realisable value)

	As at 31 March 2023	As at 31 March 2022
Raw material/components [including goods-in-transit of ₹ 112.44 lakhs (31 March 2022: ₹ 127.31 lakhs)]	4,871.13	3,311.62
Project work-in-progress	1,037.23	1,359.38
Finished goods	656.90	428.07
Traded goods [including goods-in-transit of ₹ 28.96 lakhs (31 March 2022: ₹ 59.71 lakhs)]	147.77	174.71
	6,713.03	**5,273.78**
Less: Provision for slow/ non-moving inventory (refer note below)	(127.64)	(116.08)
	6,585.39	**5,157.70**

During the year ended 31 March 2023, ACAT has recognised ₹ 127.64 lakhs (31 March 2022 : ₹ 116.08 lakhs) as provision for slow, non-moving and obsolete inventory in respect of write-down of inventory to net realisable value.

* Refer note 17 for details of assets pledged as security for borrowings.

12 Trade receivables

	As at 31 March 2023	As at 31 March 2022
Current *		
(a) Trade receivables from other parties	17,902.93	14,516.65
(b) Trade receivable from related parties (refer note 33)	-	-
	17,902.93	**14,516.65**
Break-up for security details:		
Trade receivables (Current)		
Secured, considered good	-	-
Unsecured, considered good	17,902.93	14,516.65
Trade receivables which have significant increase in credit risk	257.93	1,568.26
Trade receivables - credit impaired	5.76	60.51
	18,166.62	**16,145.42**
Impairment Allowance (allowance for bad and doubtful debts)		
Trade receivables which have significant increase in credit risk	(257.93)	(1,568.26)
Trade receivables - credit impaired	(5.76)	(60.51)
	(263.69)	**(1,628.77)**
Total trade receivables	**17,902.93**	**14,516.65**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Trade receivables ageing schedule as at 31 March 2023

	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	13,310.97	3,854.75	714.64	8.92	11.37	2.28	17,902.93
(ii) Undisputed trade receivables - which has signiifcant increase in credit risk	6.59	29.65	60.60	33.43	29.22	65.36	224.85
(iii) Undisputed trade receivables - credit impaired	-	-	-	0.43	-	5.33	5.76
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which has signiifcant increase in credit risk	-	-	-	-	-	33.08	33.08
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**13,317.56**	**3,884.40**	**775.24**	**42.78**	**40.59**	**106.05**	**18,166.62**

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	14,516.65
(ii) Undisputed trade receivables - which has signiifcant increase in credit risk	2.05	0.94	-	73.51	20.80	20.25	117.55
(iii) Undisputed trade receivables - credit impaired	-	-	-	24.39	30.79	5.33	60.51
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which has signiifcant increase in credit risk	-	-	-	-	-	1,450.71	1,450.71
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**10,624.09**	**3,677.44**	**113.47**	**137.94**	**86.07**	**1,506.41**	**16,145.42**

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 serverally or jointly with any other person.

For terms and conditions relating to related party receivables, refer note 33.

* Refer note 17 for details of assets pledged as security for borrowings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

13 Cash and cash equivalent *

	As at 31 March 2023	As at 31 March 2022
Cash on hand	2.84	1.11
Balances with banks		
- in current accounts	7,121.49	5,465.16
- in cash credit accounts	382.40	603.22
- Bank deposits with original maturity of less than three months	-	1,040.00
	7,506.73	**7,109.49**

(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 2023, the Group has ₹ 5,758.23 lakhs (31 March 2022: ₹ 6,427.00 lakhs) of undrawn committed borrowing/ overdraft facilities

* Refer note 17 for details of assets pledged as security for borrowings.

Note:	As at 31 March 2023	As at 31 March 2022
a) For the purpose of statement of cash flows, cash and cash equivalent comprises the following:		
Cash and cash equivalent	7,506.73	7,109.49
	7,506.73	**7,109.49**

14 Bank balances other than cash and cash equivalent

	As at 31 March 2023	As at 31 March 2022
Bank deposits (with original maturity of more than 3 months but less than 12 months)	2,456.16	3,427.40
Bank deposits (with original maturity of more than 12 months)	105.47	318.16
	2,561.63	**3,745.56**
Less: Amounts disclosed as other non-current financial assets (refer note 8)	(105.47)	(293.08)
Less: Amounts disclosed as other current financial assets (refer note 8)	-	(25.08)
	2,456.16	**3,427.40**

i Fixed deposits of a carrying amount ₹ 2,274.36 lakhs (31 March 2022: ₹ ₹ 2,592.73 lakhs) have been deposited as margin money against the packing credit facility, bank guarantees, letter of credit, buyers credit facility availed from various banks.

ii Deposits of a carrying amount ₹ 121.06 lakhs (31 March 2022: ₹ 366.02 lakhs) have been deposited as bank guarantee in favour of various government authorities and customers

iii Refer note 17 for assets pledged as security for borrowings.

a) Breakup of financial assets carried at amortised cost	As at 31 March 2023	As at 31 March 2022
Investments (refer note 7)	0.05	0.05
Trade receivables (Current) (refer note 12)	17,902.93	14,516.65
Other financial assets (Current and Non Current) (refer note 8)	6,851.73	4,336.76
Cash and cash equivalent (refer note 13)	7,506.73	7,109.49
Bank balances other than cash and cash equivalent (refer note 14)	2,456.16	3,427.40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

15 Equity share capital

	As at 31 March 2023		As at 31 March 2022	
	Number (in lakhs)	Amount	Number (in lakhs)	Amount
Authorised share capital				
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
	2,041.00	**10,300.00**	**2,041.00**	**10,300.00**
Issued share capital				
Equity shares of ₹ 5 each, fully paid-up	382.50	1,912.52	379.65	1,898.25
Subscribed and paid-up				
Equity shares of ₹ 5 each (31 March 2022: ₹ 5 each), fully paid-up	381.99	1,909.97	379.14	1,895.70
Add: Forfeited shares (amount originally paid ₹ 3 per share on 51,100 equity shares)*	-	1.53	-	1.53
	381.99	**1,911.50**	**379.14**	**1,897.23**
* 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				
Equity shares of ₹ 5 each, par value				
Balances as at the beginning of the year	379.14	1,897.23	377.60	1,889.51
Add: Issued and subscribed during the year*	2.85	14.27	1.54	7.72
Balance at the end of the year	**381.99**	**1,911.50**	**379.14**	**1,897.23**

* During the year, the Company allotted 285,280 (31 March 2022 - 154,500) equity shares of ₹ 5 each aggregating ₹ 14.27 lakhs (31 March 2022 - ₹ 7.72 lakhs), 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".

(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 2023		As at 31 March 2022	
	Number (in lakhs)	Amount	Number (in lakhs)	Amount
Holding Company:				
Jupiter Capital Private Limited	252.82	1,264.10	252.82	1,264.10
Subsidiaries of Holding Company:				
Indian Aero Ventures Private Limited	-	-	3.75	18.73

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

(d) Details of shareholders holding more than 5% shares:

	As at 31 March 2023		As at 31 March 2022	
	Number (in lakhs)	Percentage holding	Number (in lakhs)	Percentage holding
Equity shares of ₹ 5 each, par value				
Jupiter Capital Private Limited	252.82	66.18%	252.82	66.68%
Indian Aero Ventures Private Limited	-	-	3.75	0.99%

(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) In the period of five years immediately preceding the Balance Sheet date, the Company has not allotted any shares for consideration other than cash.

(g) Shares held by promoters at the end of the year

As at 31 March 2023

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
Jupiter Capital Private Limited	252.82	-	252.82	66.18%	0%
Indian Aero Ventures Private Limited	3.75	(3.75)	-	0.00%	-100%

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%

(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 31st 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 2023 is 4,976,634 shares (31 March 2022: 5,299,674).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

16 Other equity

	As at 31 March 2023	As at 31 March 2022
Securities premium	10,416.51	10,197.93
Capital reserve	5,698.31	5,698.31
Hedge reserve	(42.09)	(20.48)
Foreign currency translation reserve	1,402.03	873.35
Retained earnings	12,944.91	13,464.21
General reserve	3.39	3.39
Share based payment reserve	1,364.83	904.69
Capital contribution Reserve	107.68	107.68
Total	**31,895.57**	**31,229.08**

Refer Consolidated 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 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 2023

(All amounts in ₹ lakhs, unless otherwise stated)

17 Borrowings

	Effective interest rate	Maturity (Financial year ending)	As at 31 March 2023	As at 31 March 2022
Non-current				
Debentures				
15.75% unrated unlisted non-convertible debentures (secured) [refer note (a)(i) below]	17.40%-17.95%	2025 and 2026	9,755.29	-
13% Cumulative, optionally convertible redeemable debentures (unsecured) [refer note (f) below]	13%	2025	5,908.37	-
Term loan				
Term loan from banks (secured) [refer note (c)(i) below]	6.27%	2024	35.49	45.32
Term loan from financial institution (secured) [refer note (a)(iii) below]	16.49%	2025 and 2026	1,377.53	-
Vehicle loan from financial institution (secured) [refer note (a)(iv) below]	8.01%	2025	14.64	-
			17,091.32	**45.32**
Current				
Debentures				
16% unrated unlisted non-convertible debentures (secured) [refer note (a)(i) below]	18.93%	2024	4,489.45	-
Working capital loan				
Working capital loan from bank (secured) [refer note (a)(v) and (g) below]	SOFR+2.20%	on demand	3,339.34	2,325.17
Cash credit (secured) [refer note (a)(vii) (c)(ii) and (d)(i) below]	SOFR+1.5%-2.2%	on demand	1,279.05	382.44
Loan from related parties				
Intercorporate term loan from holding company (unsecured) [refer note (a)(ii) below]	20.09%-20.55%	2024	4,616.96	-
Current maturities of long term borrowings				
Term loan from banks (secured) [refer note (a)(vi) (c)(i) and (d)(ii) below]	6%-6.27%	2023	-	2,128.18
Term loan from financial institution (secured) [refer note (a)(iii) below]	16.49%	2024	570.59	-
Vehicle loan from financial institution (secured) [refer note (a)(iv) below]	8.01%	2024	13.64	-
			14,309.03	**4,835.79**
Aggregate Secured loans			**20,875.02**	**4,881.11**
Aggregate Unsecured loans			**10,525.33**	**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

I AXISCADES Technologies Limited

a) Details of security for borrowings

(i) The 15.75% Unrated Unlisted Non-Convertible Debentures of ₹ 10,000.00 lakhs is secured and repayable in 12 equal monthly installments of ₹ 833.00 lakhs starting from August 2024 and 16% Unrated Unlisted Non-Convertible Debentures of ₹ 4,500.00 lakhs is secured and repayable on December 2023 from a financial institution. The Debentures are secured by exclusive charge on the movable assets and intangible assets of the Company and Mistral Solutions Private Limited. Further it is also secured by pledge of 100% shares of Mistral Solutions Private Limited and corporate guarantee by Jupiter Capital Private Limited, the Parent Company.

(ii) Loan from related parties includes intercorporate deposits of ₹ 4,616.96 lakhs from parent company, Jupiter Capital Private Limited is unsecured and the total loan amount is repayable on July 2023, carries an interest rate of 18.5% per annum.

(iii) Term Loan of ₹ 2,000.00 lakhs from financial institution is secured and repayable in equal quarterly installment of ₹ 200.00 lakhs starting from August 2023, carries an interest rate of 14.50%. The loan is secured by exclusive charge on current assets, movable assets of the Company and Axiscades Aerospace & Technologies Private Limited, land and bulidings of the Company and Enertec Controls Limited and pledge of shares of the Company with minimum cover of 1.15x of the loan amount. Further, unconditional and irrevocable corporate guarantee of Jupiter Capital Private Limited, Axiscades Aerospace & Technologies Private Limited and Enertec Controls Limited.

(iv) Vehicle loan of ₹ 40.99 lakhs from financial institution is secured against the vehicle and repayable in equal monthly installment of ₹ 1.28 lakhs from April 2022.

(v) Packing credit facility in foreign currency ("PCFC") 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 ₹ 200.00 lakhs, pledge of 26% shares of Mistral Solutions Private Limited, and corporate guarantee from 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, the Parent Company.

(vi) Foreign currency Term Loan ('FCTL') from a bank is secured by exclusive charge on current assets and movable fixed assets, fixed deposits of ₹ 200.00 lakhs, corporate guarantee from the 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, the Parent Company. During the year, the outstanding loan amount has been fully repaid.

(vii) Cash credit in india currency from bank bearing an interest rate of 3-month SOFR+1.5%/ SOFR +2.2%(HDFC) (March 31, 2022: LIBOR+1.5%) are payable on demand.

b) 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 debt covenants prescribed in the terms of bank loan except liabilities to net worth, debt repayment to net operating income, total debt to EBITDA and adjusted total net worth. The Management is of the view that this is a minor breach and hence no adjustments are made to consolidated financial statements in this respect.

II AXISCADES Aerospace & Technologies Private Limited

c) 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) and carries interest rate of 6.27% per annum (31 March 2022: 6.27% per annum). The loan is repayable in 16 quarterly instalments starting from 31 March 2018. ACAT has repaid the loan during the year.

(ii) Cash credit in india currency from bank bearing an interest rate of 3-month SOFR+1.5%/ SOFR +2.2%(HDFC) (March 31, 2022: LIBOR+1.5%) are payable on demand.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

d) Details of security of borrowings

(i) Cash credit facility (inclusive of post shipment credit facility and packing credit) 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 14-15, 1st Phase, Electronic city, Bangalore and D-30, sector 3,Noida,Uttarprdesh property owned by AXISCADES Technologies Limited. Exclusive FD of ₹ 70 million is kept under lien and corporate guarantee given by Enertec Controls Limited & 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%).

e) Loan covenants

Cash credit from banks contain certain financial covenants such as debt service coverage ratio, total liabilities divide by adjusted net-worth,interest coverage ratio etc. ACAT has satisfied all other debt covenants prescribed in the terms of bank loan.

III Explosoft Tech Solutions Private Limited

f) The 13% Debentures of ₹ 3,500 lakhs and intrest thereon ₹2,408.37 is unsecured and redeemable by Jupiter Capital Private Limited (the Parent Company) as on 24 December 2024.

IV AXISCADES Inc

g) For the current year and previous year - 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.

Changes in liabilities arising form financing activities:

	Loan from banks and financial institutions	Inter-corporate deposit	Lease liabilities	Total
Balance as at 1 April 2021	7,277.61	-	3,132.76	10,410.37
Additions to lease liability	-	-	657.86	657.86
Deletion	-	-	(346.38)	(346.38)
Cash flows	(2,401.59)	-	(1,325.38)	(3,726.97)
Other Adjustments	5.09	-	205.69	210.78
Balance as at 31 March 2022	**4,881.11**	**-**	**2,324.54**	**7,205.65**
Additions to lease liability	-	-	2,226.60	2,226.60
Deletion	-	-	(68.93)	(68.93)
Cash flows	15,675.48	4,616.96	(1,441.81)	18,850.63
Other Adjustments	318.43	5,908.37	155.45	6,382.25
Balance as at 31 March 2023	**20,875.02**	**10,525.33**	**3,195.85**	**34,596.20**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

18 Provisions

	As at 31 March 2023	As at 31 March 2022
Non-current		
Employee defined benefits liability		
- Provision for gratuity (refer note 40)	793.53	874.63
- Provision for compensated absences	128.66	123.14
Asset retirement obligation (refer note (a) below)	62.38	57.79
	984.57	**1,055.56**
Current		
Employee defined benefits liability		
- Provision for gratuity (refer note 40)	202.09	132.21
- Provision for compensated absences	555.68	451.28
Provision for foreseeable losses on contract (refer note (b) below)	22.96	3.59
Provision for liquidated damages (refer note (b) below)	783.95	648.86
Provision for warranty (refer note (b) below)	125.44	74.66
	1,690.12	**1,310.60**

(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 2023 is ₹ 62.38 lakhs (31 March 2022: ₹ 57.79 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 2021	56.57
Reversed during the year	(3.85)
Unwinding of discount	5.07
As at 31 March 2022	**57.79**
Reversed during the year	(0.46)
Unwinding of discount	5.05
As at 31 March 2023	**62.38**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(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, 2021	6.36	74.65	353.32
Provisions made during the year	3.59	77.05	697.97
Utilizations/ reversals during the year	(6.36)	(77.05)	(402.43)
Provision as at the 31 March 2022	**3.59**	**74.65**	**648.86**
Provisions made during the year	21.32	171.19	883.02
Utilizations/ reversals during the year	(1.95)	(120.40)	(747.93)
Provision as at the 31 March 2023	**22.96**	**125.44**	**783.95**

* 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 Company and estimated to be incurred due to delay in delivery of products to customers as per the contractual terms. These provisions are expected to be utilized over a period of one year.

19 Trade payables

	As at 31 March 2023	As at 31 March 2022
Current		
Dues of micro enterprises and small enterprises (refer note below)	295.89	218.16
Dues of creditors other than micro enterprises and small enterprises *	7,213.44	6,735.00
	7,509.33	**6,953.16**

* Includes ₹ 11.18 lakhs (31 March 2022: ₹ 15.91 lakhs) payable to related parties (refer note 33).

Trade Payables ageing schedule as at 31 March 2023

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	198.62	95.18	-	0.09	2.00	295.89
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,319.44	2,627.95	236.36	1.45	6.93	7,192.13
(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
Total	**4,518.06**	**2,723.13**	**236.36**	**1.54**	**30.24**	**7,509.33**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(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	171.28	5.29	0.09	-	41.50	218.16
(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	6,713.69
(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
Total	**4,478.20**	**2,367.08**	**20.44**	**3.53**	**83.91**	**6,953.16**

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 2023 and 31 March 2022. The details in respect of such dues are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Principal amount remaining unpaid to any supplier as at the end of the accounting year	272.07	209.54
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.	64.84	57.94
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	8.62	-
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;	23.82	8.62
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	23.82	8.62
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.	23.82	8.62

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 .

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

20 Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Current		
(carried at amortised cost)		
Dues to employees	2,716.88	1,778.19
Creditors for capital goods	145.42	17.84
Interest accrued but not due on borrowings*	24.85	2.89
Other liabilities	9.66	12.20
(carried at FVTPL)		
Derivative liability on share warrants**	565.18	-
Purchase consideration payable on acquisition of subsidiary [refer note below]	125.13	21,157.12
(carried at FVTOCI)		
Hedge liability	49.33	0.66
	3,636.45	**22,968.90**

* For details of interest rates, repayment and others, refer note 17.

** During the year, the Group has issued Unrated, Unlisted, Secured Non-Convertible Debentures ("NCDs") aggregating ₹ 14,500 lakhs to a financial institution repayable over a period of three years. The interest rate is 15.75% - 16% per annum on the NCDs payable quarterly. The Group has also entered into an Investment Agreement with the aforesaid financial institution and provided a Right to Invest ("Share Warrants") in the Compulsorily Convertible Preference Shares ("CCPS") of the subsidiary, MSPL, at an agreed value and mutually agreed terms and conditions. Share Warrants are classified as Derivative Liability carried at Fair Value through Profit and Loss. The Group has recorded a Share Warrant expense of ₹ 565.18 lakhs in the Statement of Profit and Loss and Derivative Liability of equivalent amount in the Balance Sheet.

Note:

1) 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.

   During the quarter ended 30 June 2018, the Company has filed an application with National Company Law Tribunal ('NCLT') for amalgamation of Explosoft Tech Solutions Private Limited, 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 received the Interim Arbitration Award ('Interim Award') on 26 May 2022, dated 21 May 2022, from the Arbitral Tribunal, directing all parties for specific performance of their obligations under the SPA and other definitive agreements, to ensure completion of acquisition of 100% of shares of MSPL by the Company. In accordance with the Interim Award –

   i. the Company has discharged the purchase consideration for all the phases including Phase II and has filed an application to withdraw the Scheme of amalgamation;

   ii. the Company has recorded an additional charge of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

₹ 4,444.98 lakhs (including interest of ₹ 2,944.84 lakhs and additional consideration of ₹ 1,500 lakhs) during the year ended 31 March 2023 as an exceptional item;

iii. on 22 December 2022, consequent to non-approval of the abovementioned Scheme, the Company has acquired 100% shares of Explosoft in cash (including accrued interest of ₹ 2,293.86 lakhs). Accrued interest of ₹ 2,293.86 lakhs has been disclosed as an exceptional item during the year ended 31 March 2023.

The Arbitral Tribunal has issued the Final Arbitration Award dated 13 January 2023, stating that all the parties have discharged their obligations in accordance with the Interim Award and accordingly, terminated the Arbitration proceedings.

2) During the previous year, the Company had recognised a net fair value loss of ₹ 785.38 lakhs on re-estimation of the contingent purchase consideration payable as per the terms of the Share Purchase Agreement ('SPA'), in the Statement of Profit and Loss. The change in fair value is based on the actual performance of MSPL Group. The entire purchase consideration is discharged by the Company except for certain individual shareholders that are in the process of settlement.

	As at 31 March 2023	As at 31 March 2022
Opening balance of purchase consideration payable	**21,157.12**	**19,728.32**
Add: Interest and additional purchase consideration	6,863.50	-
Add: Unwinding of discount (interest expense)	163.27	643.42
Add: Fair value loss	-	785.38
Less: Deferred purchase consideration - settled	(28,058.76)	-
Closing balance of purchase consideration payable	**125.13**	**21,157.12**

21 Current tax liability, net

	As at 31 March 2023	As at 31 March 2022
Provision for tax, net of advance tax	1,131.26	161.10
	1,131.26	**161.10**

22 Other liabilities

	As at 31 March 2023	As at 31 March 2022
Current		
Duties and taxes payable	1,842.98	1,396.85
Contract liability - Unearned revenue	925.75	711.23
Contract liability - Advance from customer	3,116.79	4,016.08
Deferred income	580.20	-
Others	38.53	-
	6,504.25	**6,124.16**

a) Breakup of financial liabilities carried at amortised cost

Borrowings (refer note 17)	31,400.35	4,881.11
Lease liability (refer note 34)	3,195.85	2,324.54
Trade payables (refer note 19)	7,509.33	6,953.16
Other financial liabilities (refer note 20)	2,896.81	1,808.23

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for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

23 Revenue from contracts with customers

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of services		
Technology Services and Solutions	50,032.66	41,411.28
Strategic technology solutions	6,916.32	5,197.74
Sale of goods		
Technology Services and Solutions	7,501.23	3,671.99
Strategic technology solutions	16,910.26	10,559.76
	81,360.47	**60,840.77**

23.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:	Year ended 31 March 2023	Year ended 31 March 2022
India	24,950.95	15,524.41
Outside India	56,409.52	45,316.36
Total revenue from contracts with customers	**81,360.47**	**60,840.77**

Timing of revenue recognition	Year ended 31 March 2023	Year ended 31 March 2022
Goods or services transferred at point in time	23,510.83	21,927.49
Goods or services transferred over time	57,849.64	38,913.28
	81,360.47	**60,840.77**

23.2 Contract balances

	As at 31 March 2023	As at 31 March 2022
Trade receivables (refer note 12)	17,902.93	14,516.65
Contract Assets - Unbilled revenue (refer note 8 and 10)	10,714.00	6,702.34
Contract liability - Unearned revenue (refer note 22)	925.75	711.23
Contract liability - Advance from customer (refer note 22)	3,116.79	4,016.08

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days. The Group has provision for expected credit losses of trade receivables of ₹ 263.69 lakhs as at 31 March 2023 (31 March 2022: ₹ 1,628.77 lakhs).

The Group 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).

Contract assets relates to revenue earned from engineering design services and strategic technology solutions rendered within the financial year and for which invoicing happens subsequent to the year end. As such, the balances of this account vary and depend on the quantum of engineering design services and strategic technology solutions at the end of the year. During the year ended 31 March 2023, ₹ 4,484.54 lakhs of contract assets as at 31 March 2022 has been reclassified to receivables on completion of performance obligation. During the year ended 31 March 2022, ₹ 3,056.97 lakhs of contract assets as at 31 March 2021 has been reclassified to receivables on completion of performance obligation. As at 31 March 2023, the Group has provision for expected credit losses on contract assets of ₹ 104.97 lakhs (31 March 2022: ₹ 104.97 lakhs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Contract liabilities include short-term advances received against the sale of products and services in the future.

Below is the revenue recognised from :	Year ended 31 March 2023	Year ended 31 March 2022
Amount included in the contract liabilities at the beginning of the year	2,664.29	2,089.52
Performance obligation satisfied in previous years	-	-

23.3 Performance Obligation

Revenue to be recognised for performance obligations not satisfied or partially satisfied at the end of the current year in respect of contracts with customer that are in place (i.e. signed agreements/POs/WOs,etc) at the year end :

	Year ended 31 March 2023	Year ended 31 March 2022
Within one year	8,984.88	10,820.11
More than one year	732.18	1,885.66
	9,717.06	**12,705.77**

23.4 Reconciliation of contract with customers

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from contract with customer as per contract rate	81,107.26	62,637.18
Adjustment made to the contract price on account of :-		
a) Liquidated damages	(362.43)	(441.84)
b) Deferment of revenue	(2,048.65)	(3,444.09)
c) Recognition of revenue from contract liability out of opening balance of contract liability	2,664.29	2,089.52
Revenue from contract with customer as per the Statement of Profit and Loss	**81,360.47**	**60,840.77**

24 Other operating Income

	Year ended 31 March 2023	Year ended 31 March 2022
Export incentives (refer note (i))	17.28	34.46
Other operating income (refer note (ii))	784.46	155.36
	801.74	**189.82**

(i) 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 ₹ 17.28 lakhs (31 March 2022: ₹ 34.46 lakhs). The Management believes that it has satisfied all the conditions to receive the incentive and is in the process of filing the claim.

(ii) Amount mainly consists of input availed on import of FOC materials shipped by customers and duty paid by them.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

25 Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income		
- from fixed deposits with banks	127.40	142.35
- from financial assets carried at amortised cost	194.73	191.80
- from income tax refund	1.97	39.30
- from value added tax refund	-	1.13
- from others (refer note (i) below)	63.03	-
Gain on sale of property, plant and equipment	1.50	-
Gain on lease modification/rental concession	7.05	137.04
Fair value gain on financial instruments at fair value through profit or loss (refer note (ii) below)	88.77	136.45
Provision/liabilities no longer required, written back	6.44	62.39
Gain on sale of associate	39.55	-
Dividend income	32.51	17.89
Recovery of bad debts written off	25.12	11.29
Miscellaneous income	7.77	169.79
	595.84	**909.44**

Note:

(i) During the year ended 31 March 2023, AXISCADES, Inc. (subsidiary) has received interest aggregating INR 63.03 lakhs from the U.S. Government towards delay in disbursement of compensation of employee expenses incurred by the Company during the Covid-19 period, in accordance with Employee Retention Credit scheme.

(ii) 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.

26 Cost of material consumed

	Year ended 31 March 2023	Year ended 31 March 2022
Opening inventory	5,157.70	2,330.30
Add: Purchases during the year	19,346.32	14,494.22
	24,504.02	16,824.52
Less: Closing inventory	(6,585.39)	(5,157.70)
	17,918.63	**11,666.82**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

27 Employee benefits expense

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	31,567.12	27,468.59
Contribution to provident and other funds	1,090.09	878.66
Contribution to overseas social security	1,484.53	1,217.15
Gratuity expense (refer note 40)	209.58	173.92
Compensated absences expense	183.66	103.85
Employee stock option scheme (refer note 42)	542.75	636.33
Staff welfare expense	1,011.47	735.89
	36,089.20	**31,214.39**

During the year ended March 31, 2023, AXISCADES, Inc. (subsidiary) has received financial assistance aggregating INR 2,112.35 from the U.S. Government towards compensation of employee expenses incurred by AXISCADES, Inc. during the Covid-19 period, in accordance with Employee Retention Credit scheme. The Group has netted off the aforesaid amount of financial assistance received with the employee benefit expense during the year ended March 31, 2023.

28 Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense		
- on facilities from banks	478.61	527.92
- on Intercorporate deposit from related parties (refer note 33)	670.80	-
- on debentures	1,413.84	-
- on others	148.48	-
- on financial liabilities carried at amortised cost	1.43	0.39
Other borrowing cost (processing fees)	457.80	632.44
Net interest expense on net defined benefit obligation	82.27	77.75
Unwinding of discount on asset retirement obligation (refer note 18(a))	5.05	5.07
Bank guarantee commision	14.09	44.48
Interest on lease liabilities (refer note 34)	264.65	281.09
Interest on income tax	52.96	6.27
	3,589.98	**1,575.41**

29 Depreciation and amortisation expense

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of PPE (refer note 3)	697.16	630.25
Amortisation of intangible assets (refer note 5)	662.84	677.58
Depreciation of Right-of-use asset (refer note 34)	1,291.83	1,198.23
	2,651.83	**2,506.06**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

30 Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Rent (refer note 34)	226.75	364.27
Power and fuel	377.66	309.11
Travelling and conveyance	1,155.04	518.91
Legal and professional charges	1,550.81	1,431.38
Consultancy expense	358.41	149.81
Repairs and maintenance	-	-
- Building	325.23	251.97
- Others	298.04	227.56
- Plant and machinery	167.14	108.28
Recruitment and training expenses	375.31	261.45
Office maintenance expense	95.73	55.61
Communication expenses	374.01	351.92
Equipment hire charges	557.75	315.10
Auditor's remuneration (refer note (a) below)	109.39	84.78
Security charges	54.17	58.07
Rates and taxes	327.71	283.95
Sub contracting charges	3,645.99	3,598.24
Software subscription charges	1,390.55	1,471.29
Directors sitting fees (refer note 33)	55.80	39.90
Marketing and advertising expenses	607.00	468.06
Insurance expenses	156.39	147.03
Bank charges	92.92	118.43
Corporate social responsibility expenses (refer note 43)	53.81	29.69
Provision for doubtful debts and advances	104.83	96.47
Bad debts written off	48.61	37.88
Advances written off	13.40	-
Impairment of property, plant and equipment	203.79	-
Fair value loss on derivative	565.18	-
Loss on sale of property, plant and equipment	-	22.81
Net loss on foreign currency transaction and translation	175.10	160.75
Miscellaneous expenses	131.34	123.06
	13,597.86	**11,085.78**
a) Auditor's remuneration *		
Statutory audit fees	100.76	66.69
Other fees	4.00	15.75
Out of pocket expenses	4.63	2.34
	109.39	**84.78**

* excluding goods and service tax.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

31 Exceptional Items

	Year ended 31 March 2023	Year ended 31 March 2022
Impairment on goodwill and fair value change in contingent purchase consideration payable	-	(169.34)
Interest and additional purchase consideration [refer note 20(2)]	(6,803.74)	-
	(6,803.74)	**(169.34)**

32 Earnings per share (EPS) (basic and diluted)

	Year ended 31 March 2023	Year ended 31 March 2022
a) (Loss)/profit after tax attributable to equity shareholders (₹)	(523.25)	2,223.32
b) Weighted average number of shares outstanding (in lakhs)	380.56	379.14
c) Nominal value of shares (₹)	5.00	5.00
d) Basic earning per share (₹)	(1.37)	5.86
e) Number of equity shares used to compute diluted earnings per share (in lakhs) (refer note below)	380.56	386.20
f) Diluted earnings per share (₹)*	(1.37)	5.76
Note:		

	Year ended 31 March 2023	Year ended 31 March 2022
Weighted average number of shares outstanding (in lakhs)	380.56	379.14
Effect of dilution:		
Share options*	-	7.06
Weighted average number of Equity shares adjusted for the effect of dilution	380.56	386.20

*For the purpose of computation of diluted EPS for the year ended 31 March 2023, 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 CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

33 Related party disclosures

	Nature of relationship	Name of Party
I	**Parties where control exists:**	
	Holding Company	Jupiter Capital Private Limited ('JCPL') *
	* JCPL hold 66.18 percent voting rights of the Company as at 31 March 2023 (JCPL and its subsidiary Indian Aero Ventures Private Limited hold 67.67 percent voting rights of the Company as at 31 March 2022)	
	Associate	ASSYSTEMS AXISCADES Engineering Private Limited (upto 11 July 2022)
II	**Name of other related parties as per Ind AS 24 with whom transactions have taken place during the year:**	
	Fellow subsidiary	Indian Aero Infrastructure Private Limited (step down subsidiary of JCPL)
	Key Management Personnel (KMP):	
	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 from Chief Executive Officer & Executive Director w.e.f. 21 November 2021)
	Chairman and Non - Executive Director	Mr. David Bradley
	Independent Director	Mrs Mariam Mathew
	Independent Director	Mr. Desh Raj Dogra
	Independent Director	Mr. Dhiraj Mathur
	Non - Executive Director	Mr. Harold David Walker
	Non - Executive Director	Mr. Sudhakar Gande (stepped down w.e.f. 5 January 2023)
	Non - Executive Director	Mr. Sharadhi Chandra Babu Pampapathy (apppointed as Non - Executive Director w.e.f. 22 November 2021)
	Non - Executive Director	Mr. Abhishek Kumar (stepped down w.e.f. 3 June 2022)
	Non - Executive Director	Mr. David Abikzir (appointed w.e.f. 22 March 2022)
	Non - Executive Director	Mr. Venkataraman Venkitachalam (appointed w.e.f. 6 January 2023)
III	**Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year**	
	Key Management Personnel (KMP):	
	Chief Financial Officer (CFO)	Mr. Shashidhar SK (appointed w.e.f. 3 January 2022)
	Chief Financial Officer (CFO)	Mr. Anumanchipalli Srinivas (till 31 July 2021)
	Company Secretary	Ms. Sonal Dudani (appointed w.e.f. 22 March 2022)
	Company Secretary	Ms. Shweta Agrawal (till 31 October 2021)
	A Company in which Director is a member	Lexicon Infotech Limited

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(All amounts in ₹ lakhs, unless otherwise stated)

IV Transactions with related parties:

Nature of transactions	Relationship	Year ended 31 March 2023	Year ended 31 March 2022
Remuneration (Refer note (IV) (a) below)			
Ms. Shweta Agarwal (refer note b below)	Key Management Personnel	-	24.35
Mr. Anumanchipalli Srinivas (refere note b below)	Key Management Personnel	-	64.73
Mr. Sharadhi Chandra Babu pampapathy (refer note b below)	Key Management Personnel	-	196.77
Mr. Shashidhar SK (refer note b below)	Key Management Personnel	431.29	39.34
Mr. Arun Krishnamurthi (refer note b below)	Key Management Personnel	817.78	146.86
Ms. Sonal Dudani	Key Management Personnel	15.49	0.39
Service received from			
Lexicon Infotech Limited	A Company in which Director is a member	11.91	22.09
Revenue from operations			
ASSYSTEMS AXISCADES Engineering Private Limited	Associate	-	53.65
Sitting fees paid to directors			
Mr. Dhiraj Mathur	Independent Director	12.00	9.50
Mr. Desh Raj Dogra	Independent Director	14.50	11.50
Mrs Mariam Mathew	Independent Director	12.50	9.00
Mr. Harold David Walker	Non - Executive Director	2.70	2.10
Mr. David Bradley	Chairman and Non - Executive Director	4.50	3.90
Mr. Sharadi Chandra Babu Pampapathy	Non - Executive Director	2.40	0.90
Mr. Sudhakar Gande	Non - Executive Director	3.00	3.00
Mr. Abhishek Kumar	Non - Executive Director	0.30	-
Mr. David Abikzir	Non - Executive Director	3.30	-
Mr. Venkataraman Venkitachalam	Non - Executive Director	0.60	-
Reimbursement of rental income			
ASSYSTEMS AXISCADES Engineering Private Limited	Associate	-	45.53
Corporate guarantee fee charged by			
Jupiter Capital Private Limited	Holding Company	20.00	20.00
Reimbursement of expenses by			
Mr. Sudhakar Gande	Non - Executive Director	35.05	-
Interest expense on intercorporate deposit			
Jupiter Capital Private limited	Holding Company	795.46	-
Corporate guarantee received from			
Jupiter Capital Private Limited	Holding Company	16,500.00	4,000.00

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(All amounts in ₹ lakhs, unless otherwise stated)

Related party disclosures (cont'd)

(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 included above.

(b) Total employee benefit expense includes employee stock compensation expense of ₹ Nil lakhs (31 March, 2022 - ₹ 80.21 lakhs) for Mr. Sharadhi Chandra Babu Pampapathy, ₹ 396.29 lakhs(31 March, 2022 - ₹ 10.42 lakhs) for Mr.Arun Krishnamurthi, and ₹ 297.21 lakhs(31 March, 2022 - ₹ 7.82 lakhs) for Mr. Shashidhar SK, respectively included in the employee stock option scheme expense in the consolidated Statement of Profit and Loss account.

(c) Refer note 17 for details of security provided for borrowings.

V Balances as at the year end:

Nature of transactions	Relationship	As at 31 March 2023	As at 31 March 2022
Remuneration payable (refer note (IV) (a) above)*			
Mr. Sharadhi Chandra Babu Pampapathy	Key Management Personnel	-	59.11
Mr. Shashidhar SK	Key Management Personnel	33.13	13.12
Mr. Arun Krishnamurthi	Key Management Personnel	224.53	64.53
Ms. Sonal Dudani	Key Management Personnel	2.21	0.39
Investment in equity shares			
ASSYSTEMS AXISCADES Engineering Private Limited	Associate	-	187.41
Trade payables			
Indian Aero Infrastructure Private Limited	Fellow subsidiary	6.23	6.23
Lexicon Infotech Limited	Company in which Director is a member	4.95	9.68
Corporate guarantee received from - outstanding			
Jupiter Capital Private limited	Holding Company	20,500.00	4,000.00

Loans from related parties

Particulars	Opening balance	Loans taken	Repayment	Loan outstanding	Interest payable
Jupiter Capital Private Limited					
31 March 2023	-	11,025.33	500.00	10,525.33	-
31 March 2022	-	-	-	-	-

* Remuneration payable does not include amount payable on employee stock option scheme

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 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

34 Right of use asset and Lease liabilities

Group as a lessee

The Group has lease contracts for plant and machinery and 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 2023	As at 31 March 2022
Balance as on 01 April	8,745.61	9,618.67
Additions*	4,283.62	662.09
Deletions	(60.71)	(336.92)
Lease Modifications	(113.82)	-
Exchange difference	6.09	-
Depreciation expense (refer note 29)	(1,291.83)	(1,198.23)
Carrying amount as on 31 March	**11,568.96**	**8,745.61**

* Out of ₹ 4,283.62 lakhs, ₹1,956.68 lakhs pertains to Leasehold land in AAIPL. Leasehold land represents land acquired from Karnataka Industrial Areas Development Board (KIADB) on a lease cum sale basis wherein this land would transfer to AAIPL after a period of 10 years on the fulfilment of the conditions of the allotment letter. The amount paid towards land for which possession has been taken over has been disclosed as Leasehold land since KIADB vide letter no KIADB/HO/Allot/18403/8992/2017-18 dated 12 September 2017 has allotted 10 acres of land in 'Bengaluru Aerospace Park', and vide letter number KIADB/AE/18403/86/2022-23 dated 11 May 2022 the KIADB issued possession certificate for 10.8 acres of land to AAIPL. AAIPL has paid an amount of ₹ 3,757.69 lakhs out of which ₹ 1,801.01 lakhs already considered as Leasehold land (Right-to-use assets) and balance amount of ₹ 1,956.68 lakhs which was classified Capital advance earlier is transferred to Leasehold land (Right-to-use assets).

Below are the carrying amounts of lease liabilities and the movements during the year:

	As at 31 March 2023	As at 31 March 2022
Balance as on 01 April	2,324.54	3,132.76
Additions	2,226.60	657.86
Deletions	(68.93)	(346.38)
Lease modifications/ rental concession	(115.89)	(75.41)
Accretion of interest (refer note 28)	264.65	281.09
Exchange difference	6.70	-
Payment of principal portion of lease liabilities	(1,177.17)	(1,044.29)
Payment of Interest portion of lease liabilities	(264.65)	(281.09)
Carrying amount as on 31 March	**3,195.85**	**2,324.54**
Current	947.85	1,214.67
Non-current	2,248.00	1,109.87
Total	**3,195.85**	**2,324.54**

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.

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(All amounts in ₹ lakhs, unless otherwise stated)

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	31 March 2023	31 March 2022
Less than one year	1,276.69	1,282.79
one to five years	2,697.52	1,123.21
more than five years	34.38	132.17

The following are the amounts recognised in the statement of profit or loss:

	31 March 2023	31 March 2022
Depreciation expense of right-of-use assets	1,291.83	1,198.23
Interest expense on lease liabilities	264.65	281.09
Expense relating to short-term leases and low value leases (included in other expenses)	226.75	364.27
Lease rental concession	-	(75.41)
Lease modification	(7.05)	-
Total amount recognised in profit or loss	**1,776.18**	**1,768.19**

The Group had total cash outflows for leases of ₹ 1,668.56 lakhs for the year ended 31 March 2023(31 March 2022: ₹ 1,690.15 lakhs). The Group has made non-cash additions of ₹ 4,283.62 lakhs (31 March 2022: ₹ 662.09 lakhs) and ₹ 2,226.60 lakhs (31 March 2022: ₹ 657.86 lakhs) to right-of-use assets and lease liabilities, respectively. There are no future cash outflows relating to leases that have not yet commenced.

35 Contingent liabilities and commitments

Capital and other commitments

	As at 31 March 2023	As at 31 March 2022
Capital commitment*	72.51	13.94

* Mainly pertains to commitment towards purchase of capital assets of ₹ 72.51 lakhs (31 March 2022: ₹ 13.94 lakhs)

Bank guarantees

	As at 31 March 2023	As at 31 March 2022
i) Bank guarantees to government authorities and others	1,477.96	1,069.25

Bank guarantees are issued in favor of government authorities and others towards financial, peformance guarantees and earnest money deposit as part of bidding process.

Tax contingencies

	As at 31 March 2023	As at 31 March 2022
i) Direct tax matters under dispute/ pending before Income Tax Authorities	5,409.71	2,048.14
ii) Indirect tax matters for demands pending before various appellate authorities	1,098.76	142.39
	6,508.47	**2,190.53**

Notes:

i) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Group does not expect any reimbursements in respect of the above contingent liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts in ₹ lakhs, unless otherwise stated)

36 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 17.

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 equivalent.

	As at 31 March 2023	As at 31 March 2022
Borrowings including current maturities of long term borrowings (refer note 17)	31,400.35	4,881.11
Less: Cash and cash equivalent (refer note 13)	(7,506.73)	(7,109.49)
Net debt*	**23,893.62**	**-**
Equity share capital (refer note 15)	1,911.50	1,897.23
Other equity (refer note 16)	31,895.57	31,229.08
Capital and net debt	**57,700.69**	**33,126.31**
Gearing ratio	41%	0%

* For previous year, where the total debts are less than cash and cash equivalent, the net debts were shown as Nil.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

The Group is not subject to any externally imposed capital requirements.

37 Income Tax

The major components of income tax expense are:

	Year ended 31 March 2023	Year ended 31 March 2022
Current income tax:		
Current income tax charge	2,085.61	1,297.33
Adjustment of tax relating to earlier years	(368.00)	62.81
Deferred tax charge	864.61	48.35
Income tax expense reported in consolidated statement of profit and loss	**2,582.22**	**1,408.49**
Deferred tax related to items recognised in other comprehensive income		
Income tax relating to re-measurement (gains)/losses on defined benefit plans	(1.43)	3.03
Income tax relating to losses/(gains) on cash flow hedges	8.00	(14.87)
	6.57	**(11.84)**

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(All amounts in ₹ lakhs, unless otherwise stated)

Reconciliation of deferred tax (net)

	As at 31 March 2023	As at 31 March 2022
Opening balance	2,802.94	2,806.34
Tax expense during the year recognized in the consolidated statement of profit and loss	(864.61)	(48.35)
Tax expense/ (credit) during the year recognised in other comprehensive income	6.57	(11.84)
Exchange translation difference	35.43	56.79
Closing balance	**1,980.33**	**2,802.94**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	Year ended 31 March 2023	Year ended 31 March 2022
Accounting loss before tax	**2,102.40**	**3,676.40**
Tax on accounting profit at statutory income tax rate	584.89	1,036.96
Expenditure disallowed on cancellation of employee stock option plan	283.02	-
Disallowance for capital expenditure	780.99	-
Effect of lower tax rate in the capital gains	94.34	-
Tax for earlier year	14.46	-
Adjustments in respect of current income tax of previous years	(340.79)	-
Impact of change in tax rate	(14.91)	-
Purchase consideration re-measurement	1,502.32	218.49
Other non-deductible expenses	6.00	18.59
Tax benefit on utilisation/expected utilisation of benefit on previously unrecognised tax losses	(63.70)	(34.32)
GILTI Income	27.59	13.68
Others (net)	(291.99)	155.09
At the effective income tax rate of 122.82% [31 March 2022: 38.31%]	**2,582.22**	**1,408.49**
Income tax expense reported in the Statement of Profit and Loss	2,582.22	1,408.49

* 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years	208.51	988.43
Impact of difference between depreciation charged for financial reporting and expenses allowed for tax purposes	476.32	422.07
Impairment of investment	146.22	-
Unutilised tax losses	73.78	484.33
Hedge Liability	8.17	0.17
Minimum alternate tax credit entitlement	696.07	913.22
Non-deductible expenses for tax purpose allowed on payment basis	335.54	-
Other adjustments	37.38	27.59
Deferred tax asset, net	**1,981.99**	**2,835.81**
Deferred tax liability		
Hedge Liability	-	5.31
Other items	1.66	27.56
	1.66	**32.87**
Deferred tax asset, net	**1,980.33**	**2,802.94**

Reflected in the balance sheet as follows:

	As at 31 March 2023	As at 31 March 2022
Deferred tax assets	1,981.99	2,835.81
Deferred tax liabilities	(1.66)	(32.87)
Deferred tax assets, net	**1,980.33**	**2,802.94**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

38 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2023 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Carrying value	Fair value
Assets:					
Investments (Current and Non Current) (refer note 7)	0.05	3,346.12	-	3,346.17	3,346.17
Trade receivables (Current) (refer note 12)	17,902.93	-	-	17,902.93	17,902.93
Other financial assets (Current and Non Current) (refer note 8)	6,851.73	-	-	6,851.73	6,851.73
Cash and cash equivalent (refer note 13)	7,506.73	-	-	7,506.73	7,506.73
Bank balances other than cash and cash equivalent (refer note 14)	2,456.16	-	-	2,456.16	2,456.16
Total	**34,717.60**	**3,346.12**	**-**	**38,063.71**	**38,063.71**
Liabilities:					
Borrowings (refer note 17)	31,400.35	-	-	31,400.35	31,400.35
Lease liability (refer note 34)	3,195.85	-	-	3,195.85	3,195.85
Trade payables (refer note 19)	7,509.33	-	-	7,509.33	7,509.33
Other financial liabilities (refer note 20)	2,896.81	690.31	49.33	3,636.45	3,636.45
Total	**45,002.34**	**690.31**	**49.33**	**45,741.98**	**45,741.98**

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
Assets:					
Investments (Current and Non Current) (refer note 7)	0.05	1,730.30	-	1,730.35	1,730.35
Trade receivables (Current) (refer note 12)	14,516.65	-	-	14,516.65	14,516.65
Other financial assets (Current and Non Current) (refer note 8)	4,317.63	-	19.13	4,336.76	4,336.76
Cash and cash equivalent (refer note 13)	7,109.49	-	-	7,109.49	7,109.49
Bank balances other than cash and cash equivalent (refer note 14)	3,427.40	-	-	3,427.40	3,427.40
Total	**29,371.22**	**1,730.30**	**19.13**	**31,120.65**	**31,120.65**
Liabilities:					
Borrowings (refer note 17)	4,881.11	-	-	4,881.11	4,881.11
Lease liability (refer note 34)	2,324.54	-	-	2,324.54	2,324.54
Trade payables (refer note 19)	6,953.16	-	-	6,953.16	6,953.16
Other financial liabilities (refer note 20)	1,811.12	21,157.12	0.66	22,968.90	22,968.90
Total	**15,969.93**	**21,157.12**	**0.66**	**37,127.71**	**37,127.71**

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(All amounts in ₹ lakhs, unless otherwise stated)

The management assessed that the fair value of cash and cash equivalent, trade receivables, loans, other financial assets (excluding security deposits), trade payables and working capital loans approximate the carrying amount largely due to short-term maturity of this instruments. The fair values for security deposits forming part of other financial assets were calculated based on discounted cash flows using a current lending rate.

The fair values of borrowings and lease liabilities were calculated based on cash flow discounted using a current lending/ borrowing rate and other relevant assumptions.

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.

(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 2023 :

Particulars	Date of valuation	Carrying value	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investments (Current and Non Current) (refer note 7)	31 March 2023	3,346.12	2,698.60	647.52	-
Liabilities measured at fair value:					
Derivative contracts (refer note 20)	31 March 2023	49.33	-	49.33	-
Purchase consideration payable (refer note 20)	31 March 2023	125.13	-	-	125.13
Derivative liability on share warrants (refer note 20)	31 March 2023	565.18	-	-	565.18

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 2022 :

Particulars	Date of valuation	Carrying value	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable inputs (Level 3)
Assets carried at amortised cost, cost, FVTPL and FVTOCI for which fair values are disclosed					
Investments (Current and Non Current) (refer note 7)	31 March 2022	1,730.30	1,026.24	704.06	-
Derivative contracts (refer note 8)	31 March 2022	19.13	-	19.13	-
Liabilities measured at fair value:					
Derivative contracts (refer note 20)	31 March 2022	0.66	-	0.66	-
Purchase consideration payable (refer note 20)	31 March 2022	21,157.12	-	-	21,157.12

Refer note 20(2) for the reconcialition of fair value measurements categorized within level 3 of the fair value hierarchy.

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(iii) Valuation techniques and significant unobservable input

Type	Valuation technique	Significant unobservable inputs	Range	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	-	-
Derivative liability on share warrants	Binomial option pricing model	Exercise price per share Risk free rate Sigma range	₹ 969.10 7.1% 50.6% - 51.8%	These inputs would result in fair value loss on derivative by ₹ 565.18 lakhs

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 2023, 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.

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39 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 it's 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 ₹ 17,902.93 lakhs as at 31 March 2023 [31 March 2022: ₹ 14,516.65 lakhs].

Assets under credit risk:

	As at 31 March 2023	As at 31 March 2022
Trade receivables (Current) (refer note 12)	17,902.93	14,516.65
Security deposit (Current and Non Current) (refer note 8)	893.69	765.36
Unbilled revenue (Current) (refer note 8)	4,022.92	2,518.44
Loans to employees (Current and Non Current) (refer note 8)	52.60	76.97
	22,872.14	**17,877.42**

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 2023 is ₹ 414.00 lakhs (31 March 2022 is ₹ 1,779.08 lakhs).

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning	1,779.08	2,292.32
Impairment loss recognised	104.83	96.47
Impairment loss reversed/ written off	(1,469.91)	(609.71)
Balance at the year end	**414.00**	**1,779.08**

A2 Cash and cash equivalent

The credit risk for cash and cash equivalent, 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 equivalent,bank balances other than cash and cash equivalent,other receivables and other financial assets are neither past due nor impaired.

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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 ₹ 263.69 lakhs and ₹ 1,628.77 lakhs, unbilled revenue of ₹ 104.97 lakhs and ₹ 104.97 lakhs and security deposit of ₹ 45.34 lakhs and ₹ 45.34 lakhs as at 31 March 2023 and 31 March 2022, 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 2023	As at 31 March 2022
Financial assets that are neither past due nor impaired _(A)	18,280.18	13,982.81
Financial assets that are past due but not impaired		
Past due 0-60 days	1,290.16	2,989.30
Past due 61-180 days	2,564.59	687.20
Past due over 180 days	737.21	218.11
Total past due but not impaired_(B)	4,591.96	3,894.61
Total (A+B)	**22,872.14**	**17,877.42**

(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.

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 2023	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings (refer note 17)	14,344.62	17,336.03	-	31,680.65
Lease liability (refer note 34)	1,276.69	2,697.52	34.38	4,008.59
Trade payables (refer note 19)	7,509.33	-	-	7,509.33
Other financial liabilities (refer note 20)	3,636.45	-	-	3,636.45
Total	**26,767.09**	**20,033.55**	**34.38**	**46,835.02**

As at 31 March 2022	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings (refer note 17)	4,835.79	45.32	-	4,881.11
Lease liability (refer note 34)	1,282.79	1,123.21	132.17	2,538.17
Trade payables (refer note 19)	6,953.16	-	-	6,953.16
Other financial liabilities (refer note 20)	22,968.90	-	-	22,968.90
Total	**36,040.64**	**1,168.53**	**132.17**	**37,341.34**

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(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 2023		As at 31 March 2022	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Financial assets					
Trade receivables	USD	65.34	5,369.28	59.15	4,483.48
	EURO	16.33	1,459.72	20.76	1,746.44
	GBP	0.88	88.95	-	-
	CAD	0.28	17.13	-	-
	CNY	21.16	252.98	-	-
	SGD	0.21	12.91	0.21	11.70
	DKK	4.20	50.27	4.15	47.08
Unbilled revenue	USD	22.71	1,866.11	15.55	1,178.83
	EURO	1.14	101.88	1.11	93.71
	GBP	0.56	56.82	-	-
	CAD	0.33	20.29	-	-
	DKK	1.42	17.03	3.75	42.54
Cash and bank balances	USD	7.61	625.39	5.49	416.22
	EURO	1.03	92.05	7.83	658.45
	AED	1.58	19.04	1.59	32.86
	DKK	2.07	24.75	6.76	76.71
Other financial assets	AED	0.57	12.76	0.57	11.70
Financial liabilities					
Trade payables	USD	39.58	3,253.03	39.29	2,978.33
	EURO	4.79	428.42	18.15	1,527.51
	GBP	0.00	0.50	1.78	177.04
	DKK	8.95	106.99	2.60	29.50
Unearned Revenue	USD	-	-	0.03	2.00
Lease Liability	EURO	1.17	104.56	1.18	99.21
Interest accrued but not due on borrowings	USD	0.10	8.22	0.04	2.89
Borrowings	USD	34.55	2,839.34	53.08	4,023.17

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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 31 March 2023	Decrease 31 March 2023	Increase 31 March 2022	Decrease 31 March 2022
Sensitivity				
INR/USD	17.60	(17.60)	(9.28)	9.28
INR/EURO	11.21	(11.21)	5.99	(5.99)
INR/AED	0.32	(0.32)	0.45	(0.45)
INR/SGD	0.13	(0.13)	0.12	(0.12)
INR/GBP	1.45	(1.45)	(1.77)	1.77
INR/DKK	(0.15)	0.15	1.20	(1.20)
INR/CAD	0.37	(0.37)	-	-
INR/CNY	2.53	(2.53)	-	-

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 2023	As at 31 March 2022
Forward Contracts		
In USD (31 March 2023 - 40 lakhs, 31 March 2022 - 20 lakhs)	3,257.93	1,590.80

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 2023		As at 31 March 2022	
	Notional amount (in ₹ lakhs)	Average forward rate	Notional amount (in ₹ lakhs)	Average forward rate
Not later than one month				
- In USD	396.05	79.21	-	-
Later than one month and not later than three months				
- In USD	1,211.00	80.73	-	-
Later than three months and not later a year				
- In USD	1,650.88	82.54	1,590.80	79.29

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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 2023	As at 31 March 2022
Balance as at the beginning of the year	**(20.48)**	**(83.34)**
Net gain reclassified to statement of profit and loss on occurrence of hedged transactions	0.66	-
Loss/(gain) on cash flow hedging derivatives, net	(29.38)	53.39
Balance as at the end of the year	**(49.20)**	**(29.95)**
Deferred tax liability thereon	8.00	9.47
Balance as at the end of the year, net of deferred tax	**(41.20)**	**(20.48)**

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. As at 31 March 2023, the Group does not have any long term debt obligations with floating interest rates, hence, is not exposed to any significant 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
- 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 2023 and 31 March 2022 is, as follows:

Fair value hedge	As at 31 March 2023			As at 31 March 2022		
	Nominal amount (in lakhs)	Carrying amount (INR lakhs)	Line item in balance sheet where hedging instrument is disclosed	Nominal amount (in lakhs)	Carrying amount (INR 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

The impact of the hedged item on the balance sheet as at 31 March 2023 and 31 March 2022 is, as follows:

Fair value hedge	As at 31 March 2023			As at 31 March 2022		
	Nominal amount (in lakhs)	Carrying amount (INR lakhs)	Line item in balance sheet where hedging instrument is disclosed	Nominal amount (in lakhs)	Carrying amount (INR lakhs)	Line item in balance sheet where hedging instrument is disclosed
Interest rate risk						
- Borrowings	-	-		874.58	(1.28)	Short Term borrowings

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40 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 2023 is ₹ 1,090.09 lakhs [31 March 2022: ₹ 878.66 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 2023 is ₹ 1,484.53 lakhs [31 March 2022: ₹ 1,217.15 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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

40 Defined benefit obligations (cont'd)

(i) Changes in the present value of the defined benefit obligation are as follows

	Gratuity	
	31 March 2023	**31 March 2022**
Changes in the present value of the defined benefit obligation are as follows:		
Defined benefit obligation at the beginning of the year	1,633.83	1,524.85
Current service cost	209.58	173.92
Interest cost	106.95	95.89
Benefits paid	(257.56)	(166.10)
Actuarial (gain)/ loss arising from change in financial assumptions	(137.48)	(20.47)
Actuarial (gain)/ loss arising from change in experience assumptions	86.46	37.32
Actuarial (gain)/ loss arising from change in demographic assumptions	27.41	(11.58)
Defined benefit obligation at the end of the year	**1,669.19**	**1,633.83**

(ii) Reconciliation of present value of plan asset:

Plan assets as at 1 April	626.99	588.81
Expected return on plan assets	43.17	39.53
Return on assets excluding interest income	(18.11)	(10.06)
Contributions	127.46	47.23
Benefits settled	(105.94)	(38.52)
Plan assets as at 31 March at fair value	**673.57**	**626.99**

(iii) Reconciliation of net defined benefit asset/ (liability)

Present value of obligation as at 31 March 2023	(1,669.19)	(1,633.83)
Plan assets at 31 March 2023 at fair value	673.57	626.99
Amount recognised in balance sheet liability	**(995.62)**	**(1,006.84)**
Non-Current Provision	793.53	874.63
Current Provision	202.09	132.21

(iv) Components of costs are:

Employee benefits expense		
Current service cost and past service cost	209.58	173.92
Finance cost		
Net interest expense	63.78	56.35
Expenses recognised in the Statement of Profit and Loss for the year	**273.36**	**230.27**

(v) Components Remeasurement losses/ (gains) in OCI

Recognised net actuarial loss/ (gain) arising from change in financial assumptions	(137.48)	(20.47)
Recognised net actuarial gain arising from change in demographic assumptions	27.41	(11.58)
Recognised net actuarial (gain)/ loss arising from experience variance	86.46	37.32
Expected return on plan assets	18.11	10.06
Remeasurement loss in OCI	**(5.50)**	**15.33**

(vi) Investment details:

	% Invested	**% Invested**
Insurer managed funds	100.00%	100.00%
Others	0.00%	0.00%

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(vii) The principal assumptions used in determining gratuity obligations for the Group's plans are disclosed below:

	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate	7.25%-7.45%	5.38%-6.95%
Salary escalation rate	2.5%-10%	5%-9%
Attrition rate	1.00% - 40.00%	1.00% - 40.00%
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 Group's policy for plan asset management.

A quantitative sensitivity analysis for significant assumption as at 31 March 2023 and 31 March 2022 is as shown below:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, attrrition 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 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (Increase or decrease by 1%)	(79.28)	85.72	(68.94)	201.53
Salary growth rate (Increase or decrease by 1%)	83.92	(78.97)	158.24	(32.67)
Attrition rate (Increase or decrease by 50% of attrition rates)	56.10	(81.41)	10.71	(26.35)
Mortality rate (Increase or decrease by 10% of mortality rates)	0.08	(0.13)	0.17	(0.26)

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 2.21 years to 7 years (31 March 2022: 2.36 years to 8.32 years). Following is a collective maturity profile of the defined benefit obligation of the plans as at 31 March 2023 and 31 March 2022.

Expected cash flows over the next: (valued on undiscounted basis)	Gratuity	
	As at 31 March 2023	As at 31 March 2022
1 year	264.53	190.80
2 - 5 years	776.07	676.74
6 - 10 years	1,821.66	1,755.37
More than 10 years	336.04	593.31

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41 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 2023		Year ended 31 March 2022	
	Technology Services and Solutions	Strategic technology solutions	Technology Services and Solutions	Strategic technology solutions
Revenue				
From external customers	58,318.34	23,843.87	45,273.09	15,757.50
Segment Revenues	**58,318.34**	**23,843.87**	**45,273.09**	**15,757.50**
Segment Results	10,625.38	2,450.52	4,660.11	996.15
Segment Results	**10,625.38**	**2,450.52**	**4,660.11**	**996.15**

Reconciliation of profit	Year ended 31 March 2023	Year ended 31 March 2022
Segment profit	13,075.90	5,656.26
Share in net loss of associate	(4.41)	(45.82)
Exceptional items (refer note 31)	(6,803.74)	(169.34)
Finance costs	(3,589.98)	(1,575.41)
Unallocable income net of unallocable expenditure net of other income	(575.37)	(189.29)
Profit before tax	**2,102.40**	**3,676.40**

B Segment assets and liabilities	As at 31 March 2023		As at 31 March 2022	
	Technology Services and Solutions	Strategic technology solutions	Technology Services and Solutions	Strategic technology solutions
Segment assets	38,056.91	31,914.02	29,186.41	30,720.03
Segment liabilities	16,694.93	37,311.97	12,510.13	32,013.35

B1Reconciliation of Segment assets	As at 31 March 2023	As at 31 March 2022
Total reportable segment assets	69,970.93	59,906.44
Unallocable assets	20,467.52	19,533.76
Total Assets	**90,438.45**	**79,440.20**

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B2 Reconciliation of Segment liabilities	As at 31 March 2023	As at 31 March 2022
Total reportable segment liabilities	54,006.90	44,523.48
Unallocable liabilities	2,045.28	1,255.65
Total Liabilities	**56,052.18**	**45,779.13**

C The Group's revenues from external customers are divided into the following geographical areas:	Year ended 31 March 2023	Year ended 31 March 2022
India (country of domicile)	24,950.95	15,524.41
Outside India	56,409.52	45,316.36
	81,360.48	**60,840.77**

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):

	As at 31 March 2023	As at 31 March 2022
India (country of domicile)	33,098.29	32,107.55
Outside India	133.92	159.70
	33,232.21	32,267.25

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.

42 Share-based payments

The Group has the following Employees stock option schemes outstanding as at 31 March 2023:

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 2023	31 March 2022
Options outstanding as at beginning of the year	3,63,000	3,68,000
Options granted during the year	-	-
Options vested during the year	-	-
Options forfeited during the year	-	5,000
Options exercised during the year	2,62,500	-
Shares allotted against options exercised during the year	-	-
Options expired/relinquished during the year	1,00,500	-
Options outstanding at the end of the year	-	3,63,000
Options exercisable as at the end of the year	-	2,62,250
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 Company has granted Nil option (31 March 2022: Nil option) during the year.

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During the year, the Board of Directors have approved cancellation of 100,500 ESOP's which were granted but not vested. The holding company as a part of the acquisition has paid ₹ 1,414.44 lakhs to the employees for the aforesaid cancelled ESOPs and 65,212 promised but not granted ESOP.

The Company in line with the Accounting Standards has recognized ₹ 362.61 lakhs as an expense for the cancelled ESOPs which were granted but not vested comprising of the following:

- ₹ 189.49 lakhs – Difference between the amount paid and fair value as on the date of settlement.
- ₹ 173.12 lakhs – Accelerated vesting of cancelled ESOPs.

The difference between the settlement date fair value and grant date fair value of ₹ 289.91 lakhs have been charged to other equity. Furthermore, the amount of ₹ 556.62 lakhs paid by the Holding Company for promised but not granted ESOP has also been recognized as an expense. The total amount paid by the Holding Company amounting to ₹ 1,414.44 lacs has been recognized as a credit to capital reserve.

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 subscibe for the Company's shares can be granted to certain executive and senior employees.

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 2023	31 March 2022
Expense arising from equity-settled share-based payment transactions	542.75	636.33
Total expense arising from share-based payment transactions	**542.75**	**636.33**

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 2023	31 March 2023	31 March 2022	31 March 2022
	Number	WAEP	Number	WAEP
Outstanding at 1 April	52,99,674	67.47	30,20,762	51.54
Granted during the year	-	-	32,07,482	77.83
Lapsed during the year	-	-	(7,74,070)	51.20
Exercised during the year	(2,85,280)	52.67	(1,54,500)	52.80
Expired during the year	-	-	-	-
Outstanding at 31 March	**5,014,394**	**68.48**	**52,99,674**	**67.47**
Exercisable at 31 March	16,81,485	51.54	13,87,369	51.97

The weighted average remaining contractual life for the share options outstanding as at 31 March 2023 was 6.31 years (31 March 2022: 7.10 years).

The weighted average fair value of options granted during the year was ₹ Nil (31 March 2022: ₹ 57.10).

The range of exercise prices for options outstanding at the end of the year was ₹ 51.20 to ₹ 83.52 (31 March 2022: ₹ 51.20 to ₹ 83.52).

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Details of share options exercised during the year:

Number of options exercised	Year	Exercise date	Share price (₹) at exercise date
196,280	2022-23	03 December 2022	303.10
89,000	2022-23	17 May 2022	149.05
154,500	2021-22	14 January 2022	103.75

The following table list the input to the model used for the scheme for the year ended 31 March 2023 and 31 March 2022 respectively.

	31 March 2023	31 March 2022
Weighted average fair values at the measurement date	47.28	57.10
Dividend yield (%)	-	-
Expected volatility (%)	54.70%-57.23%	54.70%-57.23%
Risk–free interest rate (%)	5.48%-7.16%	5.48%-7.16%
Expected life of share options(years)	5.5 years	5.5 years
Weighted average exercise price (INR)	68.48	67.47
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.

43 Disclosure in accordance with Guidance Note on Accounting for expenditure on Corporate Social Responsibility Activities:

			Year ended 31 March 2023	Year ended 31 March 2022
a)	Gross amount required to be spent by the Group during the year		46.62	40.36
(b)	Amount spent during the year ending on 31 March 2023:	**In cash**	**Yet to be paid in cash**	**Total**
	(i) Construction/acquisition of any asset	-	-	-
	(ii) On purposes other than (i) above	47.43	-	47.43
(c)	Amount spent during the year ending on 31 March 2022:	**In cash**	**Yet to be paid in cash**	**Total**
	(i) Construction/acquisition of any asset	-	-	-
	(ii) On purposes other than (i) above	30.40	1.25	31.65

d)	Details related to spent / unspent obligations:	Year ended 31 March 2023	Year ended 31 March 2022
i)	Contribution to Public Trust	-	-
ii)	Contribution to Charitable Trust	47.43	30.40
iii)	Unspent amount in relation to:		
	- Ongoing project	-	-
	- Other than ongoing project	-	9.96
		47.43	**40.36**

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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
40.36	-	46.62	47.43	-

44 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 2023 following a detailed transfer pricing study conducted for the financial year ended 31 March 2022. 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.

45 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").

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46 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 2023	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 2023		31 March 2022		31 March 2023		31 March 2022	
				31 March 2023	31 March 2022	As a % of consolidated net assets	₹ in lakhs	As a % of consolidated net assets	₹ in lakhs	As a % of total comprehensive income	₹ in lakhs	As a % of total comprehensive income	₹ in lakhs
	A. Parent												
	AXISCADES Technologies Limited	India	Holding Company			45.40%	15,611.74	49.40%	16,627.21	-6213.52%	(2,001.54)	13.37%	346.58
	B. Subsidiaries												
1	AXISCADES, Inc.	USA	Subsidiary	100%	100%	12.13%	4,172.31	7.11%	2,393.62	4786.50%	1,541.86	12.28%	318.27
2	AXISCADES UK Limited	United Kingdom	Step down subsidiary	100%	100%	1.93%	662.31	1.44%	486.15	489.25%	157.60	5.75%	149.14
3	AXISCADES Technology Canada Inc.	Canada	Subsidiary	100%	100%	10.19%	3,502.38	9.39%	3,159.48	1059.30%	341.23	1.83%	47.44
4	AXISCADES GmbH	Germany	Subsidiary	100%	100%	0.13%	44.22	0.13%	44.36	-8.43%	(2.71)	-0.30%	(7.80)
5	Axis Mechanical Engineering Design Co. (Wuxi) Ltd.	China	Subsidiary	100%	100%	-0.30%	(103.96)	-0.33%	(112.04)	24.80%	7.99	0.14%	3.52
6	Cades Studec Technologies (India) Private Limited	India	Subsidiary	76%	76%	7.07%	2,432.06	6.68%	2,246.88	574.90%	185.19	7.00%	181.43
7	AXISCADES Aerospace and Technologies Private Limited	India	Subsidiary	100%	100%	42.94%	14,765.04	39.68%	13,357.57	4369.33%	1,407.48	6.57%	170.36
8	AXISCADES Aerospace Infrastructure Private Limited	India	Step down subsidiary	100%	100%	22.20%	7,633.35	23.07%	7,764.16	-406.06%	(130.80)	-1.63%	(42.22)
9	Enertec Controls Limited	India	Step down subsidiary	100%	100%	10.42%	3,581.75	10.54%	3,548.47	103.31%	33.28	0.34%	8.83
10	Mistral Solutions Private Limited	India	Subsidiary	100%	100%	48.17%	16,565.21	41.54%	13,983.33	6749.41%	2,174.17	93.54%	2,424.33
11	Aero Electronics Private Limited	India	Step down subsidiary	100%	100%	1.14%	391.80	-0.05%	(16.91)	-128.52%	(41.40)	-0.07%	(1.72)
12	Mistral Technologies Private Limited	India	Step down subsidiary	100%	100%	2.38%	816.70	2.28%	766.61	155.53%	50.10	1.48%	38.37
13	Mistral Solutions Inc.	USA	Step down subsidiary	100%	100%	2.70%	929.41	2.40%	808.96	159.41%	51.35	3.32%	86.14
14	Mistral Solutions Pte Limited	Singapore	Step down subsidiary	100%	100%	0.00%	-	0.00%	-	0.00%	-	0.00%	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Sl. No	Name of the entity	Country of incorporation	Relationship as at 31 March 2023	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 2023		31 March 2022		31 March 2023		31 March 2022	
				31 March 2023	31 March 2022	As a % of consolidated net assets	₹ in lakhs	As a % of consolidated net assets	₹ in lakhs	As a % of total comprehensive income	₹ in lakhs	As a % of total comprehensive income	₹ in lakhs
15	Explosoft Tech Solutions Private Limited	India	Subsidiary	100%	0%	6.81%	2,341.94	0.00%	-	173.04%	55.74	0.00%	-
	Translation adjustment					-	-	-	-	0.00%	-	0.00%	-
	Total					**213.30%**	**73,346.28**	**193.27%**	**65,057.85**	**11888.25%**	**3,829.53**	**143.63%**	**3,722.67**
	C.Minority Interest												
	Cades Studec Technologies (India) Private Limited	India	Subsidiary	24%	24%	-1.68%	(579.20)	-1.61%	(534.76)	137.94%	44.44	1.72%	44.59
	Adjustment arising out of Consolidation					-111.62%	(38,380.82)	-91.68%	(30,862.02)	-11926.20%	(3,841.75)	-45.35%	(1,175.39)
	Consolidated net assets/ Total comprehensive income					100.00%	34,386.27	100.00%	33,661.07	100.00%	32.21	100.00%	2,591.87

47 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.

48 Other Statutory information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Group does not have any transactions with companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has not advanced or loaned or invested funds to any other persons or entities 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 has not received any fund from any persons or entities 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,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

(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.

49 As per the MCA notification dated August 05, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain back-up of the books of account and other relevant books and papers in electronic mode that should be accessible in India at all times. Also, the Companies are required to maintain such back-up of accounts on servers which are physically located in India, on a daily basis.

The Group is maintaining its books of account in electronic mode and these books of account are accessible in India at all times and the back-up of books of account has been kept in servers physically located in India on a daily basis except that in case of one subsidiary the back-up of books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India on daily basis. The Group is in the process of complying with the requirement of maintaining back-up of books of account and other relevant books and papers in servers physically located in India, on a daily basis, pursuant to the amendment.

50 Events after the reporting period

There are no events or transactions which have occured since the balance sheet date which would have a material effect and require adjustments in the consolidated financial statements.

51 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 : 25 May 2023

For and on behalf of the Board of Directors of
AXISCADES Technologies Limited
CIN NO : L72200KA1990PLC084435

Sd/-
Arun Krishnamurthi
Chief Executive Officer and Managing Director
DIN: 09408190

Place : Bengaluru
Date : 25 May 2023

Sd/-
David Bradley
Chairman and Non - Executive Director
DIN: 08380717

Place : Bengaluru
Date : 25 May 2023

Sd/-
Shashidhar SK
Chief Financial Officer

Place : Philadelphia, Pennsylvania
Date : 25 May 2023

Sd/-
Sonal Dudani
Company Secretary
Membership No.: 40415

Place : Bengaluru
Date : 25 May 2023

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Third (33rd) Annual General Meeting (AGM) of the members of **AXISCADES Technologies Limited** will be held on Thursday, September 28, 2023 at 2:30 P.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, 2023, including the audited Balance Sheet as on March 31, 2023, 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. David Bradley (DIN: 08380717), liable to retire by rotation

To appoint a Director in place of Mr. David Bradley (DIN: 08380717), who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 3 Mr. Sharadhi Chandra Babu Pampapathy (DIN: 02809502), Director liable to retire by rotation, who does not seek re-election

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013, Mr. Sharadhi Chandra Babu Pampapathy (DIN: 02809502), a Director liable to retire by rotation, who does not seek re-election, be not re-appointed as a Director of the Company."

"RESOLVED FURTHER THAT the vacancy, so created on the Board of Directors of the Company, be not filled.".

SPECIAL BUSINESS:

Item no. 4 Appointment of Dr. S. Christopher (DIN: 08983133) as Non-Executive, Non-Independent Director 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 Sections 149, 152, 197 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and in compliance with applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. S. Christopher (DIN: 08983133), who was appointed as an Additional Director by the Board of Directors w.e.f. 30th June 2023, pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and in respect of whom the Company has received a Notice in writing under Section 160(1) of the Companies Act, 2013 and based on the recommendation from Nomination & Remuneration Committee and the Board, proposing his candidature for the office of a Director, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation."

Item no. 5 Payment of Commission to Non-Executive Directors

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded to pay remuneration, by way of commission or otherwise to Non-Executive Directors of the Company, upto an amount, not exceeding 2% of the standalone net profits of the Company, in accordance with the audited standalone financial statements, computed in accordance with section 198 of the Companies Act, 2013, so however, that in the case of loss or inadequacy of profits, the Non-Executive Directors shall be paid remuneration of Rs. 5 lakhs each per annum, for a period not exceeding 3 years, in accordance with the limits specified in Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT the above remuneration shall be in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board and/or other meetings being paid to the Non-Executive Directors and the quantum, proportion and manner of such payment and distribution to be made as the Board of Directors of the Company may from time to time decide.

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits during the term mentioned above, the Commission as approved by the Board of Directors, subject to the limits specified above, be paid as minimum remuneration to the Non-Executive Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary and/or revise the remuneration of Non-Executive Directors within limits permissible under the Act and do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

Item No. 6 Approval for borrowing limits of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

"RESOLVED THAT in supersession of the special resolution passed by the shareholders in their Annual General Meeting held on 27th September 2022 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. 7 Approval for creation of charge on the assets of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as **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 Securities to be created by the Company for its borrowing as aforesaid may rank with the security already created in the form of mortgage and / or charges already created or to be created in future by the Company as may be agreed to between the Board and concerned lenders.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or any committee or person(s) authorised by the Board, be and is / are hereby authorised to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all acts, deeds, matters and things as may in its / his / their absolute discretion deem necessary, proper or desirable and to settle any question(s), difficulty(ies) or doubt(s) that may arise in regard to creating security(ies) as aforesaid or other considered to be in the best interest of the Company."

By Order of the Board of Directors
For **AXISCADES Technologies Limited**

Sd/-
Sonal Dudani
Company Secretary & Compliance Officer

Place: Bengaluru
Date: September 05, 2023

Registered Office
Block C, 2nd Floor, Kirloskar Business Park,
Bengaluru-560024.
CIN: L72200KA1990PLC0084435,
e-mail: info@axiscades.in

STATEMENT SETTING OUT ADDITIONAL INFORMATION IN RESPECT OF ITEM NO.3 OF THE NOTICE ITEM

Item no. 3:

In accordance with the provisions of the Companies Act, 2013 and Articles of the Company, Mr. Sharadhi Chandra Babu Pampapathy (DIN: 02809502) is due to retire by rotation at the forthcoming Annual General Meeting. However, he has not offered himself for re-election on the Board and ceases to be a Director after the conclusion of the Annual General Meeting, resulting in a vacancy on the Board; and, the Board has resolved, subject to approval of shareholders, that the vacancy in the Board so created shall not be filled, for the time being. The Board recommends the resolution for approval by the shareholders. None of the Directors have any concern or interested in this resolution.

STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF ITEM NOS. 4 TO 7 OF THE NOTICE

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 no. 4:

Keeping in view the growth, operations and size of the Company and based on the recommendation of the Nomination Remuneration Committee, Dr. S. Christopher (DIN: 08983133) was appointed as an Additional Director in the capacity of Non-Executive Non-Independent Director of the Company by the Board of Directors with effect from 30th June 2023 pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and holds office up to the date of the ensuing General Meeting pursuant to Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Accordingly, approval of the members is sought for the appointment of Dr. S. Christopher as Non-Executive Director who is eligible for appointment as a Director liable to retire by rotation. The Company has received from Dr. S. Christopher:

i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,

ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of Section 164 of the Companies Act, 2013.

iii) 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.

The additional information required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards is annexed as Annexure-I.

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 Dr. S. Christopher to whom the resolution relates, is in any way concerned or interested, financially or otherwise in the resolution set out at Item No. 4 of the Notice.

The Board considers his appointment as a Director of the Company will be beneficial and is in the interest of the Company. The Board recommends the resolution for approval of the members.

Item no. 5:

The Company's Non-Executive Directors are professionals having rich experience in functional areas in the industry in which the Company operates.

With the enhanced complexity, size and global operations of the AXISCADES Group, the role and responsibilities of the Board, particularly Non-Executive Directors has become more onerous, requiring greater time commitment, attention and a higher level of oversight of the said Directors. The Non-Executive Directors have been shaping and steering the long-term strategy and making invaluable contributions towards AXISCADES group level strategy, and exercising oversight on corporate governance, including monitoring of risk management and compliances.

Pursuant to the provisions of 197 and 198 of the Companies Act, 2013 read with Schedule V, a Company having inadequate / no profits, may subject to certain conditions including the passing of a special resolution, pay such remuneration to its managerial personnel or any other Non-Executive Director, including an Independent Director, by way of remuneration any sum exclusive of any fees payable to Directors under sub-section (5) of section 197 in accordance with the provisions of Schedule V as may be decided by the Board of Directors.

In accordance with the limits specified in Schedule V to the Companies Act, 2013 the Nomination and Remuneration Committee (NRC) on 31st July 2023 and the Board on 4th August 2023 recommended payment of commission to Non-Executive Directors of the Company, upto an amount, not exceeding 2% of the net profits of the Company, in accordance with the audited standalone net profits of the Company for the financial year, computed in accordance with section 198 of the Companies Act, 2013 and in the case of loss or inadequate profits, payment of minimum remuneration of Rs.5 lakhs p.a. per Non-Executive Director, for a period of 3 years, in accordance with the limits specified in Schedule V to the Companies Act, 2013. The payment of such remuneration shall be in addition to the sitting fees for attending Board/Committee meetings.

The Commission is proposed for all Non-Executive and Independent Directors 'excluding' Executive Directors of the AXISCADES Group.

Accordingly, the Board recommends the resolution set forth in Item No. 5 relating to payment of remuneration to Non-

Executive Directors, by way of Special Resolution.

The Managing Director and other Key Managerial Personnels of the Company and their relatives are not concerned or interested financially or, otherwise, in the resolution set out at item No. 5 of the Notice. Non-Executive Directors may be deemed to be concerned or interested in the resolution to the extent of remuneration or fees that may be received by them. The relatives of Non-Executive Directors may be deemed to be interested or concerned in the resolution, to the extent of their shareholding interest, if any, in the Company.

Disclosure required under Schedule V to the Company Act, 2013 is given in Annexure II to this Notice.

Item no. 6 & 7:

In terms of Rule 14 of The Companies (Prospectus and Allotment of Securities) Rules, 2014 in case of offer or invitation for non-convertible debentures, where the proposed amount to be raised through such offer or invitation exceeds the limit as specified in clause (c) of sub-section (1) of section 180, it shall be sufficient if the company passes a special resolution only once in a year for all the offers or invitations for such debentures during the year.

The shareholders of the Company in their Annual General Meeting held on 27th September 2022, 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. 500 Crores (Rupees Five Hundred Crores only) and to create a charge on the assets of the company, where required, to secure the borrowing in favor of the lenders. Considering the requirement of shareholder's approval once in a year for all the offers or invitations for issuance of debentures during the year, as prescribed, the Board recommends the resolution of the accompanying Notice for the approval of the members of the Company by way of Special Resolution.

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.

By Order of the Board of Directors
For **AXISCADES Technologies Limited**

Sd/-
Sonal Dudani
Company Secretary & Compliance Officer

Place: Bengaluru
Date: September 05, 2023

Registered Office
Block C, 2nd Floor, Kirloskar Business Park,
Bengaluru-560024.
CIN: L72200KA1990PLC0084435,
e-mail: info@axiscades.in

Annexure-I

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:

Name of Directors	David Bradley	Dr. S. Christopher
		
DIN	08380717	08983133
Date of Birth (age)	21st April 1961 62 years	08th July 1955 68 years
Date of Appointment (Initial)	05th March 2019	30th June 2023
Qualifications	MBA from Warwick University UK, Bachelor of Science in Engineering and was elected Fellow of the Institute of Mechanical Engineers.	BE (Hons) in Electronics and Communication Engineering from the College of Engineering, University of Madras in 1978, MTech in Microwaves and Radar Engineering from IIT, Kharagpur, and PhD in Antenna and Measurement Techniques from IIT Madras.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to any Directors and Key Managerial Person of the Company	Not related to any Directors or Key Managerial Person of the Company
Brief Resume and Expertise in specific functional area	Mr. David Bradley has been at the head of 5 different companies. Mr. Bradley occupies the position of Chief Executive Officer & Managing Director at Inbis (Isle of Man) Ltd. and Chairman at AXISCADES Technologies Limited. Until recently, Mr. David Bradley served as Executive Vice-President of Global Product Solutions at Assystem and managing a business of USD 750Mn. He was instrumental in developing and scaling several accounts into USD 50+Mn relationships. He also served as a Member of the Management Board of Assystem since December 13, 2007 and was CEO of Assystem UK Ltd.	Dr. S Christopher, who retired as a distinguished scientist from DRDO, has made significant contributions in the development of Indian Airborne Early Warning and Control (AEW&C) system, from the inception to induction to Indian Air force. He served as the Secretary to the Department of Defence R&D, MoD, GoI, managing ATVP, the design house of nuclear submarine programme, ADA, the fighter aircraft design agency and the Brahmos, missile joint venture with Russia as well as the Chairman of the Defence Research and Development Organisation (DRDO), and is presently engaged as a professor of practise in the Department of Electrical Science at the Indian Institute of Technology Madras. He has the experience of managing critical projects including ATVP - the design house of nuclear submarine programme, ADA - fighter aircraft design agency and the Brahmos – joint missile venture with Russia. Over the years, Dr. Christopher has held several esteemed positions where he served as the Project Director for LCA Multi Mode Radar and led the design & development of slotted array technology used in several airborne and missile projects. He was also the Project Director for development of Maritime Patrol Airborne Radar - SuperVision 2000, for the Indian Navy.

Name of Directors	David Bradley	Dr. S. Christopher
Directorships held in other Public Companies	Nil	**Directorships:** Tidel Park Limited
Names of listed entities from which the appointee director has resigned in the past three years	Nil	Nil
Memberships / Chairmanships of Committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil	Membership in Audit Committee of Tidel Park Limited
No. of equity shares held in the Company (self and as a beneficial owner)	Nil	Nil
No. of Board Meetings attended during the year 2022-23	10	NA
Terms and conditions of appointment / reappointment	-	As set out in the Explanatory Statement
Remuneration last drawn in financial year 2022-23	Except for sitting fees for attending the meeting of Board and Committee thereof, no other remuneration is paid to Mr. David Bradley.	NA
Remuneration proposed to be paid in financial year 2023-24	Sitting fees and Commission will be paid as approved by the Board from time to time; within the limits approved by the shareholders in the ensuing AGM.	

Annexure-II

Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder:

I. General Information

1. Nature of Industry:

AXISCADES is a leading end to end engineering and technology solutions Company focusing on the engineering R&D segment. The Company brings expertise that caters to the digital, engineering, and smart manufacturing needs of leading global OEMs in aerospace, defence, heavy engineering, automotive, energy, semiconductor & medical equipment sectors. With decades of experience in enabling creation of innovative, sustainable, and safer products worldwide, AXISCADES delivers business value across the entire engineering lifecycle.

2. Date or expected date of commencement of commercial production:

The Company is in operation since 24 August 1990.

3. Financial performance based on given indicators:

Financial Performance indicators of the Company for the year 2022-23 are as follows:

Particulars	Standalone (Rs. Lakhs)	Consolidated (Rs. Lakhs)
Total Income	28,469.98	82,758.05
Profit/Loss Before Tax	(1866.02)	2,102.40
Loss after tax for the year	(1,982.87)	(479.82)

4. Foreign Investment or Collaborators, if any: There is no direct foreign investment in the Company except to the extent shares held by Foreign Institutional Investors (FII) acquired through the secondary market. There is no foreign collaboration in the Company.

II. Information about the Directors:

Sr. No.	Particulars	Ms. Mariam Mathew	Mr. Desh Raj Dogra	Mr. Dhiraj Mathur
1	Background details	Ms. Mariam is a post-graduate in Computer Science from Bombay University and has over 35 years' experience with several global companies including WIPRO, Cyient and CMC (merged with TCS) in the domains of Manufacturing, Aerospace, HealthCare, Energy & Utilities, Finance, Natural Resources. As an IT professional in India, Bahrain and Qatar, she worked on a range of projects from small systems to large turnkey implementations, leading teams of up to 300 members across countries from US to Australia.	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. He has over 37 years of experience in the financial sector in the areas of banking and credit rating.	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. He has strong expertise and understanding of strategic issues and regulatory regimes in a wide range of sectors. He has more than 30 years of experience in varied sectors.
2	Past Remuneration	Except for sitting fees for attending the meeting of Board and Committee thereof, no other remuneration is paid to Ms. Mariam Mathew.	Except for sitting fees for attending the meeting of Board and Committee thereof, no other remuneration is paid to Mr. Desh Raj Dogra.	Except for sitting fees for attending the meeting of Board and Committee thereof, no other remuneration is paid to Mr. Dhiraj Mathur.

Sr. No.	Particulars	Ms. Mariam Mathew	Mr. Desh Raj Dogra	Mr. Dhiraj Mathur
3	Recognition or Awards	• Recognition Plaque for being part of the team that won the 5 year Managed Services contract from BP • Certificate of Excellence for being an ACE Pilot during assessment for ACE Quality Standards within Infotech Enterprises (now Cyient). The ACE ™ (Achieving Competitive Excellence) was used in the UTC corporation, USA	Awarded the prestigious IPE (Institute of Public Enterprises, Hyderabad) Corporate Excellence Award for contribution to this field in 2013. Have also received IPE BFSI Leader Award.	Set up and led the National Aerospace and Defence practice of PwC for 13 years. Has advised domestic and foreign defence companies on strategy, market entry and compliance as well as giving extensive pro bono advice to the Government on indigenisation policy.
4	Job profile and his suitability	Ms. Mariam has notable strengths in Client Management, Delivery Management, Quality Assurance, Systems Audit, Technical Design and development. She has worked with growing start-ups and organizations to establish standards, processes, and audit mechanisms from ground up. She is highly trained and certified in Standards (ISO 9001:2000), Software (SEI-CMMI, CMM level 5), Quality Management (UTC Group's ACE quality standards) besides others.	Mr. Dogra's areas of expertise includes Financial sector in the areas of banking and credit rating.	Mr. Mathur 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, localization and defence offset policies, state incentives schemes, FDI and Industrial Licensing policies, exchange control laws, TRM and foreign trade policy.
5	Remuneration proposed	As stated in the Explanatory Statement at Item No. 5 of this Notice.		
6	Comparative remuneration profile with respect of industry, size of Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin.)	Considering the size of Company's operations and diverse nature of its business, the proposed remuneration is commensurate with general industry trends.		
7	Pecuniary relationship directly or indirectly with the Company or the relationship with the Managerial Personnel or other Director, if any.		Nil	

Sr. No.	Particulars	Mr. David Abikzir	Mr. Venkatraman Venkitachalam	Mr. David Bradley
1	Background details	Mr. David Abikzir worked with a $6 Billion fund, CDC IXIS Private Equity focusing on global tech companies in Europe and USA. He is a former private banker in CDC IXIS Private Capital Management, where he managed a fund of $600 million. In India, he was Managing Director of the F&B Group Luxe Corporation and was a pioneer in the Indian e-commerce space by launching Yzury.com in 2011 and successfully exited the same in 2014.	Mr. Venkatraman Venkitachalam possesses holistic experience of more than 20 years - Over 16 years of experience in business strategy & development, project financing, mergers & acquisitions and accounting and 4 years' experience in the Public sector.	Mr. David Bradley served as Executive Vice-President of Global Product Solutions at Assystem and managing a business of USD 750Mn. He was instrumental in developing and scaling several accounts into USD 50+Mn relationships.
2	Past Remuneration	Except for sitting fees for attending the Board meetings, no other remuneration is paid to Mr. David Abikzir.	Except for sitting fees for attending the Board meetings, no other remuneration is paid to Mr. Venkatraman Venkitachalam.	Except for sitting fees for attending the Board meetings, no other remuneration is paid to Mr. David Bradley.
3	Recognition or Awards	His professional accomplishments include setting up Luxe Corporation and co-founding and heading Nymex He has written two books, which were best sellers "Under the skin of the Indian Consumer" with Bloomsbury (publisher of Harry Potter) and "Flash Winners" with Westland	Worked on all stages of a Project Life Cycle: Opportunity identification, bid strategy, financial evaluation & Project Implementation. Involved in financing of numerous projects in roads, thermal power, hydro power, wind energy, solar power and real estate sectors both as lender & borrower.	Participated in various industry associations including Society of British Aerospace Companies Engineering & Technical Board (SBAC) and Nuclear Industry Association (NIA) including being elected as a fellow of Institute of Mechanical Engineers (IMechE) and holds an MBA from the Warwick University

Sr. No.	Particulars	Mr. David Abikzir	Mr. Venkataraman Venkitachalam	Mr. David Bradley
4	Job profile and his suitability	Mr. David is a seasoned finance professional with over 18 years of experience. A highly motivated and goal-oriented professional with an established track record of creating and running business enterprises.	Mr. Venkataraman has experience in Contract negotiations – Project contracts, Financing contracts and Consulting contracts. Experience in accounting, taxation and Corporate law compliances, and ERP initiatives.	Mr. Bradley has been at the head of 5 different companies. Mr. Bradley occupies the position of Chief Executive Officer & Managing Director at INBIS (Isle of Man) Ltd. Mr. David Bradley started his career in commercial vehicle design in the areas of advanced robotics and automation division (Taylor Hitec). Following a merger with Ricardo International, he was appointed Deputy Managing Director of Ricardo Hitec expanding his responsibilities to cover Ricardo Hitec's Aerospace and Nuclear activities.
5	Remuneration proposed	As stated in the Explanatory Statement at Item No. 5 of this Notice		
6	Comparative remuneration profile with respect of industry, size of Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin.)	Considering the size of Company's operations and diverse nature of its business, the proposed remuneration is commensurate with general industry trends.		
7	Pecuniary relationship directly or indirectly with the Company or the relationship with the Managerial Personnel or other Director, if any.	Nil	Nil	During FY 22-23, Mr. David Bradley received Consultancy Fee from AXISCADES Inc. (Wholly Owned Subsidiary) amounting to USD 120,000.

Sr. No.	Particulars	Dr. S. Christopher
1	Background details	Dr. S Christopher, who retired as a distinguished scientist from DRDO, has made significant contributions in the development of Indian Airborne Early Warning and Control (AEW&C) system, from the inception to induction to Indian Air force. He served as the Secretary to the Department of Defence R&D, MoD, GoI, managing ATVP, the design house of nuclear submarine programme, ADA, the fighter aircraft design agency and the Brahmos, missile joint venture with Russia as well as the Chairman of the Defence Research and Development Organisation (DRDO), and is presently engaged as a professor of practise in the Department of Electrical Science at the Indian Institute of Technology Madras.
2	Past Remuneration	Not Applicable
3	Recognition or Awards	Dr. Christopher is a recipient of many awards such as JC Bose Gold Medal, DRDO Scientist of the Year Award, DRDO Technology Group Award, NRDC Award, Dr VM Ghatge Award for his contributions in the field of microwave antennas and radar systems. He has to his credit several publications, copywrites and patents. He is also fellow of National Academy of Engineers (FNAE).
4	Job profile and his suitability	He is an expert in advanced defence solutions and he has extensive experience in the defence industry. He served as the Secretary to the Department of Defence R&D, Ministry of Defence, Government of India, managing critical projects including ATVP, the design house of nuclear submarine programme; ADA, the fighter aircraft design agency and the Brahmos, missile joint venture with Russia. He has served as Project Director for LCA Multi Mode Radar and led the design and development of slotted array technology, used in several airborne and missile projects. He was also Project Director for development of Maritime Patrol Airborne Radar, SuperVision 2000, for the Indian Navy.
5	Remuneration proposed	As stated in the Explanatory Statement at Item No. 5 of this Notice.
6	Comparative remuneration profile with respect of industry, size of Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin.)	Considering the size of Company's operations and diverse nature of its business, the proposed remuneration is commensurate with general industry trends.
7	Pecuniary relationship directly or indirectly with the Company or the relationship with the Managerial Personnel or other Director, if any.	Nil

III. Other Information:

i. Reasons for loss or inadequate profits in the standalone financial statements during the financial year 2022-23

The Company incurred a loss for the period 2022-23 in the standalone financial statements, as a result of the following:

1. The company incurred a net charge of INR 166.49 Mn in its profit and loss statement, due to exceptional items, in the nature of interest and additional purchase consideration awarded by the Arbitration Tribunal for the acquisition of Mistral Solutions Pvt. Ltd.
2. The Company's finance cost, which was at INR 117.16 Mn in 2021-22,m increased by 185% to INR 334.25 Mn, due to interest paid on funds borrowed for acquisition of Mistral Solutions.
3. The Company's employees benefit expenses increased by 52% from INR 1140.40 Mn in 2021-22 to INR 1,729.31 Mn, as a result of additional recruitments, salary adjustments, ESOP charge etc., with the enhanced head count both in billable and non-billable resources, considering the current and projected growth in revenue.

ii. **Steps taken or proposed to be taken for improvement:**

1. The Company is in the process of executing a strategic roadmap to improve and enhance, both the revenue and profitability of the Company, through a 3-pronged strategy of vertical diversification, customer diversification and digital first.

2. The Company does not expect any one-time charge in the financial statements, going forward, which resulted in a loss in standalone financial statements in 2022-23.

3. The Company has since re-financed the high-cost debt borrowed for the acquisition of Mistral Solutions Pvt Ltd, at competitive rates of interest.

4. The Company is focusing on reducing the linearity between revenue and headcount by digitalizing and automating operations and is introducing processes to reduce the lag between on-boarding of resource and commencement of billing cycle, in order to reduce the employee benefit expenses as a percentage of revenue.

iii. **Expected increase in productivity and profits in measurable terms.**

The objective of the Company is to grow its revenue, at a much higher rate than the ERD industry growth rates of 13%, with attendant improvement in profitability. In Q1FY24, the Company's standalone revenue grew by 32% YOY.

IV. Other Disclosures

The necessary disclosures required under Part IV of Section II of Part II of Schedule V to the Companies Act, 2013 are disclosed in the Board Report under the heading "Corporate Governance".

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. Pursuant to the General Circular No. 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC / OAVM.

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, 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:

   a) Notice of the AGM along with the Annual Report for the financial year 2022-23 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.

Procedure for Registration of email and Mobile Number: Securities in physical mode

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16th, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx

Detailed FAQ can be found on the link: https://ris.kfintech.com/faq.html

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

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.

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.

In case of queries, Members are requested to write to 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, September 01, 2023.

8. The Notice of the AGM and the Annual Report for the financial year 2022-23 will be available on the website of the Company (www.axiscades.com), on the website of KFIN https://evoting.kfintech.com/public/Downloads.aspx (Annual Report) & https://evoting.kfintech.com/showallevents.aspx (Notice) and on the website of National Stock Exchange of India Limited (www.nseindia.com) and BSE Limited (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 Sunday, September 24, 2023 and will end at 5:00 P.M. (IST) on Tuesday, September 26, 2023.

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 Sunday, September 24, 2023 and will end at 5:00 P.M. (IST) on Tuesday, September 26, 2023. 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 cutoff date of Thursday, September 21, 2023, may register themselves as a 'Speaker' from Sunday, September 24, 2023 (9:00 A.M.) upto Tuesday, September 26, 2023 (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 Tuesday, September 26, 2023 (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 and marking a copy to evoting@KFintech.com mentioning their name, DP ID-Client ID / Folio number on or before Sunday, September 24, 2023 or they can post their questions from Sunday, September 24, 2023 (9:00 A.M.) upto Tuesday, September 26, 2023 (5:00 P.M), 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.

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 25, 2023

End of remote e-voting:

Upto 5.00 p.m. (IST) on September 27, 2023

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 21, 2023 ('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	**1. User already registered for IDeAS facility:** i) Visit URL: https://eservices.nsdl.com ii) Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. iii) On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting". iv) 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. **2. User not registered for IDeAS e-Services** i) To register click on link: https://eservices.nsdl.com. ii) Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. iii) Proceed with completing the required fields. iv) Follow steps given in points 1.
	3. Alternatively by directly accessing the e-Voting website of NSDL i) Open URL: https://www.evoting.nsdl.com/ ii) Click on the icon "Login" which is available under 'Shareholder/Member' section. iii) 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. iv) Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e KFin. v) On successful selection, you will be redirected to KFin e-Voting page for casting your vote during the remote e-Voting period.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Easi/Easiest** i) Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com ii) Click on New System Myeasi iii) Login with your registered user id and password. iv) The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFin e-Voting portal. v) Click on e-Voting service provider name to cast your vote. **2. User not registered for Easi/Easiest** i) Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration ii) Proceed with completing the required fields. iii) Follow the steps given in point 1. **3. Alternatively, by directly accessing the e-Voting website of CDSL** i) Visit URL: www.cdslindia.com ii) Provide your demat Account Number and PAN No. iii) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. iv) After successful authentication, user will be provided links for the respective ESP, i.e KFin where the e- Voting is in progress.
Individual Shareholders login through their demat accounts / Website of Depository Participant	1. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. 2. 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. 3. 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.

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 evoting@nsdl.co.in or call at toll free no.: **1800 1020 990 and 1800 224 430**
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022- 23058738 or 022-23058542-43**

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 with a copy marked to 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. September 21, 2023 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.

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/common/passwordoptions.aspx

b) 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.

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.

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) 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. Thursday, September 28, 2023. Members seeking to inspect such documents can send an email to 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
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

Kirloskar Business Park,
Block 'C', 2nd Floor, Hebbal,
Bengaluru - 560 024, India.

Tel: +91 80 4193 9000
Fax: +91 80 4193 9099
www.axiscades.com