



# Axis of Excellence

Annual Report **2022-23**

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Disclaimer: Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward- looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes. Some of the images used in this report are purely for illustrative purposes only and hence they are not the photos/ images of our facilities, products or of any such nature/kind.



# 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: 30<sup>th</sup> June 2023)

### MR. SHARADHI CHANDRA BABU PAMPAPATHY

Non-Executive Director

### MR. VENKATRAMAN VENKITACHALAM

Non-Executive Director  
(Appointed: 06<sup>th</sup> January 2023)

### MR. DAVID ABIKZIR

Non-Executive Director

### MR. ABHISHEK KUMAR

Non-Executive Director  
(Upto: 03<sup>rd</sup> June 2022)

### MR. SUDHAKAR GANDE

Non-Executive Director  
(Upto: 05<sup>th</sup> January 2023)

### MR. DAVID WALKER

Non-Executive Director  
(Upto: 28<sup>th</sup> 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](mailto:info@axiscades.in)

**Website:** [www.axiscades.com](http://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](mailto: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.

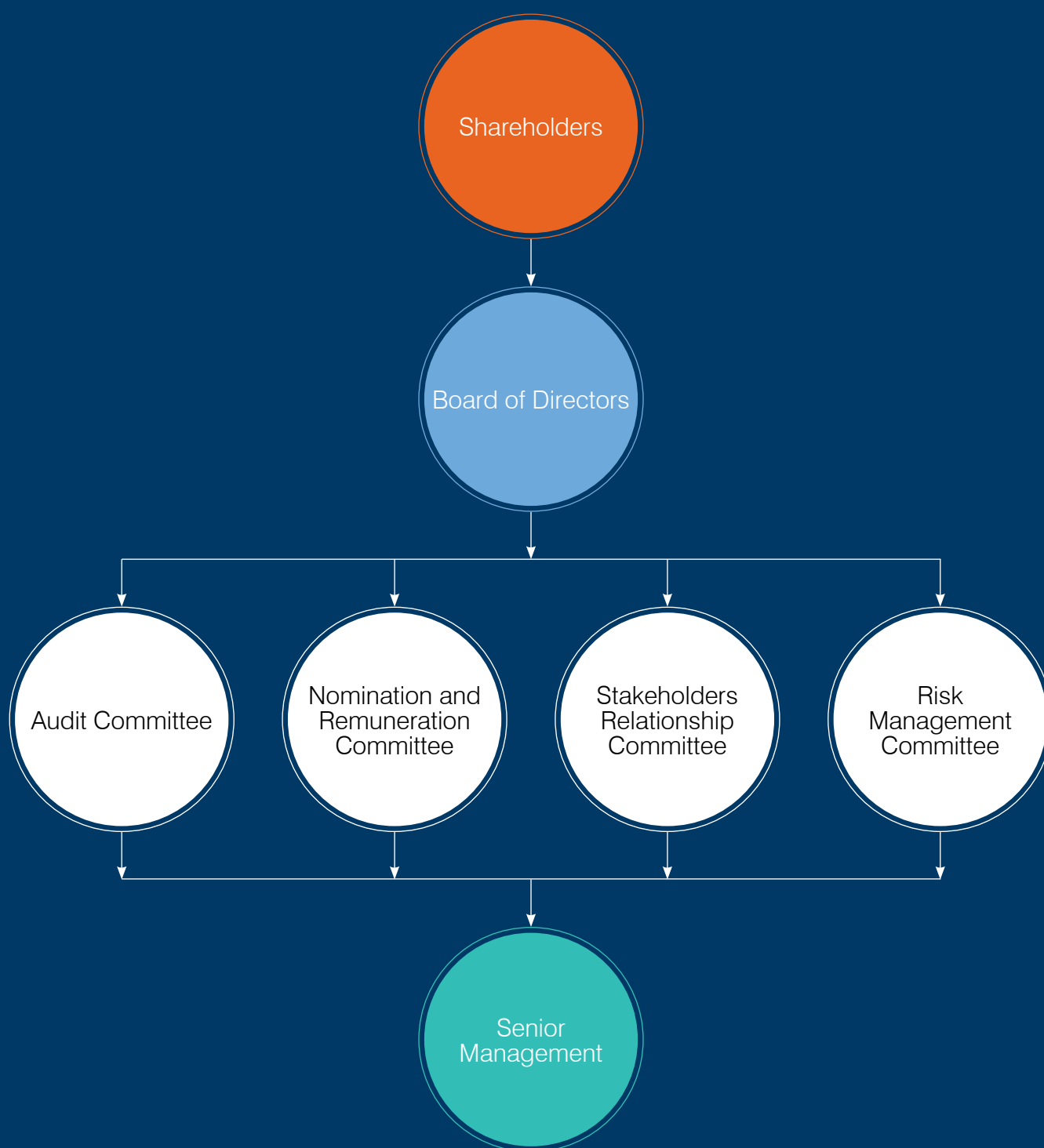
Thank you.

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