

Financial Statements and Auditors' Report

**AXISCADES Technology Canada Inc.**

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31 March 2022

**AXISCADES Technology Canada Inc.**  
**Financial Statements for the year ended March 31, 2022**

11-11-2022



**Chhapolika and Company**  
Chartered Accountants

# AXISCADES Technology Canada Inc.

Balance Sheet as at 31 March 2022

(All Amount in CAD)

	Note	As at 31 March 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.1	1,971	3,037
Intangible assets	3.2	25,994	43,996
Deferred tax assets, net	4	47,276	1,01,225
Non-current tax asset, net	5	11,528	80,572
		<u>86,769</u>	<u>2,28,830</u>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	6	9,65,182	18,67,578
Cash and cash equivalents	7	35,66,961	21,06,515
Loans	8	14,00,268	19,62,360
Other financial assets	9	2,96,099	6,87,018
		<u>62,28,510</u>	<u>66,23,472</u>
<b>Total assets</b>		<u><b>63,15,279</b></u>	<u><b>68,52,302</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	100	100
Other equity	11	52,14,066	51,34,260
		<u>52,14,166</u>	<u>51,34,360</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	12	8,90,283	15,08,804
Other financial liabilities	13	16,875	6,750
Other current liabilities	14	1,93,955	2,02,387
		<u>11,01,113</u>	<u>17,17,942</u>
<b>Total equity and liabilities</b>		<u><b>63,15,279</b></u>	<u><b>68,52,302</b></u>

## Summary of significant accounting policies

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The Accompanying notes are intergal Part of Standalone Ind AS financial statements

As per our report of even date

**Chhapolika and Company**  
Chartered Accountants  
ICAI Firm Registration Number: 030728N

*Ankur Chhapolika*

**Ankur Chhapolika**  
Partner  
Membership No: 224277

Place: Bengaluru  
Date : 18 May 2022

For and on behalf of the Board of Directors of  
AXISCADES Technologies Canada Inc.

*Ajay Surin*  
**Ajay Surin**  
Director

Place: Bengaluru  
Date : 18 May 2022

*Lakshisha R K*  
**Lakshisha R K**  
Director

Place: Bengaluru  
Date : 18 May 2022

**AXISCADES Technology Canada Inc.**  
**Statement of Profit and Loss for the year ended 31 March 2022**

(All Amount In CAD)

	Note	Year ended 31 March 2022	Year ended 31 March 2021
<b>INCOME</b>			
Revenue from operations	15	63,45,527	61,95,690
Other income	16	1,94,546	4,64,149
<b>TOTAL INCOME</b>		<b>65,40,073</b>	<b>66,59,839</b>
<b>EXPENSES</b>			
Employee benefits expense	17	14,71,662	14,50,401
Direct project expenses	18	46,87,540	42,54,926
Other expenses	19	1,59,004	8,44,515
Depreciation and amortisation expense	20	19,067	10,173
<b>TOTAL EXPENSES</b>		<b>63,37,273</b>	<b>65,60,015</b>
<b>Profit before tax</b>		<b>2,02,800</b>	<b>99,823</b>
Tax expense			
- Current tax		55,955	34,856
- Prior year tax expense		13,090	-
- Deferred tax charge		53,949	(6,963)
<b>Profit after tax</b>		<b>79,806</b>	<b>71,931</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income</b>		<b>79,806</b>	<b>71,931</b>
<b>Profit per share</b>	21		
Basic and diluted		798.06	719.31

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**Chartered Accountants**  
**ICAI Firm Registration Number: 030728N**

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**Partner**  
**Membership No: 224277**

**Place: Bengaluru**  
**Date : 18 May 2022**

**For and on behalf of the Board of Directors of**  
**AXISCADES Technologies Canada Inc.**

*Ajay Sarin*  
**Ajay Sarin**  
**Director**

**Place: Bengaluru**  
**Date : 18 May 2022**

*Lakshisha R K*  
**Lakshisha R K**  
**Director**

**Place: Bengaluru**  
**Date : 18 May 2022**

**AXISCADES Technology Canada Inc.**  
**Statement of Changes in Equity for the year ended 31 March 2022**

(All Amount In CAD)

**A. Equity share capital**

100 Class A shares of CAD 1 per share  
 As at April 1, 2020  
 Add: Issued and subscribed during the year  
 As at March 31, 2021

	Equity shares	
	Number	Amount
As at April 1, 2020	100	100
Add: Issued and subscribed during the year	-	-
As at March 31, 2021	<b>100</b>	<b>100</b>
As at April 1, 2021	100	100
Add: Issued and subscribed during the year	-	-
As at 31 March 2022	<b>100</b>	<b>100</b>

**B. Other equity**

Balance as at April 1, 2020  
 Profit for the year  
 Other comprehensive income  
**Total comprehensive income**  
 Balance as at March 31, 2021  
 Profit for the year  
 Other comprehensive income  
**Total comprehensive income**  
 Balance as at 31 March 2022

	Reserves and Surplus	
	Surplus in the Statement of Profit and Loss	Total
Balance as at April 1, 2020	50,62,329	50,62,329
Profit for the year	71,931	71,931
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>71,931</b>	<b>71,931</b>
Balance as at March 31, 2021	51,34,260	51,34,260
Profit for the year	79,806	79,806
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>52,14,066</b>	<b>52,14,066</b>
Balance as at 31 March 2022	<b>52,14,066</b>	<b>52,14,066</b>

The Accompanying notes are intergal Part of Standalone Ind AS financial statements

As per our report of even date

Chhapolika and Company  
 Chartered Accountants  
 ICAI Firm Registration Number: 030728N

Ankur Chhapolika  
 Partner  
 Membership No: 224277

Place: Bengaluru  
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Ajay Sarin  
 Director

Place: Bengaluru  
 Date : 18 May 2022

Lakshmisha R K  
 Director

Place: Bengaluru  
 Date : 18 May 2022

**AXISCADES Technology Canada Inc.**  
**Statement of Cash Flows for the year ended 31 March 2022**

(All Amount In CAD)

	As at 31 March 2022	As at March 31, 2021
<b>(A) Cash flows from operating activities</b>		
Profit before taxation	2,02,800	99,823
Adjustments for:		
Depreciation and amortisation expense	19,067	10,173
Interest income	(66,191)	(92,494)
Unrealised Forex gain or loss	-	-
Operating profit before working capital changes	<u>1,55,677</u>	<u>17,502</u>
Adjustments for working capital changes		
(Increase)/Decrease in trade receivables	9,02,396	(3,69,139)
Decrease in loans and advances	5,62,092	11,02,444
(Increase)/Decrease in other financial assets- current	3,90,919	(2,68,288)
(Increase)/Decrease in other current assets	-	10,535
Increase/(Decrease) in trade payables	(6,18,522)	2,63,440
Increase/ (decrease) in other financial liability	10,125	(3,723)
Increase/(Decrease) in other current liabilities	(8,432)	71,757
Cash used in operations	<u>13,94,255</u>	<u>8,24,526</u>
Direct taxes paid (net of refunds)	(0)	(41,577)
Net cash used in operating activities (A)	<u><u>13,94,255</u></u>	<u><u>7,82,949</u></u>
<b>(B) Cash flows from investing activities</b>		
Payments for purchase of property, plant and equipment	0	(57,206)
Interest received	66,191	92,494
Net cash used in investing activities (B)	<u><u>66,191</u></u>	<u><u>35,288</u></u>
<b>(C) Cash flows from financing activities</b>		
Proceeds from working capital loan, net	-	-
Net cash generated from financing activities (C)	<u><u>-</u></u>	<u><u>-</u></u>
Net increase in cash and cash equivalents (A+B+C)	14,60,446	8,18,239
Cash and cash equivalents at beginning of the year	21,06,515	12,88,277
Cash and cash equivalents at the end of the year	<u><u>35,66,961</u></u>	<u><u>21,06,515</u></u>

The Accompanying notes are intergal Part of Standalone Ind AS financial statements

As per our report of even date

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Date : 18 May 2022

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**Lakshisha R K**  
Director

Place: Bengaluru  
Date : 18 May 2022

# **AXISCADES Technology Canada Inc.**

## **Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**

### **1. General Information:**

AXISCADES Technology Canada Inc. ('the Company'), operates in the business of Engineering Design Services.

### **2. Summary of significant accounting policies**

#### **a) Basis of accounting and preparation**

These special purpose financial statements are prepared for inclusion in the annual report of the Holding Company AXISCADES Technologies Limited under the requirements of section 129 (3) of the Companies Act 2013.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified).

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operate (i.e. the "functional currency"). The functional currency of the Company is CAD and the financial statements are also presented in CAD. All amounts included in the financial statements are reported in CAD, unless otherwise stated. Accounting policies have been applied consistently to all periods presented in these financial statements except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Comparative Standalone Ind AS 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.

#### **b) Use of estimates**

The preparation of the 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 Company bases its estimates and assumptions on parameters available when the 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 Company. 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 Company that have the most significant effect on the financial statements.

#### **b) Use of estimates (Cont'd)**

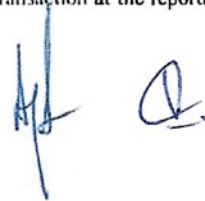
##### *Useful lives of depreciable / amortisable assets*

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.

##### *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.

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## AXISCADES Technology Canada Inc.

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

#### c) Current versus non-current classification

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

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

#### d) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

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 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.

#### d) Property, plant and equipment (cont'd)

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:

	Useful lives (in years)
Computers	3
Furniture and fixtures	7
Office equipment	5
Leasehold improvements	Period of lease

The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 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.

Depreciation/amortisation is charged on a proportionate basis for all the assets purchased and sold during the year. Fixed assets individually costing less than \$ 100 are fully depreciated/ amortised in the year of purchase

#### e) Impairment of property, plant and equipment

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



# AXISCADES Technology Canada Inc.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

### f) Revenue recognition

Revenue is recognized in accordance with Ind AS 115. Revenue from contracts with customers, the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

#### *Sale of services*

The Company derives its revenues primarily from engineering design services. Service income comprises of income from time-and-material and fixed-price contracts. Revenue from time-and-material contracts is recognised in accordance with the terms of the contracts with clients. Revenue from fixed-price contracts is recognised using the percentage of completion method, calculated as the proportion of the efforts incurred up to the reporting date to the estimated total efforts. Provisions for estimated losses on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenues' represent revenues recognised on services rendered as per contractual terms, for which amounts are to be billed in subsequent periods. The related billings are expected to be performed as per milestones provided in the contracts.

'Unearned revenues' included in other liabilities represent billings in excess of revenues recognised. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

### g) Employee benefits

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

#### *Defined contribution plan*

The Company contributes to social security charges for its 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.

#### *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

### h) 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.

### i) Investments in subsidiaries

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

### j) 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.

# AXISCADES Technology Canada Inc.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

### k) Financial instruments

#### 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 profit or loss. The losses arising from impairment are recognised in the profit or 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 & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & 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.

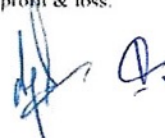
Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

##### 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 P&L, 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 & loss.



# AXISCADES Technology Canada Inc.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

### De-recognition of financial assets

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

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

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

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

### Financial liabilities

#### Initial recognition and measurement

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

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

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

#### Subsequent measurement

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

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for 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 P&L. 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 or 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 costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

##### *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.



# AXISCADES Technology Canada Inc.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

### 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.

### l) Impairment of financial assets

#### 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.

### m) Fair value measurement

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

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

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

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

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

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

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

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

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

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

### n) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash 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.

### o) Segment reporting

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

### p) 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 holders 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.

## **AXISCADES Technology Canada Inc.**

### **Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**

#### **q) Changes in accounting policies and disclosures**

There are no new accounting policies applied during the current year

#### **r) New and amended standards**

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

##### **(i) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116**

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly-risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the Standalone Ind AS Financial Statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

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

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

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

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated 18 June 2021, applicable for annual periods beginning on or after 1 April 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

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

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

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

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

##### **(iv) Ind AS 103: Business combination**

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards\* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

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

**AXISCADES Technology Canada Inc.**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**

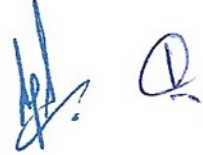
**(v) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28**

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

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

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# AXISCADES Technology Canada Inc.

Notes to financial statements for the year ended 31 March 2022

(All Amount In CAD)

## 3.1 Property, plant and equipment (PPE)

	Computers	Furniture and fixtures	Office equipments	Process Manual	Total
<b>Gross block</b>					
Balance as at April 1, 2020	1,194	-	-	-	1,194
Additions during the year	3,198	-	-	-	3,198
Disposals during the year	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>4,392</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,392</b>
Additions during the year	-	-	-	-	-
Disposals during the year	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>4,392</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,392</b>
<b>Accumulated depreciation</b>					
Balance as at April 1, 2020	1,194	-	-	-	1,194
Depreciation charge for the year	161	-	-	-	161
Disposals	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>1,355</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,355</b>
Depreciation charge for the year	1,066	-	-	-	1,066
Disposals	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>2,420</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,420</b>
<b>Net block</b>					
<b>Balance as at March 31, 2021</b>	<b>3,037</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,037</b>
<b>Balance as at March 31, 2022</b>	<b>1,971</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,971</b>

### Note:

#### a. Contractual obligations

There are no contractual commitments for the acquisition of property, plant and equipment.

#### b. Capitalised borrowing cost

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

## 3.2 Intangibles

	Software and web designing	Process Manual	Total
<b>Gross block</b>			
Balance as at April 1, 2020	-	2,70,000	2,70,000
Additions during the year	54,008	-	54,008
Disposals during the year	-	-	-
<b>Balance as at March 31, 2021</b>	<b>54,008</b>	<b>2,70,000</b>	<b>3,24,008</b>
Additions during the year	-	-	-
Disposals during the year	-	-	-
<b>Balance as at March 31, 2022</b>	<b>54,008</b>	<b>2,70,000</b>	<b>3,24,008</b>
<b>Accumulated Amortisation</b>			
Balance as at April 1, 2020	-	2,70,000	2,70,000
Depreciation charge for the year	10,012	-	10,012
Disposals during the year	-	-	-
<b>Balance as at March 31, 2021</b>	<b>10,012</b>	<b>2,70,000</b>	<b>2,80,012</b>
Depreciation charge for the year	18,002	-	18,002
Disposals during the year	-	-	-
<b>Balance as at March 31, 2022</b>	<b>28,014</b>	<b>2,70,000</b>	<b>2,98,014</b>
<b>Net block</b>			
<b>Balance as at March 31, 2021</b>	<b>43,996</b>	<b>-</b>	<b>43,996</b>
<b>Balance as at March 31, 2022</b>	<b>25,994</b>	<b>-</b>	<b>25,994</b>

**AXISCADES Technology Canada Inc.**

Notes to financial statements for the year ended 31 March 2022 (Contd.)

(All Amount In CAD)

	As at 31 March 2022	As at March 31, 2021	
<b>4 Deferred tax assets, net</b>			
<b>Deferred Tax Assets</b>			
Depreciation and amortisation	-	51,121	
Losses to be carried forward	50,104	50,104	
<b>Deferred Tax Liability</b>			
Depreciation and amortisation	(2,828)	-	
Deferred tax assets, net	<u>47,276</u>	<u>1,01,225</u>	
<b>5 Non-current tax asset, net</b>			
<b>Advance tax</b>	11,528	80,572	
	<u>11,528</u>	<u>80,572</u>	
<b>6 Trade receivables</b>			
<b>Current</b>			
(a) Trade Receivables considered good - Secured	-	-	
(b) Trade Receivables considered good - Unsecured;	9,65,182	18,67,578	
(c) Trade Receivables which have significant increase in Credit Risk; and	-	-	
(d) Trade Receivables - credit impaired	-	-	
	<u>9,65,182</u>	<u>18,67,578</u>	
<b>Trade receivables ageing schedule as on 31 March 2022</b>			
<b>Particulars</b>	<b>Outstanding for the following periods from the due date of payment</b>		<b>Total</b>
	<b>Not Due</b>	<b>Less than 6 months    More than 6 months</b>	
(i) Undisputed trade receivables- Considered good	6,61,926	5,16,937    -    2,13,681	9,65,182
(ii) Undisputed trade receivables- which has significant increase in credit risk	-	-	-
(iii) Undisputed trade receivables- Credit impaired	-	-	-
(iv) Disputed trade receivables- Considered doubtful	-	-	-
<b>Total</b>	<u>6,61,926</u>	<u>5,16,937    -    2,13,681</u>	<u>9,65,182</u>
<b>Trade receivables ageing schedule as on 31 March 2021</b>			
<b>Particulars</b>	<b>Outstanding for the following periods from the due date of payment</b>		<b>Total</b>
	<b>Not Due</b>	<b>Less than 6 months    More than 6 months</b>	
(i) Undisputed trade receivables- Considered good	6,68,776	13,71,569    -    1,72,767	18,67,578
(ii) Undisputed trade receivables- which has significant increase in credit risk	-	-	-
(iii) Undisputed trade receivables- Credit impaired	-	-	-
(iv) Disputed trade receivables- Considered doubtful	-	-	-
<b>Total</b>	<u>6,68,776</u>	<u>13,71,569    -    1,72,767</u>	<u>18,67,578</u>
<b>7 Cash and cash equivalents</b>			
<b>Cash on hand</b>	-	-	
<b>Bank balance</b>	35,66,961	21,06,515	
	<u>35,66,961</u>	<u>21,06,515</u>	
<b>8 Loans</b>			
<b>Current</b>			
Loans Receivables considered good - Unsecured	1,13,487	2,56,714	
Advances to fellow subsidiary	12,86,781	17,05,646	
	<u>14,00,268</u>	<u>19,62,360</u>	
<b>9 Other financial assets</b>			
<b>Current</b>			
Unsecured, considered good	-	-	
Unbilled revenue	2,95,625	6,86,430	
Security deposits	375	374	
Interest accrued	99	214	
	<u>2,96,099</u>	<u>6,87,018</u>	

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# AXISCADES Technology Canada Inc.

Notes to financial statements for the year ended 31 March 2022 (Contd.)

(All Amount In CAD)

10 Equity share capital	As at 31 March 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
<b>Authorised</b>				
100 Class A shares of CAD 1 per share	100	100	100	100
	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Issued, subscribed and paid-up</b>				
100 Class A shares of CAD 1 per share, fully paid up	100	100	100	100
	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Equity shares with no par value, fully paid up	As at 31 March 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Balance at the beginning of the year	100	100	100	100
Add: Issued and subscribed during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having no par value. Each share is entitled to one vote per share. The Company declares and pays dividends in Canadian Dollars. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares 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 subsidiary of holding company

Holding company: AXISCADES Engineering Technologies Limited	As at 31 March 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
	100	100	100	100

d. Details of shareholders holding more than 5% shares:

Holding company: AXISCADES Engineering Technologies Limited	As at 31 March 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
	100	100	100	100

11 Other equity

Balance at the beginning of the year Surplus in the Statement of Profit and Loss	As at 31 March 2022	As at March 31, 2021
		51,34,260
	79,806	71,931
	<b>52,14,066</b>	<b>51,34,260</b>

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**AXISCADES Technology Canada Inc.**

Notes to financial statements for the year ended 31 March 2022 (Contd.)

(All Amount In CAD)

**12 Trade payables**

	As at 31 March 2022	As at March 31, 2021
<b>Current</b>		
Dues to holding company	4,10,239	3,03,806
Dues to others	2,18,288	6,08,537
Accrued expenses	2,61,756	5,96,462
	<u>8,90,283</u>	<u>15,08,804</u>

**Trade Payables ageing schedule as at 31 March 2022**

Particulars	Not due	Outstanding from the due date of payment	Total
		Less than 1 year	
(i) Others	8,79,746	10,537	8,90,283
(ii) Disputed dues- Others	-	-	-
<b>Total</b>	<u>8,79,746</u>	<u>10,537</u>	<u>8,90,283</u>

**Trade Payables ageing schedule as at 31 March 2021**

Particulars	Not due	Outstanding from the due date of payment	Total
		Less than 1 year	
(i) Others	7,29,844	7,78,960	15,08,804
(ii) Disputed dues- Others	-	-	-
<b>Total</b>	<u>7,29,844.42</u>	<u>7,78,960.00</u>	<u>15,08,804.42</u>

**13 Other financial liabilities**

	As at 31 March 2022	As at March 31, 2021
<b>Current</b>		
Dues to employees	16,875	6,750
	<u>16,875</u>	<u>6,750</u>

**14 Other liabilities**

	As at 31 March 2022	As at March 31, 2021
<b>Current</b>		
Duties and taxes payable	1,93,955	2,02,387
	<u>1,93,955</u>	<u>2,02,387</u>

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**AXISCADES Technology Canada Inc.**  
**Notes to financial statements for the year ended 31 March 2022**

(All Amount In CAD)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>15 Revenue from operations</b>		
Sale of services		
IT enabled services	63,45,527	61,95,690
	<u>63,45,527</u>	<u>61,95,690</u>
<b>16 Other income</b>		
Misc. Income	97,934	3,70,882
Interest income - ICD	66,191	92,494
Interest income - FD	1,399	773
Provision no longer required, written back	29,023	-
	<u>1,94,546</u>	<u>4,64,149</u>
<b>17 Employee benefit expenses</b>		
Salaries, wages and bonus	13,55,940	13,17,926
Contribution to social security	1,14,947	1,32,052
Staff welfare	776	423
	<u>14,71,662</u>	<u>14,50,401</u>
<b>18 Direct project expenses</b>		
Direct project expenses	46,87,540	42,54,926
	<u>46,87,540</u>	<u>42,54,926</u>
<b>19 Other expenses</b>		
Legal and professional charges	18,570	67,492
Travelling and conveyance	36,069	7,800
Rent	2,958	2,748
Equipment hire charges	-	15,070
Insurance expenses	18,646	21,718
Communication expenses	36,147	1,68,917
Postage and courier charges	446	302
Repairs and maintenance		
- Buildings	141	223
Advertising and marketing expenses	7,157	15,164
Net gain on foreign currency transactions and translation	34,551	5,13,409
Rates and taxes	-	28,284
Bank charges	3,578	3,153
Miscellaneous expenses	708	17
	<u>1,59,004</u>	<u>8,44,515</u>
<b>20 Depreciation and amortisation expenses</b>		
Depreciation of tangible assets	19,067	10,173
	<u>19,067</u>	<u>10,173</u>
<b>21 Profit per share (EPS)</b>		
a) Loss after tax attributable to equity shares (in CAD)	79,806	71,931
b) Weighted average number of shares outstanding	100	100
c) Basic and diluted loss per share (in CAD)	798.06	719.31

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**AXISCADES Technology Canada Inc.**  
**Notes to financial statements for the year ended 31 March 2022**

(All Amount In CAD)

**22 RELATED PARTY DISCLOSURES**

*i. Parties where control exists :*

Nature of relationship

Name of party

Holding company information

The Company is a subsidiary of AXISCADES Technologies Limited (ACTL). ACTL is a subsidiary of Jupiter Capital Private Limited ('JCPL').

Fellow Subsidiary

AXISCADES, Inc.  
 AXISCADES UK Limited  
 Cades Studec Technologies (India) Private Limited

*ii. Transactions with related parties:*

Nature of Transaction	Relationship	31 March 2022	31 March 2021
<b>A Direct project expenses</b>			
AXISCADES Technologies Ltd	Holding Company	18,94,272	11,46,282
<b>B Legal Software and Insurance Expenses charged by</b>			
AXISCADES Technologies Ltd	Holding Company	18,646	21,718
<b>C Salaries, wages and bonus charged by</b>			
AXISCADES Technologies Ltd	Holding Company	1,25,270	78,294
AXISCADES, Inc.	Fellow Subsidiary		
<b>D Expenses paid</b>			
AXISCADES Technologies Ltd	Holding Company	21,257	5,366
<b>E Inter Corporate Deposit Extended</b>			
AXISCADES, Inc.	Fellow Subsidiary	12,06,003	9,39,334
AXISCADES UK Limited	Fellow Subsidiary	2,60,000	6,13,542
<b>F Intercorporate deposits repaid by</b>			
AXISCADES UK Limited	Fellow Subsidiary	14,66,437	19,18,779
AXISCADES UK Limited	Fellow Subsidiary	4,45,299	6,51,878
<b>G Interest on ICD</b>			
AXISCADES, Inc.	Fellow Subsidiary	49,121	73,432
AXISCADES UK Limited	Fellow Subsidiary	17,070	19,062
<b>H Salary expenses cross charged to</b>			
AXISCADES, Inc.	Fellow Subsidiary	12,799	-

*iii. Balances as at the year end*

Nature of Transaction	Relationship	31 March 2022	31 March 2021
<b>A Trade payable</b>			
AXISCADES Technologies Ltd	Holding Company	1,88,945	1,36,786
<b>B Accrued expenses</b>			
AXISCADES Technologies Ltd	Holding Company	1,85,521	1,33,382
<b>C Expenses payable</b>			
AXISCADES Technologies Ltd	Holding Company	35,773	33,637
<b>D Inter Corporate Deposit</b>			
AXISCADES, Inc.	Fellow Subsidiary	10,00,749	12,60,474
AXISCADES UK	Fellow Subsidiary	2,60,000	4,41,166
<b>E Other Receivable</b>			
Cades Studec Technologies (India) Private Limited	Fellow Subsidiary	-	600
AXISCADES, Inc.	Fellow Subsidiary	12,799	-
<b>F Interest on Inter Corporate Deposit</b>			
AXISCADES, Inc.	Fellow Subsidiary	10,864	-
AXISCADES UK Limited	Fellow Subsidiary	2,361	4,006

**23 Fair value measurements**

**(i) Financial instruments by category**

The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI	Carrying value
<b>Assets:</b>				
Cash and cash equivalents	35,66,961	-	-	35,66,961
Trade receivable	9,65,182	-	-	9,65,182
Loans Receivables considered good - Unsecured	1,13,487	-	-	1,13,487
<b>Other financial assets</b>				
Advances to fellow subsidiary	12,86,781	-	-	12,86,781
Security deposits	375	-	-	375
Unbilled revenue	2,95,625	-	-	2,95,625
Interest accrued	99	-	-	99
<b>Total</b>	<b>62,28,510</b>	<b>-</b>	<b>-</b>	<b>62,28,510</b>
<b>Liabilities:</b>				
Borrowings	-	-	-	-
Trade payable	8,90,283	-	-	8,90,283
Other financial liabilities	16,875	-	-	16,875
Provisions	-	-	-	-
Other current liabilities	-	-	-	-
<b>Total</b>	<b>9,07,158</b>	<b>-</b>	<b>-</b>	<b>9,07,158</b>

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI	Carrying value
<b>Assets:</b>				
Cash and cash equivalents	21,06,515	-	-	21,06,515
Trade receivable	18,67,578	-	-	18,67,578
Loans Receivables considered good - Unsecured	2,56,714	-	-	2,56,714
<b>Other financial assets</b>				
Advances to fellow subsidiary	17,05,646	-	-	17,05,646
Security deposits	374	-	-	374
Unbilled revenue	6,86,430	-	-	6,86,430
Interest accrued	214	-	-	214
<b>Total</b>	<b>66,23,472</b>	<b>-</b>	<b>-</b>	<b>66,23,472</b>
<b>Liabilities:</b>				
Borrowings	-	-	-	-
Trade payable	15,08,804	-	-	15,08,804
Other financial liabilities	6,750	-	-	6,750
Provisions	-	-	-	-
Other current liabilities	-	-	-	-
<b>Total</b>	<b>15,15,554</b>	<b>-</b>	<b>-</b>	<b>15,15,554</b>

The management assessed that the fair value of cash and cash equivalents, investments, trade receivables, loans, other financial assets, trade payables, working capital loans and other financial liabilities, as applicable approximate the carrying amount largely due to short-term maturity of this instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**(ii) Fair value of financial assets and liabilities measured at amortised cost**

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

**(iii) 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.

**a) Assets and liabilities measured at amortised cost for which fair values are disclosed**

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount. The Company does not have any financial asset / liability requiring measurement at fair value as all the financial assets and liabilities of the Company are being measured at amortised cost.

**24 Capital management**

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. 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 no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

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's policy is to keep the gearing ratio below 30%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short term deposits.

	31 March 2022	31 March 2021
Borrowings	-	-
Trade payables	8,90,283	15,08,804
Bank overdraft	-	-
Less: Cash and short term deposits	(35,66,961)	(21,01,215)
<b>Net debt</b>	<b>(26,76,678)</b>	<b>(5,92,411)</b>
Equity	100	100
Other Equity	52,14,066	51,34,260
<b>Capital and net debt</b>	<b>25,37,488</b>	<b>45,41,949</b>
Gearing ratio	-105.49%	-13.04%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022.

**25 Financial risk management**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange exposure risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of the customer.

**(A) Credit risk**

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to CAD 9.65 lakhs as of 31 March 2022.

Trade receivables are unsecured and are derived from revenue from services rendered to its customer. The Company operates under cost plus mark up arrangement with its significant shareholder.

Credit risk from balances with banks is managed in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components as at the Balance sheet date are the carrying amounts as furnished in Note 8. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings as signed by international and domestic credit rating agencies.

**Assets under credit risk:**

	31 March 2022	31 March 2021
Cash and cash equivalents	35,66,961	21,06,515
Trade receivable	9,65,182	18,67,578
Other financial assets	2,96,099	6,87,018
<b>Total</b>	<b>48,28,242</b>	<b>46,61,112</b>

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings as signed by international and domestic credit rating agencies.

**Financial assets that are neither past due nor impaired**

Cash and cash equivalents, advances to subsidiary, loans and advances to employees, security deposit, other financial assets and unbilled revenue are neither past due nor impaired.

**AXISCADES Technology Canada Inc.**

Notes to financial statements for the year ended 31 March 2022

(All Amount In CAD)

**25 Financial risk management (cont'd)****(A) Credit risk (cont'd)****Financial assets that are past due but not impaired**

There is no other class of financial assets that is past due but not impaired. The Company's credit period generally ranges from 60-180 days from invoicing date. The aging analysis of the receivables has been considered from the date the invoice falls due. The age wise break up of receivables, net of allowances that are past due, is given below:

Particulars	31 March 2022	31 March 2021
Financial assets that are neither past due nor impaired	6,61,926	6,68,776
Financial assets that are past due but not impaired		
Past due 0-60 days	5,14,807	11,82,015
Past due 61-180 days	2,130	1,89,554
Over 180 days	(2,13,680)	(1,72,767)
Total past due but not impaired	<b>9,65,183</b>	<b>18,67,578</b>

**(B) Liquidity risk**

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. As of 31 March 2022, the Company had a working capital of CAD 51.27 lakhs (March 2021: 49.02 lakhs) including cash and cash equivalents of CAD 35.67 lakhs.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2022	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payables	8,90,283	-	-	8,90,283
Dues to employees	16,875	-	-	16,875
<b>Total</b>	<b>9,07,158</b>	<b>-</b>	<b>-</b>	<b>9,07,158</b>

As at March 31, 2021	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payables	15,08,804	-	-	15,08,804
Dues to employees	6,750	-	-	6,750
<b>Total</b>	<b>15,15,554</b>	<b>-</b>	<b>-</b>	<b>15,15,554</b>

**(C) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. Financial instruments affected by market risk include trade and other receivables/ payables. The Company is not exposed to foreign currency risk, interest rate risk and certain other price risk, which are a result from both its operating and investing activities as the Company's transactions are carried out in CAD and it does not hold any investments or financial instruments in currency other than CAD.

**26 Segment Information**

The financial report of the Group would include segment information, therefore no separate disclosure on segment information is given in these standalone financial statements.

27 The outbreak of COVID 19 pandemic has resulted in significant reduction in economic activities. The Management has taken steps to rationalise expenses. The Management has considered the risks that may result from the uncertainty relating to this pandemic and its consequential impact on the carrying amounts of the assets. Based on the Management's analysis of current indicators of the future economic activities on its businesses and the estimates used in its financial statements, the Company does not foresee any material impact in the recoverability of the carrying value of the assets. The risk assessment is a continuous process and the Company will continue to monitor the impact of the changes in the future conditions on its business.

28 The figures of the previous year have been regrouped/reclassified, wherever necessary, to confirm with the current year classification.

The Accompanying notes are intergal Part of Standalone Ind AS financial

As per our report of even date

**Chhapolika and Company**

Chartered Accountants

ICAI Firm Registration Number: 030728N

*Ankur Chhapolika*

Ankur Chhapolika

Partner

Membership No: 224277

For and on behalf of the Board of Directors of  
AXISCADES Technologies Canada Inc.

*Ajay Sarin*  
Ajay Sarin  
Director

*Lakshisha R K*  
Lakshisha R K  
Director

Place: Bengaluru  
Date : 18 May 2022

Place: Bengaluru  
Date : 18 May 2022

Place: Bengaluru  
Date : 18 May 2022