



## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of M/s. AXISCADES TECHNOLOGY CANADA INC**

### **Report on the standalone Financial Statements**

#### **Opinion**

We have audited the accompanying Standalone financial statements of **M/s. AXISCADES TECHNOLOGY CANADA INC** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the 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 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, 2019, and profit/loss, and its cash flows for the year ended on that date

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 and the Rules there under, 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 opinion.

#### **Responsibility 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 Companies Act, 2013 ("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, (changes in equity)[iv] and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

#### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.





**Report on other legal and regulatory requirements**

1. As required by the Companies (Auditors Report) Order, 2015 ("the Order") issued by requirements of the Companies (Auditors Report) order ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, are not applicable.
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 appears from our examination of those books
  - c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

Place: Bangalore  
Date: May 6, 2019



For G D & ASSOCIATES  
Chartered Accountants  
Firm Registration No - 011187S

**DINESHA M S**  
Partner.  
Membership No.215946

# AXISCADES Technology Canada Inc.

Balance Sheet as at 31 March 2019

(All amounts in lakhs CAD, unless otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	0.00	0.01
Intangible assets			
Financial assets		0.90	1.80
Investments			
Non-current tax asset, net	4	-	-
		<u>0.90</u>	<u>0.97</u>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	5	10.18	6.64
Cash and cash equivalents	6	16.75	4.68
Loans	7	23.33	31.84
Other financial assets	8	6.21	6.56
Other current assets	9	0.11	0.06
		<u>56.58</u>	<u>49.78</u>
<b>Total assets</b>		<u><b>57.48</b></u>	<u><b>52.56</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	0.00	0.00
Other equity	11	44.69	37.42
		<u>44.69</u>	<u>37.42</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities, net	12	(0.58)	(0.19)
		<u>(0.58)</u>	<u>(0.19)</u>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings		-	-
Trade payables	13	9.70	14.20
Other financial liabilities	14	0.03	0.05
Provisions	15	2.90	0.30
Other current liabilities	16	0.74	0.79
		<u>13.37</u>	<u>15.34</u>
<b>Total equity and liabilities</b>		<u><b>57.48</b></u>	<u><b>52.56</b></u>
<b>Summary of significant accounting policies</b>			
The Accompanying notes are integral Part of Standalone Ind AS financial statements			

As per our report of even date

for G D & ASSOCIATES  
Chartered Accountants

  
DINESHA M S  
Partner  
Membership No - 215946

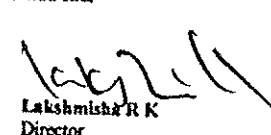
Bengaluru  
Date : 6 May 2019



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

  
Kaushik Sarkar  
Director

Bengaluru  
Date : 6 May 2019

  
Lakshmi R K  
Director

Bengaluru  
Date : 6 May 2019

# AXISCADES Technology Canada Inc.

Statement of Profit and Loss for the year ending 31 March 2019



(All amounts in lakhs CAD, unless otherwise stated)

	Note	Year ended 31 March 2019	Year ended 31 March 2018
<b>INCOME</b>			
Revenue from operations			
Other income	17	60.81	56.86
	18	2.94	0.96
<b>TOTAL INCOME</b>		<b>63.75</b>	<b>57.82</b>
<b>EXPENSES</b>			
Employee benefits expense			
Direct project expenses	19	25.38	21.03
Other expenses	20	26.59	29.18
Depreciation and amortisation expense	20	1.12	2.76
Finance costs	21	0.90	0.90
		-	-
<b>TOTAL EXPENSES</b>		<b>53.99</b>	<b>53.87</b>
<b>Profit before tax</b>		<b>9.76</b>	<b>3.96</b>
Tax expense			
- Current tax			
- Deferred tax charge		2.87	1.31
<b>Profit after tax</b>		<b>(0.39)</b>	<b>(0.19)</b>
<b>Other comprehensive income</b>		<b>7.27</b>	<b>2.84</b>
<b>Total comprehensive income</b>		<b>7.27</b>	<b>2.84</b>
<b>Profit per share</b>			
Basic and diluted	22	0.07	0.03

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

As per our report of even date

for G D & ASSOCIATES  
Chartered Accountants

DINESHA M S  
Partner  
Membership No - 215946

Bengaluru  
Date : 6 May 2019



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

  
Kaushik Sarkar  
Director

Bengaluru  
Date : 6 May 2019

  
Lakshmi R K  
Director

Bengaluru  
Date : 6 May 2019

**AXISCADES Technology Canada Inc.**  
**Statement of Cash Flows for the year ended 31 March 2019**  
 (All amounts in lakhs CAD, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>(A) Cash flows from operating activities</b>		
Profit/(Loss) before taxation	9.75	3.96
Adjustments for:		
Depreciation and amortisation expense	0.90	0.90
Interest income	(1.36)	-
Forex gain or loss	(1.58)	-
Provision no longer required written back	-	-
Operating profit before working capital changes	<u>7.72</u>	<u>4.86</u>
Adjustments for working capital changes		
(Increase)/Decrease in trade receivables	(1.96)	(2.06)
(Increase)/Decrease in loans and advances	8.51	0.47
(Increase)/Decrease in other financial assets- current	0.35	(1.64)
Other financial assets- non current tax net	(0.05)	-
Increase/(Decrease) in trade payables	(4.50)	0.00
Increase/ (decrease) in other financial liability	(0.02)	(7.98)
Increase/(Decrease) in short term provisions	-	-
Increase/(Decrease) in other current liabilities	2.60	(0.18)
deferred tax liability	(0.05)	(0.99)
Cash used in operations	<u>12.60</u>	<u>(7.52)</u>
Direct taxes paid (net of refunds)	(1.89)	(23.52)
Net cash used in operating activities (A)	<u>10.71</u>	<u>(31.04)</u>
<b>(B) Cash flows from investing activities</b>		
Payments for purchase of property, plant and equipment	0.00	0.90
Loans given to subsidiary	-	13.14
Interest received	1.36	-
Net cash used in investing activities (B)	<u>1.36</u>	<u>14.05</u>
Net cash generated from financing activities (C)	-	-
Net increase in cash and cash equivalents (A+B+C)	12.07	(16.99)
Cash and cash equivalents at beginning of the year	4.69	21.68
Cash and cash equivalents at the end of the year	<u>16.76</u>	<u>4.69</u>
Closing Cash and cash equivalent	<u>16.76</u>	<u>4.69</u>

The above Cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7, "Statement of Cash Flows"

As per our report of even date

for G D & ASSOCIATES  
Chartered Accountants

DINESHA M S  
Partner  
Membership No - 215946

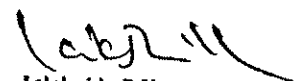
Date : 6 May 2019



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

  
Kaushik Sarkar  
Director

Bengaluru  
Date : 6 May 2019

  
Lakshmi R K  
Director

Bengaluru  
Date : 6 May 2019

# AXISCADES Technology Canada Inc.

Statement of Changes in Equity for the year ended 31 March 2019  
(All amounts in lakhs CAD, unless otherwise stated)

## A. Equity share capital

100 Class A shares of CAD 1 per share  
As at April 1, 2017  
Add: Issued and subscribed during the year  
As at March 31, 2018  
  
As at March 31, 2018  
Add: Issued and subscribed during the year  
As at March 31, 2019

	Equity shares	
	Number	Amount
As at April 1, 2017	0.00	0.001
Add: Issued and subscribed during the year	-	-
As at March 31, 2018	0.00	0.001
As at March 31, 2018	0.00	0.001
Add: Issued and subscribed during the year	-	-
As at March 31, 2019	0.00	0.001

## B. Other equity


For the year ended March 31, 2019

Balance as at April 1, 2016 (refer note)  
Profit for the year  
Other comprehensive income  
Movement on transition to Ind AS  
Total comprehensive income  
Issue of share capital  
Addition during the year  
Balance as at April 1, 2017 (refer note)  
Profit for the year  
Balance as at April 1, 2018 (refer note)  
Profit for the year  
Other comprehensive income  
Movement on transition to Ind AS  
Total comprehensive income  
Issue of share capital  
Addition during the year  
Balance as at March 31, 2019

	Reserves and Surplus	
	Surplus in the Statement of Profit and Loss	Total
Balance as at April 1, 2016 (refer note)	27.48	27.48
Profit for the year	0.00	0.00
Other comprehensive income	-	-
Movement on transition to Ind AS	-	-
Total comprehensive income	27.48	27.48
Issue of share capital	-	-
Addition during the year	-	-
Balance as at April 1, 2017 (refer note)	27.48	27.48
Profit for the year	2.84	2.84
Balance as at April 1, 2018 (refer note)	30.32	30.32
Profit for the year	7.27	7.27
Other comprehensive income	-	-
Movement on transition to Ind AS	-	-
Total comprehensive income	7.27	7.27
Issue of share capital	-	-
Addition during the year	-	-
Balance as at March 31, 2019	37.59	37.59

As per our report of even date


for G D & ASSOCIATES  
Chartered Accountants

DINESHA M S  
Partner  
Membership No - 215946  
Bengaluru  
Date : 6 May 2019



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

  
Kanakk Sarkar  
Director

  
Lakshmi R K

Bengaluru  
Date : 6 May 2019

Bengaluru  
Date : 6 May 2019

(All amounts in lakhs CAD, unless otherwise stated)

**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**

The first Indian Accounting Standards (Ind AS) standalone financial statements to be reported by the Company is for the year ending 31 March 2018, and the transition date to Ind AS is 1 April 2016. Ind AS 101 First-time Adoption of Indian Accounting Standards, requires first-time adopters to prepare an opening Ind AS balance sheet at the date of transition to Ind AS. As part of conversion to Ind AS, the Company has prepared these special purpose financial statements to establish the standalone financial position (Standalone Balance Sheet as at 31 March 2017 and the Standalone Opening Balance Sheet as at 1 April 2016), standalone income (the Standalone Statement of Profit and Loss, including results of operations and Other Comprehensive Income), the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity of the Company for the year ended 31 March 2017 (collectively referred to as the 'Comparative Standalone Ind AS Financial Statements') necessary to provide the comparative financial information expected to be included in the Company's first complete set of Ind AS standalone financial statements as at the Company's Ind AS reporting date of 31 March 2019.

These Comparative Standalone Ind AS Financial Statements do not themselves include comparative financial information for the prior period. Only a complete set of standalone financial statements together with comparative financial information can provide a fair presentation of the Company's standalone state of affairs (financial position), standalone profit (financial performance including other comprehensive income), standalone cash flows and the standalone changes in equity.

These Comparative Standalone Ind AS Financial Statements of the Company have been prepared in accordance with Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The standalone financial information for the year ended 31 March 2017 and the transition date Opening Balance Sheet as at 1 April 2016 included in these Comparative Standalone Ind AS Financial Statements, are based on the previously issued statutory standalone financial statements for the year ended 31 March 2017 and 31 March 2016 respectively, prepared in accordance with the accounting standards notified under Section 133 of the Companies Act 2013 ('the Act'), read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (as amended) ('Previous GAAP'), approved and adopted by the Company's Board of Directors on 30 May 2017 and 30 May 2016 respectively, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS.

For periods up to and including the year ended 31 March 2017, the Company prepared and presented its financial statements in accordance with Indian GAAP. Refer note 39 for the explanation of transition from Indian GAAP to Ind AS.

The Comparative Standalone Ind AS Financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

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.

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

**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.



(All amounts in lakhs CAD, unless otherwise stated)

*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.

**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.

**f) Revenue recognition**

Revenue is recognized to 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.



**l) Investments in subsidiaries**

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

**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.

**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.

**1. 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.



(All amounts in lakhs CAD, unless otherwise stated)

*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.

**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.



(All amounts in lakhs CAD, unless otherwise stated)

#### 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.

##### *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.



**AXISCADES Technology Canada Inc.**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in lakhs CAD, unless otherwise stated)

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.

**u) Standards issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from 1 April 2017.

**Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company has evaluated the disclosure requirements of the amendment and the effect on the financial statements is not expected to be material.



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AXISCADES Technology Canada Inc.  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019 (Cont'd)

(All amounts in lakhs CAD, unless otherwise stated)

3 Property, plant and equipment (PPE)

	Computers	Furniture and fixtures	Office equipments	Process Manual	Total
<b>Gross block</b>					
Balance as at April 1, 2018	0.01	-	-	-	0.01
Additions during the year	-	-	-	-	-
Disposals during the year	-	-	-	-	-
Balance as at 31 March 2019	0.01	-	-	-	0.01
<b>Accumulated depreciation</b>					
Balance as at April 1, 2018	0.01	-	-	-	0.01
Depreciation charge for the year	0.00	-	-	-	0.00
Disposals	-	-	-	-	-
Balance as at 31 March 2019	0.01	-	-	-	0.01
<b>Net block</b>					
Balance as at 31 March 2018	0.01	-	-	-	0.01
Balance as at 31 March 2019	0.00	-	-	-	0.00

**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 2019 (31 March 2018: Nil).

Property, plant and equipment (PPE)

	Process Manual	Total
<b>Gross block</b>		
Balance as at April 1, 2018	-	-
Additions during the year	2.70	2.70
Disposals during the year	-	-
Balance as at 31 March 2019	2.70	2.70
<b>Accumulated depreciation</b>		
Balance as at April 1, 2018	-	-
Depreciation charge for the year	0.90	0.90
Disposals	0.90	0.90
Deletions during the year	-	-
Disposals	-	-
Balance as at 31 March 2019	1.80	1.80
<b>Net block</b>		
Balance as at April 1, 2018	-	-
Balance as at 31 March 2019	0.90	0.90



# AXISCADES Technology Canada Inc.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019 (Cont'd)

(All amounts in lakhs CAD, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>4 Non-current tax asset, net</b>		
Advance tax	-	0.97
	-	<u>0.97</u>
<b>5 Trade receivables</b>		
<b>Current</b>		
(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured;	10.18	6.64
(c) Trade Receivables which have significant increase in Credit Risk; and	-	-
(d) Trade Receivables - credit impaired	-	-
	<u>10.18</u>	<u>6.64</u>
<b>6 Cash and cash equivalents</b>		
Cash on hand	-	-
Bank balance	16.75	4.68
	<u>16.75</u>	<u>4.68</u>
<b>7 Loans</b>		
<b>Current</b>		
(a) Loans Receivables considered good - Unsecured		
Advances to fellow subsidiary	23.33	31.83
Security deposits	-	0.00
	<u>23.33</u>	<u>31.84</u>
<b>8 Other financial assets</b>		
<b>Current</b>		
Unsecured, considered good		
Unbilled revenue	6.21	6.56
Interest accrued	-	-
	<u>6.21</u>	<u>6.56</u>
<b>9 Other assets</b>		
<b>Current</b>		
Unsecured, considered good		
Prepaid expenses	-	-
Deposit with immigration authorities	-	-
Advance to employees	0.11	0.06
Recoverable from customer	-	-
	<u>0.11</u>	<u>0.06</u>



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# AXISCADES Technology Canada Inc.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019  
(Cont'd)

(All amounts in lakhs CAD, unless otherwise stated)

## 10 Equity share capital

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
<b>Authorised</b>				
100 Class A shares of CAD 1 per share	0.001	0.001	0.001	0.001
	0.001	0.001	0.001	0.001
<b>Issued, subscribed and paid-up</b>				
100 Class A shares of CAD 1 per share, fully paid up	0.001	0.001	0.001	0.001
	0.001	0.001	0.001	0.001

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

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
<b>Equity shares with no par value, fully paid up</b>				
Balance at the beginning of the year	0.001	0.000	0.001	0.001
Add: Issued and subscribed during the year	-	-	-	-
Balance at the end of the year	0.001	0.000	0.001	0.001

### 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 US 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

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
<b>Holding company:</b>				
AXISCADES Engineering Technologies Limited	0.00	0.00	0.00	0.00

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

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
<b>Holding company:</b>				
AXISCADES Engineering Technologies Limited	0.00	0.00	0.00	0.00

## 11. Other equity

Balance at the beginning of the year  
Surplus in the Statement of Profit and Loss

	As at 31 March 2019	As at 31 March 2018
	37.42	34.58
	7.27	2.84
	44.69	37.42



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# AXISCADES Technology Canada Inc.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019  
(Cont'd)

(All amounts in lakhs CAD, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>12 Deferred tax liability, net</b>		
Deferred tax liability	(0.58)	(0.19)
Depreciation and amortisation	(0.58)	(0.19)
Deferred tax asset	-	-
Net operating losses	-	-
Total	-	-
Deferred tax liability, net	-	-
<b>13 Trade payables</b>		
Current		
Dues to holding company	7.22	10.54
Dues to others	2.48	3.66
Accrued expenses	9.70	14.20
<b>14 Other financial liabilities</b>		
Current		
Bank overdraft	-	-
Dues to employees	-	0.05
Interest accrued	0.03	-
	0.03	0.05
<b>15 Provisions</b>		
Current		
Foreign tax, net of advance tax	2.90	0.30
	2.90	0.30
<b>16 Other liabilities</b>		
Current		
Advance from customers	-	-
Duties and taxes payable	0.74	0.79
Unearned revenue	-	-
	0.74	0.79



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# AXISCADES Technology Canada Inc.

Summary of significant accounting policies and other explanatory information for the year ended 31 March  
(All amounts in lakhs CAD, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>17 Revenue from operations</b>		
Sale of services	60.81	56.86
IT enabled services	-	-
	<u>60.81</u>	<u>56.86</u>
<b>18 Other income</b>		
Misc. Income	-	-
Interest income - ICD	1.36	0.89
Profit on sale of assets	-	-
Provision no longer required, written back	-	0.07
Net gain on foreign currency transactions and translation	1.58	-
	<u>2.94</u>	<u>0.96</u>
<b>19 Employee benefit expenses</b>		
Salaries, wages and bonus	23.33	19.33
Contribution to social security	2.00	1.63
Staff welfare	0.05	0.07
	<u>25.38</u>	<u>21.03</u>
<b>20 Other expenses</b>		
Software subscription charges	26.59	29.18
Direct project expenses	0.12	0.19
Legal and professional charges	0.89	0.90
Travelling and conveyance	0.03	0.02
Rent	-	-
Equipment hire charges	-	-
Recruitment and training expenses	-	-
Insurance expenses	-	-
Communication expenses	-	-
Postage and courier charges	0.01	0.03
Printing & stationery charges	0.01	0.01
Project consultancy charges	0.00	0.01
Repairs and maintenance	-	-
- Buildings	-	-
- Others	0.00	0.00
Advertising and marketing expenses	-	-
Net gain on foreign currency transactions and translation	0.01	0.01
Electricity charges	-	1.48
Rates and taxes	-	-
Project consultancy charges	0.00	0.05
Bank charges	-	-
Miscellaneous expenses	0.05	0.06
	<u>27.71</u>	<u>31.93</u>



# AXISCADES Technology Canada Inc.

Summary of significant accounting policies and other explanatory information for the year ended 31 March  
 (All amounts in lakhs CAD, unless otherwise stated)

## 21 Depreciation and amortisation expenses

Depreciation of tangible assets  
 Amortisation of intangible assets

Year ended 31 March 2019	Year ended 31 March 2018
0.00	0.90
0.90	-
<b>0.90</b>	<b>0.90</b>

## 22 Finance cost

Interest on loans from bank  
 Interest on Inter-corporate deposit

-	-
-	-
<b>-</b>	<b>-</b>

## 22 Profit per share (EPS)

a) Loss after tax attributable to equity shares (in CAD)  
 b) Weighted average number of shares outstanding  
 c) Basic and diluted loss per share (in CAD)

Year ended 31 March 2019	Year ended 31 March 2018
7.27	2.84
100.00	100.00
0.07	0.03



## AXISCADES Technology Canada Inc.

Summary of significant accounting policies and other explanatory information for the year ended  
(All amounts in lakhs CAD, unless otherwise stated)

### 23 RELATED PARTY DISCLOSURES

*i. Parties where control exists :*

Nature of relationship

Holding company information

Name of party

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

*ii. Transactions with related parties:*

Nature of transaction	Total	
	As at 31 March 2019	As at 31 March 2018
<b>A Direct project expenses</b>		
1 AXISCADES Engineering Technologies Ltd	22.13	29.18
<b>B Reimbursement of expenses</b>		
1 AXISCADES Engineering Technologies Ltd	-	0.18
<b>C Professional charges cross charged</b>		
1 AXISCADES Engineering Technologies Ltd	-	1.18
2 AXISCADES Inc. Studec	-	0.69
	4.46	-
<b>D Expenses paid</b>		
1 AXISCADES Engineering Technologies Ltd	3.09	1.98
<b>E Inter Corporate Deposit Extended</b>		
AXISCADES Inc. AXISCADES UK		24.20 6.81
<b>F Interest on ICD</b>		
AXISCADES Inc. AXISCADES UK	1.05 0.31	0.71 0.24

*iii. Balances as at the year end*

Nature of Transaction	Total	
	As at 31 March 2019	As at 31 March 2018
<b>A Trade payable</b>		
1 AXISCADES Engineering Technologies Ltd Studec	2.77 3.15	7.37 -
<b>B Accrued expenses</b>		
1 AXISCADES Engineering Technologies Ltd	2.40	3.06
<b>C Expenses payable</b>		
1 AXISCADES Engineering Technologies Ltd 2 Axis Inc.	1.14	0.83
<b>D Inter Corporate Deposit</b>		
AXISCADES Inc. AXISCADES UK	18.74 4.25	24.65 6.88
<b>E Interest on Inter Corporate Deposit</b>		
AXISCADES Inc. AXISCADES UK	0.27 0.07	0.24 0.06



# AXISCADES Technology Canada Inc.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019  
(Cont'd)  
(All amounts in lakhs CAD, unless otherwise stated)

## 24 Fair value measurements

### (i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2019 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		-	-	
Trade receivable	16.75	-	-	16.75
Loans	10.18	-	-	10.18
Advances to fellow subsidiary		-	-	
Security deposits	23.33	-	-	23.33
Other financial assets	-	-	-	-
Unbilled revenue	6.21	-	-	6.21
<b>Total</b>	<b>56.47</b>	<b>-</b>	<b>-</b>	<b>56.47</b>
<b>Liabilities:</b>				
Borrowings		-	-	
Trade payable	9.70	-	-	9.70
Other financial liabilities	0.03	-	-	0.03
Provisions		-	-	
Other current liabilities	0.11	-	-	0.11
<b>Total</b>	<b>9.73</b>	<b>-</b>	<b>-</b>	<b>9.73</b>

The carrying value and fair value of financial instruments by categories as of March 31, 2018 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		-	-	
Trade receivable	4.68	-	-	4.68
Loans	6.64	-	-	6.64
Advances to fellow subsidiary		-	-	
Security deposits	31.83	-	-	31.83
Other financial assets	0.00	-	-	0.00
Unbilled revenue		-	-	
Interest accrued	6.56	-	-	6.56
<b>Total</b>	<b>49.72</b>	<b>-</b>	<b>-</b>	<b>49.72</b>
<b>Liabilities:</b>				
Borrowings		-	-	
Trade payable	6.22	-	-	6.22
Other financial liabilities	0.50	-	-	0.50
Provisions		-	-	
Other current liabilities	0.53	-	-	0.53
<b>Total</b>	<b>7.25</b>	<b>-</b>	<b>-</b>	<b>7.25</b>



## AXISCADES Technology Canada Inc.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019  
(Cont'd)

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.



# AXISCADES Technology Canada Inc.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019 (Cont'd)

(All amounts in lakhs CAD, unless otherwise stated)

## 25 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 2019	31 March 2018
Borrowings		
Trade payables		
Bank overdraft	9.70	14.20
Less: Cash and short term deposits	-	-
<b>Net debt</b>	<b>(16.75)</b>	<b>(4.68)</b>
Equity	(7.05)	9.52
Other Equity	0.001	0.001
<b>Capital and net debt</b>	<b>44.69</b>	<b>37.42</b>
<b>Gearing ratio</b>	<b>-18.73%</b>	<b>20.28%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019.

## 26 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 10.18 lakhs as of 31 March 2019.

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 2019	31 March 2018
Cash and cash equivalents		
Trade receivable	16.75	4.68
Advances to subsidiary	10.18	6.64
Security deposit	23.33	31.83
Other financial assets	-	0.00
<b>Total</b>	<b>6.21</b>	<b>6.56</b>
	<b>56.47</b>	<b>49.72</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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019 (Cont'd)

(All amounts in lakhs CAD, unless otherwise stated)

## 26 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 2019	31 March 2018
Financial assets that are neither past due nor impaired		
Financial assets that are past due but not impaired	5.78	6.64
Past due 0-60 days		
Past due 61-180 days	4.41	-
Total past due but not impaired	<u>10.19</u>	<u>6.64</u>

### (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 2019, the Company had a working capital of CAD 47.38 lakhs including cash and cash equivalents of CAD 16.75 lakhs.

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

As at March 31, 2018

	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	-	-	-	-
Trade payables	14.20	-	-	14.20
Bank overdraft	-	-	-	-
Dues to employees	0.05	-	-	0.05
Interest accrued	-	-	-	-
Total	<u>14.25</u>	-	-	<u>14.25</u>

### (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.

## 27 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.





## AXISCADES Technology Canada Inc.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019 (Cont'd)  
(All amounts in lakhs CAD, unless otherwise stated)

### 28 First time adoption of Ind AS (cont'd)

#### Notes

#### 1 Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the financial instrument:

(a) fair value, in case of financial instruments subsequently carried at fair value through profit or loss (FVTPL);

(b) fair value adjusted for transaction costs, in case of all other financial instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. In case of all financial assets except for those at FVTPL, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. Different criteria to determine impairment are applied for each category of financial assets.

#### 2 Financial liabilities

Financial liabilities recognised when the Company becomes a party to the contractual provisions of the financial instrument:

(a) fair value, in case of financial instruments subsequently carried at fair value through profit or loss (FVTPL);

(b) fair value adjusted for transaction costs, in case of all other financial instruments.

A financial liability is derecognised when the underlying obligation specified in the contract is discharged, cancelled or expires.

Financial liabilities are measured subsequently at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

#### 3 Other equity

Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items.

#### 4 Cash flow statement

Under Ind AS 7 - Statement of cash flows, bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents.

As per our report of even date

for G D & ASSOCIATES  
Chartered Accountants



DINESHA M S  
Partner

Bengaluru  
Date : 6 May 2019

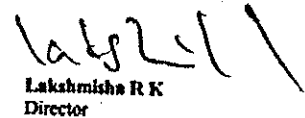


For and on behalf of the Board of Directors of  
AXISCADES Technologies Canada Inc.



Kavishk Sarkar  
Director

Bengaluru  
Date : 6 May 2019



Lakshmi R K  
Director

Bengaluru  
Date : 6 May 2019