

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Cades Studec Technologies (India) Private Limited

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

#### **Opinion**

We have audited the accompanying Ind AS financial statements of Cades Studec Technologies (India) Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### **Other Information**

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

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

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



## **Responsibility of Management for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and,



based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) There are no transactions on which the provisions of Section 197 read with schedule V of the Act are applicable to the Company for the year ended March 31, 2019;



# **S.R. BATLIBOI & ASSOCIATES LLP**

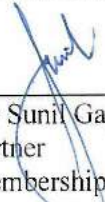
Chartered Accountants

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

  
per Sunil Gaggar  
Partner

Membership Number: 104315

Place of Signature: Bengaluru

Date: May 03, 2019



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

**Annexure I referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date**

Re: Cades Studec Technologies (India) Private Limited (“the Company”)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) Property, plant and equipment have been physically verified by the Management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the Management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) (a) The Company has granted loans to two companies covered in the register maintained under Section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company’s interest.
- (b) The Company has granted loans to two companies covered in the register maintained under Section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loan which are not due and thus, there has been no default on the principal and interest payments of the parties to whom the money has been lent; and
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013 which are overdue for more than ninety days
- (iv) In our opinion and according to the information and explanations given to us, there are no loans given in respect of which provisions of Section 185 of the Companies Act, 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of Section 186 of the Companies Act, 2013 in respect of loans given, have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) The Company did not have any outstanding loans or borrowing dues from any financial institution or bank or government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the Management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the Management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the Management, there are no transactions on which the provisions of Section 197 read with schedule V of the Companies Act, 2013 are applicable and hence, reporting under clause 3(xi) is not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the Management, transactions with the related parties are in compliance with Section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to Section 177 of the Companies Act, 2013 is not applicable to the Company and hence not commented upon .
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, hence not commented upon.
- (xv) According to the information and explanations given by the Management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Sunil Gaggar  
Partner  
Membership Number: 104315  
Place of Signature: Bengaluru  
Date: May 03, 2019



## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF CADES STUDEC TECHNOLOGIES (INDIA) PRIVATE LIMITED**

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

We have audited the internal financial controls over financial reporting of Cades Studec Technologies (India) Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting with reference to these Ind AS Financial Statements**

A Company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Ind AS Financial Statements**

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

## **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

  
per Sunil Gagar  
Partner  
Membership Number: 104315  
Place of Signature: Bengaluru  
Date: May 03, 2019





Cades Studec Technologies (India) Private Limited  
Balance Sheet as at March 31, 2019

(Rs. In Lakhs)

	Notes	March 31, 2019	March 31, 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	43.25	47.41
Intangible assets	4	12.57	5.30
Financial assets			
Loans	5	-	538.86
Deferred tax assets, net	27	73.89	60.84
Assets for current tax (net)	6	33.54	17.67
Other non-current assets	7	43.10	22.61
		<u>206.35</u>	<u>692.69</u>
<b>Current assets</b>			
Financial assets			
Investments	8	108.48	3.82
Loans	5	552.47	-
Trade receivables	9	699.79	820.79
Cash and cash equivalents	10	277.92	28.64
Other bank balances	11	-	57.10
Other current financial assets	12	72.28	71.86
Other current assets	7	14.77	9.70
		<u>1,725.71</u>	<u>991.91</u>
<b>Total assets</b>		<u><u>1,932.06</u></u>	<u><u>1,684.60</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	62.50	62.50
Other equity	14	1,567.01	1,376.74
Total equity		<u>1,629.51</u>	<u>1,439.24</u>
<b>Non-current liabilities</b>			
Long term provisions	15	139.64	115.94
		<u>139.64</u>	<u>115.94</u>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	16	-	-
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		18.49	8.10
Other current financial liabilities	17	75.65	68.54
Short term provisions	15	50.46	38.91
Other current liabilities	18	18.31	13.87
		<u>162.91</u>	<u>129.42</u>
<b>Total equity and liabilities</b>		<u><u>1,932.06</u></u>	<u><u>1,684.60</u></u>
<b>Summary of significant accounting policies</b>			
2			

**Summary of significant accounting policies**

The accompanying notes are integral part of Standalone Ind AS financial statements  
As per our report of even date

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

For and on behalf of the Board of Directors of  
Cades Studec Technologies (India) Private Limited  
CIN : U72900KA2006PTC049241

per Sunil Gaggar  
Partner  
Membership Number : 104315



Bengaluru  
Date : May 3, 2019

Kaushik Sarkar  
Director  
DIN:06965356

Bengaluru  
Date : May 3, 2019

Philippe Chabalier  
Director  
DIN:03101253

Bengaluru  
Date : May 3, 2019

Cades Studec Technologies (India) Private Limited  
Statement of Profit and Loss for the year ended March 31, 2019

(Rs. In Lakhs)

	Notes	March 31, 2019	March 31, 2018
<b>Income</b>			
Revenue from operations	19	1,814.50	1,727.45
Other income	20	48.66	5.38
Finance income	21	52.85	53.95
<b>Total income</b>		<b>1,916.01</b>	<b>1,786.78</b>
<b>Expenses</b>			
Employee benefits expense	22	1,422.12	1,266.51
Other expenses	23	189.96	207.11
Depreciation and amortisation expense	24	30.47	41.37
Finance cost	25	11.27	8.96
<b>Total expenses</b>		<b>1,653.82</b>	<b>1,523.95</b>
<b>Profit before tax</b>		<b>262.20</b>	<b>262.83</b>
<b>Tax expense:</b>			
Current tax	27	84.04	92.09
Deferred tax credit	27	(12.79)	(10.68)
<b>Total tax expenses</b>		<b>71.25</b>	<b>81.41</b>
<b>Profit for the year</b>		<b>190.95</b>	<b>181.42</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss in subsequent years</b>			
Remeasurement losses in defined benefit plan		(4.86)	(3.59)
Income tax relating to above		1.35	0.99
<b>Net of items that will not be reclassified to profit or loss in subsequent years</b>		<b>(3.51)</b>	<b>(2.60)</b>
<b>Items that will be reclassified subsequently to profit or loss in subsequent years</b>			
Gain/(loss) on cash flow hedges		3.90	(47.96)
Income tax relating to above		(1.07)	15.91
<b>Net of items that will be reclassified subsequently to profit or loss in subsequent years</b>		<b>2.82</b>	<b>(32.05)</b>
<b>Total other comprehensive income, net of tax</b>		<b>(0.68)</b>	<b>(34.65)</b>
<b>Total comprehensive income for the year (comprising profit and OCI for the year)</b>		<b>190.26</b>	<b>146.77</b>
<b>Earning per equity share [nominal value of Shares Rs. 10 (March 31, 2018 : Rs. 10)]</b>			
Basic and diluted	26	30.55	29.03
<b>Summary of significant accounting policies</b>	2		

The accompanying notes are integral part of Standalone Ind AS financial statements

As per our report of even date

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

per Sunil Gaggar  
Partner  
Membership Number : 104315



Bengaluru  
Date : May 3, 2019



For and on behalf of the Board of Directors of Cades Studec  
Technologies (India) Private Limited  
CIN : U72900KA2006PTC049241

Kaushik Sarkar  
Director  
DIN:06965356

Bengaluru  
Date : May 3, 2019

Philippe Chahalier  
Director  
DIN:03101253

Bengaluru  
Date : May 3, 2019

Cades Studec Technologies (India) Private Limited  
Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital

	(Rs. In Lakhs)	
	Number	Amount
Equity shares of Rs. 10 each, issued, subscribed and fully paid-up		
As at March 31 2017	6.25	62.50
Issued during the year	-	-
As at March 31, 2018	6.25	62.50
Issued during the year	-	-
As at March 31, 2019	6.25	62.50

B. Other equity

	Reserves and Surplus		Items of OCI		Total other equity
	Securities premium	Retained earnings	Other items of other comprehensive income / (loss)	Hedge reserve	
As at March 31, 2017	656.83	538.95	1.44	32.75	1,229.97
Profit for the year	-	181.42	-	-	181.42
Re-measurement losses in defined benefit plans, net of tax	-	-	(2.60)	-	(2.60)
Fair value changes on derivatives designated as cash flow hedge, net of tax	-	-	-	(32.05)	(32.05)
Other comprehensive income	-	-	-	-	-
Movement on transition to Ind AS	-	-	-	-	-
<b>Total comprehensive income</b>	-	<b>181.42</b>	<b>(2.60)</b>	<b>(32.05)</b>	<b>146.77</b>
Issue of share capital	-	-	-	-	-
Addition during the year	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>656.83</b>	<b>720.37</b>	<b>(1.16)</b>	<b>0.70</b>	<b>1,376.74</b>
Profit for the year	-	190.95	-	-	190.95
Re-measurement losses in defined benefit plans, net of tax	-	-	(3.51)	-	(3.51)
Fair value changes on derivatives designated as cash flow hedge, net of tax	-	-	-	2.82	2.82
<b>Balance as at March 31, 2019</b>	<b>656.83</b>	<b>911.32</b>	<b>(4.67)</b>	<b>3.53</b>	<b>1,567.01</b>

As required under the Ind AS compliant Schedule III, the company has recognised remeasurement gains /(losses) of the defined benefit plan (net of taxes) of Rs. 3.51 lakhs for the year ended March 31, 2019 (March 31, 2018 : 2.60 lakhs) as part of retained earnings

Summary of significant accounting policies

2

The accompanying notes are integral part of Standalone Ind AS financial statements

As per our report of even date

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

per/Sunil Gaggar  
Partner  
Membership Number : 104315



Bengaluru  
Date : May 3, 2019

For and on behalf of the Board of Directors of Cades Studec Technologies (India) Private Limited  
CIN : U72900KA2006PTC049241

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Date : May 3, 2019

Philippe Chabalier  
Director  
DIN:03101253

Bengaluru  
Date : May 3, 2019



Cades Studec Technologies (India) Private Limited  
Statement of Cash Flows for the year ended on March 31, 2019

(Rs. In Lakhs)

	March 31, 2019	March 31, 2018
<b>A Cash flow from operating activities</b>		
Profit before tax	262.20	262.83
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation of property, plant and equipment	25.14	34.65
Loss on sale of fixed assets	0.34	-
Net interest expense on defined benefit liability	10.49	8.27
Unwinding of discount on decommissioning cost	0.78	0.69
Amortisation of intangible assets	5.33	6.72
Dividend income from mutual funds	(3.41)	(2.82)
Unrealised foreign exchange loss/ (gain)	13.82	(2.56)
Interest income from fixed deposit	(0.41)	(17.03)
Interest income from inter-corporate deposit	(52.44)	(36.92)
Operating profit before working capital changes	<u>261.83</u>	<u>253.83</u>
<b>Movements in working capital</b>		
(Increase)/decrease in trade receivables	107.19	(388.53)
(Increase)/decrease in other non-current assets	(20.48)	(8.58)
(Increase)/decrease in current assets	2.35	(0.24)
(Increase)/decrease in other current financial asset	9.51	(33.41)
Increase/(decrease) in trade and other payables	10.38	(3.92)
Increase/(decrease) in other current liabilities	4.43	3.48
Increase/(decrease) in liability for current tax	-	(3.19)
Increase/(decrease) in other current financial liabilities	7.11	23.64
Increase/(decrease) in short term provisions	10.77	7.36
Increase/(decrease) in long term provisions	8.36	13.24
<b>Cash generated/(utilised in) from operating activities</b>	<u>401.45</u>	<u>(136.32)</u>
Direct taxes paid (net)	(99.91)	(94.85)
<b>Net cash generated/(utilised in) from operating activities (A)</b>	<u>301.55</u>	<u>(231.17)</u>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment (refer note 3)	(27.78)	(5.58)
Purchase of intangible assets (refer note 4)	(12.60)	-
Inter- corporate deposit (net)	(13.61)	(255.52)
Investment in mutual funds	(101.25)	34.00
Redemption from fixed deposits	57.10	395.49
Interest/dividend income received	45.85	53.96
<b>Net cash used in investing activities (B)</b>	<u>(52.27)</u>	<u>222.34</u>
<b>Net decrease in cash and cash equivalents (A+B)</b>	249.28	(10.21)
Cash and cash equivalents as at beginning of the year	28.64	38.85
<b>Cash and cash equivalents as at end of the year</b>	<u>277.92</u>	<u>28.64</u>
<b>Components of cash and cash equivalents for the purpose of cash flow statement</b>		
Balances with banks :		
On current account	277.89	28.45
Deposits with original maturity for less than three months	0.03	0.19
<b>Total Cash and cash equivalent (Refer Note 10 )</b>	<u>277.92</u>	<u>28.64</u>

Summary of significant accounting policies

2

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 S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration number : 101049W/E300004

per Sunil Gaggar  
Partner

Membership Number : 104315

Bengaluru

Date : May 3, 2019



For and on behalf of the Board of Directors of

Cades Studec Technologies (India) Private Limited

CIN : U72900KA2006PTC049241

Kaushik Sarkar  
Director  
DIN:06965356

Bengaluru

Date : May 3, 2019

Philippe Chabalier  
Director  
DIN:03101253

Bengaluru

Date : May 3, 2019

Notes to the Ind AS Financial Statements for the year ended March 31, 2019

**1 Corporate information**

Cades Studec Technologies (India) Private Limited ("Studec"/ the 'Company') is a Private Limited Company incorporated on 20 March 2006 under the Companies Act, 1956 having its registered office at No.11, 3rd Cross, Ganganagar North, near CBI office, Bangalore - 560032, Karnataka, India. The Company is a subsidiary of AXISCADES Engineering Technologies Limited ("ACETL"), a public limited company, operates in the business of Engineering Design Services. The Company operates in the business of Documentation Engineering Services.

**2 Significant accounting policies**

**2.1 Basis of preparation**

The consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Land and certain buildings classified as property, plant and equipment
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The financial statements are presented in Indian Rupees ('INR') and all values are rounded off to the nearest lakhs, except when otherwise indicated.

**2.2 Summary of significant accounting policies**

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

All other assets are classified as non-current.

A liability is treated as current when :

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**(b) Property plant and equipment**

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS the Company has applied principles of Ind AS 16 Property, plant and equipment retrospectively from the date of acquisition in respect of all tangible assets (refer note 35) and same has been considered as deemed cost in accordance with Ind AS 101 First time adoption of Ind AS as at April 01, 2016 (date of transition).

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, cost of replacing part of the plant and equipment, borrowing costs if the recognition criteria are met and directly attributable cost of bringing the asset to its location and condition necessary for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.



**Cades Studec Technologies (India) Private Limited**

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

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

<u>Category of assets</u>	<u>Useful life estimated by management</u>
Office equipments	7 years
Furniture & fixtures	7 years
Computers	3 years

Leasehold improvements are depreciated over the primary lease period or useful life, whichever is shorter, on a straight-line basis.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The management had estimated, the useful life of the category of assets, which are lower than those indicated in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

**(c) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

Goodwill, in general, is recorded in the books only when some consideration in money or money's worth has been paid for it. Whenever a business is acquired for a price (payable either in cash or in shares or otherwise) which is in excess of the value of the net assets of the business taken over, the

A summary of amortization policies applied to the Company's intangible assets is as below:

<u>Category of assets</u>	<u>Useful life estimated by management</u>
Computer software - application	3 years

**(d) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment of inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.



**Cades Studec Technologies (India) Private Limited**

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

**(e) 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.

**(f) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

**Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated on a straight-line basis over the useful life of the asset estimated by the management. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term or the useful life envisaged in Schedule II to the Companies Act, 2013.

Operating lease payments are recognised as an expense in the statement of profit or loss on a straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate the lessor for the expected inflationary cost increase.

**(g) Financial Instruments**

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

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**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)
- (iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**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.

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

**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 recognised in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.



**Cades Studec Technologies (India) Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019**

***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 or loss.

***Equity investments***

All equity investments in scope of Ind AS 109 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 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

***Derecognition***

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

- (i) The rights to receive cash flows from the asset have expired, or
- (ii) 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 (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) 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.

***Impairment of financial assets***

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balances
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Loan commitments which are not measured as at FVTPL
- d) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

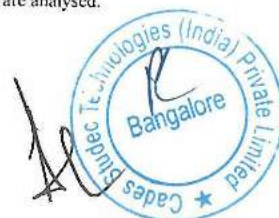
For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

- (i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.





**Cades Studec Technologies (India) Private Limited**

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

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

(i) Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(ii) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**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, or payables, 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 and financial

**Subsequent measurement**

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or 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 issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor 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 loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**Derecognition**

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.

**(h) Revenue recognition**

Revenue from contracts with customers is recognized when control over services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. 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.

The Company/Group derives its revenues primarily from engineering design services. Service income comprises of income from time and material contracts and fixed-price contracts. Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. Revenue is recognised as services are rendered on the basis of an agreed mark up on the costs incurred, in accordance with the terms of the agreement entered with the customers.

Revenues in excess of invoicing are classified as contract assets (also referred as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (also referred as unearned revenues).

**Interest income**

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.



**Cades Studec Technologies (India) Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019**

**Contract balances**

**Contract assets**

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

**Trade receivables**

A receivable represents the Group's/Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (t) Financial instruments – initial recognition and subsequent measurement

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group/Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group/Company performs under the contract

**(i) Foreign currencies**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The Company's financial statements are presented in Indian Rupee, which is also the Company's functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate prevailing at the date of the transaction. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on the settlement or translation of monetary items are recognised in the statement of profit or loss.

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

**(j) Retirement and other employee benefits**

Retirement benefit in the form of Provident Fund and Family Pension Fund are defined contribution schemes. The Company recognizes contribution payable to the schemes as an expense, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the fund.

The Company operates a defined benefit plan for its employees for gratuity. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year end using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service costs are recognised in the statement of profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for, based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.



**Cades Studec Technologies (India) Private Limited**

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

**(k) Taxes**

*Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- where deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

**(l) Earnings Per Share (EPS)**

Basic EPS amounts are calculated by dividing the net profit for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(m) Provisions**

*General*

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net off any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

*Decommissioning liability*

The Company records a provision for decommissioning costs to dismantle and remove the leasehold improvements from the leased premises. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.



**Cades Studec Technologies (India) Private Limited**

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

**(n) 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 beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

**(o) 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.

**(p) Segment accounting policies**

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.

**(q) Fair value measurement**

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

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

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

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

**(r) Use of judgements, estimates and assumptions**

The preparation of the Company's 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.

**Judgments**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Finance lease – Company as Lessee

The Company has entered into arrangements with equipment manufacturers to obtain medical equipments on lease. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term constituting a major part of the economic life of the equipments and the fair value of the asset, that the arrangement transfers all the significant risks and rewards of ownership of these equipments and accounts for the contracts as finance leases.



**Cades Studec Technologies (India) Private Limited**

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

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates 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.

**Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

**Taxes**

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Defined benefit plans (gratuity benefits)**

The cost of defined benefit gratuity plan and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 32.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 33 for further disclosures.

**Provision for decommissioning**

The Company has recognised a provision for decommissioning obligations relating to leasehold improvements. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the set up from the leased premises and the expected timing of those costs. The carrying amount of the provision as at March 31, 2019 was Rs. 6.93 lakhs (March 31, 2018: Rs 6.14 lakhs). The Company estimates that the costs would be realised upon the expiration of the respective leases and calculates the provision using the DCF method based on the following assumptions:

- Estimated cost – 2 months' rent for respective leased premises
- Discount rate – 10%

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3 Property, plant and equipment

	(Rs. In Lakhs)				
	Computers	Furniture and fixtures	Office equipment	Leasehold improvements*	Total
<b>Cost</b>					
As at March 31, 2017	50.34	17.76	34.16	16.74	119.00
Additions	3.99	2.18	0.12	-	6.29
Deletions	-	-	-	-	-
As at March 31, 2018	<u>54.33</u>	<u>19.94</u>	<u>34.28</u>	<u>16.74</u>	<u>125.29</u>
Additions	13.70	1.74	0.97	5.35	21.76
Deletions	-	-	2.46	8.49	10.95
As at March 31, 2019	<u>68.03</u>	<u>21.68</u>	<u>32.79</u>	<u>13.60</u>	<u>136.10</u>
<b>Depreciation</b>					
As at March 31, 2017	24.93	7.50	5.22	5.58	43.23
Charge for the year	14.93	4.64	9.67	5.41	34.65
Deletions	-	-	-	-	-
As at March 31, 2018	<u>39.86</u>	<u>12.14</u>	<u>14.89</u>	<u>10.99</u>	<u>77.88</u>
Charge for the year	10.33	2.84	8.43	3.54	25.14
Deletions	-	-	2.27	7.90	10.17
As at March 31, 2019	<u>50.19</u>	<u>14.98</u>	<u>21.05</u>	<u>6.63</u>	<u>92.85</u>
<b>Net block</b>					
As at March 31, 2018	<u>14.47</u>	<u>7.80</u>	<u>19.39</u>	<u>5.75</u>	<u>47.41</u>
As at March 31, 2019	<u>17.84</u>	<u>6.70</u>	<u>11.74</u>	<u>6.97</u>	<u>43.25</u>

\*Decommissioning cost : Includes present value of expected cost for the decommissioning of an asset after its use of Rs. Nil for the year ended March 31, 2019 ( March 31, 2018 : Rs. 0.26 Lakhs)

4 Intangible assets

	(Rs. In Lakhs)	
	Computer Software	Total
<b>Cost</b>		
As at March 31, 2017	24.17	24.17
Additions	-	-
Disposals	-	-
As at March 31, 2018	<u>24.17</u>	<u>24.17</u>
Additions	12.60	12.60
Disposals	-	-
As at March 31, 2019	<u>36.77</u>	<u>36.77</u>
<b>Amortisation</b>		
As at March 31, 2017	12.15	12.15
Amortisation charge for the year	6.72	6.72
Disposals	-	-
As at March 31, 2018	<u>18.87</u>	<u>18.87</u>
Amortisation charge for the year	5.33	5.33
Disposals	-	-
As at March 31, 2019	<u>24.20</u>	<u>24.20</u>
<b>Net block</b>		
As at 31 March 2018	<u>5.30</u>	<u>5.30</u>
As at March 31, 2019	<u>12.57</u>	<u>12.57</u>

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Cades Studec Technologies (India) Private Limited  
Notes to the Ind AS Financial Statements for the year ended March 31, 2019

	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
<b>5 Loans</b>		
<b>Non-current</b>		
Unsecured, considered good		
Inter-corporate deposit to related parties (refer note 28)*	-	489.83
Security deposits	-	49.03
	<u>-</u>	<u>538.86</u>
<b>Current</b>		
Unsecured, considered good		
Inter-corporate deposit to related parties (refer note 28)*	490.00	-
Security deposits	62.47	-
	<u>552.47</u>	<u>-</u>

\* During the year ended March 31, 2016, the Company has given an inter-corporate deposit ('ICD') to AXISCADES Aerospace & Technologies Private Limited, a fellow subsidiary, amounting to Rs. 240 Lakhs. The arrangement was renewed on November 1, 2016 for a period of three years with a lock-in-period until October 31, 2017. The ICD carries an interest rate of 11% per annum. The amount outstanding as at March 31, 2019 is Rs. 240.00 lakhs (March 31, 2018 : Rs. 240.00 lakhs).

During the year ended March 31, 2018, the Company has given an ICD to AXISCADES Engineering Technologies Limited, the holding company, amounting to Rs. 250 lakhs. The ICD carries an interest rate of 9% per annum and is re-payable after a period of three years including a lock-in-period of one year. The amount outstanding as at March 31, 2019 is Rs.250 lakhs (March 31, 2018 : Rs. 250 lakhs)

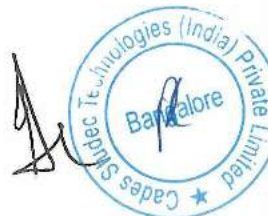
	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
<b>6 Non-current tax asset, net</b>		
Unsecured, considered good		
Advance taxes (net of provision for taxes)	33.54	17.67
	<u>33.54</u>	<u>17.67</u>

	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
<b>7 Other assets</b>		
<b>Non-current</b>		
Unsecured, considered good		
Balances with statutory/ government authorities	43.10	22.61
	<u>43.10</u>	<u>22.61</u>
<b>Current</b>		
Prepaid expenses	7.32	5.82
Advance to suppliers	7.45	3.88
	<u>14.77</u>	<u>9.70</u>

	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
<b>8 Investments</b>		
Investment in mutual funds (fair value through profit and loss)*	108.48	3.82
	<u>108.48</u>	<u>3.82</u>

\* at market value

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Cades Studec Technologies (India) Private Limited  
Notes to the Ind AS Financial Statements for the year ended March 31, 2019

	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
<b>9 Trade receivables</b>		
Unsecured, Considered good (refer note 28)	699.79	820.79
	<u>699.79</u>	<u>820.79</u>

No trade and other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Out of the above trades and other receivables as at March 31, 2019 : Rs. 537.15 lakhs (March 31, 2018 : 733.06 lakhs) are due from firm or private companies respectively in which any directors is a partner, a director or a member.

	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
<b>Break-up for security details-</b>		
Secured, considered good	-	-
Unsecured, considered good	699.79	820.79
Trade Receivables which have significant increase in credit Risk	-	-
Trade Receivables - credit impaired	-	-
	<u>699.79</u>	<u>820.79</u>

**10 Cash and cash equivalents**

	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
Balances with banks :		
On current account	277.89	28.45
Cash on hand	0.03	0.19
	<u>277.92</u>	<u>28.64</u>

For the purpose of statement of cash flow and cash and cash equivalent comprises following :

	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
Balances with banks :		
On current account	277.89	28.45
Deposits with original maturity for less than three months	0.03	0.19
Cash and cash equivalents reported in cash flow statements	<u>277.92</u>	<u>28.64</u>

**11 Other bank balances**

	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
Deposits with maturities more than three months but less than twelve months	-	57.10
	<u>-</u>	<u>57.10</u>

**12 Other current financial assets (Unsecured considered good unless otherwise stated)**

	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
<b>Current</b>		
<b>Carried at amortised cost</b>		
Accrued interest on fixed deposits and inter corporate deposits	25.37	18.37
Contract asset (Unbilled revenue)	-	19.98
Loans to employees	42.05	32.54
	<u>67.42</u>	<u>70.89</u>
<b>Carried at fair value through OCI</b>		
Derivative instruments	4.86	0.97
	<u>72.28</u>	<u>71.86</u>

**Breakup of financial assets carried at amortised cost**

	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
Cash and cash equivalents	277.92	28.64
Other bank balances	-	57.10
Trade receivable	699.79	820.79
Loans - Current	552.47	-
Loans - Non Current	-	538.86
Other current financials assets	67.42	70.89
Total		
<b>Total financial assets carried at amortised cost</b>	<u>1,597.60</u>	<u>1,516.28</u>

**Breakup of financial assets carried at fair value**

	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
Other current financials assets	4.86	0.97
	<u>4.86</u>	<u>0.97</u>

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13 Equity share capital

	March 31, 2019		March 31, 2018	
	Number	Amount	Number	Amount
<b>Authorised share capital</b>				
Equity shares of Rs. 10 each	6.25	62.50	6.25	62.50
	<b>6.25</b>	<b>62.50</b>	<b>6.25</b>	<b>62.50</b>
<b>Issued, subscribed and paid-up share capital</b>				
Equity shares of Rs. 10 each, fully paid-up	6.25	62.50	6.25	62.50
	<b>6.25</b>	<b>62.50</b>	<b>6.25</b>	<b>62.50</b>

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

	March 31, 2019		March 31, 2018	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
At the beginning of the year	6.25	62.50	6.25	62.50
Add: Issued and subscribed during the year	-	-	-	-
Outstanding at the end of the year	<b>6.25</b>	<b>62.50</b>	<b>6.25</b>	<b>62.50</b>

(b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each share holder is entitled to one vote per share held.

The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting shall be payable in Indian rupees. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by the Holding Company

Out of the equity shares issued by the Company, shares held by the holding Company are as below :

	March 31, 2019		March 31, 2018	
	Number	Amount	Number	Amount
AXISCADES Engineering Technologies Limited , the holding company	4.75	47.50	4.75	47.50

(d) Details of shareholders holding more than 5% shares in the company

Name of the share holders	March 31, 2019		March 31, 2018	
	Number	Percentage	Number	Percentage
Equity shares of Rs. 10 each, fully paid				
Axiscades Engineering Technologies Limited	4.75	76.00%	4.75	76.00%
Studee SAS	1.50	24.00%	1.50	24.00%

As per the records of the company, including register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of the shares

(e) In the period of five years immediately preceding the balance sheet date, the Company has not issued any shares pursuant to contract without payment being received in cash or any bonus shares or has bought back any shares.

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Cades Studec Technologies (India) Private Limited  
Notes to the Ind AS Financial Statements for the year ended March 31, 2019

14 Other equity	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
<b>14.1 Securities premium :</b>		
Balance as per last financial statements	656.83	656.83
Changes during the year	-	-
Balance at the end of the year	<u>656.83</u>	<u>656.83</u>
Note : Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.		
<b>14.2 Hedge reserve</b>		
Balance at the beginning of the year	0.70	32.75
Add: Additions during the year	3.90	(47.96)
Less: Deletions during the year	(1.07)	15.91
Balance at the end of the year	<u>3.53</u>	<u>0.70</u>
<b>14.3 Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	720.37	538.95
Add: Profit for the year	190.95	181.42
Balance at the end of the year	<u>911.32</u>	<u>720.37</u>
<b>14.4 Other reserves</b>		
Balance at the beginning of the year	(1.16)	1.44
Less: Deletions during the year	(3.51)	(2.60)
Balance at the end of the year	<u>(4.67)</u>	<u>(1.16)</u>
<b>Total of other equity</b>	<u>1,567.01</u>	<u>1,376.74</u>
<b>15 Provisions</b>	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
<b>Non- Current</b>		
Defined benefit liability		
Gratuity (refer note 33)	132.72	109.80
Provision for decommissioning liability - refer note (a) below	6.92	6.14
	<u>139.64</u>	<u>115.94</u>
<b>Current</b>		
Defined benefit liability		
Gratuity (refer note 33)	28.79	21.14
Compensated absences - refer note (b) below	21.67	17.77
	<u>50.46</u>	<u>38.91</u>
<b>Note (a)- Decommissioning liability</b>		
	March 31, 2019	March 31, 2018
Balance at the beginning of the year	6.14	5.45
Provision made during the year	0.78	0.69
Released during the year	-	-
Provision at the end of the year	<u>6.93</u>	<u>6.14</u>
<b>Note (b)- Compensated absences</b>		
	March 31, 2019	March 31, 2018
Balance at the beginning of the year	17.77	14.90
Current service cost	9.00	9.40
Interest cost	1.14	0.96
Actuarial gain/(loss)	(1.42)	(3.03)
Benefit payments from employer	(4.82)	(4.45)
Provision at the end of the year	<u>21.67</u>	<u>17.77</u>

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Cades Studee Technologies (India) Private Limited  
Notes to the Ind AS Financial Statements for the year ended March 31, 2019

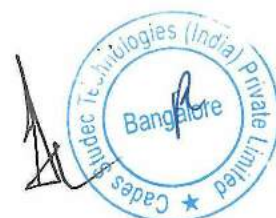
16 Trade payables	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	18.49	8.10
- total outstanding dues of creditors other than micro enterprises and small enterprises		
	<b>18.49</b>	<b>8.10</b>

The disclosure with regard to Micro, Small and Medium enterprises Development Act, 2006 is based on the information collected by the management based on the inquiries made with the creditors which have been relied upon by the auditors. As at March 31, 2019 and March 31, 2018, there were no parties registered under the said Act.

17 Other current financial liabilities	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
Dues to employees	75.65	68.54
	<b>75.65</b>	<b>68.54</b>

18 Other current liabilities	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
Statutory dues	18.31	13.87
	<b>18.31</b>	<b>13.87</b>

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Cades Studec Technologies (India) Private Limited  
Notes to the Ind AS Financial Statements for the year ended March 31, 2019

19 Revenue from operations

	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
<b>Sale of services</b>		
Documentation engineering services	1,814.50	1,727.45
	<b>1,814.50</b>	<b>1,727.45</b>

20 Other income

	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
Net gain on foreign currency transaction and translation	44.00	2.56
Dividend income from mutual funds	3.41	2.82
Income from fair valuation from mutual funds	1.25	-
	<b>48.66</b>	<b>5.38</b>

21 Finance income

	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
<b>Interest income</b>		
- from fixed deposits	0.41	17.03
- from financial assets carried at amortised cost*	52.44	36.92
	<b>52.85</b>	<b>53.95</b>

\* out of the above, Rs.49.06 lakhs represents interest income from related parties (March 31, 2018 - Rs. 36.92 lakhs) - refer note 28

22 Employee benefits expense

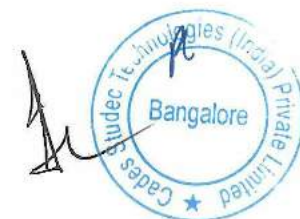
	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
Salaries, wages and bonus	1,284.81	1,140.65
Contribution to provident and other funds	69.82	66.33
Gratuity expenses (refer note 33)	25.59	27.98
Provision for compensated absences	7.58	6.36
Staff welfare expense	34.32	25.19
	<b>1,422.12</b>	<b>1,266.51</b>

23 Other expenses

	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
Rent	74.11	90.14
Power and fuel	23.09	25.14
Travelling and conveyance	15.37	23.29
Repairs and maintenance		
- Buildings	15.20	18.01
- Others	3.52	2.86
Legal and professional charges	12.80	14.06
Software Subscription charges	15.44	-
Communication expenses	10.11	10.31
Security charges	4.61	4.88
Payment to auditors*	4.87	5.50
Bank charges	0.50	3.71
Printing and stationary	3.31	3.47
Equipment hire charges	2.50	2.76
Recruitment and training expenses	3.10	1.58
Rates and taxes	0.77	0.42
Directors sitting fees	-	0.40
Insurance expenses	-	0.11
Loss on sale of fixed assets	0.34	-
Miscellaneous expenses	0.32	0.47
	<b>189.96</b>	<b>207.11</b>

\* Payment to auditors

	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
<b>As an auditor</b>		
Statutory audit fees	3.50	3.50
Tax audit fees	-	0.50
Certification charges	1.00	1.50
Out of pocket expenses	0.37	-
	<b>4.87</b>	<b>5.50</b>



**Cades Studer Technologies (India) Private Limited**

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

		(Rs. In Lakhs)	
		March 31, 2019	March 31, 2018
<b>24</b>	<b>Depreciation and amortisation expense</b>		
	Depreciation on property, plan and equipment (refer note 3)	25.14	34.65
	Amortisation on intangible assets (refer note 4)	5.33	6.72
		<b>30.47</b>	<b>41.37</b>
<b>25</b>	<b>Finance cost</b>		
	Net interest expense on defined benefit liability - refer Note 33	10.49	8.27
	Unwinding of discount on decommissioning cost - refer Note 15	0.78	0.69
		<b>11.27</b>	<b>8.96</b>
<b>26</b>	<b>Earnings per share (basic and diluted)</b>		
	The following reflects the income and share data use in basic and diluted EPS computation		
	Profit after tax attributable to equity shares	190.95	181.42
	Total number of equity shares at the end of the year	6.25	6.25
	Weighted average number of equity shares		
	For Basic EPS	6.25	6.25
	For diluted EPS	6.25	6.25
	Nominal value of equity shares - Rs.	10	10
	Basic earning per share Rs.	30.55	29.03
	Diluted earning per share Rs.	30.55	29.03
<b>27</b>	<b>Income taxes</b>		
	The major components of income tax expense for the year ended March 31, 2019 and March 31,2018 are:		
	Statements of Profit and loss :		
			(Rs. In Lakhs)
		March 31, 2019	March 31,2018
	<b>Current income tax</b>		
	- Current income tax expense	84.04	92.09
	<b>Deferred tax charge/ (credit)</b>		
	- Relating to the origination and reversal of temporary differences	(12.79)	(10.68)
	<b>Income tax expenses reported in the statement of profit and loss</b>	<b>71.25</b>	<b>81.41</b>
	<b>OCI section</b>		
	<b>Deferred tax related to items recognised in other comprehensive income during the year</b>		
	Net loss/ (gain) on remeasurement of defined benefit plan	1.35	0.99
	Net loss/ (gain) on cash flow hedges	(1.07)	15.91
	<b>Tax expense reported in the Other comprehensive income</b>	<b>0.28</b>	<b>16.90</b>

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**Cades Studec Technologies (India) Private Limited**

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

**Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rates for the year ended March 31, 2019 and March 31, 2018 (net):**

	(Rs. In Lakhs)	
	March 31, 2019	March 31,2018
Accounting profit before income tax	262.20	262.83
At India's statutory income tax rate [27.82%] (March 31, 2018. 27.55%)	72.94	72.41
Tax impact of non-deductible expenses for tax purposes	1.69	9.00
At the effective income tax rate of 27.66% ( March 31, 2018 - 30.72 %)	<b>71.25</b>	<b>81.41</b>

**Deferred tax**

Deferred tax asset, net in relation to :

	March 31, 2019	March 31, 2018
Impact of expenditure charged to statement of profit and loss account but allowed for tax purpose on payment basis	59.17	48.55
Fixed Assets : Impact of difference between tax depreciation and depreciation amortisation charged for the financial reporting.	16.03	12.50
Fair valuation of inter-corporate deposits	-	0.05
<b>Deferred tax asset</b>	<b>75.20</b>	<b>61.11</b>
Hedge asset	(1.31)	(0.27)
<b>Deferred tax liabilities</b>	<b>(1.31)</b>	<b>(0.27)</b>
<b>Deferred tax asset, Net</b>	<b>73.89</b>	<b>60.84</b>

Deferred tax relation to balance sheet are as follows :

	(Rs. In Lakhs)	
	March 31, 2019	March 31, 2018
Deferred tax assets	73.89	60.84
Deferred tax liabilities	-	-
<b>Deferred tax assets (net)</b>	<b>73.89</b>	<b>60.84</b>

**Reconciliation of deferred tax assets**

	(Rs. In Lakhs)	
	March 31, 2019	March 31,2018
Opening balance	60.84	33.26
Tax credit during the year recognised in Statement of profit and loss	12.79	10.68
Tax charges/(credit) during the year recognised in OCI	0.28	16.90
<b>Closing balance</b>	<b>73.91</b>	<b>60.84</b>

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28 Related party disclosures

i. Name of Related party where control exists irrespective of whether transaction have occurred or not :

Nature of relationship	Name of party
Holding Company	AXISCADES Engineering Technologies Limited

ii. Name of other related parties with whom transaction are taken place during the period :

Entities under common control	AXISCADES Aerospace & Technologies Private Limited
	AXISCADES Technology Canada Inc
Entities having significant influences	Studec SAS

iii. Transactions with above related parties during the period :

Name of Related Party	Nature of Transaction	(Rs. In Lakhs)	
		March 31, 2019	March 31, 2018
AXISCADES Aerospace & Technologies Private Limited	Interest income	26.56	31.85
AXISCADES Engineering Technologies Limited	Interest income	22.50	5.07
	Intercorporate deposits	-	250.00
Studec SAS	Revenue from Operations	1,585.98	1,619.96
AXISCADES Canada INC (including unbilled Revenue March 31,2019 Rs Nil, March 31, 2018 :19.98 Lakhs )	Revenue from Operations	228.51	107.49

Balances with related parties are as follows :

Name of Related Party	Nature of balance	(Rs. In Lakhs)	
		March 31, 2019	March 31, 2018
AXISCADES Aerospace & Technologies Private Limited	Inter corporate deposit	240.00	239.83
AXISCADES Engineering Technologies Limited	Inter corporate deposit	250.00	250.00
Studec SAS	Trade receivables	537.16	733.06
AXISCADES Canada Inc (including unbilled Revenue March 31,2019 Rs Nil, March 31, 2018 : 19.98 Lakhs )	Trade receivables	162.63	107.71

Terms and conditions of transaction with related parties :

The sale to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free (except the inter coporate deposit) and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables. For the year ended March 31, 2019 and March 31, 2018 , the Company has not recorded any impairment of receivables relating to amounts owned by related parties. These assessment is undertaken each financial year through examining the financial position of the related party and the market in which related party operates.

29 Segment reporting

The Board of Directors of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by IND AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of documentation engineering services .

The Company is primarily engaged in a single segment (business and geographical ) i.e. documentation engineering services outside India. As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Ind AS 108 on 'Operating Segments'

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**30 Operating leases**

**Assets taken on operating lease**

The rent expenses includes rental payment towards office premises. Such leases are generally for the period of 6-9 years with an option to renew against increased rent. Lease rent expenses debited to statement of profit and loss account is Rs. 74.11 lakhs (March 31, 2018: Rs. 90.14 lakhs)

Future minimum rentals payable under non cancellable operating leases are as follows :

(Rs. In Lakhs)

	March 31, 2019	March 31, 2018
Not later than one year	-	71.33
Later than one year not later than five years	-	-
Later than five years	-	-
	-	<u>71.33</u>

**31 Hedging and derivatives**

- (a) Pursuant to the adoption, the gain/ (loss) on fair valuation on forward contracts, which qualify as effective cash flow hedges amount to Rs. 3.53 Lakhs has been recognised in the hedge reserve account for the year ended March 31, 2019 ( March 31, 2018 - 0.70 Lakhs)
- (b) The following are the outstanding derivatives contracts entered into by the Company:

Category	CUR	Buy / Sell	(In Lakhs)	
			March 31, 2019	March 31, 2018
Forward contracts to buy	USD	Sell	3.97	2.50

**32 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 shareholders 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 its liabilities due. 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 being debt-free, capital gearing ratio is not applicable.

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**33 Gratuity**

The Company has provided for the gratuity liability (defined benefit plan), as per actuarial valuation carried out by an independent actuary on the Balance Sheet date.

**A Defined benefit contributions**

The Company makes contribution to statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952 for its employees. This is a defined contribution plan as per Ind AS 19, Employee benefits. Contribution made during the year ended March 31, 2019 is INR 69.82 Lakhs (March 31, 2018 - 66.33 lakhs).

**B Defined benefit plans**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn salary per month computed proportionately for 15 days salary multiplied for the number of completed years of service.

The following table summarise the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet for the respective plans:

**a) Statement of profit and loss**

**Net employee benefit expenses recognized in the employee cost**

	(Rs. In lakhs)	
	March 31, 2019	March 31, 2018
Employee benefits expense		
Current service cost	25.58	27.98
Interest on defined benefit obligation	9.35	7.32
<b>Net employee benefit expenses charged to statement of profit and loss</b>	<b>34.93</b>	<b>35.30</b>

**b) Balance Sheet**

**Details of provision for gratuity**

	(Rs. In lakhs)	
	March 31, 2019	March 31, 2018
Defined benefit obligation	161.51	130.94
<b>Plan Liability</b>	<b>161.51</b>	<b>130.94</b>

**c) Changes in the present value of the defined benefit obligation are as follows:**

	(Rs. In lakhs)	
	March 31, 2019	March 31, 2018
Defined benefit obligation at the beginning of the year	130.94	102.02
Current service cost	25.58	27.98
Interest cost	9.35	7.32
Benefits paid	(9.23)	(9.97)
Actuarial gains due to demographic assumption changes	0.30	(2.15)
Actuarial gains due to financial assumption changes	(15.96)	1.16
Actuarial losses due to experience adjustments	20.52	4.58
<b>Defined benefit obligation at the end of the year</b>	<b>161.51</b>	<b>130.94</b>

**d) Components rereasurement losses/(gains) in other comprehensive income**

Actuarial gain/(loss) due to demographic assumption changes	0.30	(2.15)
Actuarial gains/(loss) due to financial assumption changes	(15.96)	1.16
Actuarial losses due to experience adjustments	20.52	4.58
<b>Remeasurement loss in other comprehensive income</b>	<b>4.86</b>	<b>3.59</b>

**e) The principal assumptions used in determining gratuity and compensated absence obligations for the Company's plans are disclosed below:**

	March 31, 2019	March 31, 2018
Discount rate	7.40%	7.54%
Salary escalation rate	20% for 5 years and 10% thereafter	20.00%
Attrition rate	32.00%	25.00%
Retirement age	58 years	58 years
Mortality rate [as a percentage of Indian assured lives mortality]	100.00%	100.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



**Cades Studec Technologies (India) Private Limited**

Notes to the Ind AS Financial Statements for the year ended March 31, 2019

**f) A quantitative sensitivity analysis for significant assumption is as disclosed below:**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The following table summarizes the impact of change in the defined benefit obligation resulting from the specified percentage change in the aforementioned assumptions.

Particulars	(Rs. In lakhs)			
	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (increase or decrease by 1%)	(8.57)	9.71	(5.68)	6.19
Salary escalation rate (increase or decrease by 1%)	5.40	(5.47)	4.52	(4.43)
Attrition rate (increase or decrease by 1%)	(2.10)	2.19	(1.98)	2.09
Mortality rate (increase by 10%) (The impact of change in mortality rate by 10% as at March 31, 2019 is Rs. 61 for increase and Rs. (61) for decrease.	0.00	0.00	0.00	0.00

The sensitivity analyses above have been determined based on a method that extrapolates the impact on DBO as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

**g) Effect of plan on entity's future cash flows**

Expected cash flows over the next: (valued on undiscounted basis)	(Rs. In lakhs)	
	March 31, 2019	March 31, 2018
Within next 12 months	30.38	22.32
Between 1-5 years	76.39	68.98
Between 6-10 years	49.96	47.91
Above 10 years	125.04	56.95

The average duration of defined plan obligation at the end of the reporting period is 6.80 years. (March 31, 2018: 3.48 years)

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Cades Studec Technologies (India) Private Limited  
Notes to the Ind AS Financial Statements for the year ended March 31, 2019

34 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2019 and March 31, 2018 are as follows:

Particulars	Carrying Value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(Rs. In Lakhs)				
<b>Financial Assets at amortised cost</b>				
Cash and cash equivalents	277.92	28.64	277.92	28.64
Other bank balances	-	57.10	-	57.10
Trade receivable	699.79	820.79	699.79	820.79
<b>Loans</b>				
Inter-corporate deposit to related parties	490.00	489.83	490.00	489.83
Security deposits	62.47	49.03	62.47	49.03
<b>Other financial assets</b>				
Accrued Interest	25.37	18.37	25.37	18.37
Loans to employees	42.05	32.54	42.05	32.54
Contract asset (Unbilled revenue)	-	19.98	-	19.98
<b>Total</b>	<b>1,597.60</b>	<b>1,516.28</b>	<b>1,597.60</b>	<b>1,516.28</b>
<b>Financial assets at FVTPL</b>				
Investment in mutual fund units	108.48	3.82	108.48	3.82
<b>Total</b>	<b>108.48</b>	<b>3.82</b>	<b>108.48</b>	<b>3.82</b>
<b>Financial assets at FVTOCI</b>				
Derivative instruments	4.86	0.97	4.86	0.97
<b>Total</b>	<b>4.86</b>	<b>0.97</b>	<b>4.86</b>	<b>0.97</b>
<b>Financial liabilities at amortised cost</b>				
Trade payables	18.49	8.10	18.49	8.10
Other current financial liabilities	75.65	68.54	75.65	68.54
<b>Total</b>	<b>94.14</b>	<b>76.64</b>	<b>94.14</b>	<b>76.64</b>

The Management assessed that the fair value of cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, trade payables 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.

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.

The Following table provides fair value measurement hierarchy of financial assets and liabilities of the Company as at March 31, 2019 and March 31, 2018

Particulars	Note References	Date of Valuation	Fair Value measurement using			
			Carrying Value Total	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable inputs (Level 3)
(Rs. In lakhs)						
<b>Assets carried at amortised cost, cost, FVTPL and FVTOCI for which fair values are disclosed</b>						
Hedge asset	12	March 31, 2019	4.86	-	-	4.86
Investment in mutual fund units	8	March 31, 2019	108.48	-	108.48	-
Cash and cash equivalents	10	March 31, 2019	277.92	-	-	277.92
Other bank balances	11	March 31, 2019	-	-	-	-
Trade receivable	9	March 31, 2019	699.79	-	-	699.79
Inter-corporate deposit to related parties	5	March 31, 2019	490.00	-	-	490.00
Security deposits	5	March 31, 2019	62.47	-	-	62.47
Loans to employees	12	March 31, 2019	42.05	-	-	42.05
Accrued Interest	12	March 31, 2019	25.37	-	-	25.37
Contract asset (Unbilled revenue)	12	March 31, 2019	-	-	-	-
<b>Liabilities carried at amortised cost for which fair value are disclosed</b>						
Trade payables	16	March 31, 2019	18.49	-	-	18.49
Other current financial liabilities	17	March 31, 2019	75.65	-	-	75.65

There have been no transfer among level 1, Level 2 and level 3 during the period



Cades Studec Technologies (India) Private Limited  
Notes to the Ind AS Financial Statements for the year ended March 31, 2019

Quantitative disclosure fair value measurement hierarchy as at March 31, 2018 (Rs. In lakhs)

Particulars	Note References	Date of Valuation	Carrying Value	Fair Value measurement using		
			Total	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets carried at amortised cost, cost, FVTPL and FVTOCI for which fair values are disclosed</b>						
Hedge asset	12	March 31, 2018	0.97	-	-	0.97
Investment in mutual fund units	8	March 31, 2018	3.82	-	3.82	-
Cash and cash equivalents	10	March 31, 2018	28.64	-	-	28.64
Other bank balances	11	March 31, 2018	57.10	-	-	57.10
Trade receivable	9	March 31, 2018	820.79	-	-	820.79
Inter-corporate deposit to related parties	5	March 31, 2018	489.83	-	-	489.83
Security deposits	5	March 31, 2018	49.03	-	-	49.03
Loans to employees	12	March 31, 2018	32.54	-	-	32.54
Accrued Interest	12	March 31, 2018	18.37	-	-	18.37
Contract asset (Unbilled revenue)	12	March 31, 2018	19.98	-	-	19.98
<b>Liabilities carried at amortised cost for which fair</b>						
Trade payables	16	March 31, 2018	8.10	-	-	8.10
Other current financial liabilities	17	March 31, 2018	68.54	-	-	68.54

There have been no transfer among level 1, Level 2 and level 3 during the year



**35 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 counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs 699.79 lakhs as of March 31, 2019 (March 31, 2018 : Rs. 820.79 lakhs) 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 customers

**(i) Trade receivables**

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment.

The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivables as disclosed in note 5, 8, 9 and 12. The allowance for impairment in respect of trade and other receivables for the year ended March 31, 2019 is Rs. Nil (March 31, 2018 : Rs. Nil)

**(ii) Financial instruments and deposits**

Credit risk on cash and cash equivalents and inter-company deposits is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies and its own subsidiaries. Investments of surplus funds, temporarily, are made only with approved counterparties, mainly mutual funds, who meet the minimum threshold requirements under the counterparty risk assessment process.

**(B) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

	(Rs. In Lakhs)			
As at March 31, 2019	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payables	18.49	-	-	18.49
Other current financial liabilities	75.65	-	-	75.65
	(Rs. In Lakhs)			
As at March 31, 2018	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payables	8.10	-	-	8.10
Other current financial liabilities	68.54	-	-	68.54



### 36 Contingent liabilities

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident fund dated 28th February, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject

### 37 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

#### Ind AS 116 - Leases

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Company is evaluating the requirements of the amendments and has not yet determined the impact on the financials statements.

### 38 Transfer Pricing

During the year ended March 31, 2019, the Company has entered into certain transactions with its related parties as defined under section 92BA of Income Tax Act, 1961 ("the Act"). The Company, as required under the Act, is in the process of getting the transfer pricing evaluation conducted for International and Specified Domestic Transactions undertaken during the year. The Company is confident that the International and Specified Domestic Transactions with associated/related enterprises are at arm's length, and accordingly does not expect any material financial adjustment on completion of the transfer pricing evaluation.

39 Ind AS 115 "Revenue from Contracts with Customers" is mandatory for reporting periods beginning on or after April 01, 2018 and has replaced existing Ind AS revenue recognition requirements. Under the modified retrospective approach, there were no significant adjustments required to be made to the retained earnings as at April 01, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurements of revenue and related items in the financial statements for the year ended March 31, 2019.

Previous year's figures have been regrouped / reclassified wherever necessary, to confirm to this year's classification.

As per our report of even date

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration number :- I01049W/E300004

per Sunil Gagar  
Partner  
Membership Number : 104315

Bengaluru  
Date : May 3, 2019



For and on behalf of the Board of Directors of Cades Studec  
Technologies (India) Private Limited  
CIN : U72900KA2006PTC049241

Kaushik Sarkar  
Director  
DIN:06965356

Bengaluru  
Date : May 3, 2019

Philippe Chabaliere  
Director  
DIN:03101253

Bengaluru  
Date : May 3, 2019