

**Auditor's report to the Group Auditor on the audit of financial information for group audit purposes**

**Name(s) of component(s):** Eagle Press & Equipment Co. Ltd  
**Group code/Component identifier: Period-end:** March 31, 2024  
**Currency:** Canadian dollars

Mr. Abhinav Khosla  
SCV & Co. LLP 505, 5<sup>th</sup> floor, Tower B  
World Trade Tower, C1,  
Sector 16, Noida 201301  
India

As requested in your instructions dated March 31, 2024, we have audited the accompanying financial statement of Eagle Press & Equipment Co. Ltd, ("the component") (a Subsidiary of ISGEC Heavy Engineering Limited) as of March 31, 2024 and for the year then ended (referred to as the Fir for Consolidation Financial Statements (FCFS)). These FCFS are the responsibility of the Company's management. Our responsibility is to issue a report on these CFS Statements based on our audit. This FCFS has been prepared solely to enable ISGEC Heavy Engineering Limited to prepare its group financial statements.

Management is responsible for the preparation and presentation of the FCFS in accordance with policies and instructions received from ISGEC Heavy Engineering Limited and for such internal control as management determines is necessary to enable the preparation of FCFS that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the FCFS based on our audit. We conducted our audit of the Statement in accordance with International Standard on Auditing. This standard requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the FCFS are free of material misstatement.

As requested by you, our opinion is based on the component materiality specified in your instructions dated March 31, 2024.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the FCFS. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the FCFS, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the component's preparation and presentation of the FCFS in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the component's internal control. An audit also includes the evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the specified forms. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



In our opinion, these FCFS have been prepared, in all material respects, in conformity with accounting principles of ISGEC Heavy Engineering Limited and the instructions received from ISGEC Heavy Engineering Limited and are suitable for inclusion in the Consolidated Financial Statements of ISGEC Heavy Engineering Limited.

The FCFS has been prepared for the purpose of providing information to ISGEC Heavy Engineering Limited to enable it to prepare the group consolidated financial statements. The FCFS may, therefore, not be suitable for another purpose.

This report is solely for the information and use of SCV & Co. LLP in conjunction with the audit of the consolidated financial statements of ISGEC Heavy Engineering Limited and should not be used by [or distributed to] anyone for any other purpose. If you have any questions on this report, please contact me (416) 229 1411 x 401.

Harshad Parekh CPA, CA  
KNAV Professional Corporation  
Chartered Professional Accountants  
Authorized to practice public accounting by the  
Institute of Chartered Professional Accountants of Ontario  
Toronto Ontario

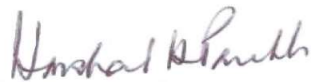
May 15, 2024

# Eagle Press & Equipment Co. Limited

Balance Sheet as on 31.03.2024

(All amounts in Canadian Dollars, unless otherwise stated)

S. No.	Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
	<b>ASSETS</b>			
(1)	<b>Non - current assets</b>			
	(a) Property, plant and equipment	5	5,584,147	6,234,592
	(b) Right- of- Use Assets	5A	-	-
	(c) Intangible assets	6	5,684,000	5,684,000
	(d) Financial assets			
	(i) Others	7	-	2,091
	(e) Deferred tax assets (net)	8	955,502	392,393
	<b>Sub total (Non - current assets)</b>		<b>12,223,649</b>	<b>12,313,076</b>
(2)	<b>Current assets</b>			
	(a) Inventories	9	6,098,095	2,076,150
	(b) Financial assets			
	(i) Trade receivables	10	1,510,881	4,944,826
	(ii) Cash and cash equivalents	11	976,399	528,197
	(c) Other current assets	12	326,063	322,948
	<b>Sub total (Current assets)</b>		<b>8,911,438</b>	<b>7,872,121</b>
	<b>Total assets</b>		<b>21,135,087</b>	<b>20,185,197</b>
	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>EQUITY</b>			
	(a) Equity share capital	13	4,500,000	4,500,000
	(b) Other equity	14	(9,995,265)	(8,423,390 )
	<b>Sub total (Equity)</b>		<b>(5,495,265)</b>	<b>(3,923,390 )</b>
(2)	<b>LIABILITIES</b>			
	<b>Non - current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	15	9,350,000	8,100,000
	<b>Sub total (Non - current liabilities)</b>		<b>9,350,000</b>	<b>8,100,000</b>
(3)	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	16	3,859,574	6,403,449
	(ii) Trade payables	17		
	Total outstanding dues of micro enterprises and small Enterprises		-	-
	Total outstanding dues of creditors other than micro enterprises and small Enterprises		2,499,292	1,480,924
	(iii) Other	18	1,330,419	551,884
	(b) Lease liabilities	19	-	0
	(c) Other current liabilities	20	9,542,222	7,537,285
	(d) Current tax liabilities (net)	21	48,845	35,045
	<b>Sub total (Current liabilities)</b>		<b>17,280,352</b>	<b>16,008,587</b>
	<b>Total Equity &amp; Liabilities</b>		<b>21,135,087</b>	<b>20,185,197</b>



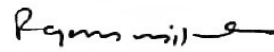
**Harshad Parekh CPA CA, Partner**

KNAV Professional Corporation

Chartered Professional Accountants

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Toronto May 15, 2024



**Rajesh Mittal**

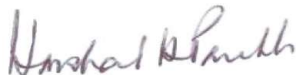
General Manager

# Eagle Press & Equipment Co. Limited

## Statement of Profit & Loss Account for the year ending 31.03.2024

(All amounts in Canadian Dollars, unless otherwise stated)

S. No.	Particulars	Note No.	Year ended 31.03.2024	Year ended 31.03.2023
I	Revenue from operations	22	12,490,054	22,128,612
II	Other income	23	65,387	208,380
III	<b>Total income (I + II)</b>		<b>12,555,441</b>	<b>22,336,992</b>
IV	<b>Expenses</b>			
	Cost of materials consumed	24	8,374,976	5,977,791
	Changes in inventories of finished goods, stock - in - trade and work - in - progress	25	(4,017,880 )	6,289,574
	Employee benefits expenses	26	4,697,662	4,585,377
	Finance costs	27	926,356	824,912
	Depreciation and amortization expenses	28	609,393	725,493
	Other expenses	29	4,101,990	5,640,744
	<b>Total expenses</b>		<b>14,692,497</b>	<b>24,043,891</b>
V	<b>Profit / (loss) before exceptional items and tax (III - IV)</b>		<b>(2,137,056 )</b>	<b>(1,706,899 )</b>
VI	Exceptional items		-	-
VII	<b>Profit / (loss) before tax (V - VI)</b>		<b>(2,137,056 )</b>	<b>(1,706,899 )</b>
VIII	<b>Tax expense</b>			
	(1) Current tax	30	0	853
	(2) Deferred tax	30	(563,109 )	71,088
	<b>Total Tax expense</b>		<b>(563,109 )</b>	<b>71,941</b>
IX	<b>Profit / (loss) for the Period (VII- VIII)</b>		<b>(1,573,947 )</b>	<b>(1,778,840 )</b>
X	<b>Other comprehensive income</b>			
	A (i) Items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	a) Exchange difference on translation of foreign operation		2,073	19,808
	<b>Total other comprehensive income</b>		<b>2,073</b>	<b>19,808</b>
XI	<b>Total comprehensive income for the period (IX + X)</b>		<b>(1,571,874 )</b>	<b>(1,759,032 )</b>
XII	<b>Earnings per equity share</b>			
	(1) Basic /Diluted		(0.35 )	(0.40 )



**Harshad Parekh CPA CA, Partner**

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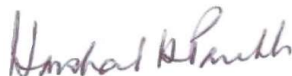
**Rajesh Mittal**

General Manager



**Eagle Press & Equipment Co. Limited**  
**Statement of Cash Flows for the year ended 31.03.2024**  
(All amounts in Canadian Dollars, unless otherwise stated)

S. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
<b>A</b>	<b>Cash flow from operating activities :</b>		
	Net Profit/(Loss) Before Tax	(2,137,056 )	(1,706,899 )
	<b>Adjustment for :</b>		
	Depreciation and amortization of PPE	609,393	725,493
	Accumulated Depreciation Adjustment	179,218	0
	(Gain) / Loss on disposal of PPE	0	1,525
	Interest Income	(6,887 )	(1,775 )
	Finance costs	926,356	824,912
	<b>Operating profit/(loss) before working capital changes</b>	<b>(428,976 )</b>	<b>(156,744 )</b>
	<b>Adjustments for changes in working capital :</b>		
	(Increase) /Decrease in trade receivables	3,433,945	(66,739 )
	(Increase) /Decrease in other receivables	(1,024 )	538,346
	(Increase) /Decrease in inventories	(4,021,946 )	6,188,884
	Increase /(Decrease) in trade and other payables	3,801,840	(5,836,729 )
	Foreign currency translation reserve	2,073	19,808
	<b>Cash generated from Operations</b>	<b>2,785,912</b>	<b>686,825</b>
	Income Tax (Paid )/ Received (Net of TDS)	13,800	29,847
	<b>Net Cash Flow from Operating Activities</b>	<b>2,799,712</b>	<b>716,672</b>
<b>B</b>	<b>Cash flow from investing activities :</b>		
	Purchase of property, plant and equipment including capital work-in-progress and intangible assets	(7,725 )	(16,039 )
	Interest received	6,887	1,775
	<b>Net Cash generated from Investing Activities</b>	<b>(838 )</b>	<b>(14,264 )</b>
<b>C</b>	<b>Cash flow from financing activities :</b>		
	Interest Paid	(926,356 )	(824,685 )
	Fixed Assets Adjustments	(130,441 )	
	Lease Liability	0	(21,700 )
	Proceeds from Borrowings	(1,293,875 )	241,481
	<b>Net Cash used in financing activities</b>	<b>(2,350,672 )</b>	<b>(604,904 )</b>
	<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents</b>	<b>448,202</b>	<b>97,504</b>
	Foreign currency translation reserve	-	-
	<b>Cash and Cash equivalents as at Opening date</b>	<b>528,197</b>	<b>430,693</b>
	<b>Cash and cash equivalents at the end of the year</b>	<b>976,399</b>	<b>528,197</b>
	<b>Cash and cash equivalents comprise</b>		
	Balance with Banks	976,399	528,197
	<b>Cash and cash equivalents</b>	<b>976,399</b>	<b>528,197</b>



**Harshad Parekh CPA CA, Partner**

KNAV Professional Corporation

Chartered Professional Accountants

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Toronto May 15, 2024



**Rajesh Mittal**

General Manager

# Eagle Press & Equipment Co. Limited

## Notes to consolidated financial statements

(All amounts in Canadian Dollars, unless otherwise stated)

### A Reporting entity

Eagle Press & Equipment Co. Limited (the "Company") was incorporated by articles of incorporation under the Canada Business Corporations Act on September 18, 2018. The Company has its sole commercial purpose the objective of being a world class supplier of mechanical and hydraulic presses to all tier suppliers and original equipment manufacturers. It maintains full commitment to satisfying its customers with both product and service excellence through a program of continuous quality improvement.

The company has been in business since 1959. It started out as a tool and die shop then product shifted to manufacturing and design of presses in 1970, and now they manufacture presses exclusively. The manufactured presses are all designed by the company through their design center and made entirely on site. Presses are made to customer specifications for their specific needs. The customer signs off on all drawing and design before the press is made for their needs.

### 1 Basis of preparation

#### 1.1 Statement of compliance

These Fit-for-Consolidation Consolidated Financial Statements ('the consolidated financial statements') relate to Eagle Press & Equipment Co. Limited and its Subsidiaries (the Company). The consolidated financial statements have been prepared in conformity with the group accounting policies of ISGEC Heavy Engineering Limited, India ('ISGEC'), which are in accordance with the recognition and measurement principles of Indian Accounting Standard notified under section 133 of the Companies Act 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015, including subsequent amendments] ('Ind AS') and other accounting principles generally accepted in India. The consolidated financial statements have been prepared to facilitate ISGEC in preparation of its consolidated financial statements. The consolidated financial statements includes the disclosures as required under Ind AS to the extent it facilitates and is applicable for preparation of ISGEC's consolidated financial statements.

The financial information in this report is shown in both Canadian Dollars (CAD) and in Indian Rupees (INR) for March 31, 2020 and March 31, 2019. Dollar amounts are translated into Indian Rupees using closing rate for consolidated balance sheets items, average rates for consolidated profit and loss statements items and historic rate for equity.

The consolidated financial statements were authorized for issue by the Company's Board of Directors.

#### 1.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost convention on accrual basis (except certain Financial Instruments which are measured at fair value).

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except measurements that have some similarities to fair value but are not fair value, such as net realizable value in Inventories or value in use in Impairment of Assets. The basis of fair valuation of these items is given as part of their respective accounting policies.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the
- Level 2 inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

#### 1.3 Basis of presentation

On September 18, 2018, the directors of the company approved a resolution of amalgamation as per the Business Corporations Act (Ontario) under a share purchase transaction. Pursuant to amalgamation, the group entities were amalgamated into a newly amalgamated entity named, ISGEC Canada Inc. On October 18, 2018, the name of the Company was changed from ISGEC Canada Inc. to Eagle Press & Equipment Co. Limited

Accordingly, The consolidated financial statements of the Company have been presented for the year April 1, 2023 to March 31, 2024 and for the period April 1, 2022 to March 31, 2023.

#### Functional currency and presentation currency:

The consolidated financial statements of the Company are reported in Canadian Dollars. The functional currency of Eagle Press & Equipment Co. Limited and its subsidiary are the Canadian Dollars (CAD). Monetary assets and liabilities of the Company that are denominated in foreign currencies are translated into Canadian dollars at the rates of exchange prevailing at the consolidated balance sheet date. Property and equipment and related amortization are translated at rates prevailing at the dates of acquisition. Revenue and expenses, other than amortization, are translated at the average rate of exchange in effect during the month that the transaction occurred. All exchange gains and losses are recognized in the current year's net income.

**Classification of assets and liabilities as current and non-current:**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities.

**1.4 Use of estimated and judgements**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The management's estimates for determination of useful lives for property, plant and equipment and impairment of intangible assets, revenue from contracts with customer, accounting for leases, provision for doubtful debts and inventory valuation at the balance sheet date represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i. **Revenue from contracts with customers:** The Management applied judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers such as identifying performance obligations, estimating relative standalone selling price of items not sold separately, and determining timing of satisfaction of performance obligations for revenue from research and development contracts.

ii. **Income taxes:** The Company estimates its Canadian federal income taxes based on interpretation of tax rules and regulations. The Company is also subject to audits from the Canada Revenue Agency and the outcome of such audits may differ from original estimates. Management believes that a sufficient amount has been accrued for income taxes.

**1.5 New standards adopted by the Company**

The Company has applied the following standard and amendments for the first time for its reporting period commencing September 18, 2018:

a) **Ind AS 115, Revenue from Contracts with Customers**

The Company applied the cumulative catch-up transition method of transition to change its accounting policies following the adoption of Ind AS 115 which is applied to orders that were not completed as of September 18, 2018. However, the effect on adoption of Ind AS 115 did not have any significant impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

b) The Company has adopted the IndAS 116 leases for the first time for its annual reporting period commencing April 01, 2019.

**2 Significant accounting policies****2.1 Principles of consolidation**

The consolidated financial statements include financial statements of the Company, 2197375 Ontario Inc. and Eagle Press America Inc., its wholly owned subsidiary. The financial statements of subsidiaries of the company are included in consolidated financial statements from the date on which control is transferred. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

**2.2 Scientific research and experimental development credits recognition**

The company is entitled to Canadian federal and provincial investment tax credits, which are earned as a percentage of eligible research and development expenditures incurred in each taxation year. The company recognizes 100% of the estimated investment tax credits in income in the year of the claim provided that the company has assurance that the tax credits will be realized.

**2.3 Revenue recognition**

Revenues are recognized through profit and loss when the Company transfers control of goods at a point in time in exchange for a consideration.

**Revenue from sale of products:**

Revenue from the sale of products are recognised when control of the goods has passed to the buyer i.e. at the point of sale / delivery to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Sale is net of sales returns, discounts and goods & services tax. Revenue is measured at the transaction price. Revenue is reduced for returns, trade allowances for deduction, rebates, value added taxes and amounts collected on behalf of third parties.

### Revenue from service contracts

Revenues are recognised over time under percentage of completion method. The percentage of completion method has been determined using input method which recognise revenue on the basis of costs incurred to date compared to total estimated contract costs.

Contract Costs comprise of costs that directly relate to specific contract, costs that are attributable to contract activity in general and can be allocated to contract and such other costs as are specifically chargeable to the customer under the terms of contract.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The difference between the cumulative amount of revenues recognized and intermediary billing is measured. If this difference is positive, it is recognized under an asset. If this difference is negative, it is recognized as a liability.

## 2.4 Property, plant and equipment

### Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use. Any gain or losses on disposal of an item of property, plant and equipment is recognized in the statement of profit and loss

### Depreciation

Depreciation is provided on a declining method over the estimated useful lives of the assets at following rates

Asset class	Useful life
Buildings	5% Declining balance
Machinery and equipment	20% Declining balance
Automotive equipment	30% Declining balance
Computer equipment	30% Declining balance
Telephone (Other office equipment)	20% Declining balance
Signs (Other office equipment)	20% Declining balance

## 2.5 Goodwill and intangible assets

The Company classifies intangible assets, obtained through acquisitions or developed internally, as definite-lived and indefinite-lived intangible assets, as well as goodwill. Definitelived intangibles are amortized on a straight-line basis over the asset's useful life while indefinite-lived intangibles and goodwill are not amortized but are tested for impairment annually, or more frequently, if events or circumstances indicate that they might be impaired. The impairment test consists of allocating indefinite-lived intangibles and goodwill to reporting units and then comparing the book value of the reporting units, including indefinite-lived intangibles and goodwill, to their fair values. The Company determines fair value by using discounted future cash flows for reporting units. The excess of carrying value over fair value, if any, is recorded as an impairment charge to the consolidated statement of operations and deficit in the year in which the impairment is determined. Subsequent reversals of impairment are prohibited.

## 2.6 Impairment of assets

Goodwill and other intangible assets that have indefinite useful life are not subject to amortization and tested annually for impairment, or more frequent if the events or changes in circumstances indicate that they might be impaired. The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## 2.7 Financial instruments

The company considers any contract creating a financial asset, liability, or equity instrument as a financial instrument, except in certain limited circumstances. The company accounts for the following as financial instruments:

- Cash and cash equivalents
- Trade and other receivables
- Other financial assets
- Accounts payable and accrued liabilities
- Progress billings in excess of costs and estimated earnings

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.

### Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

Subsequent measurement

For the purpose of subsequent measurement financial assets are classified in three broad categories:

**A. Non-derivative financial instruments**

**(i) Debt instrument carried at amortized cost**

A debt instrument is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(iii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**(iv) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**2.7.1 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:

- i. Financial assets that are debt instruments, and are measured at amortised cost.
- ii. 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.

**2.8 Inventories**

Raw materials, Stores & Spares: are valued at lower of weighted average cost and net realisable value. However, items held for use in the production are not valued below cost if the finished goods in which these will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

**2.9 Taxation**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the applicable tax laws.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

**2.10 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized 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 the company incurs in connection with the borrowing of funds.

### **2.11 Provisions and Contingent Liabilities**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### **2.12 Business combination**

The Acquisition method of accounting is used to account for business combination and amalgamation, regardless of whether equity instrument or other assets are acquired. The consideration transferred for the comprise of cash. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are, with limited exception, measured initially at their fair value at the transaction date. The excess of the consideration transferred over the net identifiable assets acquired is recorded as goodwill.

Pursuant to business combination, purchase price allocation ('PPA') was undertaken to assess the fair value of assets and liabilities acquired in the acquisition wherein total purchase consideration was allocated to all acquired assets and assumed liabilities and the excess over fair value of net identifiable assets acquired was allocated to goodwill. (Refer Note 30)

### **2.13 Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

### **2.14 Earnings per share**

In determining earnings per share, the Company considers the net profit and loss after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

### **2.15 Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crores as per the requirement of Schedule III, unless otherwise stated.

### **2.16 Lease**

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17

As a lessee The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following: – Fixed payments, including in-substance fixed payments; – Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; – Amounts expected to be payable under a residual value guarantee; and – The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets The company has elected not to recognise right-of-use assets and lease liabilities for shortterm leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17 In the comparative period, as a lessee the company classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases were classified as operating leases and were not recognised in the company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease

**Eagle Press & Equipment Co. Limited**  
**Notes to the consolidated Financial Statements**  
**5. Property, plant & equipment**

(Amount in CAD)

Particulars	Land (Freehold)	Buildings	Machinery & Equipment	Automotive equipment	Computer equipment	Office equipment	Total
<b>Gross carrying value</b>							
<b>As at 01.04.2022</b>	447,586	4,569,244	3,857,885	60,421	270,419	35,181	9,240,736
Additions	-	13,043	0	-	2,852	144	16,039
Disposals/ adjustments	-	-	11,585	6,647	-	-	18,232
<b>As at 01.04.2023</b>	<b>447,586</b>	<b>4,582,287</b>	<b>3,846,300</b>	<b>53,774</b>	<b>273,271</b>	<b>35,325</b>	<b>9,238,543</b>
Additions	-	-	-	-	7,725	-	7,725
(-)Disposals/ adjustments	-	-19	-101,363	-	-29,056	-3	-130,441
							0
<b>As at 31.03.2024</b>	<b>447,586</b>	<b>4,582,306</b>	<b>3,947,663</b>	<b>53,774</b>	<b>310,052</b>	<b>35,328</b>	<b>9,376,709</b>
<b>Accumulated depreciation</b>							
<b>As at 01.04.2022</b>	-	755,922	1,323,871	43,018	170,409	19,201	2,312,421
Charge for the year	-	192,062	477,178	3,726	30,074	3,209	706,249
Disposals	-	-	9,843	4,876	-	-	14,719
<b>As at 01.04.2023</b>	-	<b>947,984</b>	<b>1,791,206</b>	<b>41,868</b>	<b>200,483</b>	<b>22,410</b>	<b>3,003,951</b>
Charge for the year	-	182,617	395,533	3,572	24,903	2,768	609,393
Disposals/ Adjustment	-	-211	-178,717	-	-239	-51	-179,218
							-
<b>As at 31.03.2024</b>	-	<b>1,130,812</b>	<b>2,365,456</b>	<b>45,440</b>	<b>225,625</b>	<b>25,229</b>	<b>3,792,562</b>
<b>Net carrying value</b>							
As at 01.04.2022	447,586	3,813,322	2,534,014	17,403	100,010	15,980	6,928,315
<b>As at 01.04.2023</b>	<b>447,586</b>	<b>3,634,303</b>	<b>2,055,094</b>	<b>11,906</b>	<b>72,788</b>	<b>12,915</b>	<b>6,234,592</b>
<b>As at 31.03.2024</b>	<b>447,586</b>	<b>3,451,494</b>	<b>1,582,207</b>	<b>8,334</b>	<b>84,427</b>	<b>10,099</b>	<b>5,584,147</b>

Notes: Property, plant and equipment of the Company are hypotheticated as security against the bank loan.

**Eagle Press & Equipment Co. Limited**  
**Notes to the consolidated Financial Statements**

**5A : Right of Use Assets**

( Amount in CAD )

Particulars	Category of ROU Manufacturing Assets	Total
<b>Gross carrying value</b>		
<b>As at 01.04.2022</b>	173,191	173,191
Addition	-	-
Disposal	-	-
<b>As at 01.04.2023</b>	<b>173,191</b>	<b>173,191</b>
Addition	-	-
Disposal	-	-
<b>As at 31.03.2024</b>	<b>173,191</b>	<b>173,191</b>
<b>Depreciation</b>		
<b>As at 01.04.2022</b>	153,947	153,947
Charge During the year	19,244	19,244
Disposals	-	-
<b>As at 01.04.2023</b>	<b>173,191</b>	<b>173,191</b>
Charge During the year	-	-
Disposals	-	-
<b>As at 31.03.2024</b>	<b>173,191</b>	<b>173,191</b>
<b>Net Carrying Value</b>		
<b>As at 01.04.2023</b>	-	-
<b>As at 31.03.2024</b>	-	-

**Interest charge for the year on lease liabilities** -

**Total cash outflow (payment) for leases :**

Leases for which Right to use assets is recognised -

Leases considered as short term -

**Movement in Lease liabilities for the period ended 31.03.2024 :-**

( Amount in CAD )

Particular	Total
<b>As at 01.04.2023</b>	-
Addition	-
Finance cost accrued during the period	-
Deletion	-
Payment of lease liability	-
<b>As at 31.03.2024</b>	-

Note:

1. The Weighted average incremental borrowing rate of 8.45% p.a. for local currency borrowings applied for measuring the lease liability at the date of initial application.

2. The total cash outflow for leases for year ended March 31, 2024 is \$ 0



**Eagle Press & Equipment Co. Limited**  
**Notes to the consolidated Financial Statements**

**6. Intangible assets :**

( Amount in CAD )

Particulars	Trademark	Technology	Goodwill	Total
<b>Gross carrying value</b>				
As at 01.04.2022	1,770,000	1,220,000	2,694,000	5,684,000
Additions				-
Disposals/adjustments	-	-		-
<b>As at 01.04.2023</b>	<b>1,770,000</b>	<b>1,220,000</b>	<b>2,694,000</b>	<b>5,684,000</b>
Additions	-	-	-	-
Disposals/adjustments	-	-	-	-
<b>As at 31.03.2024</b>	<b>1,770,000</b>	<b>1,220,000</b>	<b>2,694,000</b>	<b>5,684,000</b>
<b>Accumulated depreciation</b>				
As at 01.04.2022	-	-	-	-
Charge for the year	-	-	-	-
Disposals	-	-		-
<b>As at 01.04.2023</b>	-	-	-	-
Charge for the year	-	-	-	-
Disposals	-	-	-	-
<b>As at 31.03.2024</b>	-	-	-	-
<b>Net carrying value</b>				
As at 01.04.2022	1,770,000	1,220,000	2,694,000	5,684,000
<b>As at 01.04.2023</b>	<b>1,770,000</b>	<b>1,220,000</b>	<b>2,694,000</b>	<b>5,684,000</b>
<b>As at 31.03.2024</b>	<b>1,770,000</b>	<b>1,220,000</b>	<b>2,694,000</b>	<b>5,684,000</b>

**Eagle Press & Equipment Co. Limited**  
**Notes to the consolidated Financial Statements**

**7. Non- current financial assets- Others**

( Amount in CAD )

Particulars	As at 31.03.2024	As at 31.03.2023
Security Deposits	-	2,091
<b>Total</b>	<b>-</b>	<b>2,091</b>

**8. Deferred tax assets / liabilities (net)**

The balance comprises temporary differences attributable to:

( Amount in CAD )

Particulars	As at 31.03.2024	As at 31.03.2023
Brought forward business losses	1,615,807	1,143,182
WDV of Property, Plant and Equipments	(851,368 )	(941,852 )
Govt. Grant on Capital Investment	191,063	191,063
<b>Closing Balance</b>	<b>955,502</b>	<b>392,393</b>

**Movement in Deferred Tax Assets**

( Amount in CAD )

Particulars	Brought forward business losses	PPE	Govt. Grant on Capital Investment	Total
<b>As at 01.04.2022</b>	<b>1,318,647</b>	<b>(1,046,229 )</b>	<b>191,063</b>	<b>463,481</b>
(Charged)/credited:-				
-to profit & loss	(175,465 )	104,377	-	(71,088 )
-to other Comprehensive Income	-	-	-	-
-Deferred tax on basis Adjustment	-	-	-	-
<b>As at 01.04.2023</b>	<b>1,143,182</b>	<b>(941,852 )</b>	<b>191,063</b>	<b>392,393</b>
(Charged)/credited:-				
-to profit & loss	472,625	90,484	-	563,109
-to other Comprehensive Income	-	-	-	-
-Deferred tax on basis Adjustment	-	-	-	-
<b>As at 31.03.2024</b>	<b>1,615,807</b>	<b>(851,368 )</b>	<b>191,063</b>	<b>955,502</b>

**Eagle Press & Equipment Co. Limited**  
**Notes to the consolidated Financial Statements**

**9. Inventories**

( Amount in CAD )

Particulars	As at 31.03.2024	As at 31.03.2023
Raw materials	272,515	268,450
Work-in-progress -Engineering Goods	5,825,580	1,807,700
<b>Total</b>	<b>6,098,095</b>	<b>2,076,150</b>

**10. Current financial assets- Trade receivables**

( Amount in CAD )

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Trade receivable considered good- Unsecured</b>		
- Related parties	72,473	-
- Others	1,438,408	4,944,826
<b>Trade receivable which have significant increased in credit risk</b>	-	-
<b>Trade receivable- Credit impaired</b>	-	-
<b>Total</b>	<b>1,510,881</b>	<b>4,944,826</b>

**11. Current financial assets- Cash & cash equivalents**

( Amount in CAD )

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Balances with banks</b>		
In Current accounts	973,156	524,954
In Cash Credit accounts	-	-
Cash on Hand	3,243	3,243
<b>Total</b>	<b>976,399</b>	<b>528,197</b>

**12. Other current assets**

( Amount in CAD )

Particulars	As at 31.03.2024	As at 31.03.2023
Pre-paid expenses	62,391	72,348
Deposits with IG Wealth Management	81,136	68,064
SR&ED tax credit receivable	182,536	182,536
<b>Total</b>	<b>326,063</b>	<b>322,948</b>

**Eagle Press & Equipment Co. Limited**  
**Notes to the consolidated Financial Statements**

**13. Share capital**

( Amount in CAD )

Particulars	As at 31.03.2024		As at 31.03.2023	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b> (4,500,000 Class A Common Shares of CAD 1/-each voting rights)	4,500,000	4,500,000	4,500,000	4,500,000
<b>Issued</b> (4,500,000 Class A Common Shares of CAD 1/-each voting rights)	4,500,000	4,500,000	4,500,000	4,500,000
<b>Subscribed &amp; fully paid-up</b> (4,500,000 Class A Common Shares of CAD 1/-each voting rights)	4,500,000	4,500,000	4,500,000	4,500,000
	<b>4,500,000</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>4,500,000</b>

**Notes:**

- (a) **The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of Capital are as under:**

The authorized common share capital of the company is unlimited, providing non-cumulative dividends payable at the discretion of the directors only once the holders of thhe Class A special shares have received their dividend entitlement.

The authorized Class A preferred share capital of the company is unlimited, non-voting providing for non-cummulaitive, dividends not to exceed 0-15% per annum. They are redeemable at \$1.00 per share.

The authorized Class B preferred share capital of the company is unlimited, non-voting, providing for non-cummulaitive dividends only once the holders of the Class A special shares have received their dividend entitlement and not to exceed 0-15% per annum. They are redeemable at \$1.00 per share.

The authorized Class C preferred share capital of the company is unlimited, non-voting, providing for non-cummulaitive, dividends not to exceed 0-15% per annum. They are redeemable at \$1.14 per share.

The authorized Class D preferred share capital of the company is unlimited, non-voting, providing for non-cummulaitive, dividends not to exceed 0-15% per annum. They are redeemable at \$1.14 per share.

The authorized Class E preferred share capital of the company is unlimited, non-voting, providing for non-cummulaitive, dividends not to exceed 0-15% per annum. They are redeemable at \$1.00 per share.

The authorized Class F preferred share capital of the company is unlimited, non-voting, providing for non-cummulaitive, dividends not to exceed 0-15% per annum. They are redeemable at \$1.00 per share.

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting Period :

( Amount in CAD )

Particulars	As at 31.03.2024		As at 31.03.2023	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the Year	4,500,000	4,500,000	4,500,000	4,500,000
Add: Issued during the Year	-	-	-	-
Less: Shares writeoff	-	-	-	-
<b>Equity shares outstanding at the close of the Year</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>4,500,000</b>

(c) Detail of Shares held by each shareholder holding more than 5%

( Amount in CAD )

Class of shares/Name of the shareholders:	As at 31.03.2024		As at 31.03.2023	
	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares
Equity shares with voting rights				
(i) ISGEC Heavy Engineering Limited, India	4,500,000	100%	4,500,000	100%

**Eagle Press & Equipment Co. Limited**  
**Notes to the consolidated Financial Statements**

**14. Other equity**

( Amount in CAD )

Particulars	As at 31.03.2024	As at 31.03.2023
<b>a) Retained Earnings</b>		
Balance outstanding at the beginning of the year	(8,421,339 )	(6,642,499 )
Net profit for the year	(1,573,948 )	(1,778,840 )
<b>Balance outstanding at the end of the year (refer note 15.1)</b>	<b>(9,995,287 )</b>	<b>(8,421,339 )</b>
<b>b) Other comprehensive income</b>		
<b>i) Foreign currency translation reserve</b>		
-Balance outstanding at the beginning of the year	(2,052 )	(21,859)
-Other comprehensive income for the period	2,073	19,808
<b>-Balance outstanding at the end of the period</b>	<b>21</b>	<b>(2,052)</b>
<b>Total</b>	<b>(9,995,265 )</b>	<b>(8,423,390 )</b>

**Note 14.1 : Nature and Purpose of Reserve**

**Retained Earnings**

This comprise company's undistributed profit after taxes.

**15. Non current- Borrowing**

( Amount in CAD )

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Secured</b>		
From banks	-	1,350,000
<b>Non secured</b>		
From ISGE Heavy Engineering Limited.	9,350,000	6,750,000
<b>Total</b>	<b>9,350,000</b>	<b>8,100,000</b>

**Eagle Press & Equipment Co. Limited**  
**Notes to the consolidated Financial Statements**

**16. Current financial liabilities- Borrowings**

( Amount in CAD )

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Secured</b>		
From banks:		
Cash Credit Account (Refer note 16.1)	2,509,574	3,703,449
Loan (Refer note 16.2)	1,350,000	2,700,000
<b>Total</b>	<b>3,859,574</b>	<b>6,403,449</b>

**Note 16.1**

Details of Securities offered for Cash credit :-

- 1.) Secured against first Pari-Passu charge on current assets including stocks & moveable fixed assets (excluding assets if any charged to term lenders)
- 2.) Corporate Guarantee of ISGEC Heavy Engineering Limited.
- 3.) Rate of interest is at prime rate of 7.10% plus 0.25%

**Note 16.2**

The loan payable from bank is secured by a registered general security agreement on the property of the company including accounts receivable and equipment. Repayments commence on December 17, 2020 at the rate of \$675,000 quarterly principal only with a termination date of August 19, 2024. The loan payable bears interest at Bank's prime rate 7.10% plus 0.75% per annum.

**Eagle Press & Equipment Co. Limited**  
**Notes to the consolidated Financial Statements**

**17. Current financial liabilities- Trade payables**

( Amount in CAD )

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Trade payables</b>		
a) To Micro and Small Enterprises	-	-
b) To other than Micro & Small Enterprises		
- To Related Parties	489,130	61,994
- To Others	2,010,162	1,418,930
<b>Total</b>	<b>2,499,292</b>	<b>1,480,924</b>

**Note 17.1 : Trade payables to micro and small enterprises**

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with the Company. Disclosure in respect of amount remaining unpaid and interest due on delayed payment has been determined only in respect of payments made after the receipt of information, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under section 22 of the Act, is as under:

**18. Current financial liabilities- Other**

( Amount in CAD )

Particulars	As at 31.03.2024	As at 31.03.2023
Payable to employees	273,966	61,474
Other payable:		
- Expenses Payable	1,056,453	490,410
<b>Total</b>	<b>1,330,419</b>	<b>551,884</b>

**19. Current financial liabilities- Lease liabilities**

( Amount in CAD )

Particulars	As at 31.03.2024	As at 31.03.2023
Lease liabilities	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**20. Other current liabilities**

( Amount in CAD )

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Advance from Customers:</b>		
- To Related Parties	3,662,973	-
- To Others	5,797,106	7,220,881
Statutory dues payable	82,143	316,404
<b>Total</b>	<b>9,542,222</b>	<b>7,537,285</b>

**21. Current tax (Asset)/ liabilities (net)**

( Amount in CAD )

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for Income Tax	(48,845 )	(35,045 )
<b>Less:</b>		
Advance Income Tax/ Tax Deducted at Source		
<b>Total</b>	<b>(48,845 )</b>	<b>(35,045 )</b>



**Eagle Press & Equipment Co. Limited**  
**Notes to the consolidated Financial Statements**

**22. Revenue from operations**

( Amount in CAD )

Particulars	Period ended 31.03.2024	Year ended 31.03.2023
<b>Sale of Products</b>		
- Engineering Goods	9,475,756	19,588,502
<b>Sale of Services</b>	2,890,769	2,534,591
<b>Other operating revenue</b>	123,529	5,519
<b>Total</b>	<b>12,490,054</b>	<b>22,128,612</b>

**23. Other income**

( Amount in CAD )

Particulars	Period ended 31.03.2024	Year ended 31.03.2023
<b>Interest Income</b>		
- On Bank Balances	5,608	1,775
<b>Government Grant</b>	-	-
<b>Other Income</b>	59,779	206,605
<b>Total</b>	<b>65,387</b>	<b>208,380</b>

**Eagle Press & Equipment Co. Limited**  
**Notes to the consolidated Financial Statements**

**24. Cost of materials consumed**

( Amount in CAD )

Particulars	Period ended 31.03.2024	Year ended 31.03.2023
Raw Material Consumed	8,197,477	5,767,832
Store consumed	177,499	209,959
<b>Total</b>	<b>8,374,976</b>	<b>5,977,791</b>

**25. Changes in inventories of finished goods, stock - in - trade & work - in - progress**

( Amount in CAD )

Particulars	Period ended 31.03.2024	Year ended 31.03.2023
<b>Opening stock</b>		
Work - in - Progress	1,807,700	8,097,275
<b>Total opening balance</b>	<b>1,807,700</b>	<b>8,097,275</b>
<b>Closing stock</b>		
Work - in - Progress	5,825,580	1,807,700
<b>Total closing balance</b>	<b>5,825,580</b>	<b>1,807,700</b>
<b>Net ( Increase)/ Decrease in Inventory</b>	<b>(4,017,880)</b>	<b>6,289,574</b>

**26. Employee benefits expenses**

( Amount in CAD )

Particulars	Period ended 31.03.2024	Year ended 31.03.2023
Salaries & wages	4,697,662	4,585,377
<b>Total</b>	<b>4,697,662</b>	<b>4,585,377</b>

**27. Finance costs**

( Amount in CAD )

Particulars	Period ended 31.03.2024	Year ended 31.03.2023
Interest Expense	926,356	824,685
Interest on Lease Liability	0	227
<b>Total</b>	<b>926,356</b>	<b>824,912</b>

**Eagle Press & Equipment Co. Limited**  
**Notes to the consolidated Financial Statements**

**28. Depreciation and amortization expense**

( Amount in CAD )

Particulars	Period ended 31.03.2024	Year ended 31.03.2023
Depreciation of Property, Plant & Equipment	609,393	706,250
Depreciation on Lease Asset	-	19,243
<b>Total</b>	<b>609,393</b>	<b>725,493</b>

**29. Other expense**

( Amount in CAD )

Particulars	Period ended 31.03.2024	Year ended 31.03.2023
Other Manufacturing Expenses	2,098,383	3,740,339
Repair and Maintenance of Machinery	276,553	212,945
Insurance	334,179	280,011
Rate & Taxes	120,433	88,959
Electricity & Water Expense	169,566	177,989
Travelling Expenses:	106,255	77,093
Bank Charges	102,409	197,821
Legal & Professional	534,761	370,320
Loss on sale of Assets	0	1,525
Office & Misc. Expenses	359,451	493,743
<b>Total</b>	<b>4,101,990</b>	<b>5,640,744</b>

**Eagle Press & Equipment Co. Limited**  
**Notes to the consolidated Financial Statements**

**Note 30: Tax expense**

**A. Income Tax Expenses**

( Amount in CAD )

Particulars	Period ended 31.03.2024	Year ended 31.03.2023
<b>(a) Current Tax</b>		
Current tax on profit for the year	-	853
Adjustments for current tax of prior periods	-	-
<b>Total Current Tax Expenses</b>	-	<b>853</b>
<b>(b) Deferred tax</b>		
Decrease/(Increase) in Deferred Tax Assets	(563,109)	71,088
(Decrease)/Increase in Deferred Tax Liabilities		-
<b>Total Deferred Tax Expenses</b>	<b>(563,109)</b>	<b>71,088</b>
<b>Total Income Tax Expenses</b>	<b>(563,109)</b>	<b>71,941</b>

**B. Income tax rate reconciliation**

( Amount in CAD )

Particulars	Period ended 31.03.2024	Year ended 31.03.2023
Accounting income before tax	(2,137,056)	(1,706,899)
Income tax rate at the statutory rate	26.50%	26.50%
Income tax Expense at the Statutory rate	(566,320)	(452,328)
Tax effect of amortization claimed in excess of capital cost allowance		
Tax effect of timing differences between accounting percentage of completion income and taxable income		
Tax effect on non-deductible expenses and timing differences	3,211	523,416
Effect of prior year scientific research and experimental development claim		
Effect of current year scientific research and experimental development claim	-	-
Tax recovery not recognized		-
	<b>(563,109)</b>	<b>71,088</b>

**Eagle Press & Equipment Co. Limited**  
**Notes to the consolidated Financial Statements**

**31 Related party transactions (Ind AS 24)**

In accordance with the Indian Accounting Standard on “Related Party Disclosures” ( IND AS-24), the disclosures in respect of Related Parties and Transactions with them, as identified and certified by the Management, are as follows:

**1) Description and name of related parties**

S. No.	Name of the Related Party	Country of Incorporation	% of Equity interest	
			As at 31.03.2024	As at 31.03.2023
(i) 1	<b>Holding Company</b> ISGEC Heavy Engineering Limited	India	100	100
(ii) 1 2	<b>Key Management Personnel</b> Rick Uszynski Vivek Nigam	<b>(Designation)</b> Chief Operating Officer Director/ President		

**2) Details of related party transactions and outstanding balance as at 31.03.2024**

S. No.	Nature of Transaction/ Relationship	2023-24	2022-23
<b>a)</b>	<b>The following transactions were carried out with the related parties in the ordinary course of business</b>		
	<b>Joint Venture Partners</b>		
	<b>- ISGEC Heavy Engineering Limited</b>		
i)	Loan obtained	2,600,000.00	750,000
ii)	Purchase of good/service	896,171	61,994
iii)	Sales of good/service	57,151	-
iv)	Interest expense	566,043	406,182
v)	Service Charges	69,653	184,037
<b>b)</b>	<b>Amount due to / from related parties</b>		
	<b>Joint Venture Partners</b>		
	<b>- ISGEC Heavy Engineering Limited</b>		
i)	Loan payable	9,350,000	6,750,000
ii)	Accounts payable	489,130	61,994.00
iii)	Interest payable	1,056,451	490,410
iv)	Advance from Customer	3,662,973	-
v)	Accounts Receivables	72,473	-

**Terms and Conditions**

The transactions with the related parties are made on term equivalent to those that prevail in arm's length transactions and are in the normal course of business.

**Eagle Press & Equipment Co. Limited**  
**Notes to the consolidated Financial Statements**

**32 Earning per share (Ind As 33):**

In accordance with Indian Accounting Standard (Ind AS-33) on 'Earnings Per Share' the following table reconciles the numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars	( Amount in CAD )	
	Period ended 31.03.2024	Year ended 31.03.2023
Net Profit / (Loss) available to Equity Shareholders (in CAD)	(1,573,947)	(1,778,840)
Number of Equity Shares outstanding during the year for the purpose of calculation of Earning Per Share	4,500,000	4,500,000
Nominal value of Equity Share (In CAD)	1.00	1.00
Basic & Diluted Earning per Share (In CAD)	(0.35)	(0.40)

**33 Segment Reporting**

The Company operates in only one segment of engineering business which comprises of production and sales of Engineering Equipment's, identified in accordance with principle enunciated in Indian Accounting Standard AS-108, Segment Reporting. Hence, separate business segment information is not applicable.

The MD of the company has been identified as The Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker also monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

- a) The company is domiciled in Canada. The amount of its revenue is broken on the basis of location of customer.

( Amount in CAD )

Description	Period ended 31.03.2024			Year ended 31.03.2023		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Revenue from Customers	5,603,967	6,886,087	12,490,054	2,531,068	19,597,544	22,128,612

- b) These assets are allocated based on the operation and physical location of the assets.

( Amount in CAD )

Description	Period ended 31.03.2024			Year ended 31.03.2023		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Carrying amount of assets	11,241,869	26,278	11,268,147	11,884,293	34,299	11,918,592
Addition to fixed assets	7,725		7,725	16,039	-	16,039

## 34 : Fair Value Measurement

## Financial instruments by category

Particulars	Period ended 31.03.2024			Year ended 31.03.2023		
	Amortised Cost	FVTPL *	FVTOCI #	Amortised Cost	FVTPL *	FVTOCI #
<b>Financial Asset</b>						
Trade receivables	1,510,881	-	-	4,944,826	-	-
Cash and cash equivalents	976,399	-	-	528,197	-	-
Others	0	-	-	-	-	-
<b>Total Financial Assets</b>	<b>2,487,280</b>	<b>-</b>	<b>-</b>	<b>5,473,023</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>						
Borrowings	13,209,574	-	-	14,503,449	-	-
Trade payables	2,499,292	-	-	1,480,924	-	-
Other Financial Liabilities	1,330,419	-	-	551,884	-	-
<b>Total Financial Liabilities</b>	<b>17,039,285</b>	<b>-</b>	<b>-</b>	<b>16,536,257</b>	<b>-</b>	<b>-</b>

\* FVTPL - Fair value through profit and loss

# FVTOCI - Fair value through other comprehensive income

## (i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (A) recognised and measured at fair value and (B) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the company has classified its financial instruments into three levels prescribed under the accounting standards.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below :-

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.

Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at 31.03.2023	Fair Value Measurement using			
	Carrying Value 31.03.2023	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial Assets</b>				
Other	-	-	-	-
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>				
Borrowings	14,503,449	-	-	14,503,449
Trade payables	1,480,924	-	-	1,480,924
Other financial liabilities	551,884	-	-	551,884
<b>Total Financial liabilities</b>	<b>16,536,257</b>	<b>-</b>	<b>-</b>	<b>16,536,257</b>

**ISGEC Titan Metal Fabricators Private Limited**
**Financial Instruments- Accounting classification and fair value measurement**

Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at 31.03.2024	Fair Value Measurement using			
	Carrying Value 31.03.2024	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial Assets</b>				
Other	-	-	-	-
<b>Total Financial Assets</b>	-	-	-	-
<b>Financial Liabilities</b>				
Borrowings	13,209,574	-	-	13,209,574
Trade payables	2,499,292	-	-	2,499,292
Other Financial Liabilities	1,330,419	-	-	1,330,419
<b>Total Financial liabilities</b>	<b>17,039,285</b>	-	-	<b>17,039,285</b>

**Valuation technique used to determine fair value**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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.

Specific valuation technique used to value financial instrument includes:

- > the use of quoted market prices or dealer quotes for similar financial instruments.
- > the fair value of financial assets and liabilities at amortised cost is determined using discounted cash flow analysis.

**The following method and assumptions are used to estimate fair values:**

The Carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, short term deposits etc. are considered to be their fair value , due to their short term nature.

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

Financial assets and liabilities measured at fair value and the carrying amount is the fair value.



### 35 Financial Risk Management

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk.

#### I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31st March 2023 and 31st March 2024.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. The Company uses derivative financial instruments such as foreign exchange forward contracts of varying maturity depending upon the underlying contract and risk management strategy to manage its exposures to foreign exchange fluctuations.

#### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

(i) The exposure of group borrowings to interest rate changes at the end of reporting period are as follows:

( Amount in CAD )

Particulars	31-03-2024	31-03-2023
Variable rate borrowings	2,509,574	3,703,449
Fixed rate borrowings	10,700,000	10,800,000
<b>Total borrowings</b>	<b>13,209,574</b>	<b>14,503,449</b>

(ii) As at the end of reporting period, the company had the following variable rate borrowings and interest rate swap contracts outstanding:

( Amount in CAD )

Particulars	31-03-2024			31-03-2023		
	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans
Loans repayable on demand (Cash Credit)	5.03%	2,509,574	19%	2.95%	3,703,449	-
External Commercial Borrowings (including USD_INR Hedging Cost)	-	-	-	-	-	-
Interest rate swaps (Notional principal amount)	-	-	-	-	-	-
<b>Net exposure to cash flow interest rate risk</b>		<b>2,509,574</b>			<b>3,703,449</b>	

(iii) Sensitivity

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
CAD	+60	+60	15,057	22,221
	- 60	- 60	15,057	22,221

**(b) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company operates internationally and the Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

The Company hedges its exposure to fluctuations by using foreign currency forwards contracts on the basis of risk perception of the management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period as follows:

( Amount in CAD )			
<b>Foreign currency exposure as at 31st March, 2024</b>	<b>USD</b>	<b>Euro</b>	<b>Total</b>
Trade Receivables	461,405	-	<b>461,405</b>
Loan & Advances	-	-	-
Bank balance in current a/c & term deposits a/c	970,050	-	<b>970,050</b>
Trade payables	162,953	-	<b>162,953</b>
Hedged Portion	-	-	-
<b>Net Exposure to foreign currency risk (assets)</b>	<b>1,594,407</b>	-	<b>1,594,407</b>
<b>Foreign currency exposure as at 31st March, 2023</b>	<b>USD</b>	<b>Euro</b>	<b>Total</b>
Trade Receivables	2,790,123	-	<b>2,790,123</b>
Loan & Advances	-	-	-
Bank balance in current a/c & term deposits a/c	520,989	-	<b>520,989</b>
Trade payables	815,502	-	<b>815,502</b>
Hedged Portion	-	-	-
<b>Net Exposure to foreign currency risk (assets)</b>	<b>4,126,614</b>	-	<b>4,126,614</b>

**Foreign currency sensitivity**

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax and other comprehensive income:

<b>Particulars</b>	<b>2023-24</b>		<b>2022-23</b>	
	<b>1% increase</b>	<b>1% decrease</b>	<b>1% increase</b>	<b>1% decrease</b>
USD	15,944.00	15,944.00	41,266.14	41,266.14
Euro	-	-	-	-

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

**(c) Price Risk**

The company does not hold any investments in equity as well as in debt instrument. Therefore, the company is not exposed to any price risk.

**II. Credit risk**

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation
- (iv) Significant increase in credit risk and other financial instruments of the same counterparty
- (v) significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

b) The ageing analysis of the trade receivables (gross of provision) has been considered from the date the invoice falls due:

Ageing	Not Due	Less than 6 months	6-12 months	More than 12 Months	Total
<b>As at 31-03-2024</b>					
Gross Carrying Amount	1,202,361	147,402	116,748.00	44,370.00	1,510,881
Expected loss Rate (in percentage)	-	-	-	-	-
Expected Credit Loss (in CAD)	-	-	-	-	-
<b>Carrying Amount (net of impairment)</b>	<b>1,202,361</b>	<b>147,402</b>	<b>116,748</b>	<b>44,370</b>	<b>1,510,881</b>

Ageing	Not Due	Less than 6 months	6-12 months	More than 12 Months	Total
<b>As at 31-03-2023</b>					
Gross Carrying Amount	677,134	4,267,692	-	-	4,944,826
Expected loss Rate (in percentage)	-	-	-	-	-
Expected Credit Loss (in CAD)	-	-	-	-	-
<b>Carrying Amount (net of impairment)</b>	<b>677,134</b>	<b>4,267,692</b>	<b>-</b>	<b>-</b>	<b>4,944,826</b>

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed data over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward- looking estimates are analysed. In case of probability of non collection, default rate is 100%.

b) The following table summarises the change in the loss allowances measured using expected credit loss model (ECL):

Particulars	ECL for Trade Receivables
<b>As at 01-04-2023</b>	-
Provided during the year	-
Reversed During the Year	-
<b>As at 31-03-2024</b>	-

### III. Liquidity Risk

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling, forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

( Amount in CAD )

As at 31-03-2024	Carrying Amount	On Demand	Less than 12 months	12 months to 3 years	Total
Borrowings	13,209,574	11,859,574	1,350,000	-	13,209,574
Trade payables	2,499,292	-	2,259,334	239,958	2,499,292
Other Liabilities	1,330,419	-	840,009	490,410.00	1,330,419
<b>Total</b>	<b>17,039,285</b>	<b>11,859,574</b>	<b>4,449,343</b>	<b>730,368.00</b>	<b>17,039,285</b>

As at 31-03-2023	Carrying Amount	On Demand	Less than 12 months	12 months to 3 years	Total
Borrowings	14,503,449	14,503,449	-	-	14,503,449
Trade payables	1,480,924	-	1,480,924	-	1,480,924
Other Liabilities	551,884	-	551,884	-	551,884
<b>Total</b>	<b>16,536,257</b>	<b>14,503,449</b>	<b>2,032,808</b>	<b>-</b>	<b>16,536,257</b>

### Financing Arrangements

The Company had access to the following undrawn borrowing facilities at the end of reporting period:

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Fund based limit</b>	1,490,426	-1,703,449

**Eagle Press & Equipment Co. Limited**  
**Notes to the consolidated Financial Statements**

**36. Capital Management**

**(a) Risk Management**

The primary objective of the Company's Capital Management is to maximize the shareholder value and also maintain an optimal capital structure to reduce cost of capital. In order to manage the capital structure, the Company may adjust the amount of dividend paid to shareholders, return on capital to shareholders, issue new shares or sell assets to reduce debts. The Company monitors capital on the basis of following gearing ratio, which is net debt divided by total capital plus debt.

( Amount in Rs. )

Particulars	As at 31.03.2024	As at 31.03.2023
Borrowings	13,209,574	14,503,449
Less : Cash & Cash Equivalents (note 11)	976,399	528,197
<b>Net Debt</b>	12,233,175	13,975,252
Total Equity	(5,495,265)	(3,923,390)
<b>Total Capital and Net Debt</b>	6,737,910	10,051,862
<b>Net debt to debt and equity ratio (Gearing Ratio)</b>	1.82	1.39

**Notes-**

(i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes 15 & 16.

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

**(b) Loan Covenants**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the current years and previous years.