

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, 2021
Currency: Canada dollars

Mr. Abhinav Khosla
SCV & Co. LLP
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Sector 16, Noida 201301
India

As requested in your instructions dated April 18, 2021, 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, 2021 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 April 18, 2021.

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 at (416) 229 1411 x 401.



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Chartered Professional Accountants
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Toronto Ontario

May 17, 2021

Eagle Press & Equipment Co. Limited

Balance Sheet as at 31.03.2021

(All amounts in Canadian Dollars, unless otherwise stated)

S. No.	Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
	ASSETS			
(1)	Non - current assets			
	(a) Property, plant and equipment	5	7,752,673	7,371,202
	(b) Right- of- Use Assets	5A	76,974	134,704
	(c) Capital work in progress			
	(c) Intangible assets	6	5,684,000	5,684,000
	(d) Financial assets			
	(i) Investments			
	(ii) Trade receivables			
	(i) Loans			
	(iv) Bank Balances			
	(i) Others	7	68,064	-
	(e) Deferred tax assets (net)	8	-	1,323,948
	(g) Other non - current assets			
	Sub total (Non - current assets)		13,581,711	14,513,854
(2)	Current assets			
	(a) Inventories	9	4,181,691	5,108,814
	(b) Financial assets			
	(i) Investments			
	(i) Trade receivables	10	1,493,998	3,076,408
	(ii) Cash and cash equivalents	11	508,052	1,385,295
	(iii) Bank Balances(other than(ii) above)			
	(iii) Loans			
	(iv) Other			
	(c) Current tax assets (net)	12	309,690	102,414
	(d) Other current assets	13	779,270	929,271
	Sub total (Current assets)		7,272,701	10,602,202
	Total assets		20,854,412	25,116,056
	EQUITY AND LIABILITIES			
(1)	EQUITY			
	(a) Equity share capital	14	4,500,000	4,500,000
	(b) Other equity	15	(4,932,220)	(3,686,362)
	Sub total (Equity)		(432,220)	813,638
(2)	LIABILITIES			
	Non - current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	16	8,750,000	10,950,000
	(ii) Trade payables			
	(iii) Other financial liabilities			
	(b) Lease liabilities	17	21,473	82,393
	(c) Provisions			
	(d) Deferred tax liabilities (net)	8	215,319	-
	(e) Other non-current liabilities			
	Sub total (Non - current liabilities)		8,986,792	11,032,393
(3)	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	18	4,010,493	1,350,000
	(ii) Trade payables	19		
	Total outstanding dues of micro enterprises and small Enterprises		-	-
	Total outstanding dues of creditors other than micro enterprises and small Enterprises		3,680,181	3,101,921
	(iii) Other	20	314,338	361,286
	(b) Lease liabilities	21	60,920	56,000
	(c) Other current liabilities	22	4,233,908	8,400,818
	(d) Provisions		-	-
	(d) Current tax liabilities (net)		-	-
	Sub total (Current liabilities)		12,299,840	13,270,025
	Total Equity & Liabilities		20,854,412	25,116,056

Eagle Press & Equipment Co. Limited

Statement of Profit & Loss Account for the year ended 31.03.2021

(All amounts in Canadian Dollars, unless otherwise stated)

S. No.	Particulars	Note No.	Year ended 31.03.2021	Year ended 31.03.2020
I	Revenue from operations	23	17,517,458	21,052,349
II	Other income	24	1,433,150	164,073
III	Total income (I + II)		18,950,608	21,216,422
IV	Expenses			
	Cost of materials consumed	25	5,823,211	12,521,571
	Changes in inventories of finished goods, stock - in - trade and work - in - progress	26	886,642	1,271,303
	Employee benefits expenses	27	5,532,950	6,821,364
	Finance costs	28	547,378	520,973
	Depreciation and amortization expenses	29	327,041	866,789
	Other expenses	30	5,709,358	4,727,471
	Total expenses		18,826,580	26,729,471
V	Profit / (loss) before exceptional items and tax (III - IV)		124,028	(5,513,049)
VI	Exceptional items		-	-
VII	Profit / (loss) before tax (V - VI)		124,028	(5,513,049)
VIII	Tax expense			
	(1) Current tax	31	(209,203)	-
	(2) Deferred tax	31	1,539,267	(1,323,948)
	Total Tax expense		1,330,064	(1,323,948)
IX	Profit / (loss) for the Period (VII- VIII)		(1,206,036)	(4,189,101)
X	Other comprehensive income			
	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		(39,821)	-
	Total other comprehensive income		(39,821)	-
XI	Total comprehensive income for the period (IX + X)		(1,245,857)	(4,189,101)
XII	Earnings per equity share			
	(1) Basic /Diluted		(0.27)	(0.93)

Eagle Press & Equipment Co. Limited
Statement of Cash Flows for the year ended 31.03.2021
(All amounts in Canadian Dollars, unless otherwise stated)

S. No.	Particulars	Period ended 31.03.2021	Year ended 31.03.2020
A	Cash flow from operating activities :		
	Net Profit/(Loss) Before Tax	124,028	(5,513,049)
	Adjustment for :		
	Depreciation and amortization of PPE	327,041	866,789
	(Gain) / Loss on disposal of PPE		
	Interest Income	(985)	(44,073)
	Finance costs	547,378	520,973
	Operating profit/(loss) before working capital changes	997,462	(4,169,360)
	Adjustments for changes in working capital :		
	(Increase) /Decrease in trade receivables	1,582,410	3,158,643
	(Increase) /Decrease in other receivables	81,937	(413,542)
	(Increase) /Decrease in inventories	927,123	1,409,240
	Increase /(Decrease) in trade and other payables	(3,635,600)	1,194,251
	Increase /(Decrease) in payables and provisions	-	-
Foreign currency translation reserve	(39,821)	-	
Cash generated from Operations	(86,489)	1,179,232	
Income Tax (Paid)/ Received (Net of TDS)	1,927	(330,384)	
Net Cash Flow from Operating Activities	(84,562)	848,848	
B	Cash flow from investing activities :		
	Purchase of property, plant and equipment including capital work-in-progress and intangible assets	(650,781)	(1,515,332)
	Interest received	985	44,073
	Net Cash generated from Investing Activities	(649,796)	(1,471,259)
C	Cash flow from financing activities :		
	Interest Paid	(538,278)	(512,371)
	Lease Liability	(65,100)	(43,400)
	Proceeds from Borrowings	460,493	1,500,000
	Net Cash used in financing activities	(142,885)	944,229
	Net Increase/(Decrease) In Cash & Cash Equivalents	(877,243)	321,818
	Foreign currency translation reserve	-	-
	Cash and cash equivalents as at Opening date	1,385,295	1,063,477
	Cash and cash equivalents at the end of the year	508,052	1,385,295
	Cash and cash equivalents comprise		
	Balance with Banks	508,052	1,385,295
	Term Deposit with Banks	-	-
	Cash and cash equivalents	508,052	1,385,295

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 Canadian Dollars (CAD) for March 31, 2021 and March 31, 2020. 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, 2020 to March 31, 2021 and for the period April 1, 2019 to March 31, 2020.

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.

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
Gross carrying value							
As at 01.04.2019	447,586	4,555,673	1,788,161	60,421	166,543	33,436	7,051,820
Additions	-	11,151	1,431,080	-	82,907	-	1,525,138
Disposals/ adjustments	-	-	9,806	-	-	-	9,806
As at 01.04.2020	447,586	4,566,824	3,209,435	60,421	249,450	33,436	8,567,152
Additions	-	2,506	643,586	-	2,934	1,755	650,781
Disposals/ adjustments	-	-	-	-	-	-	-
As at 31.03.2021	447,586	4,569,330	3,853,021	60,421	252,384	35,191	9,217,933
Accumulated depreciation							
As at 01.04.2019	-	121,481	208,725	9,684	23,128	4,630	367,648
Charge for the year	-	221,755	528,444	15,221	57,120	5,761	828,302
Disposals	-	-	-	-	-	-	-
As at 01.04.2020	-	343,236	737,169	24,905	80,249	10,391	1,195,950
Charge for the year	-	211,664	-9,321	10,655	51,488	4,824	269,310
Disposals	-	-	-	-	-	-	-
As at 31.03.2021	-	554,900	727,848	35,560	131,737	15,215	1,465,260
Net carrying value							
As at 01.04.2019	447,586	4,434,192	1,579,436	50,737	143,415	28,806	6,684,172
As at 01.04.2020	447,586	4,223,588	2,472,266	35,516	169,201	23,045	7,371,202
As at 31.03.2021	447,586	4,014,430	3,125,173	24,861	120,647	19,976	7,752,673

Notes: Property, plant and equipment of the Company are hypothecated 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
Gross carrying value		
As at 01.04.2019	-	-
Addition	173,191	173,191
Disposal	-	-
As at 31.03.2020	173,191	173,191
Addition	-	-
Disposal	-	-
As at 31.03.2021	173,191	173,191
Depreciation		
As at 01.04.2019	-	-
Charge During the year	38,487	38,487
Disposals	-	-
As at 31.03.2020	38,487	38,487
Charge During the year	57,730	57,730
Disposals	-	-
As at 31.03.2021	96,217	96,217
Net Carrying Value		
As at 31.03.2020	134,704	134,704
As at 31.03.2021	76,974	76,974

Interest charge for the year on lease liabilities 9,100

Total cash outflow (payment) for leases :

Leases for which Right to use assets is recognised 65,100
Leases considered as short term 60,920

Movement in Lease liabilities for the year ended 31.03.2021 :-

(Amount in CAD)

Particular	Total
As at 31.03.2020	138,393
Addition	-
Finance cost accrued during the period	9,100
Deletion	-
Payment of lease liability	65,100
As at 31.03.2021	82,393

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, 2021 is \$ 65100

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

6. Intangible assets :

(Amount in CAD)

Particulars	Trademark	Technology	Goodwill	Total
Gross carrying value				
As at 01.04.2019	1,770,000	1,220,000	2,694,000	5,684,000
Additions	-	-	-	-
Disposals/adjustments	-	-	-	-
As at 01.04.2020	1,770,000	1,220,000	2,694,000	5,684,000
Additions	-	-	-	-
Disposals/adjustments	-	-	-	-
As at 31.03.2021	1,770,000	1,220,000	2,694,000	5,684,000
Accumulated depreciation				
As at 01.04.2019	-	-	-	-
Charge for the year	-	-	-	-
Disposals	-	-	-	-
As at 01.04.2020	-	-	-	-
Charge for the year	-	-	-	-
Disposals	-	-	-	-
As at 31.03.2021	-	-	-	-
Net carrying value				
As at 01.04.2019	1,770,000	1,220,000	2,694,000	5,684,000
As at 01.04.2020	1,770,000	1,220,000	2,694,000	5,684,000
As at 31.03.2021	1,770,000	1,220,000	2,694,000	5,684,000

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

7. Non- current financial assets- Others

(Amount in CAD)

Particulars	As at 31.03.2021	As at 31.03.2020
Fixed Deposits with banks having maturity of more than twelve months (Under lien)	68,064	-
Total	68,064	-

8. Deferred tax assets / liabilities (net)

The balance comprises temporary differences attributable to:

(Amount in CAD)

Particulars	As at 31.03.2021	As at 31.03.2020
Brought forward business losses	777,610	2,186,864
WDV of Property, Plant and Equipments	(1,183,992)	(948,618)
Govt. Grant on Capital Investment	191,063	85,702
Closing Balance	(215,319)	1,323,948

Movement in Deferred Tax Assets

(Amount in CAD)

Particulars	Brought forward business losses	PPE	Govt. Grant on Capital Investment	Total
At 01.04.2019				
(Charged)/credited:-				
-to profit & loss	2,186,864	(948,618)	85,702	1,323,948
-to other Comprehensive Income	-	-	-	-
-Deferred tax on basis Adjustment	-	-	-	-
At 31.03.2020	2,186,864	(948,618)	85,702	1,323,948
(Charged)/credited:-				
-to profit & loss	(1,409,254)	(235,374)	105,361	(1,539,267)
-to other Comprehensive Income	-	-	-	-
-Deferred tax on basis Adjustment	-	-	-	-
At 31.03.2021	777,610	(1,183,992)	191,063	(215,319)

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

9. Inventories

(Amount in CAD)

Particulars	As at 31.03.2021	As at 31.03.2020
Raw materials	224,735	265,217
Work-in-progress -Engineering Goods	3,956,956	4,843,598
Total	4,181,691	5,108,814

10. Current financial assets- Trade receivables

(Amount in CAD)

Particulars	As at 31.03.2021	As at 31.03.2020
Trade receivable considered good- Unsecured		
- Related parties	989	-
- Others	1,493,009	3,076,408
	-	-
Trade receivable which have significant increased in credit risk		
Trade receivable- Credit impaired	-	-
Total	1,493,998	3,076,408

11. Current financial assets- Cash & cash equivalents

(Amount in CAD)

Particulars	As at 31.03.2021	As at 31.03.2020
Balances with banks		
In Current accounts	503,764	1,094,236
In Cash Credit accounts	-	291,059
Cash on Hand	4,287	-
Cheques in Hand	-	-
Total	508,052	1,385,295

12. Current tax (Asset)/ liabilities (net)

(Amount in CAD)

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for Income Tax	309,690	102,414
Less:		

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

Advance Income Tax/ Tax Deducted at Source

Total

309,690

102,414

13. Other current assets

(Amount in CAD)

Particulars	As at 31.03.2021	As at 31.03.2020
Balances with Govt. authorities	55,832	156,436
Trade Advance		
Pre-paid expenses	296,220	277,801
SR&ED tax credit receivable	427,219	307,219
Related parties	-	187,814
Total	779,270	929,271

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

14. Share capital

(Amount in CAD)

Particulars	As at 31.03.2021		As at 31.03.2020	
	Number of shares	Amount	Number of shares	Amount
Authorised (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
Issued (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
Subscribed & fully paid-up (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
	4,500,000	4,500,000	4,500,000	4,500,000

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 the 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-cumulative 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-cumulative 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-cumulative 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-cumulative 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-cumulative 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-cumulative 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 31.03.2021		As at 31.03.2020	
	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 bought back	-	-	-	-
Equity shares outstanding at the close of the Year	4,500,000	4,500,000	4,500,000	4,500,000

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

(Amount in CAD)

Class of shares/Name of the shareholders:	As at 31.03.2021		As at 31.03.2020	
	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

15. Other equity

(Amount in CAD)

Particulars	As at 31.03.2021	As at 31.03.2020
a) Retained Earnings		
Balance outstanding at the beginning of the year	(3,686,362)	502,738
Net profit for the year	(1,206,036)	(4,189,100)
Balance outstanding at the end of the year (refer note 15.1)	(4,892,399)	(3,686,362)
b) Other comprehensive income		
i) Foreign currency translation reserve		
-Balance outstanding at the beginning of the year		
-Other comprehensive income for the year	(39,821)	
-Balance outstanding at the end of the year	(39,821)	
Total	(4,932,220)	(3,686,362)

Note 15.1 : Nature and Purpose of Reserve

Retained Earnings

This comprise company's undistributed profit after taxes.

16. Non current- Borrowing

(Amount in CAD)

Particulars	As at 31.03.2021	As at 31.03.2020
Secured		
From banks	6,750,000	9,450,000
Non secured		
From ISGE Heavy Engineering Limited.	2,000,000	1,500,000
Total	8,750,000	10,950,000

Note:

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 - 0.25% per annum.

The loan from ISGEC Heavy Engineering Limited - India is non secured loan with 7% interest commencing on September 2, 2019. The interest rate has been revised to 6% commencing on April 1, 2020. Repayments is required the earlier of surplus funds available and the tenure. Interest payments are due on March every year.

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

17. Non current- Lease liability

(Amount in CAD)

Particulars	As at 31.03.2021	As at 31.03.2020
Lease liabilities	21,473	82,393
Total	21,473	82,393

18. Current financial liabilities- Borrowing

(Amount in CAD)

Particulars	As at 31.03.2021	As at 31.03.2020
Secured		
From banks:		
Cash Credit Account (Refer note 18.1)	1,310,493	-
Loan (Refer note 18.2)	2,700,000	1,350,000
Total	4,010,493	1,350,000

Note 18.1

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 2.45% plus 0.25%

Note 18.2

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 2.45% plus 0.75% per annum.

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

19. Current financial liabilities- Trade payables

(Amount in CAD)

Particulars	As at 31.03.2021	As at 31.03.2020
Trade payables		
a) To Micro and Small Enterprises	-	-
b) To other than Micro & Small Enterprises		
- To Related Parties	145,700	604,820
- To Others	3,534,481	2,497,101
Total	3,680,181	3,101,921

Note 19.1 : 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:

20. Current financial liabilities- Other

(Amount in CAD)

Particulars	As at 31.03.2021	As at 31.03.2020
Payable to employees	222,448	361,286
Other payable:		
- Expenses Payable	91,890	-
Total	314,338	361,286

21. Current financial liabilities- Lease liabilities

(Amount in CAD)

Particulars	As at 31.03.2021	As at 31.03.2020
Lease liabilities	60,920	56,000
Total	60,920	56,000

22. Other current liabilities

(Amount in CAD)

Particulars	As at 31.03.2021	As at 31.03.2020
Advance from Customers:		
- To Related Parties		
- To Others	4,200,377	8,354,137
Statutory dues payable	33,531	46,681
Total	4,233,908	8,400,818

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

23. Revenue from operations

(Amount in CAD)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Sale of Products		
- Engineering Goods	12,869,321	17,901,419
Sale of Services	4,556,009	3,150,930
Other operating revenue	92,128	-
Total	17,517,458	21,052,349

24. Other income

(Amount in CAD)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Interest Income		
- On Bank Balances	985	44,073
Government Grant	1,312,165	-
Investment tax credits for scientific research and development	120,000	120,000
Total	1,433,150	164,073

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

25. Cost of materials consumed

(Amount in CAD)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Raw Material Consumed	5,611,051	12,222,989
Store consumed	212,160	298,582
Total	5,823,211	12,521,571

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

(Amount in CAD)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Opening stock		
Work - in - Progress	4,843,598	6,114,901
Total opening balance	4,843,598	6,114,901
Closing stock		
Work - in - Progress	3,956,956	4,843,598
Total closing balance	3,956,956	4,843,598
Net (Increase)/ Decrease in Inventory	886,642	1,271,303

27. Employee benefits expense

(Amount in CAD)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Salaries & wages	5,532,950	6,821,364
Total	5,532,950	6,821,364

28. Finance costs:

(Amount in CAD)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Interest Expense	538,278	512,371
Interest on Lease Liability	9,100	8,602
Total	547,378	520,973

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

29. Depreciation and amortization expense

(Amount in CAD)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Depreciation of Property, Plant & Equipment	269,310	828,302
Amortization of Intangible assets	-	-
Depreciation on Lease Asset	57,730	38,487
Total	327,041	866,789

30. Other expense

(Amount in CAD)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Other Manufacturing Expenses	2,788,824	2,495,523
Repair and Maintenance of Machinery	105,668	263,427
Insurance	322,247	236,683
Rate & Taxes	110,715	85,770
Electricity & Water Expense	188,597	177,868
Travelling Expenses:	23,352	140,031
Bank Charges	36,286	174,002
Research & Development costs	400,000	400,000
Legal & Professional	1,482,234	385,854
Office & Misc. Expenses	251,436	368,313
Total	5,709,358	4,727,471

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

Note 31: Tax expense

A. Income Tax Expenses

(Amount in CAD)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
(a) Current Tax		
Current tax on profit for the year	(209,203)	-
Adjustments for current tax of prior periods	-	-
Total Current Tax Expenses	(209,203)	-
(b) Deferred tax		
Decrease/(Increase) in Deferred Tax Assets	1,539,267	(1,323,948)
(Decrease)/Increase in Deferred Tax Liabilities		-
Total Deferred Tax Expenses	1,539,267	(1,323,948)
Total Income Tax Expenses	1,330,064	(1,323,948)

B. Income tax rate reconciliation

(Amount in CAD)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Accounting income before tax	124,028	(5,513,049)
Income tax rate at the statutory rate	26.50%	26.50%
Income tax Expense at the Statutory rate	32,867	(1,460,958)
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		132,542
Tax effect on non-deductible expenses and timing differences	428	4,468
Effect of prior year scientific research and experimental development claim	(191,063)	-
Effect of current year scientific research and experimental development claim	-	-
Tax recovery not recognized	1,697,035	-
	1,539,267	(1,323,948)

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)	
	Year ended 31.03.2021	Year ended 31.03.2020
Net Profit / (Loss) available to Equity Shareholders (in CAD)	(1,206,036)	(4,189,101)
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)	(0.27)	(0.93)

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	Year ended 31.03.2021			Year ended 31.03.2020		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Revenue from Customers	-89,538,598	107,056,056	17,517,458	20,727,108	325,241	21,052,349

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

(Amount in CAD)

Description	Year ended 31.03.2021			Year ended 31.03.2020		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Carrying amount of assets	13,390,579	46,094	13,436,673	13,017,363	37,839	13,055,202
Addition to fixed assets	635,861	14,920	650,781	1,525,138	-	1,525,138

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

34 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 31.03.2021	As at 31.03.2020
(i) 1	Holding Company ISGEC Heavy Engineering Limited	India	100	100
(ii) 1 2 3 4 5 6	Key Management Personnel Rick Sbrocca Robert Wester Kishore Chatnani Vivek Nigam Aditya Puri Lorie Waisberg	(Designation) Executive Vice President Director Engineering Director Director Director Director		

2) Details of related party transactions and outstanding balance as at 31st March, 2021

S. No.	Nature of Transaction/ Relationship	2020-21	2019-20
a)	The following transactions were carried out with the related parties in the ordinary course of business		
	Joint Venture Partners		
	- ISGEC Heavy Engineering Limited		
i)	Loan obtained	500,000	1,500,000
ii)	Purchase of good/service	248,200	547,421
iii)	Sales of good/service	989	47,466
iv)	Interest expense	91,890	-
b)	Amount due to / from related parties		
	Joint Venture Partners		
	- ISGEC Heavy Engineering Limited		
i)	Loan payable	2,000,000	1,500,000
ii)	Accounts payable	145,700	604,820
iii)	Accounts receivable	989	-
iv)	Interest payable	91,890	-

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.

ISGEC Titan Metal Fabricators Private Limited

Financial Instruments- Accounting classification and fair value measurement

35 : Fair Value Measurement

Financial instruments by category

Particulars	Year ended 31.03.2021			Year ended 31.03.2020		
	Amortised Cost	FVTPL *	FVTOCI #	Amortised Cost	FVTPL *	FVTOCI #
Financial Asset						
Trade receivables	1,493,998	-	-	3,076,408	-	-
Cash and cash equivalents	508,052	-	-	1,385,295	-	-
Others	68,064	-	-	-	-	-
Total Financial Assets	2,070,114	-	-	4,461,703	-	-
Financial Liabilities						
Borrowings	12,760,493	-	-	12,300,000	-	-
Trade payables	3,680,181	-	-	3,101,921	-	-
Other Financial Liabilities	314,338	-	-	361,286	-	-
Total Financial Liabilities	16,755,012	-	-	15,763,207	-	-

* 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 31.03.2020	Fair Value Measurement using			
	Carrying Value 31.03.2020	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets				
Other	-	-	-	-
Total Financial Assets	-	-	-	-
Financial Liabilities				
Borrowings	12,300,000	-	-	12,300,000
Trade payables	3,101,921	-	-	3,101,921
Other financial liabilities	361,286	-	-	361,286
Total Financial liabilities	15,763,207	-	-	15,763,207

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 31.03.2021	Fair Value Measurement using			
	Carrying Value 31.03.2021	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets				
Other	68,064	-	-	68,064
Total Financial Assets	68,064	-	-	68,064
Financial Liabilities				
Borrowings	12,760,493	-	-	12,760,493
Trade payables	3,680,181	-	-	3,680,181
Other Financial Liabilities	314,338	-	-	314,338
Total Financial liabilities	16,755,012	-	-	16,755,012

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.

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 31.03.2021	As at 31.03.2020
Borrowings	12,760,493	12,300,000
Less : Cash & Cash Equivalents (note 11)	508,052	1,385,295
Net Debt	12,252,441	10,914,705
Total Equity	-432,220	813,638
Total Capital and Net Debt	11,820,221	11,728,343
Net debt to debt and equity ratio (Gearing Ratio)	1.04	0.93

Notes-

(i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes 16 & 18.

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

(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.