

INDEPENDENT AUDITOR'S REPORT

To the Members of ISGN Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **ISGN Corporation** (“the Company”), which comprise the Balance sheet as at March 31, 2022, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Ind AS Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (“the Act”) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS), of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Responsibilities of Management and those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other matters

The Indian Rupee amounts are presented in the accompanying Ind AS Financial Statements, solely for the convenience of the reader and have been translated on the basis described in note 17 of the Ind AS Financial Statements. The translation from US Dollars (USD) to Indian Rupee (INR) is unaudited.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No: 009571N/N500006

D. Ramprasad

Partner

Membership No. 028241

Place: Bengaluru

Date: April 30, 2022

UDIN: 22028241AJDQEQ2238

ISGN Corporation**BALANCE SHEET AS AT MARCH 31, 2022**

(All amounts in US Dollars, except as otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022 Convenience translation into Rupees (Unaudited)
ASSETS				
Current Assets				
Financial Assets:				
	3			
i) Cash and Cash Equivalents	3A	13,23,919	1,41,659	10,03,53,060
ii) Other Financial Assets	3B	-	10,88,981	-
Other Current Assets	4	-	15,284	-
Total Current Assets		13,23,919	12,45,924	10,03,53,060
Total Assets		13,23,919	12,45,924	10,03,53,060
EQUITY & LIABILITIES				
Equity				
Equity Share Capital	5	85,340	85,340	64,68,772
Other Equity	5A	(71,74,101)	(1,80,87,712)	(54,37,96,857)
Total Equity		(70,88,761)	(1,80,02,372)	(53,73,28,085)
LIABILITIES				
Current Liabilities				
Financial Liabilities				
	6			
i) Trade payables	6A			
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		74,606	48,016	56,55,136
ii) Other Financial Liabilities	6B	83,38,074	1,92,00,280	63,20,26,009
Total Current Liabilities		84,12,680	1,92,48,296	63,76,81,145
Total Liabilities		84,12,680	1,92,48,296	63,76,81,145
Total Equity and Liabilities		13,23,919	12,45,924	10,03,53,060

Summary of Significant accounting policies

2.2

The accompanying notes form an integral part of the financial statements.

As per our report of even date

For ASA & Associates LLP

Chartered Accountants

Firm registration number: 009571N/N500006

For and on behalf of the Board of Directors of**ISGN Corporation****D Ramprasad**

Partner

Membership number: 028241

Manoj Bawa

Director

Place: Bengaluru

Date: April 30, 2022

Place: Bengaluru

Date: April 30, 2022

ISGN Corporation**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022**

(All amounts in US Dollars, except as otherwise stated)

Particulars	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022 Convenience translation into Rupees (Unaudited)
Income				
Revenue from operations		-	-	-
Other Income	7	1,10,14,892	13,12,189	83,49,28,813
Total Income		1,10,14,892	13,12,189	83,49,28,813
Expenses				
Finance costs	8	-	2,40,908	-
Other expenses	9	1,01,281	1,57,683	76,77,100
Total Expenses		1,01,281	3,98,591	76,77,100
Profit/(Loss) Before Tax		1,09,13,611	9,13,598	82,72,51,713
Tax Expense		-	-	-
Profit/(Loss) for the Year		1,09,13,611	9,13,598	82,72,51,713
Other Comprehensive Income		-	-	-
Total Comprehensive Income for the Year		1,09,13,611	9,13,598	82,72,51,713
Earnings per Equity Share				
Basic and Diluted	10	1,278.84	107.05	96,936.07

Summary of Significant accounting policies

2.2

The accompanying notes form an integral part of the financial statements.

As per our report of even date

For ASA & Associates LLP

Chartered Accountants

Firm registration number: 009571N/N500006

D Ramprasad

Partner

Membership number: 028241

Place: Bengaluru

Date: April 30, 2022

For and on behalf of the Board of Directors of**ISGN Corporation****Manoj Bawa**

Director

Place: Bengaluru

Date: April 30, 2022

ISGN Corporation

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in US Dollars, except as otherwise stated)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022 Convenience translation into Rupees (Unaudited)
A. Cash Flow from Operating Activities:			
Profit/(Loss) Before Tax	1,09,13,611	9,13,598	82,72,51,713
Adjustments for:			
Liability no longer required written back	-	(1,00,000)	-
Provision for doubtful receivables no longer required written back	(1,88,314)	(74,757)	(1,42,74,201)
Reversal of unbilled expenses	(1,08,17,123)	(11,31,811)	(81,99,37,923)
Interest expense	-	1,85,601	-
Guarantee commission	-	55,307	-
Operating Loss Before Working Capital Changes	(91,826)	(1,52,062)	(69,60,411)
Working Capital Adjustments:			
Decrease/(increase) in trade and other receivables and advances	12,92,579	1,77,492	9,79,77,488
(Decrease)/increase in trade and other payables and other financial liabilities	(18,493)	(7,80,326)	(14,01,769)
Cash Generated from Operations	11,82,260	(7,54,896)	8,96,15,308
Income Tax Paid (Net of Refunds)	-	-	-
Net Cash Flow from/(used in) Operating Activities	11,82,260	(7,54,896)	8,96,15,308
B. Cash Flow from Investing Activities			
-	-	-	-
Net Cash Flow from/(used in) Investing Activities	-	-	-
C. Cash Flow from Financing Activities			
Advance towards inward investment	-	80,00,000	-
Repayment of borrowings	-	(79,99,741)	-
Finance cost	-	(4,96,261)	-
Net Cash Flow from/(used in) Financing Activities	-	(4,96,002)	-
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)	11,82,260	(12,50,898)	8,96,15,308
Cash and Cash Equivalents at the beginning of the Year	1,41,659	13,92,557	1,07,37,752
Cash and Cash Equivalents at the end of the Year	13,23,919	1,41,659	10,03,53,060
Components of Cash and Cash Equivalents:			
Balances with banks :			
- on current account	13,23,919	1,41,659	10,03,53,060
Total Cash and Cash Equivalents	13,23,919	1,41,659	10,03,53,060

Summary of Significant accounting policies (Refer Note 2.2).

The accompanying notes form an integral part of the financial statements.

As per our report of even date

For ASA & Associates LLP

Chartered Accountants

Firm registration number: 009571N/N500006

D Ramprasad

Partner

Membership number: 028241

Place: Bengaluru

Date: April 30, 2022

For and on behalf of the Board of Directors of

ISGN Corporation

Manoj Bawa

Director

Place: Bengaluru

Date: April 30, 2022

ISGN Corporation
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in US Dollars, except as otherwise stated)

a) Equity Share Capital (refer note 5)

Ordinary shares of USD 10 each issued, subscribed and fully paid

	Balance as at April 01, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2022	Balance as at March 31, 2022 Convenience translation into Rupees (Unaudited)
As at March 31, 2022	85,340	-	-	-	85,340	64,68,772

	Balance as at April 01, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2021
As at March 31, 2021	85,340	-	-	-	85,340

b) Other Equity (refer note 5A)

For the Year Ended March 31, 2022

Particulars	Reserves and Surplus		Total Other Equity	Convenience translation into Rupees (Unaudited)
	Securities premium Reserve	Surplus/(deficit) in the statement of profit and loss		
Balance as at March 31, 2021	15,63,24,293	(17,44,12,005)	(1,80,87,712)	(1,37,10,48,570)
Changes in Other Equity for the year ended March 31, 2022				
Profit/(Loss) for the Year	-	1,09,13,611	1,09,13,611	82,72,51,714
Other Comprehensive Income for the Year	-	-	-	-
Balance as at March 31, 2022	15,63,24,293	(16,34,98,394)	(71,74,101)	(54,37,96,856)

For the Year Ended March 31, 2021

Particulars	Reserves and Surplus		Total Other Equity
	Securities premium Reserve	Surplus/(deficit) in the statement of profit and loss	
Balance as at March 31, 2020	15,63,24,293	(17,53,25,603)	(1,90,01,310)
Changes in Other Equity for the year ended March 31, 2021			
Profit/(Loss) for the Year	-	9,13,598	9,13,598
Other Comprehensive Income for the Year	-	-	-
Balance as at March 31, 2021	15,63,24,293	(17,44,12,005)	(1,80,87,712)

Summary of Significant accounting policies (Refer Note 2.2).
The accompanying notes form an integral part of the financial statements.

As per our report of even date
For ASA & Associates LLP
Chartered Accountants
Firm registration number: 009571N/N500006

For and on behalf of the Board of Directors of
ISGN Corporation

D Ramprasad
Partner
Membership number: 028241

Manoj Bawa
Director

Place: Bengaluru
Date: April 30, 2022

Place: Bengaluru
Date: April 30, 2022

ISGN Corporation

Notes to the financial statements for the year ended March 31, 2022

1. Corporate Information

ISGN Corporation (“the Company”), is incorporated and domiciled in the state of Delaware, United States of America. The Company is a wholly-owned subsidiary of CFCL Ventures Limited, Cayman Islands (“the Holding Company”), which is a subsidiary of Chambal Fertilisers and Chemicals Limited (“the Ultimate Holding Company”), a company incorporated under the laws of India and listed on two recognised stock exchanges in India.

These financial statements of the Company were approved by the Board of Directors on April 30, 2022.

2. Significant Accounting Policies

2.1 Basis of preparation

These Ind AS financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under Section 133 of the Companies Act, 2013 (the Act) and other relevant rules.

The Ministry of Corporate Affairs through a notification dated March 24, 2021, has amended Division II of Schedule III of the Indian Companies Act, 2013 which is applicable for the reporting period beginning on or after April 1, 2021. The amendment encompasses certain additional disclosure requirements. The Company has applied and incorporated the requirements of amended Division II of Schedule III of the Indian Companies Act, 2013, to the extent applicable on it while preparing these financial statements.

During the financial year 2019-20, the Company had entered into an agreement with LS Tempo, LLC (“the buyer”), pursuant to which, among other things, the Company sold/transferred to the buyer, all its identified assets/liabilities (real, personal or mixed, tangible or intangible, including goodwill) together with its right, title and interest in the identified contracts free and clear of all encumbrances. After completion of this transaction, the Company was not having any business activities. The Company and the Holding Company has certain indemnity obligations under the aforesaid agreement. Further, the Ultimate Holding Company shall ensure that the Holding Company fulfills its indemnity obligations under the aforesaid agreement. Accordingly, these Ind AS financial statements are prepared on a going concern basis.

(a) Functional and presentation currency

These Ind AS financial statements are prepared in US Dollars (“USD”), which is also the company’s functional currency. All amounts have been rounded off to the nearest dollar, unless otherwise indicated.

(b) Basis of measurement

The Ind AS financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities, which are measured at fair value.

(c) Use of estimates, assumptions and judgements

In preparing these Ind AS financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. The significant accounting estimates used in the preparation of these Ind AS financial statements are as follows:

ISGN Corporation

Notes to the financial statements for the year ended March 31, 2022

i) Depreciation

The charge in respect of periodic depreciation of the property, plant and equipment is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

ii) Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets to be fair valued, in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of intangible assets. These valuations are conducted by independent valuation experts.

iii) Impairment of non-financial assets

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

iv) Fair value measurement of financial instruments

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

v) Employee stock option

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

2.2 Summary of Significant accounting policies

(a) Current / Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

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

ISGN Corporation

Notes to the financial statements for the year ended March 31, 2022

All other assets are classified as non-current. A liability is current when:

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

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Measurement of fair values

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

The Company requires the measurement of fair values for both financial / non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. This includes an independent valuer that performs valuation of all significant fair value measurements, including Level 3 fair values. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(c) Financial Instruments

i. Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised when the Company becomes a party to the contract that gives rise to financial assets and liabilities. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

ii. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets 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.

ISGN Corporation

Notes to the financial statements for the year ended March 31, 2022

iii. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business 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.

iv. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in the statement of profit and loss.

v. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. 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.

vi. Derecognition of financial assets and liabilities

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial asset/ liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

vii. Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit and loss, unless designated as effective hedging instruments.

viii. Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. The changes to the business model are expected to be infrequent.

ix. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

ISGN Corporation

Notes to the financial statements for the year ended March 31, 2022

(d) Property, plant and equipment

Property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the plant and equipment to its working condition for the intended use and cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Similarly, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss, as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over the estimated useful lives of the assets estimated by the management, using the straight line method and is recognised in the statement of profit and loss.

The Company has used the following useful lives to provide depreciation on plant and equipment:

<u>Category</u>	<u>Useful lives (years)</u>
Computer and accessories	3
Office equipment	5
Furniture and fixtures	5
Vehicles	5

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

(e) Goodwill and other intangible assets

i. Goodwill

Goodwill represents the cost of business acquisition in excess of the Company's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill is measured at cost less accumulated impairment losses.

ii. Other intangible assets

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 January 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets. Other intangible assets comprise of computer software and internally generated software platforms.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the statement of profit and loss as incurred. Development activities involve a plan or design for the production of new or substantially improved software products or processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing

ISGN Corporation

Notes to the financial statements for the year ended March 31, 2022

the asset for its intended use, and is classified as internally generated software platforms. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of profit and loss as incurred.

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for both internally generated software and acquired computer software is considered as 3 years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(g) Impairment of assets

i. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit and loss.

ii. Non-financial assets

Goodwill which is a non-amortisable asset is tested for impairment on an annual basis whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Companies' cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in the statement of profit and loss and is not reversed in the subsequent period.

Property, plant and equipment and Intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use)

ISGN Corporation

Notes to the financial statements for the year ended March 31, 2022

is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(h) Retirement and other employee benefits

i. Compensated absences

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the leave as a current liability in the balance sheet, as it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(i) Provisions

A provision is recognised if, as a result of a past event, the Company has a present (legal or constructive) obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

(j) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(k) Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured

ISGN Corporation

Notes to the financial statements for the year ended March 31, 2022

at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of services

The Company derives its revenues from sale and implementation of its software and maintenance and other software services. These services are provided either on time and material, fixed-price fixed-time frame or unit-price basis.

Revenue from the sale of user licenses for software applications recognized on transfer of the title in the user license, except in case of multiple element contracts, under which post-contract maintenance and support services are also rendered by the Company. In the case of multiple element contracts, revenue from sale of user licenses is recognized on transfer of the title in the user license after appropriately reducing the fair value of the maintenance services to be recognised as revenues. Revenue from post- contract maintenance and support services is recognized ratably over the period in which services are rendered.

Revenue derived from professional services under the time and material, and unit-price contracts are recognized as the related services are performed. Revenue from title and related operations are primarily transactions-based and is recognized when services are performed, the fee is fixed or determinable, and collection is reasonably assured.

The Companies' fixed price contracts include application maintenance and support services, on which revenue is recognized ratably over the period in which the services are rendered. Revenue with respect to other fixed price contracts, where there is no uncertainty as to measurement and collectability of consideration, is recognized on a percentage of completion basis. The input (cost expended) method has been used because management considers this to be the best available measure of progress on these contracts as there is a direct relationship between input and productivity. When there is uncertainty as to measurement or ultimate collectability revenue recognition is postponed until such uncertainty is resolved.

'Unbilled revenue' represents value of services rendered in excess of amounts billed to the customer as at the balance sheet date. 'Unearned revenue' represents the amounts billed to the customer in excess of value of services rendered as at the balance sheet date.

Interest income

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "other income" in the consolidated statement of profit and loss.

Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

(I) Leases

The Company as a lessee:

The determination of whether an arrangement is a lease is based on the substance of the arrangement at the inception of the lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset (explicitly or implicitly specified in the contract) for a period of time in exchange for a consideration.

ISGN Corporation

Notes to the financial statements for the year ended March 31, 2022

A customer has the right to control the use of an identified asset, if it has the:

- Right to obtain substantially all of the economic benefits from use of the identified asset and
- Right to direct the use of the identified asset i.e. it has the right to direct how and for what purpose the asset is used throughout the period of use.

Once a lease is identified, a lessee is required to recognise a Right-Of-Use (ROU) asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments on the balance sheet. ROU asset will be measured at cost and the lease liability will be measured at the present value of the lease payments that are not paid at that date.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. A ROU asset will be measured at cost less accumulated depreciation and accumulated impairment.

The Company may elect not to apply the lease accounting model to:

- Leases with a lease term of 12 months or less that do not contain a purchase option i.e. short term leases.
- Leases for which the underlying asset is of low value when it is new – even if the effect is material in aggregate.

The Company as a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(m) Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in other equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in other equity, respectively.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

ISGN Corporation

Notes to the financial statements for the year ended March 31, 2022

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(n) Employee stock compensation costs

Employee stock compensation costs for stock options is recognized as employee benefit expenses based on the grant date fair value of the options granted to employees. The fair value of the options is estimated on the date of grant using the Black-Scholes-Merton valuation model on the basis of valuation performed by the Management and recognized in a graded manner on the basis of weighted period of services over the vesting period. The expected term of an option is estimated based on the vesting term and contractual term of the option, as well as expected exercise behavior of the employee who receives the option. Expected volatility during the expected term of the option is based on historical volatility, during a period equivalent to the expected term of the option, of the observed market prices of the publicly traded equity shares of comparable listed entities. Expected dividends during the expected term of the option are based on recent dividend activity. Risk-free interest rates are based on the government securities yield in effect at the time of the grant over the expected term.

(o) Earnings per share

The basic earnings/ (loss) per share is computed by dividing the net profit/ (loss) attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings/ (loss) per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving base earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share or increase the net loss per share. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

ISGN Corporation**Notes to the financial statements for the year ended March 31, 2022**

(p) Cash and cash equivalent

Cash and cash equivalents in the cash flow statement comprise cash in hand and balance in bank in current accounts. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(q) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) 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 operating, investing and financing activities of the Company are segregated.

(r) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Company are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

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ISGN Corporation**Notes to financial statements for the year ended March 31, 2022**

(All amounts in US Dollars, except as otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022 Convenience translation into Rupees (Unaudited)
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Note 3 : Current Financial Assets**Note 3A : Cash and Cash Equivalents****Balances with Banks:**

On Current Accounts	13,23,919	1,41,659	10,03,53,060
	<u>13,23,919</u>	<u>1,41,659</u>	<u>10,03,53,060</u>

Note 3B : Other Current Financial Assets

(Unsecured and Considered Good, except to the extent stated)

Considered good

Escrow receivable *	-	10,88,981	-
	<u>-</u>	<u>10,88,981</u>	<u>-</u>

Considered doubtful

Escrow receivable *	-	1,88,314	-
Less: Allowance for doubtful balances	-	1,88,314	-
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>10,88,981</u>	<u>-</u>

* Escrow receivable represents part/balance of the purchase consideration in respect of the sale of Knowledge Process Outsourcing and Product business in earlier years. These amounts were received in the current year.

Note 4 : Other Current AssetsConsidered good

Prepaid expenses	-	15,284	-
	<u>-</u>	<u>15,284</u>	<u>-</u>

ISGN Corporation
Notes to financial statements for the year ended March 31, 2022
(All amounts in US Dollars, except as otherwise stated)

Particulars	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022 Convenience translation into Rupees (Unaudited)

Note 5 : Equity Share Capital

Authorised :

Ordinary shares

10,000 (Previous Year: 10,000) Ordinary shares of par value USD 10 each

1,00,000	1,00,000	75,80,000
1,00,000	1,00,000	75,80,000

Issued, Subscribed and Paid up :

Ordinary shares

8,534 (Previous Year: 8,534) Ordinary shares of par value USD 10 each fully paid up

85,340	85,340	64,68,772
85,340	85,340	64,68,772

a) Reconciliation of the Shares Outstanding as at the beginning and at the end of the Reporting Periods

There is no movement in the ordinary shares outstanding at the beginning and at the end of the reporting periods.

b) Rights, preference and restrictions attached to Ordinary Shares

The Company has a single class of ordinary shares having a par value of USD 10 per share. Each shareholder is eligible for one vote per share held. Subject to the provisions of the Law and any Statement of Rights, the Directors may if they think fit from time to time declare dividends (including interim dividends) to the Members as they may determine. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of Shareholders holding more than 5 percent shares in the Company

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Ordinary shares of USD 10 each fully paid CFCL Ventures Limited, Holding Company	8,534	100.00%	8,534	100.00%

d) Details of shares held by the Promoters

As at March 31, 2022

Sr. No.	Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
1	CFCL Ventures Limited, Holding Company -Ordinary shares of USD 10 each fully paid	8,534	-	8,534	100.00%	Nil

As at March 31, 2021

Sr. No.	Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
1	CFCL Ventures Limited, Holding Company -Ordinary shares of USD 10 each fully paid	8,534	-	8,534	100.00%	Nil

e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

There has been no issuance of bonus shares, shares issued for consideration other than cash or buy back of shares during the last five years ended March 31, 2022.

f) Shares reserved for issue under options, convertible preference shares and convertible warrant (Nos.):

There are no shares reserved for issue under options, convertible preference shares and convertible warrants.

ISGN Corporation**Notes to financial statements for the year ended March 31, 2022**

(All amounts in US Dollars, except as otherwise stated)

Note 5 : Equity Share Capital (continued)**g) Employee stock options**

The Board of Directors of the Holding Company, approved the 2007 Share Option Plan ('Plan') administered by the compensation committee for granting stock options ("ESOP") to certain employees of its subsidiaries as per Managements discretion. A committee has been constituted to administer the Plan along with the Board of Directors and to determine the grant date fair value which would be the exercise price for such options.

The fair value of the shares is determined by the management on the date of the grant of the stock options to the employees pursuant to the Plan. The fair valuation has been determined using the Black-Scholes-Merton valuation model. The stock options vest equally over the period of 48 months and the exercise period is 10 years from the date of grant.

The Company measures the fair value of stock options at the grant date using Black Scholes option pricing model taking into account the terms and conditions upon which the share options were granted. The inputs used in the option pricing model are as below:

Fair value per share (USD)	0.04
Exercise price (USD)	1.09
Average risk-free interest rate	2.60%
Expected volatility of share price	100%
Expected life of options granted (in years)	6.10
Expected dividend yield	Nil

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

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ISGN Corporation

Notes to financial statements for the year ended March 31, 2022

(All amounts in US Dollars, except as otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022 Convenience translation into Rupees (Unaudited)
Note 5A : Other Equity			
Securities premium			
Balance as per last financial statements	15,63,24,293	15,63,24,293	11,84,93,81,409
Additions during the Year	-	-	-
Closing Balance as at Year end	15,63,24,293	15,63,24,293	11,84,93,81,409
Surplus / (deficit) in the statement of profit and loss			
Balance as per last financial statements	(17,44,12,005)	(17,53,25,603)	(13,22,04,29,979)
Profit/(Loss) for the Year	1,09,13,611	9,13,598	82,72,51,713
Other Comprehensive Income for the Year	-	-	-
Closing Balance as at Year end	(16,34,98,394)	(17,44,12,005)	(12,39,31,78,266)
Total Other Equity	(71,74,101)	(1,80,87,712)	(54,37,96,857)

Note 6 : Financial Liabilities

Note 6A : Trade payables *

Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	74,606	48,016	56,55,136
	74,606	48,016	56,55,136

* Trade payables are non-interest bearing and are normally settled on 30 - 45 days terms.

Trade Payables Ageing Schedules

As at March 31, 2022

Particulars	Unbilled payables	Not due	Outstanding for following periods from due date of payment				Total	Convenience translation into Rupees (Unaudited)
			Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) Dues to Micro, Small and Medium Enterprises (MSME)								
- Disputed dues	-	-	-	-	-	-	-	
- Undisputed dues	-	-	-	-	-	-	-	
(ii) Dues to Others								
- Disputed dues	-	-	-	-	-	-	-	
- Undisputed dues	66,907	-	7,699	-	-	74,606	56,55,136	
Total (i + ii)	66,907	-	7,699	-	-	74,606	56,55,136	

As at March 31, 2021

Particulars	Unbilled payables	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Dues to Micro, Small and Medium Enterprises (MSME)							
- Disputed dues	-	-	-	-	-	-	
- Undisputed dues	-	-	-	-	-	-	
(ii) Dues to Others							
- Disputed dues	-	-	-	-	-	-	
- Undisputed dues	44,417	-	3,599	-	-	48,016	
Total (i + ii)	44,417	-	3,599	-	-	48,016	

Note 6B : Other Current Financial Liabilities

Payables to related parties	83,38,074	1,91,80,042	63,20,26,009
Other expenses payable #	-	20,238	-
	83,38,074	1,92,00,280	63,20,26,009

Other expenses payable represents amount due to the buyer, as part of the transaction of the sale of Product business in earlier year.

ISGN Corporation**Notes to financial statements for the year ended March 31, 2022**

(All amounts in US Dollars, except as otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022 Convenience translation into Rupees (Unaudited)
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Note 7 : Other income

Interest income	-	567	-
Liability no longer required written back	-	1,00,000	-
Provision for doubtful receivables no longer required written back	1,88,314	90,834	
Less: Adjusted out of above	-	16,077	1,42,74,201
Reversal of unbilled expenses	1,08,17,123	74,757	81,99,37,923
Miscellaneous income	9,455	5,054	7,16,689
	<u>1,10,14,892</u>	<u>13,12,189</u>	<u>83,49,28,813</u>

Note 8 : Finance costs

Interest expense	-	1,85,601	-
Guarantee commission	-	55,307	-
	<u>-</u>	<u>2,40,908</u>	<u>-</u>

Note 9 : Other expenses

Rate & taxes	8,041	19,071	6,09,508
Insurance	30,440	57,583	23,07,352
Consultancy, legal and professional charges	47,948	26,144	36,34,458
Payments to statutory auditors (refer details below)	1,000	1,000	75,800
Miscellaneous expenses	13,852	53,885	10,49,982
	<u>1,01,281</u>	<u>1,57,683</u>	<u>76,77,100</u>

Payment to auditors (excluding applicable taxes)

Audit fee	1,000	1,000	75,800
	<u>1,000</u>	<u>1,000</u>	<u>75,800</u>

Note 10 : Earnings Per Share

Net Profit/(Loss) as per Statement of Profit and Loss	1,09,13,611	9,13,598	82,72,51,713
Calculation of Weighted Average Number of Equity Shares			
-Number of Equity Shares at the beginning of the Year	8,534	8,534	
-Number of Equity Shares Outstanding at the end of the Year	8,534	8,534	
-Weighted Average Number of Equity Shares Outstanding during the Year	<u>8,534</u>	<u>8,534</u>	
Basic and Diluted Earnings Per Share *	1,278.84	107.05	96,936.07
Nominal value of equity shares	10.00	10.00	

* There are no dilutive potential equity shares.

ISGN Corporation**Notes to the financial statements for the year ended March 31, 2022**

(All amounts in USD, except as otherwise stated)

11. Commitments

The Company does not have any further commitments as at the balance sheet date other than those already disclosed.

12. Financial instruments by category

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

Particulars	Amortised cost	Fair value through profit or loss	Total carrying value	Total fair value	Convenience translation into Rupees (Unaudited)
Assets:					
Cash and cash equivalents	13,23,919	-	13,23,919	13,23,919	10,03,53,060
Other financial assets	-	-	-	-	-
Total	13,23,919	-	13,23,919	13,23,919	10,03,53,060
Liabilities:					
Trade payables	74,606	-	74,606	74,606	56,55,136
Other financial liabilities	83,38,074	-	83,38,074	83,38,074	63,20,26,009
Total	84,12,680	-	84,12,680	84,12,680	63,76,81,145

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

Particulars	Amortised cost	Fair value through profit or loss	Total carrying value	Total fair value
Assets:				
Cash and cash equivalents	1,41,659	-	1,41,659	1,41,659
Other financial assets	10,88,981	-	10,88,981	10,88,981
Total	12,30,640	-	12,30,640	12,30,640
Liabilities:				
Trade payables	48,016	-	48,016	48,016
Other financial liabilities	1,92,00,280	-	1,92,00,280	1,92,00,280
Total	1,92,48,296	-	1,92,48,296	1,92,48,296

Fair value hierarchy

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

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3- Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Hierarchy of assets and liabilities measured at fair value:-

No assets and liabilities were measured at fair value on a recurring basis as at March 31, 2022 and March 31, 2021.

13. Financial risk management

As the Company is not carrying on any business activities, there is limited exposure to the variety of financial risks: market, credit and liquidity risks. All risks are managed in accordance with the Company's policies and risk objectives. The Board of Directors of the Company reviews and approves policies for managing each of these risks, which are summarised below:

a) Market risk**i. Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company was not having any borrowing, hence no interest rate risk is perceived.

ii. Foreign Currency Risk

The Company operates in United States of America and India and there is exposure to the foreign exchange risk. However, as the Company was not having any business activities and there has been no foreign currency transactions during the year, no foreign currency risk is perceived.

b) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Credit risk on cash and cash equivalents is limited as the Company generally invest in banks with high credit ratings assigned by international and domestic credit rating agencies. Further, as the Company was not having any business activities, there was no exposure to the credit risk and accordingly no credit risk is perceived.

c) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents. The Company believes that the working capital is sufficient to meet its current liquidity requirements. Accordingly, no liquidity risk is perceived.

ISGN Corporation**Notes to the financial statements for the year ended March 31, 2021**

(All amounts in USD, except as otherwise stated)

14. Capital Management

The Company's objective is to maintain a capital base to ensure sustained growth in business and to maximise the shareholders value. The capital management focusses to maintain an optimal structure that balances growth and maximizes the shareholder value.

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022 Convenience translation into Rupees (Unaudited)
Total equity attributable to the equity share holders of the Company (A)	(70,88,761)	(1,80,02,372)	(53,73,28,085)
Total loans and borrowings (B)	-	-	-
Total capital (A+B)	(70,88,761)	(1,80,02,372)	(53,73,28,085)

15. Related Party Disclosures**I. Related Party Name and Relationship**

List of parties where control exists	Chambal Fertilisers and Chemicals Limited (Ultimate Holding Company) CFCL Ventures Limited (Holding Company)
Fellow subsidiaries	ISG Novasoft Technologies Limited Chambal Infrastructure Ventures Limited India Steamship Pte. Limited (dissolved on April 06, 2020) India Steamship Limited (dissolved on February 09, 2021) Inuva Info Management Private Limited (dissolved on May 03, 2021) # [# subsidiary of ISG Novasoft Technologies Limited]
Key management Personnel	Manoj Bawa, Director

II. Transaction with the Related Parties:

Particulars	Nature of transactions	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022 Convenience translation into Rupees (Unaudited)
<u>Ultimate Holding Company</u> Chambal Fertilisers and Chemicals Limited	Guarantee commission	-	55,307	-
<u>Holding Company</u> CFCL Ventures Limited	Advance received towards investment Expenses paid	24,847	(80,00,000) 78,517	- 18,83,403
<u>Fellow Subsidiary</u> ISG Novasoft Technologies Limited	Reversal of unbilled expenses	-	(11,31,811)	-

III. Outstanding Balances of Related Parties:

Particulars	Nature of outstanding balances	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022 Convenience translation into Rupees (Unaudited)
<u>Holding Company</u> CFCL Ventures limited	Advance received towards investment Other financial liabilities	80,00,000 3,38,074	80,00,000 3,62,921	60,64,00,000 2,56,26,009
<u>Fellow Subsidiary</u> ISG Novasoft Technologies Limited	Other payables	-	1,08,17,123	-

ISGN Corporation**Notes to the financial statements for the year ended March 31, 2021**

(All amounts in USD, except as otherwise stated)

16. Segment information

The Director of the Company has been identified as the chief operating decision maker as defined by Ind AS 108, Operating Segments. However, as the Company was not having any business activities, hence disclosure requirements under Ind AS 108, Operating Segments are not applicable.

17. Convenience translation

The books of accounts of the Company are maintained in USD, being the currency of primary economic environment in which it operates. Supplementary information in Indian Rupees (INR) for the year ended March 31, 2022 is provided for convenience only. The Balance sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash flows and related notes have been translated at the rate of USD 1=INR 75.80. These numbers are based on information from the management and have not been audited by ASA & Associates LLP.

18. Other Regulatory Information**(i) Title deeds of Immovable Properties not held:**

The Company does not have any Immovable Property whose title deeds are not held in the name of the Company.

(ii) Valuation of property, plant and equipment, intangible asset and investment property:

The Company is not having any property, plant and equipment (including right-of-use assets) or intangible assets or both and investment property.

(iii) Capital work in progress and Intangible assets under development:

The Company is not having any Capital work in progress and Intangible assets under development.

(iv) Loans or Advances in the nature of loans:

The Company has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, Key Management Personnel and related parties, which are repayable on demand or where the agreement does not specify any terms or period of repayment.

(v) Details of Benami Property held:

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(vi) Borrowing secured against current assets:

The Company has not obtained any borrowings from banks or financial institutions on the basis of security of current assets.

(vii) Wilful defaulter:

The Company has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved.

(viii) Relationship with struck off companies:

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(ix) Registration of charges or satisfaction:

The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies beyond the statutory period.

(x) Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(xi) Compliance with approved Scheme(s) of Arrangements:

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(xii) Ratios

Particulars	Formula	March 31, 2022			March 31, 2021	% Variance	Reason for variance
		Numerator (Amount)	Denominator (Amount)	Ratio	Ratio		
Current ratio	Current assets/ Current liabilities	13,23,919	84,12,680	0.16	0.06	143.12%	Lower Current liabilities in current year due to reversal of unbilled expenses;
Debt-equity ratio	Total debt/ Shareholder's Equity	Not applicable.					
Debt service coverage ratio	Earnings available for debt service/ Debt Service	Not applicable.					
Return on equity ratio	[Net Profits after taxes – Preference Dividend (if any)]/ Average Shareholder's Equity	1,09,13,611	(1,25,45,567)	(86.99%)	(4.95%)	1657.66%	Higher profit in current year due to reversal of unbilled expenses;
Inventory turnover ratio	Cost of goods sold OR sales/ Average Inventory	Not applicable.					
Trade receivables turnover ratio	Net Credit Sales/ Average Accounts Receivable	Not applicable.					
Trade payables turnover ratio	Net Credit Purchases/ Average Trade Payables	Not applicable.					
Net capital turnover ratio	Net Sales/ Working Capital	Not applicable.					
Net profit ratio	Net Profit/ Net Sales	Not applicable.					
Return on capital employed	Earning before interest and taxes/ Capital Employed	1,09,13,611	(70,88,761)	(153.96%)	(6.41%)	2300.67%	Higher EBIT in current year due to reversal of unbilled expenses;
Return on investment	Earning before interest and taxes/ Average Total Assets	Not applicable.					-

ISGN Corporation

Notes to the financial statements for the year ended March 31, 2021

(All amounts in USD, except as otherwise stated)

18. Other Regulatory Information (continued)

(xiii) Utilisation of Borrowed funds and share premium:

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xiv) Utilisation of Borrowings:

The Company has, during the year, not raised any funds from issue of securities or borrowings from banks and financial institutions and hence this clause is not applicable.

(xv) Undisclosed income:

The Company is not registered under Indian jurisdiction and thus not assessable under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Hence this clause is not applicable.

(xvi) Details of crypto currency or virtual currency:

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(xvii) Corporate Social Responsibility (CSR):

The provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 are not applicable to the Company.

As per our report of even date attached

For ASA & Associates LLP

Chartered Accountants

Firm registration number: 009571N/N500006

**For and on behalf of the Board of Directors of
ISGN Corporation**

D Ramprasad

Partner

Membership number: 028241

Manoj Bawa

Director

Place: Bengaluru

Date: April 30, 2022

Place: Bengaluru

Date: April 30, 2022