



**CGS & Co**

**Chartered Accountants**

## **Independent Auditors' Report**

**To the Members of CFCL Ventures Limited**

### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of CFCL Ventures Limited, which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the period ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

### **Management's Responsibility 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Ind AS financial statements by the Directors of the Company, as aforesaid.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.



**No. 48, 1st & 3rd Floor, R V Road, Basavanagudi, Bangalore - 560 004**

**Tel : +91 80 4334 3600/610, Tele Fax : +91 80 4334 3606. E-mail : info@cgsco.in Web : www.cgsco.in**

## Independent Auditors' Report (continued)

### Auditors' Responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company, as at 31 March 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the period ended.

### Other Matters

The Indian Rupee amounts are presented in the accompanying financial statements solely for the convenience of the reader and have been translated on the basis described in the Note 17 to the financial statements. The translation from US Dollars (USD) to Indian Rupee (INR) is unaudited.

*For C G S & CO*

*Chartered Accountants*

Firm's registration number: 005830S

  
A R Valisha Shaked  
Partner  
Membership number: 203526



Bangalore

17 May 2017

**CFCL Ventures Limited**  
**Balance Sheet**

	Note	As at 31 March 2017 (in USD)	As at 31 December 2015 (in USD)	As at 01 January 2015 (in USD)	As at 31 March 2017 Convenience translation into Rupees (Unaudited)
<b>ASSETS</b>					
<b>Non-current assets</b>					
Financial assets					
Investments	4	37,354,688	37,354,688	160,675,770	2,422,638,284
<b>Total Non Current Assets</b>		<b>37,354,688</b>	<b>37,354,688</b>	<b>160,675,770</b>	<b>2,422,638,284</b>
<b>Current assets</b>					
Financial assets					
Cash and cash equivalents	5	6,422	6,422	6,497	416,494
Other financial assets	6	-	-	134,337	-
<b>Total Current Assets</b>		<b>6,422</b>	<b>6,422</b>	<b>140,834</b>	<b>416,494</b>
<b>Total assets</b>		<b>37,361,110</b>	<b>37,361,110</b>	<b>160,816,604</b>	<b>2,423,054,778</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Equity Share Capital	8	406	406	406	26,322
Other Equity		(105,256,531)	(104,891,092)	25,781,703	(6,826,412,313)
<b>Total Equity</b>		<b>(105,256,125)</b>	<b>(104,890,686)</b>	<b>25,782,109</b>	<b>(6,826,385,991)</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Financial Liabilities					
Borrowings	9	140,363,431	140,363,431	133,114,390	9,103,270,314
Other financial liabilities	10	2,201,763	1,845,957	1,826,962	142,795,344
<b>Total Non-Current Liabilities</b>		<b>142,565,194</b>	<b>142,209,388</b>	<b>134,941,352</b>	<b>9,246,065,658</b>
<b>Current liabilities</b>					
Financial Liabilities					
Trade payables		39,036	24,541	3,626	2,531,666
Other financial liabilities	10	13,005	17,867	89,517	843,445
<b>Total Current Liabilities</b>		<b>52,041</b>	<b>42,408</b>	<b>93,143</b>	<b>3,375,111</b>
<b>Total Liabilities</b>		<b>142,617,235</b>	<b>142,251,796</b>	<b>135,034,495</b>	<b>9,249,440,769</b>
<b>Total Equity and Liabilities</b>		<b>37,361,110</b>	<b>37,361,110</b>	<b>160,816,604</b>	<b>2,423,054,778</b>

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for CGS & CO  
Chartered Accountants  
Firm's Regn No.005830S

*A R Valisha Shakeel*  
A R Valisha Shakeel  
Partner  
Membership No. 203926



Place: Bangalore  
Date: 17/05/17

for and on behalf of the Board of Directors of  
CFCL Ventures Limited

*Amit Kothiyal*  
Amit Kothiyal  
Director

*Sundararajan Sampath*  
Sundararajan Sampath  
Chief Financial Officer

Place: Bangalore  
Date: 17/05/17

Place: Bangalore  
Date: 17/05/17

**CFCL Ventures Limited**  
**Statement of Profit and Loss**


	Note	For the period ended 31 March 2017 (in USD)	For the year ended 31 December 2015 (in USD)	For the period ended 31 March 2017 Convenience translation into Rupees (Unaudited)
<b>Income</b>				
Other Income	11	203	95,243	13,182
<b>Total income</b>		<b>203</b>	<b>95,243</b>	<b>13,182</b>
<b>Expenses</b>				
Finance Cost	12	-	249,182	-
Employee benefits	13	(1,186,548)	840,190	(76,953,551)
Other expenses	14	365,642	130,518,856	23,713,696
<b>Total expenses</b>		<b>(820,906)</b>	<b>131,608,228</b>	<b>(53,239,855)</b>
<b>Profit/(Loss) before tax</b>		<b>821,109</b>	<b>(131,512,985)</b>	<b>53,253,037</b>
<b>Tax expense</b>				
Current tax		-	-	-
<b>Profit/(Loss) for the period</b>		<b>821,109</b>	<b>(131,512,985)</b>	<b>53,253,037</b>
<b>Other Comprehensive Income</b>		-	-	-
<b>Total Comprehensive Income for the period</b>		<b>821,109</b>	<b>(131,512,985)</b>	<b>53,253,037</b>
<b>Earning per share</b>				
Basic		0.20	(32.40)	13.12
Diluted		0.20	(32.40)	13.12

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

**for CGS & CO**  
Chartered Accountants  
Firm's Regn No.005830S

*A. L. Valisha*  
**A R Valisha Shakeel**  
Partner  
Membership No. 203926



Place: Bangalore  
Date: 17/05/17

*for* and on behalf of the Board of Directors of  
**CFCL Ventures Limited**

*Amit Kothiyal*  
**Amit Kothiyal**  
Director

Place: Bangalore  
Date: 17/05/17

*Sundararajan Sampath*  
**Sundararajan Sampath**  
Chief Financial Officer


Place: Bangalore  
Date: 17/05/17

CFCL Ventures Limited  
Statement of Changes in Equity for the period ended 31 March 2017

Particulars	Equity Share Capital	Preference Share Capital	Reserves and Surplus			Total
			Securities Premium Reserve	Other Reserves (ESOP Outstanding A/c)	Retained Earnings	
<b>Balance as at 1st Jan 2015</b>	50,000	-	8,316,970	-	(22,395)	8,294,575
Changes during merger of CFCL Technologies Ltd (Refer Note:- 17)	(49,594)	1,389	162,192,011	3,875,051	(15,377,417)	150,689,645
Warrants (Refer Note:- 17)	-	-	-	-	(89,517)	(89,517)
Preferred stock (Refer Note:- 17)	-	(1,389)	(133,113,001)	-	-	(133,113,001)
<b>Balance as at 1st Jan 2015</b>	<b>406</b>	<b>-</b>	<b>37,395,980</b>	<b>3,875,051</b>	<b>(15,489,329)</b>	<b>25,781,703</b>
Add:-Changes during the year 2015	-	-	-	840,190	(131,512,985)	(130,672,795)
<b>Balance as at 31 December 2015</b>	<b>406</b>	<b>-</b>	<b>37,395,980</b>	<b>4,715,241</b>	<b>(147,002,314)</b>	<b>(104,891,092)</b>
Add: Stock compensation expense	-	-	-	(1,186,548)	-	(1,186,548)
Add:-Changes during the year	-	-	-	-	821,109	821,109
<b>Balance as at 31 March 2017</b>	<b>406</b>	<b>-</b>	<b>37,395,980</b>	<b>3,528,693</b>	<b>(146,181,205)</b>	<b>(105,256,531)</b>
As at 31 March 2017 Convenience translation into Rupees (Unaudited)	26,322	-	2,425,316,292	228,853,392	(9,480,582,023)	(6,826,412,313)

for CGS & CO

Chartered Accountants  
Firm's Regn No.005830S

  
A R Valisha Shakeel  
Partner  
Membership No. 203926



Place: Bangalore

Date: 17/05/17

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

  
Amit Kothiyal  
Director

  
Sundararajan Sampath  
Chief Financial Officer

Place: Bangalore

Date: 17/05/17

Place: Bangalore

Date: 17/05/17

**CFCL Ventures Limited**  
**Cash Flow Statement**


	For the period ended 31 March 2017 (in USD)	For the year ended 31 December 2015 (in USD)	For the period ended 31 March 2017 Convenience translation into Rupees (Unaudited)
<b>Cash flow from operating activities :</b>			
Loss before tax	821,109	(131,512,985)	53,253,036
Adjustments for :			
Stock compensation expense	(1,186,548)	840,190	(76,953,551)
<b>Operating loss before working capital changes</b>	<b>(365,439)</b>	<b>(130,672,795)</b>	<b>(23,700,515)</b>
Changes in working capital			
Trade and other payables and liabilities	365,439	7,217,301	23,700,515
Trade and other receivables and advances	-	134,337	-
<b>Cash generated from operations</b>	<b>(0)</b>	<b>(123,321,157)</b>	<b>-</b>
<b>Cash flow from investing activities</b>	<b>-</b>	<b>123,321,082</b>	<b>-</b>
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net (decrease) / increase in cash and cash equivalents	(0)	(75)	(0)
Cash and cash equivalents at the beginning of the period	6,422	6,497	416,494
Cash and cash equivalents at the end of the period	<b>6,422</b>	<b>6,422</b>	<b>416,494</b>

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **CGS & CO**  
**Chartered Accountants**  
Firm's Regn No.005830S

*A.R. Valisha*  
**A R Valisha Shakeel**  
Partner  
Membership No. 203926



Place: Bangalore  
Date: 17/05/17

for and on behalf of the Board of Directors of  
**CFCL Ventures Limited**

*Amit Kothiyal*  
**Amit Kothiyal**  
Director

*Sundararajan Sampath*  
**Sundararajan Sampath**  
Chief Financial Officer

Place: Bangalore  
Date: 17/05/17

Place: Bangalore  
Date: 17/05/17

**CFCL Ventures Limited**  
**Notes to the financial statements for the period ended 31 March 2017**

**1) Reporting Entity**

CFCL Ventures Limited, (hereafter referred to as the “Company”) is a Limited Company incorporated on 12 March 2007 and domiciled in Cayman Islands. On 20 December 2016, CFCL Technologies Limited (Holding company of CFCL Ventures Limited up to 19 December 2016) merged with CFCL Ventures Limited. The principal activity of the company is to carry on the business of investment holding, and to undertake and transact in investment business.

**2) Basis of preparation**

**A) Statement of compliance**

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

The financial statements of the Company up to and for the year ended 31<sup>st</sup> December 2015 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

As these are the Company’s first financial statements prepared in accordance with Ind AS, Ind AS 101, *First-time Adoption of Indian Accounting Standards* has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 18.

Details of the Company’s accounting policies are included in Note 3.

**B) Reporting period**

A reporting period of 15 months i.e. from 1 January 2016 to 31 March 2017 was considered during preparation of financial statements of the Company (comparative being 12 months from 1 January 2015 to 31 December 2015) so as to align the reporting period of the Company with that of parent company.

**C) Functional and presentation currency**

These 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.

**D) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value



**CFCL Ventures Limited**

**Notes to the financial statements for the period ended 31 March 2017**

**2) Basis of preparation (continued)**

**E) Use of estimates and judgements**

In preparing these 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**F) Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes an independent valuation team that has overall responsibility for 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.

**3) Significant accounting policies**

**a) Financial Instruments**

**i. Recognition and initial measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

**ii. Classification and subsequent measurement**

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair Value through Other Comprehensive Income ('FVOCI') - Debt investment;
- FVTPL





**CFCL Ventures Limited**  
**Notes to the financial statements for the period ended 31 March 2017**

**3) Significant accounting policies (continued)**

**a) Financial Instruments (continued)**

**ii. Classification and subsequent measurement (continued)**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 and 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.

**b) Employee stock compensation costs**

Employee stock compensation costs for stock options are recognized as employee benefit expenses in accordance with the Indian Accounting Standard (Ind AS) 102 “Share based payment” and Guidance note on “Accounting for Employee Share-based Payments” issued by the Institute of Chartered Accountants of India, 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.

**c) Earnings per share**

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings 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. The diluted potential equity shares are adjusted for proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.



**CFCL Ventures Limited**

**Notes to the financial statements for the period ended 31 March 2017**

**3) Significant accounting policies (continued)**

**d) Cash and cash equivalents**

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.

**e) 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.

**f) Provisions and contingencies**

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. 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.

**g) Investments**

Investments are either classified as current or long-term based on the management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value, determined on an individual investment basis. Long-term investments are carried at cost and provisions recorded to recognize any diminution, other than temporary, in the carrying value of each investment.



CFCL Ventures Limited

Notes to financial statements for the period ended 31 March 2017

4. Non-current investments

Particulars	As at 31 March 2017 (in USD)	As at 31 December 2015 (in USD)	As at 01 January 2015 (in USD)	As at 31 March 2017 Convenience translation into Rupees (Unaudited)
<b>Trade (Unquoted)</b>				
Investment in subsidiaries				
36,230,700 (Previous year : 36,230,700) Ordinary shares of Rs. 10 each in ISG Novasoft Technologies Limited, fully paid up	8,361,970	8,361,970	8,361,970	542,315,564
Investment in subsidiaries				
8534 (previous year: 8532) Ordinary shares of USD 10 each in ISGN Corporation fully paid up	28,992,718	127,268,030	152,313,800	1,880,322,720
Less: Impairment of Investment	-	(98,275,312)	-	
	<b>37,354,688</b>	<b>37,354,688</b>	<b>160,675,770</b>	<b>2,422,638,284</b>
Aggregate book value of quoted investments	37,354,688	37,354,688	160,675,770	2,422,638,284
Aggregate market value of quoted investments	37,354,688	37,354,688	160,675,770	2,422,638,284

5. Cash and cash equivalents

Particulars	As at 31 March 2017 (in USD)	As at 31 December 2015 (in USD)	As at 01 January 2015 (in USD)	As at 31 March 2017 Convenience translation into Rupees (Unaudited)
<b>Cash and cash equivalents</b>				
Balances with banks				
In current accounts	6,422	6,422	6,497	416,494
	<b>6,422</b>	<b>6,422</b>	<b>6,497</b>	<b>416,494</b>

6. Other financial assets

Particulars	As at 31 March 2017 (in USD)	As at 31 December 2015 (in USD)	As at 01 January 2015 (in USD)	As at 31 March 2017 Convenience translation into Rupees (Unaudited)
<b>Current</b>				
To parties other than related parties <sup>(1)</sup>	-	-	134,337	-
	<b>-</b>	<b>-</b>	<b>134,337</b>	<b>-</b>
<sup>(1)</sup> Financial assets carried at amortized cost	-	-	134,337	-



CFCL Ventures Limited

Notes to financial statements for the period ended 31 March 2017

7. Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2017 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
<b>Assets:</b>							
Cash and cash equivalents (Refer Note 5)	6,422	-	-	-	-	6,422	6,422
Investments	-	-	-	-	-	-	-
Equity securities (Refer Note 4)	-	-	37,354,688	-	-	37,354,688	37,354,688
Trade receivables	-	-	-	-	-	-	-
Other financial assets (Refer Note 6)	-	-	-	-	-	0	0
<b>Total</b>	<b>6,422</b>	<b>-</b>	<b>37,354,688</b>	<b>-</b>	<b>-</b>	<b>37,361,110</b>	<b>37,361,110</b>
<b>Liabilities:</b>							
Borrowings (Refer Note 9)	-	-	140,363,431	-	-	140,363,431	140,363,431
Trade payables	39,036	-	-	-	-	39,036	39,036
Other financial liabilities (Refer Note 10)	2,214,158	-	610	-	-	2,214,768	2,214,768
<b>Total</b>	<b>2,253,194</b>	<b>-</b>	<b>140,364,041</b>	<b>-</b>	<b>-</b>	<b>142,617,235</b>	<b>142,617,235</b>

The carrying value and fair value of financial instruments by categories as at 31 December 2015 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
<b>Assets:</b>							
Cash and cash equivalents (Refer Note 5)	6,422	-	-	-	-	6,422	6,422
Investments	-	-	-	-	-	-	-
Equity securities (Refer Note 4)	-	-	37,354,688	-	-	37,354,688	37,354,688
Trade receivables	-	-	-	-	-	-	-
Other financial assets (Refer Note 6)	-	-	-	-	-	-	-
<b>Total</b>	<b>6,422</b>	<b>-</b>	<b>37,354,688</b>	<b>-</b>	<b>-</b>	<b>37,361,110</b>	<b>37,361,110</b>
<b>Liabilities:</b>							
Borrowings (Refer Note 9)	-	-	140,363,431	-	-	140,363,431	140,363,431
Trade payables	24,541	-	-	-	-	24,541	24,541
Other financial liabilities (Refer Note 10)	1,863,011	-	813	-	-	1,863,824	1,863,824
<b>Total</b>	<b>1,887,552</b>	<b>-</b>	<b>140,364,244</b>	<b>-</b>	<b>-</b>	<b>142,251,796</b>	<b>142,251,796</b>

The carrying value and fair value of financial instruments by categories as at 01 January 2015 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
<b>Assets:</b>							
Cash and cash equivalents (Refer Note 5)	6,497	-	-	-	-	6,497	6,497
Investments	-	-	-	-	-	-	-
Equity securities (Refer Note 4)	-	-	160,675,770	-	-	160,675,770	160,675,770
Trade receivables	-	-	-	-	-	-	-
Other financial assets (Refer Note 6)	134,337	-	-	-	-	134,337	134,337
<b>Total</b>	<b>140,834</b>	<b>-</b>	<b>160,675,770</b>	<b>-</b>	<b>-</b>	<b>160,816,604</b>	<b>160,816,604</b>
<b>Liabilities:</b>							
Borrowings (Refer Note 9)	-	-	133,114,390	-	-	133,114,390	133,114,390
Trade payables	3,626	-	-	-	-	3,626	3,626
Other financial liabilities (Refer Note 10)	1,826,962	-	89,517	-	-	1,916,479	1,916,479
<b>Total</b>	<b>1,830,588</b>	<b>-</b>	<b>133,203,907</b>	<b>-</b>	<b>-</b>	<b>135,034,495</b>	<b>135,034,495</b>

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).



CFCL Ventures Limited

Notes to financial statements for the period ended 31 March 2017

7. Financial instruments by category (continued)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at 31 March 2017:

Particulars	As of 31 March 2017	(in USD)		
		Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Investments in equity instruments (Refer Note 4)	37,354,688	37,354,688	-	-
<b>Liabilities</b>				
Preferred stock (Refer Note 9)	140,363,431	-	-	140,363,431
Warrants (Refer Note 10)	610	-	-	610

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at 31 December 2015:

Particulars	As of 31 December 2015	(in USD)		
		Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Investments in equity instruments (Refer Note 4)	37,354,688	37,354,688	-	-
<b>Liabilities</b>				
Preferred stock (Refer Note 9)	140,363,431	-	-	140,363,431
Warrants (Refer Note 10)	813	-	-	813

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at 1 January 2015:

Particulars	As of 1 January 2015	(in USD)		
		Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Investments in equity instruments (Refer Note 4)	160,675,770	160,675,770	-	-
<b>Liabilities</b>				
Preferred stock (Refer Note 9)	133,114,390	-	-	133,114,390
Warrants (Refer Note 10)	89,517	-	-	89,517



8. Equity

Particulars	As at	As at	As at	As at
	31 March 2017 (in USD)	31 December 2015 (in USD)	01 January 2015 (in USD)	31 March 2017 Convenience translation into Rupees (Unaudited)
<b>Authorised</b>				
Ordinary shares				
55,026,026 (previous year: 54,066,026). Ordinary shares of par value USD 0.0001 each	5,503	5,503	5,503	356,871
	5,503	5,503	5,503	356,871
<b>Issued, subscribed and paid up:</b>				
Ordinary shares				
4,058,593 (previous year: 4,058,593) Ordinary shares of par value of USD 0.0001 each fully paid up	406	406	406	26,322
	-	-	-	-
	406	406	406	26,322

Shareholding by the Holding Company and ordinary shareholders holding more than 5 percent of ordinary shares along with the number of ordinary shares held at the beginning and at the end of the period is as given below:

Particulars	As at 31 March 2017		As at 31 December 2015		As at 01 January 2015	
	Number of shares	% of share holding	Number of shares	% of share holding	Number of shares	% of share holding
Chambal Fertilisers and Chemicals Limited, Holding company	2,932,947	72.27%	2,932,947	72.27%	2,932,947	72.27%
Fiserv Solutions, Inc	755,646	18.62%	755,646	18.62%	755,646	18.62%
William Adamowski	240,000	5.91%	240,000	5.91%	240,000	5.91%

Reconciliation of the shares outstanding as at the beginning and at the end of the reporting Period

Particulars	As at 31 March 2017		As at 31 December 2015		As at 01 January 2015	
	Number of shares	Amount (in USD)	Number of shares	Amount (in USD)	Number of shares	Amount (in USD)
<b>Ordinary shares</b>						
Shares at the beginning and end of the period	4,058,593	406	4,058,593	406	4,058,593	406
Add / Less: Movement during the period	-	-	-	-	-	-
Shares at the end	4,058,593	406	4,058,593	406	4,058,593	406

**Rights, preference and restrictions attached to ordinary shares**

The Company has a single class of ordinary shares having a par value of USD 0.0001 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors are subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The Company has not proposed any dividend during the current year and previous year. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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 31 March 2017.

**Shares reserved for issue under options, convertible preference shares and convertible warrants**

Particulars	As at	As at
	31 March 2017	31 December 2015
Under Employee Stock Option Scheme, 2007	6,081,498	6,081,498
Series A-1 Preference shares	4,328,929	4,328,929
Series B Preference shares	395,819	395,819
Series B-1 Preference shares	6,372,807	6,372,807
Series C Preference shares	91,381	91,381
Series C-1 Preference shares	4,146,650	4,146,650
Series D Preference shares	45,576	45,576
Series D-1 Preference shares	2,068,160	2,068,160
Series E Preference shares	68,365	68,365
Series E-1 Preference shares	3,102,241	3,102,241
Series F Preference shares	45,576	45,576
Series F-1 Preference shares	3,150,391	3,150,391
Series G Preference shares	3,260,630	3,260,630
Series H Preference shares	1,082,230	1,082,230
Series I Preference shares	4,832,693	4,832,693
Warrants	3,819,337	3,723,337

**Warrants**

In consideration of the equipment loans and revolving line of credits (LOC) availed in the previous years from Triple Point Capital ("TPC"), the company had entered into warrant agreements with TPC in an earlier year. The agreement provides for warrant coverage of USD 100,000 with a conversion option into 10,882 Series B preference shares of the Company at a conversion price of USD 9.1892 per share for equipment loan and of USD 400,000 with a conversion option of 43,529 Series B Preference shares of the Company at a conversion price of USD 9.1892 per share and 47,213 Series C Preference shares of the Company at a conversion price of USD 12.7083 per share for the LOC.

None of the warrants have been exercised by the warrant holders.



8. Equity (continued)

Employee stock options

The Board of Directors of the Company approved the 2007 Share Option Plan ('Plan') administered by compensation committee of the Board of Directors for granting stock options to certain employees of its subsidiary companies as per Management's discretion. A committee has been constituted to administer the Plan along with the Board and to determine the grant date fair value which would be the exercise price for such options. A total of 6,081,498 ordinary shares were reserved for issuance under the Plan.

The fair value of the ordinary 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 done using the Black-Scholes valuation model. The stock options vest equally over the period of 4 years and the exercise period is 10 years from the date of grant. The stock compensation cost is a component of the fair value of the stock options and the number of options, which is recognised as employee compensation cost over the vesting period, provided that the stock option holders continue to be in employment of the Company. The employee compensation cost recognised in the statement of profit and loss is USD (1,186,548) (previous year: USD 840,189).

During the period ended 31 March 2017, ISGN Corporation has entered into Stock Purchase Agreement (SPA) on 28 January 2016 with Firstsource Group USA, Inc. for sale of its entire shareholding in ISGN Solution Inc. As per the SPA, notice of the termination of employee stock options was delivered to option holders and written confirmation from such option holders consenting to the termination was obtained. Therefore, options given to employees of knowledge process outsourcing business was forfeited on execution of this SPA.

The following table details the movement of options under the Plan mentioned above:

Particulars	As at March 2017		As at December 2015	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Options outstanding at the beginning of the period	3,814,847	1.10	3,799,847	1.12
Options granted during the period	-	-	76,500	1.09
Option forfeited during the period	3,814,847	1.09	61,500	1.09
Options lapsed during the period	-	-	-	-
Options outstanding at the end of the period	-	-	3,814,847	1.10
Options exercisable at the end of the period	-	-	2,145,919	1.10

The estimated weighted average fair value of options granted during the previous year was in the range of USD 0.64 to USD 0.75. This was calculated by applying the Black-Scholes option pricing model with the following inputs:

Particulars	For the year ended 31 December 2015
Fair value per share (USD)	1.09
Exercise price (USD)	1.09
Average risk-free interest rate	1.25% – 1.47 %
Expected volatility of share price	0.66
Expected life of options granted (in years)	6
Expected dividend yield	Nil
Fair value of the options	USD 0.64 to USD 0.75

The following table provides details in respect of range of exercise price and weighted average remaining contractual life for the options outstanding as at 31 December 2015.

Range of exercise price	Shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (USD)
USD 1.09 to USD 1.26	3,814,847	7.77 years	1.09



CFCL Ventures Limited  
Notes to financial statements for the period ended 31 March 2017

9. Borrowings

Particulars	As at 31 March 2017 (in USD)	As at 31 December 2015 (in USD)	As at 01 January 2015 (in USD)	As at 31 March 2017 Convenience translation into Rupees (Unaudited)
<b>Non-current</b>				
Redeemable Preference Shares <i>Refer Note 9(a)</i>	140,363,431	140,363,431	133,114,390	9,103,270,314
	<b>140,363,431</b>	<b>140,363,431</b>	<b>133,114,390</b>	<b>9,103,270,314</b>

**Note no 9(a)** - Preference shareholders carry voting rights on an converted basis with ordinary shareholders, except for key governance protections outlined in the Articles of Association of the Company, in which case each class votes separately on an as converted basis as per the terms of the preference shareholders agreement. Further preference shareholders carry preferential dividend rights over ordinary shares if declared by the Board of Directors and priority over ordinary shares in the event of any liquidation, dissolution or winding up of the affairs of Company.

Within ninety (90) days after the receipt of a written request from members holding not less than a majority of the then outstanding preference shares, voting together on an as converted basis, that all preference shares be redeemed (such date within such ninety (90) days period being the "Redemption Date") and concurrently with the surrender by the holders of outstanding preference shares of the certificates representing such preference shares, the Company shall, to the extent it may lawfully do so, redeem all of the then outstanding preference shares by paying an amount in cash per preference share to be redeemed equal to the greater of (i) the original purchase price per share (subject to adjustment for any Recapitalizations) and (ii) the fair market value of such preference share as of the Redemption Date, as determined by an independent third-party investment bank or similar financial service provider agreed to by the Company and the holders of at least a majority of the preference shares then outstanding, voting together on an as-converted basis (the "Redemption Price"). If, on the Redemption Date, the funds of the Company legally available for redemption of preference shares are insufficient to redeem all outstanding preference shares, those funds that are legally available will be used for payment to the holders of preference shares on a pro-rata basis in proportion to the number of preference shares then held by such members. Any preference shares not redeemed shall remain outstanding and shall be entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of the Company are legally available for the redemption of the preference shares, such funds will immediately be used to redeem the balance of the preference shares not redeemed on the Redemption Date in the manner and in the order set forth in the preceding sentence.

In the event of liquidation, preference shareholders have a preferential right over ordinary shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

10. Other financial liabilities

Particulars	As at 31 March 2017 (in USD)	As at 31 December 2015 (in USD)	As at 01 January 2015 (in USD)	As at 31 March 2017 Convenience translation into Rupees (Unaudited)
<b>Non-current</b>				
Payables to related parties (Refer Note 15(f)) <sup>(1)</sup>	2,201,763	1,845,957	1,826,962	142,795,344
	<b>2,201,763</b>	<b>1,845,957</b>	<b>1,826,962</b>	<b>142,795,344</b>
<b>Current</b>				
Accrued expenses <sup>(1)</sup>	12,395	17,054	-	803,900
Warrants <sup>(2)</sup>	610	813	89,517	39,545
	<b>13,005</b>	<b>17,867</b>	<b>89,517</b>	<b>843,445</b>
<sup>(1)</sup> Financial liabilities carried at amortized cost	2,214,158	1,863,011	1,826,962	142,795,344
<sup>(2)</sup> Financial assets liabilities at fair value through profit or loss	610	813	89,517	39,545

Warrants

In consideration of the equipment loans and revolving line of credits (LOC) availed in the previous years from Triple Point Capital ("TPC"), the company has also entered into warrant agreements with TPC. The agreement provides for warrant coverage of USD 100,000 with a conversion option into 10,882 Series B preference shares of the Company at a conversion price of USD 9.1892 per share for equipment loan and of USD 400,000 with a conversion option of 43,529 Series B Preference shares of the Company at a conversion price of USD 9.1892 per share and 47,213 Series C Preference shares of the Company at a conversion price of USD 12.7083 per share for the LOC. These warrants are accounted as derivative instruments. The fair value of the stock purchase warrants were USD 610 and USD 813 as of 31 March 2017 and 31 December 2015 respectively.





CFCL Ventures Limited

Notes to financial statements for the period ended 31 March 2017

11. Other income

Particulars	For the period ended 31 March 2017 (in USD)	For the year ended 31 December 2015 (in USD)	For the period ended 31 March 2017 Convenience translation into Rupees (Unaudited)
Sundry balances written back	-	6,539	-
Fair value changes of share warrants net gain	203	88,704	13,182
	<b>203</b>	<b>95,243</b>	<b>13,182</b>

12. Finance Cost

Particulars	For the period ended 31 March 2017 (in USD)	For the year ended 31 December 2015 (in USD)	For the period ended 31 March 2017 Convenience translation into Rupees (Unaudited)
Interest expenses	-	249,041	-
Bank charges	-	141	-
	<b>-</b>	<b>249,182</b>	<b>-</b>

13. Employee benefits

Particulars	For the period ended 31 March 2017 (in USD)	For the year ended 31 December 2015 (in USD)	For the period ended 31 March 2017 Convenience translation into Rupees (Unaudited)
Stock compensation expense (Refer Note 8)	(1,186,548)	840,190	(76,953,551)
	<b>(1,186,548)</b>	<b>840,190</b>	<b>(76,953,551)</b>

14. Other expenses

Particulars	For the period ended 31 March 2017 (in USD)	For the year ended 31 December 2015 (in USD)	For the period ended 31 March 2017 Convenience translation into Rupees (Unaudited)
Audit fees	42,200	96,000	2,736,881
Consultancy and professional charges	323,442	101,590	20,976,815
Investment writeoff	-	130,321,082	-
Other expenses	-	184	-
	<b>365,642</b>	<b>130,518,856</b>	<b>23,713,696</b>



**CFCL Ventures Limited**  
**Notes to the financial statements for the Period ended 31 March 2017**

**15 Related party disclosures**

List of related parties

**a) List of parties where control exists**

Holding company - Chambal Fertilisers and Chemicals Limited (with effect from 20 December 2016)

- CFCL Technologies Limited (upto 19 December 2016)

**b) Entities which exercise significant influence**

NEA FDI Ltd

NEA IndoUS Ventures, LLC

**c) Key management Personnel (KMP)**

Amit Kothiyal, CEO and Whole-time director

Sundararajan Sampath, CFO



CFCL Ventures Limited  
Notes to the financial statements for the Period ended 31 March 2017

d) Subsidiaries

Sl no	Name of Subsidiary	Country of Incorporation	% holding As at 31 March 2017	% holding As at 31 December 2015
	<b>Subsidiaries</b>			
1	ISGN Corporation ("ISGN - C") ( wef 20 December 2016)	U.S.A.	100%	100%
2	ISG NovaSoft Technologies Limited ("ISGNTL")	India	100%	100%
	<b>Step-down Subsidiaries of ISGN – C</b>			
3	ISGN Solutions, Inc ("ISGN - S") - Till 18 May 2016	U.S.A.	0%	100%
	<b>Step –down subsidiaries of ISGN – S</b>			
4	ISGN Fulfillment Services, Inc. (FFS) – Till 18 May 2016	U.S.A.	0%	100%
	<b>Step down subsidiaries of FFS</b>			
5	ISGN Fulfillment Services, Inc ("FFS Arizona") Dissolved Effective 12 January 2016	U.S.A.	0%	100%
6	ISGN Fulfillment Agency, LLC ("FFS Delaware") – Till 18 May 2016	U.S.A.	0%	100%
	<b>Step-down Subsidiaries of ISGNTL</b>			
7	Inuva Info Management Private Limited ("INUVA")* – a subsidiary of ISGNTL	India	71%	71%

\* dormant subsidiary



CFCL Ventures Limited  
Notes to the financial statements for the Period ended 31 March 2017

e) Related party transactions:

Particulars	For period from 1 January 2016 to 31 March 2017 (Amount in USD)	For period from 1 January 2015 to 31 December 2015 (Amount in USD)	For the period from 1 January 2016 to 31 March 2017 Convenience Translation into Rupees(Unaudited)
<b>Holding company</b>			
Conversion of Loan into Series I Preference shares	-	5,074,329	-
Interest	-	249,041	-
<b>Subsidiary Company</b>			
Investment in ordinary shares	-	7,000,000	-
Expenses paid by subsidiary ( ISGN Corporation )	355,806	-	23,075,798
Reimbursement of Expenses ( ISGN Solutions Inc)	180,802	-	11,725,914
<b>Companies having Significant Influence</b>			
Conversion of loan into Series I Preference Shares, NEA FDI,Inc	-	2,174,712	-

(f) Related party balances:

Particulars	(Amount in USD)		
	As at 31 March 2017	As at 31 December 2015	As at 31 March 2017 Convenience Translation into Rupees(Unaudited)
<b>Subsidiary company</b>			
Other current liabilities (ISGN corporation)	2,201,763	1,845,957	142,795,344



CFCL Ventures Limited  
Notes to the financial statements for the Period ended 31 March 2017

16 Earnings per share

Period ended	31 March 2017	31 December 2015
Gain/(Loss) for the period (Amount in USD)	821,109	(131,512,985)
Weighted average number of ordinary shares considered in calculating Basic and Diluted Earnings Per Share ('EPS')	4,058,593	4,058,593
Basic and Diluted EPS (Amount in USD)	0.20	(32.40)

17 Convenience translation

The books of accounts of the company are maintained in USD, being the currency of the primary economic environment in which it operates. Supplementary information in Indian Rupees (INR) is provided for convenience only. The balance sheet, statement of profit and loss, cash flow statement and related notes have been translated at the rate of 1USD = INR 64.855. These numbers are based on information from the management and have not been audited by C G S & CO.

18 Explanation of transition to Ind AS

These financial statements of the company for the period ended 31 March 2017 have been prepared in accordance with Ind AS. For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First time adoption of Indian Accounting Standard, with 1 January 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 3 have been applied in preparing the financial statements for the period ended 31 March 2017 and comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's balance sheet, statement of profit and loss, is set out in note below. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note below.

**Exemptions availed on first time adoption of Ind-AS 101**

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions:

**A. Optional exemptions**

**(a) Business combinations**

The Company is allowed to choose any date in the past from which it wants to account for the business combinations under Ind AS 103, without having to restate business combinations prior to such date. Accordingly, the Company has applied the standard for all acquisitions completed on or after 1 January 2015, which coincides with the Company's date of transition



## 18 Explanation of transition to Ind AS (continued)

### A. Optional exemptions (continued)

#### (a) Business combinations (continued)

to Ind AS. For business combinations prior to 1 January 2015 which have not been restated as per Ind AS 103, goodwill represents the amount recognised under the previous GAAP subject to specific adjustments as prescribed under Ind AS 101.

### B. Mandatory exceptions

#### 1. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement.

#### 2. Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, *Financial Instruments*, prospectively for transactions occurring on or after the date of transition to Ind AS.

However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the derecognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially accounting for these transactions.

#### 3. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.



CFCL Ventures Limited  
Notes to financial statements for the period ended 31 March 2017

Note 18:- Explanation of transition to Ind AS (continued)

Reconciliation of Equity

Particulars	Note	Amount in USD					
		As on date of Transition 1 January 2015			As at 31 December 2015		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
<b>ASSETS</b>							
<b>Non-current assets</b>							
Financial assets							
Investments	(c)	8,361,970	152,313,800	160,675,770	8,361,970	28,992,718	37,354,688
<b>Total Non Current Assets</b>		<b>8,361,970</b>	<b>152,313,800</b>	<b>160,675,770</b>	<b>8,361,970</b>	<b>28,992,718</b>	<b>37,354,688</b>
<b>Current assets</b>							
Financial assets							
Cash and cash equivalents	(c)	5,000	1,497	6,497	5,000	1,422	6,422
Other financial assets	(c)	-	134,337	134,337	-	-	-
<b>Total Current Assets</b>		<b>5,000</b>	<b>135,834</b>	<b>140,834</b>	<b>5,000</b>	<b>1,422</b>	<b>6,422</b>
<b>Total assets</b>		<b>8,366,970</b>	<b>152,449,634</b>	<b>160,816,604</b>	<b>8,366,970</b>	<b>28,994,140</b>	<b>37,361,110</b>
<b>Equity and liabilities</b>							
<b>Equity</b>							
Equity Share Capital	(c)	50,000	(49,594)	406	50,000	(49,594)	406
Other Equity	a), (b), (c)	8,294,575	17,487,128	25,781,703	8,294,575	(113,185,667)	(104,891,092)
<b>Total Equity</b>		<b>8,344,575</b>	<b>17,437,534</b>	<b>25,782,109</b>	<b>8,344,575</b>	<b>(113,235,261)</b>	<b>(104,890,686)</b>
<b>LIABILITIES</b>							
<b>Non-current liabilities</b>							
Financial Liabilities							
Borrowings	(a), (c)	-	133,114,390	133,114,390	-	140,363,431	140,363,431
Other financial liabilities	(c)	-	1,826,962	1,826,962	-	1,845,957	1,845,957
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>134,941,352</b>	<b>134,941,352</b>	<b>-</b>	<b>142,209,388</b>	<b>142,209,388</b>
<b>Current liabilities</b>							
Financial Liabilities							
Trade payables	(c)	586	3,040	3,626	586	23,955	24,541
Other financial liabilities	(b), (c)	21,809	67,708	89,517	21,809	(3,942)	17,867
<b>Total Current Liabilities</b>		<b>22,395</b>	<b>70,748</b>	<b>93,143</b>	<b>22,395</b>	<b>20,013</b>	<b>42,408</b>
<b>Total Liabilities</b>		<b>22,395</b>	<b>135,012,100</b>	<b>135,034,495</b>	<b>22,395</b>	<b>142,229,401</b>	<b>142,251,796</b>
<b>Total Equity and Liabilities</b>		<b>8,366,970</b>	<b>152,449,634</b>	<b>160,816,604</b>	<b>8,366,970</b>	<b>28,994,140</b>	<b>37,361,110</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(a) Preference shares

Under previous GAAP the redeemable preference shares were classified as equity. Under Ind AS 109, these preference shares have been classified as a financial liability and measured at fair value through profit and loss. The effect of this change is an increase in borrowings and decrease in equity as at 1 January 2015 of USD 133,114,390 and as at 31 December 2015 of USD 140,363,431.

(b) Warrants

Warrants issued by the Company have been recognised in the Ind AS Balance Sheet as on 1 January 2015 as a financial instrument to be fair valued through the Statement of Profit and Loss.

(c) Common control transactions

On 20 December 2016, the Company merged with its erstwhile Holding Company CFCL Technologies Limited. Since this involved transfer of interests in entities that are under the control of the shareholder that controls the Group, i.e. Chambal Fertilisers and Chemicals Limited, the assets and liabilities acquired are recognised at their carrying amounts with effect from 1 January 2015, as if the acquisition had occurred at the beginning of the earliest comparative period presented.



CFCL Ventures Limited  
Notes to financial statements for the period ended 31 March 2017

Note 18:- Explanation of transition to Ind AS (continued)  
Reconciliation of total comprehensive income for the year ended 31 December 2015

Particulars	Note	Amount in USD		
		Year ended 31 December 2015		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
<b>Income</b>				
Other Income	(a)	6,539	88,704	95,243
<b>Total income</b>		<b>6,539</b>	<b>88,704</b>	<b>95,243</b>
<b>Expenses</b>				
Finance Cost	(a)	-	249,182	249,182
Employee benefits	(a)	-	840,190	840,190
Other expenses	(a)	4,691	130,514,166	130,518,856
<b>Total expenses</b>		<b>4,691</b>	<b>131,603,538</b>	<b>131,608,228</b>
<b>Profit/(Loss) before tax</b>		<b>1,848</b>	<b>(131,514,834)</b>	<b>(131,512,985)</b>
<b>Tax expense</b>				
Current tax		-	-	-
<b>Profit/(Loss) for the period</b>		<b>1,848</b>	<b>(131,514,834)</b>	<b>(131,512,985)</b>
<b>Other Comprehensive Income</b>		-	-	-
<b>Total Comprehensive Income for the period</b>		<b>1,848</b>	<b>(131,514,834)</b>	<b>(131,512,985)</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(a) Common control transactions

On 20 December 2016, the Company merged with its erstwhile Holding Company CFCL Technologies Limited. Since this involved transfer of interests in entities that are under the control of the shareholder that controls the Group, i.e. Chambal Fertilisers and Chemicals Limited, the assets and liabilities acquired are recognised at their carrying amounts with effect from 1 January 2015, as if the acquisition had occurred at the beginning of the earliest comparative period presented.

for CGS & CO  
Chartered Accountants  
Firm's Regn No.005830S

*A R Valisha Shakeel*  
A R Valisha Shakeel  
Partner  
Membership No. 203926



Place: Bangalore  
Date: 17/05/17

for and on behalf of the Board of Directors of  
CFCL Ventures Limited

*Amit Kothiyal*  
Amit Kothiyal  
Director

*Sundhararajan Sampath*  
Sundhararajan Sampath  
Chief Financial Officer

Place: Bangalore  
Date: 17/05/17

Place: Bangalore  
Date: 17/05/17