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, 2020, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2020, and total comprehensive income (comprising of loss 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 Institute of Chartered Accountant 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 the Institute of Chartered Accountants of India (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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Matter

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 the Note 30 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: May 22, 2020

UDIN: 20028241AAAAVX4456

ISGN Corporation
Balance Sheet as at March 31, 2020
(All amounts in USD, except as otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020 Convenience translation into Rupees (Unaudited)
ASSETS				
Non-current assets				
Property, Plant and Equipment	4	-	226,316	-
Goodwill	5	-	5,227,256	-
Other Intangible assets	5	-	3,072,417	-
Intangible assets under development		-	1,842,403	-
Financial Assets				
Loans	6	-	301,781	-
Total Non-current assets		**-**	**10,670,173**	**-**
Current assets				
Financial Assets				
Trade receivables	7	-	689,483	-
Cash and cash equivalents	8	1,392,557	2,058,468	105,374,788
Other financial assets	9	1,207,000	1,349,247	91,333,690
Other assets	10	-	201,206	-
Total Current assets		**2,599,557**	**4,298,404**	**196,708,478**
Total assets		**2,599,557**	**14,968,577**	**196,708,478**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share capital	11	85,340	85,340	6,457,678
Other Equity	12	(19,001,310)	(18,883,159)	(1,437,829,128)
Total Equity		**(18,915,970)**	**(18,797,819)**	**(1,431,371,450)**
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
Borrowings	13	-	72,282	-
Other financial liabilities	14	-	28,755	-
Total non-current liabilities		**-**	**101,037**	**-**
Current liabilities				
Financial Liabilities				
Borrowings	13	7,999,741	17,000,000	605,340,401
Trade payables		142,116	702,435	10,753,918
Other financial liabilities	14	13,353,670	14,394,223	1,010,472,209
Other liabilities	15	20,000	1,503,281	1,513,400
Provisions	16	-	65,420	-
Total current liabilities		**21,515,527**	**33,665,359**	**1,628,079,928**
Total equity and liabilities		**2,599,557**	**14,968,577**	**196,708,478**

Summary of significant accounting policies 3
The accompanying notes are an integral part of the Ind AS 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

Place: Bengaluru
Date: May 22, 2020

Manoj Bawa
Director

Place: Bengaluru
Date: May 22, 2020

ISGN Corporation
Statement of Profit and Loss for the year ended March 31, 2020
(All amounts in USD, except as otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020 Convenience translation into Rupees (Unaudited)
DISCONTINUED OPERATIONS				
INCOME				
Revenue from operations	17	7,824,012	11,850,276	592,042,988
Other income	18	2,580,942	595,658	195,299,882
Income from discontinued operations		**10,404,954**	**12,445,934**	**787,342,870**
EXPENSES				
Employee benefits expense	19	1,318,102	2,399,661	99,740,778
Finance costs	20	1,165,403	1,760,083	88,186,045
Depreciation and amortisation expense	4,5	2,150,549	3,594,828	162,732,043
Other expenses	21	5,889,051	7,527,586	445,624,489
Expenses of discontinued operations		**10,523,105**	**15,282,158**	**796,283,355**
Profit / (Loss) from discontinued operations for the year		**(118,151)**	**(2,836,224)**	**(8,940,485)**
Other Comprehensive Income/(expense)		-	-	-
Total Comprehensive Income/(expense) for the year		**(118,151)**	**(2,836,224)**	**(8,940,485)**
Earnings/(Loss) per equity share from discontinued operations	22			
Basic		(13.84)	(332.34)	(1,047.27)
Diluted		(13.84)	(332.34)	(1,047.27)

Summary of significant accounting policies 3
The accompanying notes are an integral part of the Ind AS 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

Place: Bengaluru
Date: May 22, 2020

Manoj Bawa
Director

Place: Bengaluru
Date: May 22, 2020

ISGN Corporation

Statement of Cash Flow for the year ended March 31, 2020

(All amounts in USD, except as otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020 Convenience translation into Rupees (Unaudited)
Cash flow from operating activities :			
Loss before tax	(118,151)	(2,836,224)	(8,940,485)
Adjustments for :			
Depreciation and amortization expense	2,150,549	3,594,828	162,732,043
Provision for bad and doubtful debts / advances	279,148	(139,131)	21,123,129
Provision for loss contracts	102,731	-	7,773,655
Profit on sale of Business	(1,989,031)	-	(150,509,976)
Provisions no longer required written back	(518,655)	(221,809)	(39,246,624)
Stock compensation expense	-	33	-
Interest expense	995,399	951,169	75,321,842
Bank charges and guarantee commission	170,004	808,914	12,864,203
Operating profit before working capital changes	**1,071,994**	**2,157,780**	**81,117,787**
Changes in working capital			
Trade and other receivables and advances	1,334,717	4,013,178	100,998,035
Trade and other payables and liabilities	(1,877,774)	(592,343)	(142,091,159)
Cash generated from operations	**528,937**	**5,578,615**	**40,024,663**
Income taxes paid	-	-	-
Net cash from operating activities	**528,937**	**5,578,615**	**40,024,663**
Cash flow from investing activities			
Acquisition of property, plant and equipment and intangible assets	(2,372,269)	(3,206,742)	(179,509,595)
Proceeds from Sale of business	12,437,642	-	941,156,370
Net cash used in investing activities	**10,065,373**	**(3,206,742)**	**761,646,775**
Cash flow from financing activities			
Repayment of borrowings	(9,000,259)	-	(681,049,599)
Interest paid	(1,039,384)	(680,165)	(78,650,187)
Bank charges and guarantee commission paid	(1,220,578)	-	(92,361,137)
Net cash flow used in financing activities	**(11,260,221)**	**(680,165)**	**(852,060,923)**
Net (decrease) / increase in cash and cash equivalents	(665,911)	1,691,708	(50,389,485)
Cash and cash equivalents at the beginning of the year	2,058,468	366,760	155,764,273
Cash and cash equivalents at the end of the year	**1,392,557**	**2,058,468**	**105,374,788**

Summary of significant accounting policies (Refer Note 3).
The accompanying notes are an integral part of the Ind AS 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

Place: Bengaluru
Date: May 22, 2020

Manoj Bawa
Director

Place: Bengaluru
Date: May 22, 2020

ISGN Corporation
Statement of Changes in Equity for the year ended March 31, 2020
(All amounts in USD, except as otherwise stated)

Particulars	Equity share capital (Refer Note 11)		Other equity (Attributable to equity holders of the Company) (Refer Note 12)				
	In USD	Convenience translation in Rupees (Unaudited)	Security Premium Reserve	Surplus / (deficit) in the statement of profit and loss	Other Reserves (ESOP Outstanding Account)*	Total Other equity	Convenience translation in Rupees (Unaudited)
Balance as at 1 April 2018	**85,340**	**6,457,678**	**156,324,293**	**(174,602,694)**	**2,231,433**	**(16,046,968)**	**(1,214,274,069)**
Changes in equity for the year ended 31 March 2019							
Stock compensation expense	-	-	-	-	33	33	2,497
Transfer to retained earnings on forfeiture of options	-	-	-	2,231,433	(2,231,433)	-	-
Loss for the year	-	-	-	(2,836,224)	-	(2,836,224)	(214,617,070)
Balance as at 1 April 2019	**85,340**	**6,457,678**	**156,324,293**	**(175,207,485)**	**33**	**(18,883,159)**	**(1,428,888,642)**
Changes in equity for the year ended 31 March 2020							
Transfer to retained earnings on forfeiture of options	-	-	-	33	(33)	-	-
Loss for the year	-	-	-	(118,151)	-	(118,151)	(8,940,486)
Balance as at 31 March 2020	**85,340**	**6,457,678**	**156,324,293**	**(175,325,603)**	**-**	**(19,001,310)**	**(1,437,829,128)**

*Employee stock options reserve - The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan of the Holding Company. Balance as at March 31, 2020, in respect of vested stock options which were forfeited and not exercised has been transferred to retained earnings during the year.

Summary of significant accounting policies (Refer Note 3).
The accompanying notes are an integral part of the Ind AS 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

Place: Bengaluru
Date: May 22, 2020

Manoj Bawa
Director

Place: Bengaluru
Date: May 22, 2020

1) Corporate Information

a) ISGN Corporation ("the Company"), a Delaware Corporation was incorporated in the year 2007. The Company was engaged in the business of designing, developing, marketing and distributing software products for mortgage lending industry and providing a wide range of consulting services, including implementation, customization and support of its software products, as well as training on their use and administration. The Company's customer base consisted primarily of mortgage banks and financial institutions mainly in the United States of America.

b) 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 the recognised stock exchanges in India.

c) As of January 30, 2020, the Company entered into an agreement with "LS TEMPO, LLC" ("LS Tempo"), pursuant to which, among other things, the Company sold/transferred to LS Tempo, all of 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 aforesaid transaction, the Company was not having any business activities.

2) 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 significant accounting policies adopted for preparation and presentation of Ind AS financial statements have been applied consistently, except for the changes in accounting policy for amendments to the standard, as applicable, that were effective for annual period beginning from on or after April 1, 2019.

Ind AS 116 on Leases was notified on March 30, 2019 and it replaces Ind AS 17 on Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). Considering the transaction referred to in para 1 c) above, there was no significant adjustment required to the Company's retained earnings or the lease charges recognized during the year.

Refer to note 28, where it is mentioned that the Company has sold/transferred all of the identified assets/liabilities to LS Tempo. As per the agreement entered into with LS Tempo, the Ultimate Holding Company shall ensure that the Company fulfills its indemnity obligations under the transaction documents executed among the Company, the Holding Company and LS Tempo. Accordingly, the 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 is 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:

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. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in Note 5.

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.

3) 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.

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.

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 though 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.

(d) Property, plant and equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 January 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of such 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 their 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:

Category	Useful lives (years)
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.

In respect of business combinations that occurred prior to 1 January 2015, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP.

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 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) 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 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 is 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.

(l) Leases

<u>The Company as a lessee:</u>

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.

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.

<u>The Company as a lessor:</u>

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. <u>Current tax</u>

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:

- 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 income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

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 are 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.

(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 executive officer 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 the financial statements for the year ended March 31, 2020
(All amounts in USD, except as otherwise stated)

4. Property, plant and equipment

Particulars	Computers and accessories	Office equipment	Leasehold improvements	Furniture and fixtures	Total	Convenience translation in Rupees (Unaudited)
Gross carrying value as of 1 April 2018	**61,841**	**5,331**	**100,601**	**9,796**	**177,569**	**13,436,646**
Additions	190,067	-	-	-	**190,067**	**14,382,370**
Disposals	-	-	-	-	-	-
Gross carrying value as of 31 March 2019	**251,908**	**5,331**	**100,601**	**9,796**	**367,636**	**27,819,016**
Additions	7,654		-	-	**7,654**	**579,178**
Adjustments for the year	(142,981)				**(142,981)**	**(10,819,372)**
Disposals	(116,581)	(5,331)	(100,601)	(9,796)	**(232,309)**	**(17,578,822)**
Gross carrying value as of 31 March 2020	-	-	-	-	-	-
Accumulated depreciation as of 1 April 2018	**59,374**	**4,998**	**18,081**	**746**	**83,199**	**6,295,668**
Charge for the year	37,404	84	18,673	1,960	**58,121**	**4,398,016**
Accumulated depreciation on deletions	-	-	-	-	-	-
Accumulated depreciation as of 1 April 2019	**96,778**	**5,082**	**36,754**	**2,706**	**141,320**	**10,693,684**
Charge for the year	5,900	70	15,560	1,630	**23,160**	**1,752,517**
Adjustments for the year	3,662				**3,662**	**277,104**
Accumulated depreciation on deletions	(106,340)	(5,152)	(52,314)	(4,336)	**(168,142)**	**(12,723,305)**
Accumulated depreciation as of 31 March 2020	-	-	-	-	-	-
Carrying value as of 31 March 2019	**155,130**	**249**	**63,847**	**7,090**	**226,316**	**17,125,332**
Carrying value as of 31 March 2020	-	-	-	-	-	-

ISGN Corporation
Notes to the financial statements for the year ended March 31, 2020
(All amounts in USD, except as otherwise stated)

5. Intangible assets and Intangible assets under development

Particulars	Goodwill (Refer note below)		Other intangible assets			
	in USD	Convenience translation in Rupees (Unaudited)	Computer software	Internally developed software platforms #	Total	Convenience translation in Rupees (Unaudited)
Gross carrying value as of 1 April 2018	**5,227,256**	**395,546,462**	**133,801**	**13,962,482**	**14,096,283**	**1,066,665,735**
Additions	-	-	-	2,083,056	**2,083,056**	**157,624,847**
Disposals	-	-	-	-	-	-
Gross carrying value as of 1 April 2019	**5,227,256**	**395,546,462**	**133,801**	**16,045,538**	**16,179,339**	**1,224,290,582**
Additions	-	-	-	2,246,002	**2,246,002**	**169,954,971**
Disposals	**(5,227,256)**	**(395,546,462)**	**(133,801)**	**(18,291,540)**	**(18,425,341)**	**(1,394,245,553)**
Gross carrying value as of 31 March 2020	-	-	-	-	-	-
Accumulated depreciation as of 1 April 2018	-	-	**133,801**	**9,436,414**	**9,570,215**	**724,178,169**
Charge for the year	-	-	-	3,536,707	**3,536,707**	**267,622,618**
Disposals	-	-	-	-	-	-
Accumulated depreciation as of 1 April 2019	-	-	**133,801**	**12,973,121**	**13,106,922**	**991,800,787**
Charge for the year	-	-	-	2,127,389	**2,127,389**	**160,979,526**
Disposals	-	-	**(133,801)**	**(15,100,510)**	**(15,234,311)**	**(1,152,780,313)**
Accumulated depreciation as of 31 March 2020	-	-	-	-	-	-
		-				
Carrying value as on 31 March 2019	**5,227,256**	**395,546,462**	-	**3,072,417**	**3,072,417**	**232,489,795**
Carrying value as on 31 March 2020	-	-	-	-	-	-

Note:
The Goodwill is related to "Technology" Cash Generating Unit ("CGU"). The Company tests whether goodwill has suffered any impairment on an annual basis as at March 31. As at January 30, 2020, pursuant to the transaction referred to in note 28, the Company has transferred all the amounts recognised as Goodwill to the buyer M/s. LS Tempo, LLC.

	As at March 31, 2020	As at March 31, 2019
Growth rate	-	14% to 22%
Operating margins	-	35% to 42%
Discount rate	-	15% to 16%

Note 5 (Continued)

Intangible assets under development

During the year ended March 31, 2020, the Company has capitalised employee benefits expense of USD 2,350,101 and consultancy charges of USD Nil (Previous Year: USD 2,958,681 and 57,994, respectively), which are attributable to the development of internally developed software platforms.

As at January 30, 2020, pursuant to the transaction referred to in note 28, the Company transferred its entire Intangible assets under development, to the buyer M/s. LS Tempo, LLC, on an as is basis.

 # Internally developed software platforms comprises of the following:

	As at March 31, 2020		As at March 31, 2019	
	Net Block	**Intangibles assets under development**	**Net Block**	**Intangibles assets under development**
Loan Dynamix	-	-	1,502,611	455,741
Powerhub	-	-	8,159	1,312,429
Tempo	-	-	939,687	2,470
Loan Momentum	-	-	296,908	71,763
Others	-	-	325,052	-
Total	**-**	**-**	**3,072,417**	**1,842,403**

- Loan Dynamix - provide customers with a SaaS-based platform that offers graphical dashboards, simplifies implementation and improves borrower communication;
- Powerhub - an Enterprise Service Bus to facilitate integrations between other software platforms of the Company and between Company's software platforms to client systems;
- Tempo - a platform that supports specific process requirements with respect to bankruptcy and foreclosure of loans. The platform is an end to end loss mitigation tool that includes decision calculators, strategy analysis, enhanced reporting, data extraction, improved attorney management self-administration, etc.; and
- Loan Momentum - a construction lending software with enhanced navigation and mobile enabled self-service borrower portal.

As at January 30, 2020, pursuant to the transaction referred to in note 28, the Company has transferred the entire Intangible assets, including the assets under development, to the buyer M/s. LS Tempo, LLC, on an as is basis.

ISGN Corporation
Notes to the financial statements for the year ended March 31, 2020
(All amounts in USD, except as otherwise stated)

6. Loans
(Unsecured, considered good)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020 Convenience translation into Rupees (Unaudited)
Non-current			
Security Deposits [1]	-	301,781	-
	-	**301,781**	**-**
[1] Financial assets carried at amortized cost	-	301,781	-

7. Trade receivables
(Unsecured, financial assets at amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020 Convenience translation into Rupees (Unaudited)
Current			
Considered good	-	689,483	-
Considered doubtful	74,757	170,430	5,656,862
	74,757	**859,913**	**5,656,862**
Less: Allowances for doubtful debts	(74,757)	(170,430)	(5,656,862)
	-	**689,483**	**-**

Trade receivables are non-interest bearing and are generally on terms of 30 days.

8. Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020 Convenience translation into Rupees (Unaudited)
Balances with banks			
In current accounts	1,392,557	2,058,468	105,374,788
	1,392,557	**2,058,468**	**105,374,788**

9. Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020 Convenience translation into Rupees (Unaudited)
Current			
Considered good			
Unbilled revenue [1]	-	443,068	-
Advances to related parties [1]	-	906,179	-
Escrow receivable [1] *	1,207,000	-	91,333,690
	1,207,000	**1,349,247**	**91,333,690**
Considered doubtful			
Escrow receivable**	204,390	204,390	15,466,191
Less: Allowance for doubtful balances	(204,390)	(204,390)	(15,466,191)
	-	-	-
	1,207,000	**1,349,247**	**91,333,690**

[1] Financial assets carried at amortized cost

* Represents a part of the consideration in respect of the transaction referred to in note 28, held in an escrow account with a bank.
** Represents a part of the purchase consideration in respect of the sale of Knowledge Process Outsourcing business in FY 2016-17, fully provided.

10. Other assets
(considered good, except as otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020 Convenience translation into Rupees (Unaudited)
Current			
Prepaid expense	-	151,471	-
Balance with statutory/ government authorities	-	46,338	-
Advances to employees	-	3,397	-
	-	**201,206**	**-**

11. Equity share capital

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020 Convenience translation into Rupees (Unaudited)
Authorised			
Ordinary shares			
10,000 (Previous Year: 10,000) Ordinary shares of par value USD 10 each	100,000	100,000	7,567,000
Issued, subscribed and paid up:			
Ordinary shares			
8,534 (Previous Year: 8,534) Ordinary shares of par value of USD 10 each fully paid up	85,340	85,340	6,457,678
	85,340	**85,340**	**6,457,678**

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

Particulars	March 31, 2020		March 31, 2019	
	Number of shares	Amount (in USD)	Number of shares	Amount (in USD)
Ordinary shares				
Shares at the beginning of the year	8,534	85,340	8,534	85,340
Add/Less: Movement during the year	-	-	-	-
Shares at the end of the year	**8,534**	**85,340**	**8,534**	**85,340**

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.

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 2020.

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 year is as given below:

Particulars	March 31, 2020		March 31, 2019	
	Number of shares	% of share holding	Number of shares	% of share holding
CFCL Ventures Limited, Holding Company	8,534	100.00%	8,534	100.00%

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Note 11 (Continued)

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 to certain employees of its subsidiaries as per Managements 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.

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 following table details the movement of stock options granted to employees of the Company under the Plan mentioned above:

Particulars	**Year ended March 31, 2020**		**Year ended March 31, 2019**	
	Number of options	**Weighted Average Exercise Price (in USD)**	**Number of options**	**Weighted Average Exercise Price (in USD)**
Options outstanding at the beginning of the year	10,000	1.09	-	-
Granted during the year	-	-	10,000	1.09
Options forfeited during the year	(10,000)	1.09	-	-
Options outstanding at the end of the year	-	-	10,000	1.09
Exercisable at the end of the year	-	-	833	-

There has been no exercise of stock options during the year. In view of the transaction referred to in note 28, the concerned employees have intimated the Company about surrendering / forgoing their claim, and hence the Company has cancelled all pending options as at the balance sheet date.

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)	6.1
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 the financial statements for the year ended March 31, 2020
(All amounts in USD, except as otherwise stated)

12. Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020 Convenience translation into Rupees (Unaudited)
Securities premium			
Balance as per last financial statements	156,324,293	156,324,293	11,829,059,251
Add: Additions during the year	-	-	-
Closing balance	**156,324,293**	**156,324,293**	**11,829,059,251**
Employee stock options reserve			
Balance as per last financial statements	**33**	**2,231,433**	**2,497**
Transfer to retained earnings on forfeiture of options	(33)	(2,231,433)	(2,497)
Employee stock compensation for the year	-	33	-
Closing balance	**-**	**33**	**-**
Surplus / (deficit) in the statement of profit and loss			
Balance as per last financial statements	**(175,207,485)**	**(174,602,694)**	**(13,257,950,390)**
Transfer to retained earnings on forfeiture of options	33	2,231,433	2,497
Loss for the year	(118,151)	(2,836,224)	(8,940,486)
Closing balance	**(175,325,603)**	**(175,207,485)**	**(13,266,888,379)**
Total	**(19,001,310)**	**(18,883,159)**	**(1,437,829,128)**

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ISGN Corporation
Notes to the financial statements for the year ended March 31, 2020
(All amounts in USD, except as otherwise stated)

13. Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020 Convenience translation into Rupees (Unaudited)
Non - Current			
Finance lease obligations	-	142,981	-
Less: Current maturities of non-current borrowings (Refer Note 14)	-	(70,699)	-
	-	72,282	-
Current			
Unsecured			
Loans repayable on demand from bank	7,999,741	17,000,000	605,340,401
	7,999,741	**17,000,000**	**605,340,401**

(a) Finance lease obligations
Obligations under finance lease of USD Nil (Previous Year: 142,981) carries fixed rate of interest and are repayable in 24 and 36 equal installments. Pursuant to the transaction referred to in note 28, all the obligations under finance leases have been taken over by the buyer M/s. LS Tempo, LLC.

(b) Loans repayable on demand from bank
The Comapny has an unsecured line of credit facility from The Federal Bank Limited. The credit facility carries floating rate of interest i.e. 6 months Libor rate and Spread 3.15% (Spread 2.75% till June 19, 2019). The Ultimate Holding Company, has given a corporate guarantee for the credit facility to the extent of USD 17,000,000. The Company has accounted a consideration for the guarantee extended by the Ultimate Holding Company at the rate of 1% per annum till March 31, 2020.

14. Other Financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020 Convenience translation into Rupees (Unaudited)
Non - Current			
Security Deposits Payable (1)	-	28,755	-
	-	**28,755**	**-**
Current			
Current maturities of long-term borrowings	-	70,699	-
Interest accrued but not due	227,019	271,004	17,178,536
Guarantee commission payable (Payable to a related party)(1)	28,334	1,078,908	2,144,034
Employee related liabilities (1)	-	897,242	-
Payables to related parties (1)	12,390,372	12,076,370	937,579,449
Other expenses payable(2)	707,945	-	53,570,190
	13,353,670	**14,394,223**	**1,010,472,209**
(1) Financial liabilities carried at amortized cost	**13,353,670**	**14,422,978**	**1,010,472,209**

(2) Represents amount due to the buyer M/s LS TEMPO, LLC, as part of the transaction referred to in note 28.

15. Other Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020 Convenience translation into Rupees (Unaudited)
Current			
Contract liabilities*			
Advance from customers	-	41,209	-
Unearned revenue	-	1,422,823	-
Statutory dues payable	20,000	39,249	1,513,400
	20,000	**1,503,281**	**1,513,400**

*Revenue recognised from the amounts included at the beginning of the year is USD 14,22,823 (Previous Year: USD 2,245,323).

16. Provisions

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020 Convenience translation into Rupees (Unaudited)
Current			
Provision for Expenses	-	-	-
Compensated absences	-	65,420	-
	-	**65,420**	**-**

ISGN Corporation
Notes to the financial statements for the year ended March 31, 2020
(All amounts in USD, except as otherwise stated)

17. Revenue from Operations

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020 Convenience translation into Rupees (Unaudited)
Income from:			
Software services	6,069,655	7,980,280	459,290,794
Software license fee (net of reversals)*	92,615	(17,625)	7,008,177
Maintenance and support services	1,661,742	3,887,621	125,744,017
	7,824,012	**11,850,276**	**592,042,988**

*Net of reversal of USD 179,138 (Previous Year: 112,000).

18. Other income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020 Convenience translation into Rupees (Unaudited)
Sub-lease income	32,210	367,940	2,437,331
Interest Income	492	-	37,230
Profit on sale of Business	1,989,031	-	150,509,976
Provisions no longer required written back	518,655	221,809	39,246,624
Miscellaneous income	40,554	5,909	3,068,721
	2,580,942	**595,658**	**195,299,882**

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ISGN Corporation
Notes to the financial statements for the year ended March 31, 2020
(All amounts in USD, except as otherwise stated)

19. Employee benefits expense**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020 Convenience translation into Rupees (Unaudited)
Salaries and bonus	696,897	1,556,653	52,734,196
Contribution to provident fund	-	1,226	-
Contribution to other funds	264,317	313,254	20,000,867
Stock compensation expense	-	33	-
Staff welfare expenses	356,888	528,495	27,005,715
	1,318,102	**2,399,661**	**99,740,778**

**Net of capitalisation of USD 2,350,101 (Previous Year: USD 2,958,681) towards internally developed software platforms.

20. Finance costs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020 Convenience translation into Rupees (Unaudited)
Interest expense	995,399	951,169	75,321,842
Guarantee commission	170,004	808,914	12,864,203
	1,165,403	**1,760,083**	**88,186,045**

21. Other expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020 Convenience translation into Rupees (Unaudited)
Sub-contracting expenses	3,671,571	5,036,842	277,827,778
Rent	325,331	476,845	24,617,797
Power and fuel	5,551	5,207	420,044
Repairs and maintenance:			
- computer equipment***	135,026	413,697	10,217,417
- others	102,038	174,328	7,721,215
- building	12,840	13,942	971,603
Rates and taxes	21,384	60,212	1,618,127
Insurance	180,264	205,579	13,640,577
Traveling and conveyance	83,128	118,690	6,290,296
Communication	167,167	214,436	12,649,527
Audit Fees	1,000	2,500	75,670
Consultancy, legal and professional charges	619,039	530,838	46,842,681
Sales promotion and advertisement	2,191	15,508	165,793
Provision for loss contracts	102,731	-	7,773,655
Allowance for doubtful receivables	279,148	113,411	21,123,129
Miscellaneous expenses	180,642	145,551	13,669,180
	5,889,051	**7,527,586**	**445,624,489**

***Net of capitalisation of USD Nil (Previous Year: 57,994) towards internally developed software platforms.

22. Earnings/(loss) per share (EPS)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020 Convenience translation into Rupees (Unaudited)
The following reflects the profit/(loss) and share data used in the basic and diluted EPS computations:			
Net profit/(loss) for calculation of basic/diluted EPS	(118,151)	(2,836,224)	(8,940,485)
Weighted average number of equity shares in calculating basic/diluted EPS	8,534	8,534	8534
Basic/ Diluted EPS from discontinued operations	(13.84)	(332.34)	(1,047.27)
Nominal value of equity shares	10.00	10.00	

23. Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2020 were as follows:

	Amortised cost	Fair value through profit or loss	Total carrying value	Total fair value	Convenience translation into Rupees (Unaudited)
Assets:					
Cash and cash equivalents	1,392,557	-	1,392,557	1,392,557	105,374,788
Total	**1,392,557**	**-**	**1,392,557**	**1,392,557**	**105,374,788**
Liabilities:					
Borrowings	7,999,741	-	7,999,741	7,999,741	605,340,401
Trade payables	142,116	-	142,116	142,116	10,753,918
Other financial liabilities	13,353,670	-	13,353,670	13,353,670	1,010,472,209
Total	**21,495,527**	**-**	**21,495,527**	**21,495,527**	**1,626,566,528**

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

	Amortised cost	Fair value through profit or loss	Total carrying value	Total fair value	Convenience translation into Rupees (Unaudited)
Assets:					
Trade receivables	689,483	-	689,483	689,483	52,173,179
Cash and cash equivalents	2,058,468	-	2,058,468	2,058,468	155,764,274
Other financial assets	1,349,247	-	1,349,247	1,349,247	102,097,520
Loans	301,781	-	301,781	301,781	22,835,768
Total	**4,398,979**	**-**	**4,398,979**	**4,398,979**	**332,870,741**
Liabilities:					
Borrowings	17,000,000	-	17,000,000	17,000,000	1,286,390,000
Trade payables	702,435	-	702,435	702,435	53,153,256
Other financial liabilities	14,422,978	-	14,422,978	14,422,978	1,091,386,745
Total	**32,125,413**	**-**	**32,125,413**	**32,125,413**	**2,430,930,001**

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 31 March 2020 and 31 March 2019.

24. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

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's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Year ended			
	March 31, 2020		March 31, 2019	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit/ (loss) before tax	(79,997)	79,997	(170,000)	170,000

24. Financial risk management (Continued..)

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables and unbilled revenue. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses the life time expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as the Company's historical experience with customers and history of litigations.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

	Year ended March 31, 2020	Year ended March 31, 2019
		(In %)
Revenue from top one customer	5	27
Revenue from top five customers	18	58

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances is as follows:

	Year ended		
	March 31, 2020	**March 31, 2019**	**March 31, 2020 Convenience translation into Rupees (Unaudited)**
Balance at the beginning	170,430	309,561	12,896,438
Charge/(Reversal) for the year	(95,673)	(139,131)	(7,239,576)
Discontinued operations	-	-	-
Balance at the end	**74,757**	**170,430**	**5,656,862**

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.

Liquidity risk

The Company's principal sources of liquidity are borrowings, cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital and the support provided by the Ultimate Holding Company is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

	Less than 1 year	**More than 1 year**	**Total**	**Convenience translation into Rupees (Unaudited)**
Trade payables	142,116	-	142,116	10,753,918
Borrowings	7,999,741	-	7,999,741	605,340,401
Other financial liabilities	13,353,670	-	13,353,670	1,010,472,209

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

	Less than 1 year	**More than 1 year**	**Total**	**Convenience translation into Rupees (Unaudited)**
Trade payables	702,435	-	702,435	53,153,256
Borrowings	17,000,000	72,282	17,072,282	1,291,859,579
Other financial liabilities	14,394,223	28,755	14,422,978	1,091,386,745

25. 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.

	As at		
	March 31, 2020	**March 31, 2019**	**March 31, 2020 Convenience translation into Rupees (Unaudited)**
Total equity attributable to the equity share holders of the Company (A)	(18,915,970)	(18,797,819)	(1,431,371,450)
Total loans and borrowings (B)	7,999,741	17,000,000	605,340,401
Total capital (A+B)	**(10,916,229)**	**(1,797,819)**	**(826,031,049)**

The current borrowings are in the nature of working capital loans from banks. The management's business plan indicate generation of profit from operations and the Ultimate Holding Company has issued a corporate Guarantee for meeting its debt obligations, in order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

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26. Leases

i. During the previous years, the Company had entered into leases for office premises. As at March 31, 2020, the Company terminated or served notice for termination for all its existing lease agreements. Accordingly the rental expense recognised by the Company during the year is USD 325,331 (March 31, 2019 – USD 476,845). As part of the transaction referred to in note 28, as at January 30, 2020, the Company transferred its all rights and liabilities under all operating lease contracts to the buyer M/s LS Tempo, LLC.

ii. The Company during earlier years sub-leased one of its office premises under non-cancellable operating lease arrangements, which was later terminated during the year. The sub lease income recognized in the statement of profit and loss for the year ended March 31, 2020 is USD 32,210 (Previous Year: USD 367,940).

iii. The Company had leasing arrangements for various items of computer and computer equipment's. The Company's obligations under these leases are secured by the lessor's title to the leased assets. As part of the transaction referred to in note 28, as at January 30, 2020, the Company transferred its all rights and liabilities under all finance lease contracts to the buyer M/s LS Tempo, LLC.

27. 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 Limited (Under Liquidation) India Steamship Pte. Ltd. (dissolved on April 06, 2020) Inuva Info Management Private Limited (Under Liquidation) (" Inuva")*
Key management Personnel	:	Amit Kothiyal, CEO and Director (Upto 30th January 2020) Manoj Bawa, Director Don Gasper, Director

* During the financial year 2018-19, the shareholders of Inuva had approved its voluntary liquidation in pursuance of the provisions of Insolvency and Bankruptcy Code, 2016 read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017. The liquidator has completely liquidated the assets of Inuva during the financial year 2019-20 and it was not having any assets or liabilities as on March 31, 2020. Inuva is in the process of voluntary liquidation / dissolution.

II. Transaction with Related parties:

Particulars	Nature of transactions	Year ended March 31, 2020	Year ended March 31, 2019	March 31, 2020 Convenience translation into Rupees (Unaudited)
Chambal Fertilisers and Chemicals Limited	Guarantee commission	170,004	808,914	12,864,203
CFCL Ventures Limited	Reimbursement of expenses	794,446	267,953	60,115,729
ISGN Novasoft Technologies Limited	Sub-contracting expenses	3,671,571	5,011,386	277,827,778
Mr. Don Gasper	Remuneration paid	262,458	267,860	19,860,197

III. Outstanding balances of Related Parties:

Particulars	As at March 31, 2020	As at March 31, 2019	March 31, 2020 Convenience translation into Rupees (Unaudited)
Guarantee Commission Payable			
Chambal Fertilisers and Chemicals Limited	28,334	1,078,908	2,144,034
Other Advances			
CFCL Ventures limited	441,438	906,179	33,403,613
Other Payables			
ISG Novasoft Technologies Limited	11,948,934	12,076,370	904,175,836

ISGN Corporation
Notes to the financial statements for the year ended March 31, 2020
(All amounts in USD, except as otherwise stated)

28. Discontinued operations

As of January 30, 2020, the Company entered into an agreement with "LS TEMPO, LLC" ("LS Tempo"), pursuant to which, among other things, the Company sold/transferred to LS Tempo, its all 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 aforesaid transaction, the Company was not having any business activities.

Accordingly, the entire financials of the entity for the current year ended 31st March 2020, along with the corresponding balances for the year ended 31st March 2019 is disclosed are discontinued operations.

Particulars	Year ended March 31, 2020	Year ended March 31, 2020 Convenience translation into Rupees (Unaudited)
Consideration received :		
Cash	11,194,228	847,067,233
Escrow Account	1,207,000	91,333,690
Balance Amount Receivable	36,415	2,755,523
Other current assets transferred	(23,602)	(1,785,963)
Carrying amount of net assets sold	(10,425,010)	(788,860,507)
Gain on sale before income tax	1,989,031	150,509,976
Income tax expense on gain	-	-
Gain on sale after income tax	1,989,031	150,509,976

Particulars	As at January 30, 2020	Convenience translation into Rupees (Unaudited)
The carrying amounts of assets and liabilities as at the date of sale were as follows:		
Property, plant and equipment	64,169	4,855,668
Goodwill	5,227,256	395,546,462
Intangibles	3,191,030	241,465,240
Intangibles under development	1,942,554	146,993,061
Current Assets	1,168,316	88,406,472
Total assets	**11,593,325**	**877,266,903**
Current Liabilities	(1,144,714)	(86,620,508)
Total Liabilities	**(1,144,714)**	**(86,620,508)**
Net assets	**10,448,611**	**790,646,395**

29. Segment information

The company's business activity falls within a single primary business segment (namely, mortgage processing services) and a single geographical segment (namely, the United States of America). Accordingly, disclosure requirements under Ind AS 108, Segment Reporting is not made.

30. Convenience translation

The books of accounts of the Company are maintained in USD, being the currency of primary economic environment in which it operates. Supplementry information in Indian Rupees (INR) 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 75.67. These numbers are based on information from the management and have not been audited by ASA & Associates LLP.

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

D Ramprasad
Partner
Membership Number: 028241

Place: Bengaluru
Date: May 22, 2020

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

Manoj Bawa
Director

Place: Bengaluru
Date: May 22, 2020