

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Freelook Software Private Limited**

**Report on the Audit of the Ind AS Financial Statements**

### **Opinion**

We have audited the accompanying Ind AS financial statements of **Freelook Software Private Limited** ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, 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 Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### **Emphasis of Matter**

We draw attention to Note 20 to the standalone financial statements and Note 2 b (i) of Significant policies which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the operations of the Company. Our opinion is not modified in respect of this matter.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report 2019-20, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.)

### **Responsibility of Management for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 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.

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.

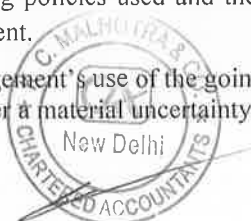
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **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, international 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial control.
- 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 auditor's report to the related disclosures in the 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.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
  - (f) On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (g) This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls'), since in our opinion and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the Company basis the exemption available to the Company under



**K.C. MALHOTRA & CO.**

MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls over financial reporting;

- (h) In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 read with Schedule V of the Act are not applicable to the company for the year ended 31st.March,2020.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For K.C.Malhotra & Co.**  
Chartered Accountants  
(Firm Regn.No.000057N)



(Ramesh Malhotra)  
Partner  
Membership Number: 013624  
UDIN: 20013624AAAAAN2133  
Place of Signature: New Delhi  
Date: June 16, 2020

**K.C. MALHOTRA & CO.**  
**CHARTERED ACCOUNTANTS**

R-79, GREATER KAILASH-I,  
NEW DELHI- 110 048 (INDIA)  
Phone: + 91-11-41608133, 264183  
E.mail: [rem\\_kemalhotra@vahoo.co.in](mailto:rem_kemalhotra@vahoo.co.in)

**Annexure 'A' to the Independent Auditors' Report**

**(Referred to in paragraph '1' under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Freelook Software Private Limited of even date)**

- i) The Company does not have any tangible assets as at March 31, 2020 as the Company has transferred the leasehold land to the Holding Company during the year as disclosed in note 3 (refer footnote) to the financial statements and, accordingly, the requirements under paragraph 4(i) of the Order are not applicable to the Company
- ii) The Company's business does not involve inventories and accordingly the requirements of paragraph 4(ii) of the Order are not applicable to the Company.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to, companies, Limited Liability Partnership, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans, investments, guarantees, and security in terms of Section 185 and 186 of the Companies Act, 2013. Hence, reporting under clause 3(iv) of the order is not applicable to the company.
- v) The Company has not accepted any deposits during the year and therefore, the provisions of the clause 3(v) of the order are not applicable to the company.
- vi) The maintenance of cost records has not been prescribed to the company by the Central Government under Section 148(1) of the Companies Act, 2013. Thus reporting under clause 3(vi) of the order is not applicable to the company.
- vii) According to the information and explanations given to us, in respect of statutory dues:
  - a) The company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods and service tax, cess and other material statutory dues applicable to it. The provisions relating to provident fund, employees' state insurance, duty of custom, duty of excise, value added tax are not applicable to the company.
  - b) There were no undisputed amounts payable in respect of income- tax, goods and service tax, cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable. The provisions relating to provident fund, employees' state insurance, duty of custom, duty of excise, value added tax are not applicable to the company.
  - c) There are no dues of income tax, goods and service tax, sales tax, excise duty and value added tax which have not been deposited on account of any dispute. The provisions relating to provident fund, employees' state insurance, duty of custom, duty of excise, value added tax are not applicable to the company.
- viii) According to the information and explanations given to us and records examined by us, the Company has not not taken any loans from banks, financial institutions and government or has issued any debentures.
- ix) The Company has not raised any money by way of initial public offer / further public offer (including debt instruments) or term loans during the year and hence, reporting under clause (ix) of the order is not applicable to the Company,



**K.C. MALHOTRA & CO.**

- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) The provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company. Therefore, the requirements under paragraph 3(xi) of the Order are not applicable to the company.
- xii) In our opinion, the Company is not a nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us, the company is in compliance with Section 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone IND AS financial statements. The provisions of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) in so far as it relates section 177 of the Act is not applicable to the Company.
- xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence reporting under clause 3(xiv) of the Order is not applicable
- xv) In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected to its directors and hence provisions of section 192 of the Companies Act 2013 are not applicable.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

**For K.C.Malhotra & Co.**  
Chartered Accountants  
(Firm Regn.No.000057N)



(Ramesh Malhotra)  
Partner  
Membership No.013624  
UDIN: 20013624AAAAAN2133  
Place of Signature: New Delhi  
Date: June 16, 2020

(IN INR)

	Note	31.03.2020	31.03.2019
<b>ASSETS</b>			
<b>Non - current assets</b>			
(a) Property, plant and equipment	3	-	7,36,07,473
(b) Financial assets		-	-
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Loans		-	-
(iv) Other financial assets		-	-
(c) Deferred tax assets (net)		-	-
(d) Other non - current assets	4	19,800	19,800
<b>Total non-current assets</b>		<b>19,800</b>	<b>7,36,27,273</b>
<b>Current assets</b>			
(a) Inventories		-	-
(b) Financial assets		-	-
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	5	6,99,22,562	45,06,232
(iv) Loans		-	-
(v) Other financial assets	6	8,26,787	1,73,679
(c) Current tax assets (net)	9	8,39,513	1,880
(d) Other current assets		-	-
<b>Total current assets</b>		<b>7,15,88,862</b>	<b>46,81,791</b>
<b>Total assets</b>		<b>7,16,08,662</b>	<b>7,83,09,064</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	7(a)	2,46,500	2,46,500
(b) Other equity	7(b)	7,13,26,762	7,80,27,164
<b>Total equity</b>		<b>7,15,73,262</b>	<b>7,82,73,664</b>
<b>LIABILITIES</b>			
<b>Non - current liabilities</b>			
(a) Financial liabilities		-	-
(i) Borrowings		-	-
(ii) Trade payables		-	-
(iii) Other financial liabilities		-	-
(b) Provisions		-	-
(c) Deferred tax liabilities (net)		-	-
(d) Other non - current liabilities		-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Current liabilities</b>			
(a) Financial liabilities		-	-
(i) Borrowings		-	-
(ii) Trade payables		-	-
a) Total outstanding dues of micro enterprises and small Enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small Enterprises	8	35,400	35,400
(iii) Other financial liabilities		-	-
(b) Other current liabilities		-	-
(c) Provisions		-	-
(d) Current tax liabilities (net)		-	-
<b>Total current liabilities</b>		<b>35,400</b>	<b>35,400</b>
<b>Total equity and liabilities</b>		<b>7,16,08,662</b>	<b>7,83,09,064</b>

The accompanying notes form an integral part to the financial statements

In terms of our report of even date

For K.C.Malhotra & Co.  
Chartered Accountants  
(Firm Regn.No. 000057N)

(Ramesh Malhotra)  
Partner  
Membership No. 013624  
Place: New Delhi  
Date: June 16, 2020



For and on behalf of the Board of directors

(Vinod Kumar Sachdeva)  
Director  
DIN: 00454458

(Aditya Puri)  
Director  
DIN: 00052534

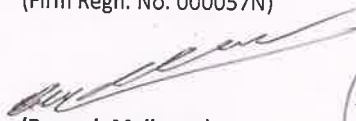
Freelook Software Private Limited  
 CIN: U72200DL2005PTC133918  
 Statement of Profit and Loss for the year ended 31.03.2020

	Note	(IN INR)	
		Year ended 31.03.2020	Year ended 31.03.2019
Revenue from contracts with customers Other Income	10	9,72,293	2,90,056
<b>Total income</b>		<b>9,72,293</b>	<b>2,90,056</b>
<b>Expenses</b>			
Other expenses	11	76,72,695	59,750
<b>Total expenses</b>		<b>76,72,695</b>	<b>59,750</b>
<b>Profit / (loss) before tax</b>		<b>(67,00,402)</b>	<b>2,30,306</b>
Income tax expense	12	-	60,546
<b>Profit / (loss) for the year</b>		<b>(67,00,402)</b>	<b>1,69,760</b>
Other comprehensive income		-	-
<b>Total comprehensive income / (loss) for the year</b>		<b>(67,00,402)</b>	<b>1,69,760</b>
Earnings per equity share Basic & Diluted	13	(271.82)	6.89

The accompanying notes form an integral part to the financial statements

In terms of our report of even date  
 For K.C.Malhotra & Co.  
 Chartered Accountants  
 (Firm Regn. No. 000057N)

For and on behalf of the Board of directors

  
**(Ramesh Malhotra)**  
 Partner  
 Membership no. - 013624  
 Place: New Delhi  
 Date: June 16, 2020



  
**(Vinod Kumar Sachdeva)**  
 Director  
 DIN: 00454458

  
**(Aditya Puri)**  
 Director  
 DIN: 00052534



Freelook Software Private Limited  
CIN: U72200DL2005PTC133918  
Cash flow statement for the year ended 31.03.2020

(IN INR)

	Note	31.03.2020	31.03.2019
<b>Cash flow from operating activities</b>			
Profit / (loss) before tax		(67,00,402)	2,30,306
<b>Profit / (loss) before tax</b>		<b>(67,00,402)</b>	<b>2,30,306</b>
<b>Adjustment for:</b>			
Interest income	10	(9,72,293)	(2,90,056)
<b>Change in operating assets and liabilities</b>			
Decrease /(increase) in other financial assets	6	(6,53,108)	(5,388)
Increase /(decrease) in trade and other payables	8	-	(400)
Increase / (decrease) in current tax liabilities	9	(8,37,633)	(3,434)
Income tax paid	12	-	(60,546)
<b>Net Cash outflow from operating activities (A)</b>		<b>(91,63,436)</b>	<b>(1,29,518)</b>
<b>Cash flow from Investing activities</b>			
Proceeds from sale of property, plant and equipment	3	7,36,07,473	-
Interest income	10	9,72,293	2,90,056
Cash flow used in investing activities		-	-
<b>Net cash in inflow (outflow) from investing activities (B)</b>		<b>7,45,79,766</b>	<b>2,90,056</b>
<b>Cash flow from financing activities</b>			
<b>Net cash inflow (outflow) from financing activities (C)</b>		<b>-</b>	<b>-</b>
Net increase (decrease) in cash and cash equivalents (A+B+C)		6,54,16,330	1,60,538
Cash and cash equivalents at the beginning of the period	5	45,06,232	43,45,694
<b>Cash and cash equivalents at the end of the period</b>	<b>5</b>	<b>6,99,22,562</b>	<b>45,06,232</b>
<b>Components of cash and cash equivalents</b>			
Balance with banks		3,63,032	2,19,682
Bank fixed deposit		6,95,59,530	42,86,550
Cash and cash equivalents		6,99,22,562	45,06,232

**Notes:**

- The above cash flow statement has been prepared under the Indirect method set out in Indian Accounting Standard (Ind AS) 7.
- Reconciliation of liabilities arising from financing activities

Particulars	Short-term borrowings
Opening balance as on 1st.April,2019	-
Non-cash changed due to:	-
-Interest expense	-
-Others	-
Cash flows during the year	-
Closing balance as on 31st.March,2020	-

- Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

**In terms of our report of even date**

For K.C.Malhotra & Co.  
Chartered Accountants  
(Firm Regn. No. 000057N)

(Ramesh Malhotra)  
Partner  
Membership no. - 013624  
Place: New Delhi  
Date: June 16, 2020



For and on behalf of the Board of directors

(Vinod Kumar Sachdeva)  
Director  
DIN: 00454458

(Aditya Puri)  
Director  
DIN: 00052534

**Freelook Software Private Limited**  
**Notes to financial statements for the year ended 31.03.2020**

**Statement of changes in equity**

**A : Equity share capital**

(IN INR)

As at 01.04.2018	2,46,500
Changes in equity share capital	-
As at 31.03.2019	2,46,500
Changes in equity share capital	-
As at 31.03.2020	2,46,500

**B : Other equity**

(IN INR)

Particulars	Surplus			Total
	Securities premium	General reserve	Retained earnings	
As at 01.04.2018	7,74,98,500	-	3,58,904	7,78,57,404
Profit / (loss) for the year	-	-	1,69,760	1,69,760
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>7,74,98,500</b>	<b>-</b>	<b>5,28,664</b>	<b>7,80,27,164</b>
As at 31.03.2019	7,74,98,500	-	5,28,664	7,80,27,164
Balance as at 01.04.2019	7,74,98,500	-	5,28,664	7,80,27,164
Profit / (loss) for the year	-	-	(67,00,402)	(67,00,402)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income / (loss)</b>	<b>7,74,98,500</b>	<b>-</b>	<b>(61,71,738)</b>	<b>7,13,26,762</b>
As at 31.03.2020	7,74,98,500	-	(61,71,738)	7,13,26,762

The accompanying notes form an integral part to the financial statements

**In terms of our report of even date**

**For K. C. Malhotra & Co.**

Chartered Accountants

(Firm Regn. No. 000057N)

**(Ramesh Malhotra)**

Partner

Membership No. - 013624

Place: New Delhi

Date: June 16, 2020



**For and on behalf of the Board of directors**

*(Signature)*  
**(Vinod Kumar Sachdeva)**  
 Director

DIN: 00454458

*(Signature)*  
**(Aditya Puri)**  
 Director

DIN: 00052534

## **Freelook Software Private Limited**

### **Note 1 : Corporate information**

The company is a private limited company domiciled in India with its registered office at A-740 Sarita Vihar, New Delhi-110076 and is incorporated under the provisions of the Companies Act, 2013 as applicable in India. The company is the wholly owned subsidiary company of Isgec Heavy Engineering Limited holding the entire share capital along with its nominees.

The company has not yet started its commercial activities during the financial year 2019-20.

### **Note 2 : Summary of Significant Accounting Policies**

#### **(a) Basis of preparation and Statement of Compliance**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements have been prepared under the historical cost convention on the accrual basis, except for certain financial instruments and provisions which are measured at fair values at the end of each reporting period, as explained in the accounting policies below (as applicable). The financial statements were authorised for issue by the company's Board of Directors on June 16, 2020.

#### **(b) Accounting estimates, assumptions and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, Uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future period. The area involving critical estimate or judgment is recognition of deferred tax assets for carried forward losses, impairment of trade receivables and estimation of tax expense.

**b (i) Impact of uncertainties related to COVID-19 (Global pandemic) :** Refer note 20 to the Standalone financial statements

#### **(c) Current versus Non-current classification**

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is treated as current when it is:

- \*Expected to be realised in normal operating cycle,
- \*Held primarily for the purpose of the trading,
- \*Expected to be realised within twelve months after the reporting period, or



**Freelook Software Private Limited**  
**Significant accounting policies contd.**

\*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 classified as current when:

\*It is expected to be settled in normal operating cycle,

\*It is held primarily for the purpose of the trading,

\*It is 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.

**(d) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposit with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) -7 "Statement of Cash flows" using the indirect method for operating activities.

**(e) Provisions, Contingent Liability and Contingent Assets**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is disclosed

(a) when a possible obligation from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or uncertain events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognised because

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of obligation be measured with sufficient reliability.

A contingent asset is disclosed, when possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain events not wholly within the control of the entity.



**Freelook Software Private Limited**  
**Significant accounting policies contd.**

Contingent liabilities and contingent asset are not recognised but are disclosed in notes.

**(f) Income tax**

**Current income tax**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current income tax is charged at the end of reporting year to statement of profit and loss.

Current income tax relating to items recognised outside statement of profit or loss is recognized outside statement of profit or loss (either in other comprehensive income (OCI) or in equity).

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax has not been recognized since there are no temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date.

**(g) Revenue recognition**

**Revenue from contracts with customers**

In accordance with revenue accounting standard, revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The application of revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the bases used to measure revenue recognised over a period. Additionally, revenue accounting standard contains certain disclosures which involves accuracy of recognition presentation and disclosure of revenues, other related balances and collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

The revenue accounting standard is not applicable to the company as the company has not been carrying on any commercial activities thus, there are no sales and therefore no disclosure is to be provided on account of new revenue accounting standard other than those provided in the financial statements.

**Interest income**

Interest income is accounted on a time proportion basis taking into account outstanding and the effective interest rate (EIR). Effective rate of interest is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.



**Freelook Software Private Limited**  
**Significant accounting policies contd.**

**(h) Earning per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

**(i) Borrowing costs**

Borrowing costs consists of interest and other costs, and are expensed in the period in which they are incurred.

**(i) Measurement**

An initial recognition, the company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**(j) Financial instruments**

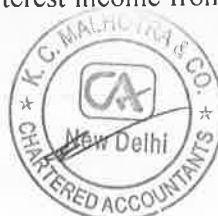
**Debt instruments**

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

**\*Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognized in profit and loss when the asset is derecognized or impaired these. Interest income from these financial assets is included in finance income using the effective interest rate method.

**\*Fair value through other comprehensive income(FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI ,except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate.

**\*Fair value through profit or loss :** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within other gain/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.



**Freelook Software Private Limited**  
**Significant accounting policies contd.**

**(ii) Impairment of financial assets**

In accordance with IND-AS 109, the company applies expected credit loss (ECL) mode for measurement and recognition of impairment loss on financial assets and credit risk exposures.

Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, deposits, trade receivables and bank balance. Financial assets that are debt instruments and are measured as at FVTOCI

The company follows simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its recognition.

**(iii) Derecognition**

**Financial assets**

A financial asset is derecognised only when the company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients when the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

**Financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial 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 de-recognition 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 or loss.

**(j) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**(k) Trade payables**

The amount represents liabilities for services provided to the company prior to the end of the period which are unpaid. The amounts are unsecured non-interest bearings and are usually paid within 60 days of recognition. They are recognized at amortised cost, and the carrying amounts are reasonable approximation of fair value.



**Freelook Software Private Limited**  
**Significant accounting policies contd.**

**(I) Property, plant and equipment and depreciation**

The company has transferred the leasehold land to the Holding Company-Isgec heavy Engineering Limited during the year (refer footnote in note 3 A), and thus the company do not have any property, plant and equipment as on the date of balance sheet.

**(I) Leases**

The application of new accounting standard Ind AS 116 effective from financial years beginning or after April 1st, 2019 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

The standard permits two possible methods of transition:

Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application OR

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

The new leases accounting standard is not applicable to the company as the Company is not having long-term leases and therefore no disclosures are to be provided on account of new accounting standard.





**Freelook Software Private Limited**  
**Note to financial statements for the year ended 31.03.2020**

**Note 3 : Property, plant and equipment**

(IN INR)

Particulars	Leasehold land	Plant and equipment	Furniture and fixtures	Total
<b>Year ended 31.03.2019</b>				
<b>Gross carrying amount</b>				
Opening gross carrying amount	7,36,07,473	-	-	7,36,07,473
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Closing gross carrying amount</b>	<b>7,36,07,473</b>	-	-	<b>7,36,07,473</b>
<b>Accumulated depreciation</b>				
Depreciation charge during the year	-	-	-	-
Disposals	-	-	-	-
<b>Closing accumulated depreciation</b>	-	-	-	-
<b>Net carrying amount as at 31.03.2019</b>	<b>7,36,07,473</b>	-	-	<b>7,36,07,473</b>
<b>Year ended 31.03.2020</b>				
<b>Gross carrying amount</b>				
Opening gross carrying amount	7,36,07,473	-	-	7,36,07,473
Additions	-	-	-	-
Disposals	7,36,07,473	-	-	7,36,07,473
<b>Closing gross carrying amount</b>	-	-	-	-
<b>Accumulated depreciation</b>				
Depreciation charge during the year	-	-	-	-
Disposals	-	-	-	-
<b>Closing accumulated depreciation</b>	-	-	-	-
<b>Net carrying amount as at 31.03.2020</b>	-	-	-	-

**Note:**

Leasehold plot acquired under perpetual lease of 90 years vide lease deed dated March 30, 2012 and supplementary deed dated July 31, 2015 duly registered in the office of the Sub-registrar, Noida on March 30, 2012 and July 31, 2015 respectively has been transferred by the Company to Isgec Heavy Engineering Limited Viz. Holding Company with the permission of the New Okhla Industrial Development Authority vide Declaratory Agreement dated November 26, 2019, and thus the term "Lessee" wherever appearing in the said lease deeds shall mean Isgec Heavy Engineering Limited viz Holding Company.



**Freelook Software Private Limited**  
**Notes to financial statements for the year ended 31.03.2020**

**Note : 4 Other assets**

(IN INR)

Particulars	31.03.2020		31.03.2019	
	Non-current	Current	Non-current	Current
Unamortized preliminary expenses *	19,800	-	19,800	-
<b>Total other assets</b>	<b>19,800</b>	<b>-</b>	<b>19,800</b>	<b>-</b>

\* Preliminary expenses are written off over a period of 5 years from the year of commencement of commercial activities.

**Note 5 : Cash and cash equivalents**

(IN INR)

Particulars	31.03.2020		31.03.2019	
	Non- Current	Current	Non- Current	Current
Balances with banks -in current account	-	3,63,032	-	2,19,682
Bank fixed deposit with maturity- -Within one year	-	6,95,59,530	-	42,86,550
<b>Total cash and cash equivalents</b>	<b>-</b>	<b>6,99,22,562</b>	<b>-</b>	<b>45,06,232</b>

Cash at bank earns interest at bank deposit rates.

**Note 6 : Other financial assets**

(IN INR)

Particulars	31.03.2020		31.03.2019	
	Non-current	Current	Non-current	Current
Interest accrued but not due on deposits	-	8,26,787	-	1,73,679
<b>Total other financial assets</b>	<b>-</b>	<b>8,26,787</b>	<b>-</b>	<b>1,73,679</b>



Freelook Software Private Limited  
Notes to financial statements for the year ended 31.03.2020

Note 7 (a) : Equity share capital

(IN INR)

Particulars	31.03.2020		31.03.2019	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised share capital</b> 50000 Equity shares of Rs.10/-each with voting rights	50,000	5,00,000	50,000	5,00,000
	<b>50,000</b>	<b>5,00,000</b>	<b>50,000</b>	<b>5,00,000</b>
<b>Issued ,subscribed and paid up</b> Equity shares of Rs.10/-each fully paid up with voting rights	24,650	2,46,500	24,650	2,46,500
<b>Total Equity share capital</b>	<b>24,650</b>	<b>2,46,500</b>	<b>24,650</b>	<b>2,46,500</b>

(i) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible to one vote per share held. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of the preferential amounts in proportion to their shareholding.

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	31.03.2020		31.03.2019	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>				
At the commencement of the year	24,650	2,46,500	24,650	2,46,500
Add: issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>24,650</b>	<b>2,46,500</b>	<b>24,650</b>	<b>2,46,500</b>

(iii) Equity Shares of the company held by the holding company

Particulars	31.03.2020	31.03.2019
Isgec Heavy Engineering Limited *	24,650	24,650

(iv) Detail of shares held by share holders holding more than 5% shares of total number of equity shares

Particulars	31.03.2020		31.03.2019	
	Number of shares	% of holding	Number of shares	% of holding
<b>Equity shares with voting rights</b> Isgec Heavy Engineering Limited *	24,650	100	24,650	100

\* Out of 24,650 equity shares held by Isgec Heavy Engineering Limited 400 equity shares are held by four individuals holding 100 equity share each as nominee of Isgec Heavy Engineering Limited.



**Freelook Software Private Limited**  
**Note to financial statements for the year ended 31.03.2020**

**Other equity**

**7 (b) Surplus**

(IN INR)

Particulars	31.03.2020	31.03.2019
Securities premium (i)	7,74,98,500	7,74,98,500
Retained earnings (ii)	(61,71,738)	5,28,664
<b>Total surplus</b>	<b>7,13,26,762</b>	<b>7,80,27,164</b>

**(i) Securities premium**

(IN INR)

Particulars	31.03.2020	31.03.2019
Opening balance	7,74,98,500	7,74,98,500
Additions during the year	-	-
Less: utilised during the year	-	-
<b>Closing balance</b>	<b>7,74,98,500</b>	<b>7,74,98,500</b>

**(ii) Retained earnings**

(IN INR)

Particulars	31.03.2020	31.03.2019
Opening balance	5,28,664	3,58,904
Profit / (loss) for the year	(67,00,402)	1,69,760
<b>Closing balance</b>	<b>(61,71,738)</b>	<b>5,28,664</b>

**Securities premium**

Securities premium reserve represents the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Companies Act,2013.

**Retained earnings**

This comprise company's undistributed profit<sup>(67,00,402)</sup> after taxes.



Freelook Software Private Limited  
 Note to financial statements for the year ended 31.03.2020

Note 8 : Trade payables

Particulars	(IN INR)			
	31.03.2020		31.03.2019	
	Non- Current	Current	Non- Current	Current
Dues to micro, small and medium enterprises #	-	35,400	-	-
Payables Other than MSME	-	35,400	-	35,400
<b>Total Trade payables</b>	-	<b>35,400</b>	-	<b>35,400</b>

# Disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Particulars	31.03.2020		31.03.2019	
	Non- Current	Current	Non- Current	Current
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-	-
Further interest remaining due and payable for earlier years	-	-	-	-

Note 9 : Current tax assets / (liabilities) (net)

Particulars	(IN INR)	
	31.03.2020	31.03.2019
Taxes paid	8,39,513	61,760
Less : current tax payable for the year	-	(59,880)
<b>Total current tax assets / (liabilities) (net)</b>	<b>8,39,513</b>	<b>1,880</b>



Freelook Software Private Limited  
 Note to financial statements for the year ended 31.03.2020

Note 10 : Other income

Particulars	(IN INR)	
	31.03.2020	31.03.2019
Interest income		
- On fixed deposits	9,72,293	2,86,786
- On income Tax Refund	-	3,270
<b>Total other income</b>	<b>9,72,293</b>	<b>2,90,056</b>

Note 11 : Other expenses

Particulars	(IN INR)	
	31.03.2020	31.03.2019
Filing Fee	2,000	1,200
Bank Charges	1,645	649
Professional Expenses	3,540	20,060
Insurance Charges	3,093	2,441
Ground rent	64,26,259	-
Rates and taxes	11,56,762	-
Water charges	32,096	-
Miscellaneous expenses	11,900	-
Statutory audit fee *	35,400	35,400
<b>Total other expenses</b>	<b>76,72,695</b>	<b>59,750</b>
* Includes GST	5,400	5,400

Note 12 : Income tax expense

Particulars	(IN INR)	
	31.03.2020	31.03.2019
(a) Current tax	-	59,880
MAT Credit Entitlement	-	-
Tax relating to earlier year(net)	-	666
<b>Total current tax expense</b>	<b>-</b>	<b>60,546</b>
(b) Deferred tax	-	-
Total deferred tax expense	-	-
<b>Total income tax expense</b>	<b>-</b>	<b>60,546</b>

Reconciliation of tax expense and accounting profit multiplied by tax rate

Particulars	(IN INR)	
	31.03.2020	31.03.2019
Profit / (loss) before income tax expense	(67,00,402)	2,30,306
Tax @25.168 % 2019-20 (26% 2018-19)	-	59,880
Tax effect amounts which are not deductible in calculating taxable income		
- MAT Credit Entitlement	-	-
- Tax relating to earlier year(net)	-	666
<b>Income tax expense</b>	<b>-</b>	<b>60,546</b>



Freelook Software Private Limited  
Notes to financial statements for the year ended 31.03.2020

Note 13 : Earnings per share (EPS)

( IN INR)

Particulars	31.03.2020	31.03.2019
Profit /(loss) attributable to equity shareholders	(67,00,402)	1,69,760
Weighted average number of equity shares	24650	24650
Nominal value of equity shares	10	10
Basic and Diluted earnings per share	(271.82)	6.89

Note 14: Related party disclosures

a) Enterprises exercising control	
i) Holding company	Isgec Heavy Engineering Limited
b) Enterprises where control exists	
i) Subsidiaries (Extent of holding)	Saraswati Sugar Mills Limited (100%) Freelook Software Private Limited (100%) Isgec covema Limited (100%) Isgec Engineering and projects Limited (100%) Isgec Exports Limited (100%) Eagle Press & Equipment Co. Limited, Canada (100%) Isgec Investments PTE Limited, Singapore (100%)
ii) Joint ventures	Isgec Hitachi Zosen Limited (51 % control) Isgec Foster Wheeler Boilers Private Limited (51% control) Isgec Titan Metal Fabricators Private Limited (51% control) Isgec Redecam Enviro Solutions Private Limited (51% control)
c) Key management Personnel	
i) Non-executive directors	Mr. Aditya Puri Mr. Vinod Kumar Sachdeva

Note 14.1 Related party transactions

The following transactions were carried out with the related parties in the ordinary course of business

Nature of transaction / Relationship	31.03.2020	31.03.2019
Sale of leasehold land Holding Company Isgec Heavy Engineering Limited	7,36,07,473	Nil



Note 15 : Fair value measurements

Financial instruments by category	Note	Carrying Value		Fair value	
		31.03.2020	31.03.2019	31.12.2019	31.03.2019
<b>Financial assets at amortised cost</b>					
Cash and cash equivalents	5	6,99,22,562	45,06,232	6,99,22,562	45,06,232
Other financial assets	6	8,26,787	1,73,679	8,26,787	1,73,679
<b>Total financial assets</b>		<b>7,07,49,349</b>	<b>46,79,911</b>	<b>7,07,49,349</b>	<b>46,79,911</b>
<b>Financial liabilities at amortised cost</b>					
Trade payables	8	35,400	35,400	35,400	35,400
<b>Total financial liabilities</b>		<b>35,400</b>	<b>35,400</b>	<b>35,400</b>	<b>35,400</b>

The carrying amounts of trade payables, cash and cash equivalents and other financial assets are considered to be the same as their fair values, due to their short term nature.

Note 16 : Segment Information

The Company business activity falls within a single primary business segment viz. Information technology services, identified in accordance with principles enunciated in Indian Accounting Standard Ind AS-108, Segment Reporting. Hence, business segment is not applicable.

The Board of Directors of the Company has been identified as the Chief Operating Decision Maker (CODM). The Company has not started its commercial activities and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

**Note 17 : Financial risk management**

The Company's financial liabilities comprise only trade payable for services. The main purpose of these financial liabilities is to manage finances for the Company's operations and financial assets include cash and cash equivalents and other financial assets measured at amortised cost. The Company is exposed to Market risk, credit risk and liquidity risk.

**(a) Market risk**

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

**(a) Credit risk**

Credit risk is the risk that a counterparty will not meet the obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed from its financing activities including deposits with banks and other financial instruments. Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks. Investments primarily include certificates of deposits which are funds deposited at a bank for a specified time period.

The board of directors reviews and agrees policies for managing each of these risks. The limits are set to minimise the concentration of risks, and therefore mitigate loss through counterparty's potential failure to make payments.

**(b) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and its liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Company's liquidity position through rolling, forecast on the basis of expected cash flows.

**Maturities of financial liabilities**

The following table summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted payments. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(IN INR)

Contractual maturities of financial liabilities	less than three months
<b>As at 31st March, 2019</b>	
Trade payables	35,400
<b>Total</b>	<b>35,400</b>
<b>As at 31st March, 2020</b>	
Trade payables	35,400
<b>Total</b>	<b>35,400</b>

**Note 18:** The Company is not having any contingent liabilities, commitments and litigations as on March 31, 2020 (March 31, 2019 Nil)

**Note 19:** The Company has considered the possible effects that may result from the pandemic relating to COVID 19 on the carrying amounts of assets. In developing to the the assumptions relating to the possible future possible uncertainties in the global conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of related informations including continued cutting of interest rates on fixed deposits and on the expected future performance of the Company, and considered such impact to the extent known and available currently. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company expects that carrying amounts of these assets will be realised.

**Note 20:** Figures relating to March 31, 2020 has been regrouped/reclassified wherever necessary to make them comparable with the current year's figures.

In terms of our report of even date

**For K.C.Malhotra & Co.**  
Chartered Accountants  
(Firm Regn.No. 000057N)

(Ramesh Malhotra)  
Partner  
Membership no. - 013624  
Place: New Delhi  
Date: June 16, 2020



For and on behalf of the Board of directors

(Vinod Kumar Sachdeva)  
Director  
DIN: 00454458

(Aditya Puri)  
Director  
DIN: 00052534