

CFCL VENTURES

DIRECTORS' REPORT

Dear Shareholders,

Your directors are pleased to present the Directors' Report of CFCL Ventures Limited and the Audited Statement of Accounts of the Company for the year ended December 31, 2010.

Financial Results

The performance of the Company for the year ended December 31, 2010 is summarized below:

(US\$. In 000's)

Particulars	For the year ended December 31, 2010	For the period ended December 31, 2009
Income	NIL	NIL
Profit/(Loss) Before Tax	NIL	(4)
Less: Current Tax	NIL	NIL
Profit/(Loss) for the year	NIL	(4)

Business:

Your company is not engaged in any other business activity, except, to hold the Equity shares of its subsidiary, ISG Novasoft Technologies Limited and accordingly there are no business matters to be disclosed.

Dividend

In the absence of profits, Your Company is not proposing to declare any dividend this year.

Directors:

Mr. Shyam S Bhartia, Mr. Krishna Srinivasan, Mr. Thomas W. Warsop, III, Mr. C S Nopany, Mr. Akshay Poddar, Mr. Mark Perry, Mr. Ravi Viswanathan and Mr. David E Creamer are the present members of the Board.

Share Capital

There was no change on the share Capital during the current year.

CFCL VENTURES

Subsidiary Companies

Your company has a subsidiary by name ISG Novasoft Technologies Limited (ISGN) incorporated in India. Your Company is the holding company of ISGN by virtue of its 100% shareholding in the paid-up share capital of ISGN. ISGN in turn has a subsidiary namely Inuva Info Management Private Limited incorporated in India.

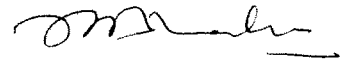
Acknowledgements

Your Directors thank the Company and its subsidiaries clients, vendors, investors and banks and Government Departments in the Cayman Islands for their support during the year. Your Directors place on record their appreciation of the contribution made by employees at all levels.

For and on behalf of the Board of Directors



Director



Director

Date: May 04, 2011

Place: Bensalem, PA.

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF CFCL VENTURES LIMITED

1. We have audited the attached Balance Sheet of **CFCL VENTURES LIMITED** ("the Company") as at December 31, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Without qualifying our opinion we invite attention to

Note no 2(d) of Schedule 7 relating to the translation of the financial statements at the closing rate for the convenience of the readers. These numbers are based on information from the management and have not been audited by us.

4. We report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (c) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the Company for the year ended on that date and



**Deloitte
Haskins & Sells**

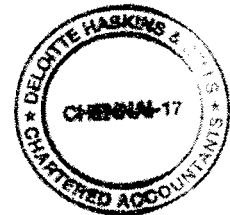
- (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. These financial statements have been prepared solely for the purpose of compliance of Section 212 of the Indian Companies Act, 1956 by M/s Chambal Fertilisers and Chemical Limited, India, the ultimate holding Company. These financial statements should be used for aforesaid purpose only.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 008072S)

Bhavani Balasubramanian

Bhavani Balasubramanian
Partner
Membership No. 22156

Place: Chennai, May 4, 2011



CFCL VENTURES LIMITED
BALANCE SHEET AS AT DECEMBER 31, 2010

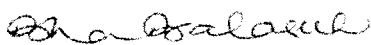
SOURCES OF FUNDS	Schedule	As at	As at	As at
		December 31, 2009 (In USD)	December 31, 2010 (In USD)	December 31, 2010 Convenience translation into (Rs.'000) (Unaudited)
Shareholders' Funds				
Share capital	1	50,000	50,000	2,236
Reserves and surplus	2	8,316,970	8,316,970	371,852
Total		8,366,970	8,366,970	374,088
APPLICATION OF FUNDS				
Investments	3	8,361,970	8,361,970	373,864
Current Assets, Loans and Advances :				
Cash and bank balances	4	5,000	5,000	224
		5,000	5,000	224
Less : Current Liabilities and Provisions				
Current liabilities	5	13,147	13,147	588
		13,147	13,147	588
Net Current Liabilities		(8,147)	(8,147)	(364)
Profit & Loss Account		13,147	13,147	588
Total		8,366,970	8,366,970	374,088
Notes to Accounts	7			

Schedules referred to above form an integral part of these accounts

In terms of our report of even date attached

for Deloitte Haskins & Sells
Chartered Accountants

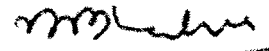
For and on behalf of the Board of directors



Bhavani Balasubramanian
Partner



Director

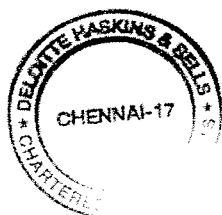


Director

Place: Chennai
Date: May 4, 2011

Place: Bensalem, USA
Date: May 2, 2011


Chief Financial officer



CFCL VENTURES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2010

	Schedule	Period ended December 31, 2009 (In USD)	Year ended December 31, 2010 (In USD)	Year ended December 31, 2010 Convenience translation into (Rs.'000) (Unaudited)
INCOME				
Other income		-	-	-
Total		-	-	-
EXPENDITURE				
Operating and other expenses	6	3,545	-	-
Total		3,545	-	-
Loss Before Tax		(3,545)	-	-
Current tax		-	-	-
Net loss after tax for the period / year		(3,545)	-	-
Loss brought forward from Previous year / period		(9,602)	(13,147)	(588)
(Loss) Carried to Balance Sheet		(13,147)	(13,147)	(588)

Earnings per share
(Face value of \$ 0.001 per share)
(Refer Note No 5 of Schedule 7)

0.0001

Notes to Accounts


7


Schedules referred to above form an integral part of these accounts


In terms of our report of even date attached

for Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of directors


Bhavani Balasubramanian
Partner

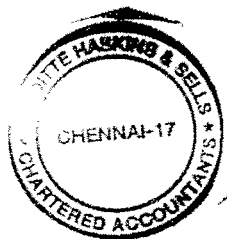

Director


Director


Chief Financial officer

Place: Chennai
Date: May 4, 2011

Place: Bensalem, USA
Date: May 2, 2011

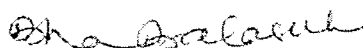


CFCL VENTURES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2010

	Period ended December 31, 2009 (US\$)	Year ended December 31, 2010 (US\$)	Year ended December 31, 2010 Convenience translation into (Rs '000) (Unaudited)
A. Cash flow from operating activities :			
Loss before tax.	(3,545)	-	-
Operating loss before working capital changes	(3,545)	-	-
<u>Movement in working capital :</u>			
Increase in trade payables	3,545	-	-
Cash generated from operations	-	-	-
Direct taxes paid (net of refunds)	-	-	-
Net cash flow from operating activities	-	-	-
B. Cash flow from investing activities	NIL	NIL	NI
C. Cash flow from financing activities	NIL	NIL	NI
Net increase/(decrease) in cash and cash equivalents (A+B+C)	-	-	-
Cash and cash equivalents at the beginning of the year / period	5,000	5,000	224
Cash and cash equivalents at the end of the period / year	5,000	5,000	224


In terms of our report of even date attached

for Deloitte Haskins & Sells
Chartered Accountants



Bhavani Balasubramanian
Partner

For and on behalf of the Board of Directors



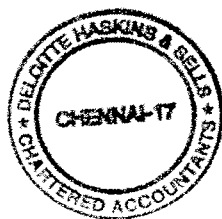
Director Director



Chief Financial officer

Place: Chennai
Date: May 4, 2011

Place: Bensalem, USA
Date: May 2, 2011



CFCL VENTURES LIMITED
SCHEDULES FORMING PART OF ACCOUNTS

As at December 31, 2009 (In USD)	As at December 31, 2010 (In USD)	As at December 31, 2010 Convenience translation into (Rs.'000) (Unaudited)
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SCHEDULE 1 : SHARE CAPITAL

Authorised Share capital

50,000,000 (Previous period 50,000,000) ordinary shares of \$ 0.001 each

50,000	50,000	2,236
<u>50,000</u>	<u>50,000</u>	<u>2,236</u>

Issued, Subscribed and Paid Up Share capital

50,000,000 (Previous period 50,000,000) ordinary shares of \$ 0.001 each

50,000	50,000	2,236
<u>50,000</u>	<u>50,000</u>	<u>2,236</u>

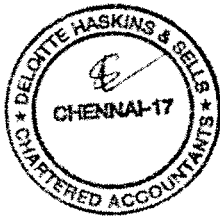
Note

All the above shares are held by CFCL Technologies Ltd. Cayman Islands the holding company

SCHEDULE 2 : RESERVES AND SURPLUS

Securities Premium Account

8,316,970	8,316,970	371,852
<u>8,316,970</u>	<u>8,316,970</u>	<u>371,852</u>



CFCL VENTURES LIMITED
SCHEDULES FORMING PART OF ACCOUNTS

As at December 31, 2009 (In USD)	As at December 31, 2010 (In USD)	As at December 31, 2010 Convenience translation into (Rs.'000) (Unaudited)
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SCHEDULE 3 : INVESTMENTS

Long Term - Trade, Unquoted
 In Subsidiary company

36,230,700 (Previous period 36,230,700) shares of
 par value in ISG Novasoft Technologies Ltd. India fully

8,361,970	8,361,970	373,864
8,361,970	8,361,970	373,864

SCHEDULE 4 : CASH AND BANK BALANCES

Balances with Schedule Banks
 - in Current Accounts

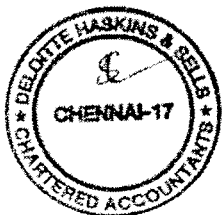
5,000	5,000	224
5,000	5,000	224

SCHEDULE 5 : CURRENT LIABILITIES

Sundry creditors

- Payable to suppliers
- Accrual/Provision
- Other creditors

2,182	2,182	98
1,003	1,003	45
9,962	9,962	445
13,147	13,147	588



CFCL VENTURES LIMITED

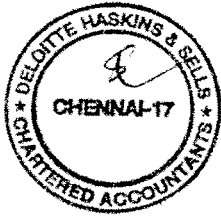
SCHEDULES FORMING PART OF ACCOUNTS

Period ended December 31,2009 (In USD)	Year ended December 31,2010 (In USD)	Year ended December 31, 2010 Convenience translation into (Rs.'000) (Unaudited)
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SCHEDULE 6 : OPERATING AND OTHER EXPENSES

Legal and professional fees

3,545	-	-
<u>3,545</u>	<u>-</u>	<u>-</u>



CFCL Ventures Limited

SCHEDULE FORMING PART OF THE ACCOUNTS

Schedule - 7

Notes on Accounts (Contd)

1. Corporate Information

CFCL Ventures limited, (the Company) is a limited company incorporated on March 12, 2007 and domiciled in Cayman Islands. The principal activities of the Company are to carry on the business of investment holding, and to undertake and to transact all kinds of Investment business.

2. Significant accounting policies

a) Basis of Preparation

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and comply in all material respects with the accounting standards prescribed in the Companies (Accounting Standards) Rules 2006 (as amended) and with the relevant provisions of the Companies Act, 1956.

b) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the Balance Sheet date and reported amount of revenue and expenses for the year and disclosure of contingent liabilities as at the date of Balance Sheet. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual amounts could differ from these estimates.

c) Investments

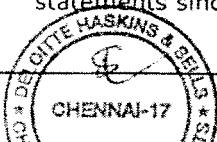
Long term investments are stated at cost. However, provision for diminution in the value is made to recognize the decline (other than temporary) in the value of investments.

d) Convenience Translation

The books of accounts of the company are maintained in US Dollars being the currency of the primary economic environment in which it operates and the reporting currency is Indian Rupees (INR). The company does not have any transactions entered in any other currency apart from US Dollars. Solely for the convenience of the reader, the balance sheet as of December 31, 2010 and the Profit and Loss account for the year ended have been translated into INR, the reporting currency, using the year end exchange rate as of December 31, 2010 which was 1US\$ = Rs 44.71. The convenience translation should not be construed as a representation that the US\$ amounts or the INR amounts referred to in these financial statements have been, could have been, or could in the future be, converted into INR or US\$, as the case may be, at this or at any other rate of exchange, or at all.

e) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.



CFCL Ventures Limited

SCHEDULE FORMING PART OF THE ACCOUNTS

Schedule - 7

Notes on Accounts (Contd)

3. Related Party Disclosure

List of parties where control exists

Ultimate Holding Company (UHC)

Chambal Fertilizers and Chemicals Limited

Holding Company (HC)

CFCL Overseas Limited - Cayman Islands
CFCL Technologies Limited

Significant influence

NEA FDI Ltd
NEA - Indo US Ventures, LLC

Subsidiaries (SC)

ISG Novasoft Technologies Limited - India
Inuva Info Management Pvt. Ltd

Fellow Subsidiaries (FS)

ISGN Corporation USA*

Key Management Personnel (KMP)

Mr. Krishnakumar Srinivasan, Director

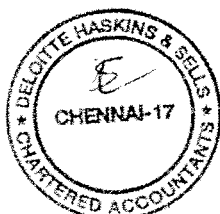
* Represents parties with whom the Company had transactions during the year

The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the company and relied upon by auditors.

List of transactions with related parties

(In USD)

Description	Holding Company		Fellow subsidiary		Total	
	Dec'10	Dec'09	Dec'10	Dec'09	Dec'10	Dec'09
Current liabilities						
CFCL Technologies Ltd	5,953	5,953			5,953	5,953
ISGN Corporation, USA			6,192	4,010	6,192	4,010



CFCL Ventures Limited

SCHEDULE FORMING PART OF THE ACCOUNTS

Schedule - 7

Notes on Accounts (Contd)

4. Segmental Reporting

The principal activities of the Company are to carry on the business of investment holding, and to undertake and to transact all kinds of investment business and accordingly, there are no separate reportable segments as per Accounting Standard 17 on Segment reporting.

5. Earnings per share

	Year ended December 31, 2010 *	Period ended December 31, 2009
Loss for the year as per Profit and Loss account (A) (In USD)	NA	(3,545)
Weighted average number of shares outstanding (B)	50,000,000	50,000,000
Basic and Diluted EPS (A/B) (In USD)	NA	(0.0001)

* Since there is no Profit / Loss for the Current year, Earnings per share has not been disclosed.

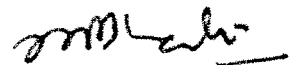
6. The previous financial period is for nine months and hence the Profit and Loss Account of the previous period is not comparable with that of the current year which is for a period of 12 months. Previous period figures have been regrouped / reclassified, wherever necessary to conform to the current year's classification.

Signature to Schedules 1 to 7

For and on behalf of the Board of Directors



* Director



* Director



Chief Financial Officer

Place: Bensalem, USA
Date: May 2, 2011

