



**ISGN Fulfillment services, Inc (Pennsylvania)**  
**(Formerly Fiserv Fulfillment Services Inc.)**

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**DIRECTORS' REPORT**

Dear Shareholders,

Your directors are pleased to present the Directors' report of ISGN Fulfillment Services inc., (Pennsylvania) (Formerly Fiserv Fulfillment services, Inc.USA) for the year ended December 31, 2010.

**Financial Results**

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

(US\$ In 000's)

Particulars	For the year ended December 31, 2010	For the period ended December 31, 2009
Total income	91,712	108,632
Profit /(Loss) before tax	(11,894)	(34,049)
Profit /(Loss) after tax	(11,942)	(27,930)

**Business Operations:**

Your Company is in the business of providing loan fulfillment solutions. The portfolio of services offered include broker price opinions, closing and settlement services, valuation services, flood and title certification, home retention and loan modification solutions and vendor management solutions for residential mortgage lenders. The Company is in the process of re-engineering its business post its acquisition by the ISGN group and this is expected to improve the operating results of the Company in the ensuing years.

**Directors:**

Ms. Carolyn Mullins and Mr. Chetan Patel are the present members of the Board.

**Share Capital**

The Company's common stock as at end of 31<sup>st</sup> December 2010 stood at 400,800 shares of no par value.



**Subsidiaries**

ISGN Fulfillment Services, Inc., USA (Arizona), ISGN Fulfillment Services South, Inc., USA, ISGN Fulfillment Services of Alabama, LLC, USA , ISGN Fulfillment Services of Maryland, Inc., USA ,ILS Services, LLC, USA , ISGN Fulfillment Agency, LLC, USA and ISGN Fulfillment Agency of Alabama, LLC, USA are the subsidiaries of the Company.

**Acknowledgements**

Your Directors thank the Company's clients, vendors, investors and banks and Government Departments 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  
ISGN Fulfillment Services Inc. (Formerly Fiserv Fulfillment Services Inc.)**

1. We have audited the attached Balance Sheet of ISGN Fulfillment Services Inc. (Formerly FISERV FULFILLMENT SERVICES, INC.) ("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:
  - a) Note no 2 (i) of Schedule 16 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.
  - b) Note no 9 of Schedule 16 regarding the accounts being prepared on principles applicable to a going concern, despite erosion of net worth due to the reasons mentioned therein
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;

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# Deloitte Haskins & Sells

(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:

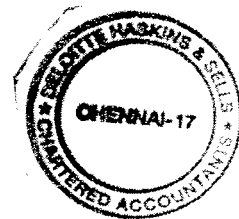
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2010;
  - (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date and
  - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company 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  
Partner  
Membership No. 22156

Place: Chennai, May 4, 2011



**ISGN FULFILLMENT SERVICES, Inc (FORMERLY FISERV FULFILLMENT SERVICES Inc.)**  
**BALANCE SHEET AS AT DECEMBER 31, 2010**

	Schedule	As at Dec 31, 2009 (In USD)	As at Dec 31, 2010 (In USD)	As at December 31, 2010 Convenience translation into (Rs.'000) (Unaudited)
<b>SOURCES OF FUNDS</b>				
<b>Shareholders' Funds</b>				
Share capital	1			-
Reserves and surplus	2	5,530,636	12,722,079	568,804
<b>Total</b>		<b>5,530,636</b>	<b>12,722,079</b>	<b>568,804</b>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross block	3	15,059,206	15,871,019	709,593
Less : Accumulated depreciation		12,317,455	13,921,593	622,434
Net block		<u>2,741,751</u>	<u>1,949,426</u>	<u>87,159</u>
<b>Intangible Assets</b>	4	8,962	295,940	13,231
<b>Investments</b>			13,075	585
<b>Current Assets, Loans and Advances :</b>				
Sundry debtors	5	9,754,842	11,472,184	512,321
Cash and bank balances	6	11,336,607	13,970,919	624,840
Other current assets	7	859,677	1,259,900	56,330
Loans and advances	8	1,139,258	1,030,682	46,082
		<u>23,090,384</u>	<u>27,733,685</u>	<u>1,239,973</u>
<b>Less : Current Liabilities and Provisions</b>				
Current liabilities	9	20,265,877	36,383,169	1,626,692
Provisions	10	24,583	-	-
		<u>20,290,460</u>	<u>36,383,169</u>	<u>1,626,692</u>
<b>Net Current Assets/(liability)</b>		<b>2,799,924</b>	<b>(8,649,484)</b>	<b>(386,719)</b>
<b>Profit &amp; Loss Account</b>			19,113,123	854,548
<b>Total</b>		<b>5,530,637</b>	<b>12,722,080</b>	<b>568,804</b>

Notes on Accounts 16

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

*Shavani Balasubramanian*

Shavani Balasubramanian  
Partner

For and on behalf of the Board of Directors

*[Signature]*

Director

*[Signature]*

Director

*[Signature]*  
Chief Financial officer

Place: Chennai  
Date: May 4, 2011

Place: Bensalem, USA  
Date: May 2, 2011



ISGN FULFILLMENT SERVICES, Inc (FORMERLY FISERV FULFILLMENT SERVICES Inc.)

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

		Year ended December 31, 2009 (In USD)	Year ended December 31, 2010 (In USD)	Year ended December 31, 2010 Convenience translation into (Rs. '000) (Unaudited)
<b>INCOME</b>				
Revenue from Software Products and Services	11	106,587,025	91,712,493	4,100,465
Other income	12	44,782	-	-
<b>Total</b>		<b>106,631,807</b>	<b>91,712,493</b>	<b>4,100,465</b>
<b>EXPENDITURE</b>				
Employee cost	13	43,093,531	29,564,485	1,321,828
Operating and other expenses	14	84,507,508	71,935,940	3,216,256
Depreciation / Amortization	3 & 4	10,001,898	1,658,385	74,146
Financial expenses	15	5,078,284	447,340	20,001
<b>Total</b>		<b>142,681,221</b>	<b>103,606,150</b>	<b>4,632,231</b>
<b>Loss Before Tax</b>		<b>(34,049,414)</b>	<b>(11,893,657)</b>	<b>(331,766)</b>
<b>Provision for Tax</b>				
Current tax (Income) / expenses		(5,119,003)	48,023	2,147
<b>Net loss after tax for the year</b>		<b>(27,930,411)</b>	<b>(11,841,680)</b>	<b>(533,913)</b>
Loss brought forward from Previous year		-	(7,171,443)	(320,635)
<b>(Loss) Carried to Balance Sheet</b>		<b>-</b>	<b>(19,113,123)</b>	<b>(654,548)</b>
<b>Earnings per share</b>		<b>(69.69)</b>	<b>(29.79)</b>	

Notes on Accounts

16

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*

Bhavani Balasubramanian  
Partner

*[Signature]*

Director

*[Signature]*

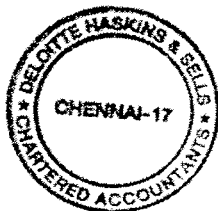
Director

*[Signature]*

Chief Financial officer

Place: Chennai  
Date: May 4, 2011

Place: Bensalem, USA  
Date: May 2, 2011



**ISGN FULFILLMENT SERVICES, Inc (FORMERLY FISERV FULFILLMENT SERVICES Inc.)**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2010**

	Year ended 31st December 2009 (In USD)	Year ended 31st December 2010 (In USD)	Year ended December 31, 2010 Convenience translation into (Rs.'000) (Unaudited)
<b>A. Cash flow from operating activities :</b>			
Loss before tax	(34,049,414)	(11,893,657)	(531,765)
Adjustments for:			
Depreciation/ Amortisation	10,001,898	1,658,385	74,146
Provision for doubtful debts/ advances	(69,580)	118,760	5,310
Write off/ other adjustments of fixed assets	253,897	-	-
Miscellaneous expenditure written off	-	-	-
Doubtful debts/ advances written off	1,451,893	62,952	2,815
Interest expense	4,486,239	-	-
Interest income	(44,782)	-	-
<b>Operating profit before working capital changes</b>	<b>(17,969,849)</b>	<b>(10,053,560)</b>	<b>(449,494)</b>
<b>Movement in working capital:</b>			
(Increase) in trade and other receivables	(822,095)	(2,190,701)	(97,946)
Increase in trade payables	21,979,144	8,041,095	359,516
<b>Cash generated from operations</b>	<b>3,187,200</b>	<b>(4,203,166)</b>	<b>(187,924)</b>
Direct taxes paid (net of refunds)	6,143,586	(72,606)	(3,245)
<b>Net cash generated from operating activities</b>	<b>9,330,786</b>	<b>(4,275,772)</b>	<b>(191,170)</b>
<b>B. Cash flow from investing activities</b>			
Purchase of fixed assets (Inclusive of intangible assets)	(598,569)	(902,713)	(40,360)
Purchase of investments	-	(13,075)	(585)
Consideration paid for business acquisitions	-	(250,325)	(11,192)
Interest received	44,782	-	-
<b>Net cash used in investing activities</b>	<b>(553,787)</b>	<b>(1,166,113)</b>	<b>(52,137)</b>
<b>C. Cash flow from financing activities</b>			
Interest paid	(4,486,239)	-	-
<b>Net cash used in financing activities</b>	<b>(4,486,239)</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents (A+B-C)</b>	<b>4,290,762</b>	<b>(5,441,885)</b>	<b>(243,307)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,320,032</b>	<b>5,610,794</b>	<b>250,859</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>5,610,794</b>	<b>168,909</b>	<b>7,552</b>
<b>Components of cash and cash equivalents as at end of the year</b>			
Cash and cheques on hand	2,550	1,400	83
Balances with banks:			
- on current account	5,602,244	161,509	7,221
- on deposits account	6,000	6,000	266
- on escrow account	5,725,813	13,802,010	617,088
<b>Gross cash and cash equivalents</b>	<b>11,336,607</b>	<b>13,970,919</b>	<b>624,640</b>
Less: Escrow bank account balances	5,725,813	13,802,010	617,088
<b>Net cash and cash equivalents</b>	<b>5,610,794</b>	<b>168,909</b>	<b>7,552</b>

In terms of our report of even date attached

for Deloitte Haskins & Sells  
Chartered Accountants

For and on behalf of the Board of Directors

*Bhavan Balasubramanian*

*[Signature]*

*[Signature]*

Bhavan Balasubramanian  
Partner

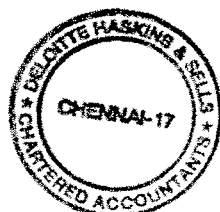
Director

Director

*[Signature]*  
Chief financial officer

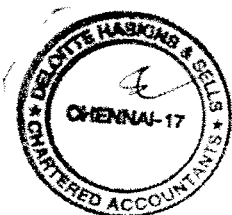
Place: Chennai  
Date: May 4, 2011

Place: Bensalem, USA  
Date: May 2, 2011



**ISGN FULFILLMENT SERVICES, Inc (FORMERLY FISERV FULFILLMENT SERVICES Inc.)**  
**SCHEDULES FORMING PART OF ACCOUNTS**

	As at Dec 31, 2009 (In USD)	As at Dec 31, 2010 (In USD)	As at December 31, 2010 Convenience translation into (Rs.'000) (Unaudited)
<b>SCHEDULE 1 : SHARE CAPITAL</b>			
<b>Authorized Share capital</b> 1,000,000 shares with no par value	-	-	-
<b>Issued, Subscribed and Paid Up Share capital</b>  400,800 shares of no par value issued and outstanding (All the above shares held by ISGN Solutions, Inc) (Refer Note 3 of Schedule 16)	1	1	0
	<b>1</b>	<b>1</b>	<b>0</b>
<b>SCHEDULE 2 : RESERVES AND SURPLUS</b>			
Securities Premium Account Balance as per last account Add: Additions during the year	-	12,722,079	568,804
	<b>12,722,079</b>	<b>12,722,079</b>	<b>568,804</b>
Profit and Loss Account Balance as per last account CSW division reserves transferred to FISERV Add: Loss during the year Less: Transfer to reserves	30,284,974 (9,526,006) (27,930,411) -	- - -	- - -
	<b>(7,171,443)</b>	<b>12,722,079</b>	<b>568,804</b>
	<b>5,550,636</b>	<b>12,722,079</b>	<b>568,804</b>
<b>SCHEDULE 5 : SUNDRY DEBTORS</b>			
Debts outstanding for a period exceeding six months Unsecured, considered good Unsecured, considered doubtful	206,930 378,217	- 362,223	- 16,195
Debts outstanding for a period six months or less Unsecured, considered good Unsecured, considered doubtful	9,547,912 518,554	11,472,185 653,308	512,921 29,209
(Less: Provision for doubtful debts)	(896,771)	(1,015,532)	(45,404)
	<b>9,754,842</b>	<b>11,472,184</b>	<b>512,921</b>
<b>SCHEDULE 6 : CASH AND BANK BALANCES</b>			
Cash in Hand	2,550	1,400	63
Balances with Banks - In Current Accounts - Escrow Accounts - In Escrow Deposit	5,602,244 5,725,813 6,000	161,509 13,802,010 6,000	7,221 617,088 258
	<b>11,336,607</b>	<b>13,970,919</b>	<b>624,640</b>





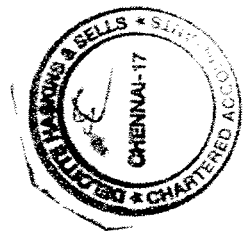
ISGN FULFILLMENT SERVICES, Inc (FORMERLY FISHERY FULFILLMENT SERVICES INC.)  
SCHEDULES FORMING PART OF ACCOUNTS

Schedule 3 : Fixed Assets

Particulars	GROSS BLOCK					DEPRECIATION/AMORTIZATION					Net Block	
	Opening Balance as on 31st January 2010	Additions	Deletions	Cost as at December 31, 2010	December 31, 2010 Commencement translation into (Rs. 1000) (Unaudited)	Up to January 1, 2010	For the year	On Deletions	Up to December 31, 2010	December 31, 2010 Commencement translation into (Rs. 1000) (Unaudited)	As at December 31, 2010	As at December 31, 2009
Computers	9,360,470	623,668	-	9,984,138	443,769	8,692,854	896,307	-	8,996,961	337,868	1,025,317	46,837
Leasened Improvements	2,041,303	188,205	-	2,229,508	93,041	1,408,815	340,751	-	1,747,266	78,120	462,242	21,562
Office Equipments	2,207,301	-	-	2,207,281	88,884	1,838,466	207,272	-	2,045,738	91,466	181,443	7,218
Furnitures and Fixings	1,439,135	-	-	1,439,135	66,579	1,058,172	155,891	-	1,211,763	94,179	277,372	12,401
Vehicles	21,087	-	-	21,087	943	13,728	4,217	-	17,945	862	3,132	141
<b>Total of Fixed Assets as per schedule</b>	<b>15,899,296</b>	<b>811,813</b>	<b>0</b>	<b>16,711,109</b>	<b>709,993</b>	<b>12,217,465</b>	<b>1,604,136</b>	<b>-</b>	<b>14,821,333</b>	<b>627,634</b>	<b>1,899,626</b>	<b>87,158</b>
Previous year	17,956,900	598,593	3,490,103	15,059,206	184,308	13,493,324	2,520,653	3,118,822	12,377,452	137,026	2,741,751	127,614

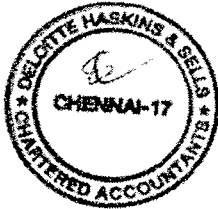
Schedule 4 : Intangible Assets

Particulars	GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK	
	Opening Balance as on 01st January 2010	Additions	Deletions	Cost as at December 31, 2010	December 31, 2010 Commencement translation into (Rs. 1000) (Unaudited)	Up to January 1, 2010	For the year	On Deletions	Up to December 31, 2010	December 31, 2010 Commencement translation into (Rs. 1000) (Unaudited)	As at December 31, 2010	As at December 31, 2009
Software Packages	118,811	90,900	-	209,711	9,287	109,649	54,247	-	163,896	7,328	45,915	2,039
Goodwill	-	250,325	-	250,325	11,192	-	-	-	-	-	260,325	11,192
<b>Total</b>	<b>118,811</b>	<b>341,225</b>	<b>-</b>	<b>460,036</b>	<b>20,479</b>	<b>109,649</b>	<b>54,247</b>	<b>0</b>	<b>163,896</b>	<b>7,328</b>	<b>266,240</b>	<b>12,231</b>
Previous year	210,413,252	118,811	210,294,344	429,707,407	5,521	25,188,425	763,644	32,730,943	105,649	5,104	8,962	417



**ISGN FULFILLMENT SERVICES, Inc (FORMERLY FISERV FULFILLMENT SERVICES Inc.)**  
**SCHEDULES FORMING PART OF ACCOUNTS**

	As at Dec 31, 2009 (In USD)	As at Dec 31, 2010 (In USD)	As at December 31, 2010 Convenience translation into (Rs.'000) (Unaudited)
<b>SCHEDULE 7 : OTHER CURRENT ASSETS</b>			
Unbilled revenue	859,677	1,259,900	56,330
	<b>859,677</b>	<b>1,259,900</b>	<b>56,330</b>
<b>SCHEDULE 8 : LOANS AND ADVANCES</b>			
Advances recoverable in cash or in kind or for value to be received	1,028,603	911,502	40,753
- Other advances recoverable in cash or in kind or for value to be received	110,655	119,180	5,329
Deposits - others			
	<b>1,139,258</b>	<b>1,030,682</b>	<b>46,082</b>
<b>SCHEDULE 9 : CURRENT LIABILITIES</b>			
Sundry creditors			
- Payable to suppliers	3,373,158	3,320,036	148,439
- Accrual/Provision	8,463,051	5,395,253	241,222
- Other creditors	2,381,524	12,864,632	575,178
Other liabilities	322,331	91,255	4,080
Purchase consideration payable		125,000	5,589
Bank overdraft		784,983	25,097
Escrow liability	5,725,813	13,802,010	617,087
	<b>20,265,877</b>	<b>36,383,169</b>	<b>1,626,692</b>
<b>SCHEDULE 10 : PROVISIONS</b>			
Provision for taxation	24,583	-	-
	<b>24,583</b>	<b>-</b>	<b>-</b>



**ISGN FULFILLMENT SERVICES, Inc (FORMERLY FISERV FULFILLMENT SERVICES Inc.)**  
**SCHEDULES FORMING PART OF ACCOUNTS**

	Year ended 31st December 2009 (In USD)	Year ended 31st December 2010 (In USD)	Year ended December 31, 2010 Convenience translation into (Rs.'000) (Unaudited)
<b>SCHEDULE 11: REVENUE FROM SOFTWARE PRODUCTS AND SERVICES</b>			
Knowledge process outsourcing services	106,243,497	91,229,615	4,078,876
Software licence fee	1,150,067	186,088	8,320
Software maintenance	1,193,461	296,790	13,269
	<b>108,587,025</b>	<b>91,712,493</b>	<b>4,100,465</b>

**SCHEDULE 12 : OTHER INCOME**

Interest on			
- Interest received from Others (Gross)	44,782	-	-
	<b>44,782</b>	<b>-</b>	<b>-</b>

**SCHEDULE 13 : PERSONNEL EXPENSES**

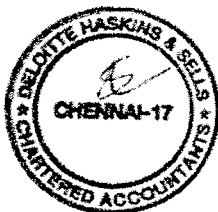
Salaries, wages and bonus	38,986,600	24,813,372	1,109,406
Contribution to provident and other funds	578,783	2,032,122	90,856
Workmen and staff welfare expenses	3,528,148	2,718,991	121,566
	<b>43,093,531</b>	<b>29,564,485</b>	<b>1,321,828</b>

**SCHEDULE 14 : OTHER ADMINISTRATIVE EXPENSES**

Sub contracting expenses	61,165,587	59,786,918	2,673,073
Power and fuel	436,391	410,731	18,364
Rent	2,055,454	2,420,988	108,242
Rates and taxes	295,941	298,342	13,339
Insurance	933,453	537,991	24,054
Repairs and maintenance - computers	791,275	912,869	40,814
Repairs and maintenance - Others	938,423	379,494	16,967
Traveling and conveyance	695,015	1,047,892	46,851
Communication costs	2,987,086	2,515,978	112,489
Printing and stationery	634,409	373,310	16,691
Legal and professional fees	9,130,442	2,218,675	99,197
Selling and decking expenses	64,133	91,619	4,096
Provision for doubtful advances and debts	(69,580)	118,760	5,310
Doubtful debts and advances written off	1,451,893	62,952	2,815
Assets written off	253,897	-	-
Miscellaneous expenses	2,743,689	759,421	33,954
	<b>84,507,508</b>	<b>71,935,940</b>	<b>3,216,256</b>

**SCHEDULE 15 : FINANCIAL EXPENSES**

Interest :			
- Interest Others	4,486,239	-	-
Bank charges	592,045	447,340	20,001
	<b>5,078,284</b>	<b>447,340</b>	<b>20,001</b>



**ISGN Fulfillment services Inc., USA (Formerly Fiserv Fulfillment Services Inc., USA)**  
**Schedule forming part accounts**  
**Schedule – 16**

**Notes on Accounts (Contd)**

**1. Background**

ISGN Fulfillment Services Inc (PA) (hereinafter referred as "the Company") is in the business of providing loan fulfillment solutions. The portfolio of services offered include broker price opinions, closing and settlement services, valuation services, flood and title certification, home retention and loan modification solutions, and vendor management solutions for residential mortgage lenders.

**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 and with the relevant provisions of the Companies Act, 1956.

**b) Use of Estimates**

The preparation of financial statements in conformity with IGAAP requires the use of management estimates and assumptions that affect the amounts reported. These estimates are based on historical experience and information that is available to management about current events and actions that the Company may take in the future. Significant items subject to estimates and assumptions include the useful lives of property and equipment, evaluation of impairment of property and equipment, identifiable intangible assets and goodwill, provision for income tax and deferred tax, contingencies and the allowance for doubtful accounts receivable and advances. Due to the inherent uncertainty involved in making estimates, and if the future projection fails to materialize, the actual results including analysis of probable impairment could differ from these estimates.

**c) Fixed Assets**

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses, if any. The cost of an asset comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

**d) Depreciation on Tangible Assets**

Depreciation is provided on fixed assets under Straight Line Method over their estimated useful lives as stated below:

(i) Leasehold improvements	Amortised over the period of respective leases or Use or useful life of the asset whichever is lower.
(ii) Furniture and Fixtures	7 years
(iii) Vehicles	5 years
(iv) Computers	3 years
(v) Office Equipment	5 years



**ISGN Fulfillment services Inc., USA (Formerly Fiserv Fulfillment Services Inc., USA)**  
**Schedule forming part accounts**  
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**Notes on Accounts (Contd)**

**(e) Investments**

Long term Investments are stated at cost of acquisition. The diminution if any in the value of investments stated at cost, is recognized when such diminution is considered other than temporary.

**f) Amortization of Intangibles**

(i) Goodwill

The Company does not amortize goodwill, but instead tests goodwill at the reporting unit level for impairment at least annually or as circumstances warrant. If impairment is indicated, a write-down to fair value (normally measured by discounting estimated future cash flows) is recorded. Intellectual Property Rights are amortized on a straight-line basis over the useful lives as determined by Management.

(ii) Software Packages

Cost of Internally generated software and Software packages is amortized over a period of 3 years.

**g) Leases**

Where Company is a lessee:

Leases where the lessor retains substantially all the risk and benefit of ownership of the leased item are classified as operating lease. Operating lease payments are recognized as an expense on a straight line basis over the lease term.

**h) Revenue recognition**

Revenue derived from professional services under the time and material contract is recognized as the related services are performed.

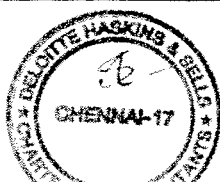
Revenue from title and related operations are primarily transactions based and are recognized as revenue when services are performed, the fee is fixed or determinable, and collection is reasonably assured.

Revenue from transaction services and other service contracts is recognized based on transactions processed.

Software license fees is recognized when persuasive evidence of an arrangement exists, delivery of the product has occurred at the customer's location, the fees is fixed or determinable and collection is probable.

When software licenses are sold together with implementation or consulting services, license fees are recognized upon delivery provided all criteria's are met, payment of the license fees is not dependent upon the performance of services, and the services do not provide significant customization or modification of the software products and are not essential to the functionality of the software that was delivered.

Revenue from post-contract services, such as software maintenance is recognized on a straight-line basis over the term of the support period. The majority of the software maintenance agreements provide technical support as well as unspecified software products upgrades and releases when and if made available during the term of the support period.



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**Notes on Accounts (Contd)**

The Company accounts for reimbursements for out-of-pocket expenses as revenues.

Unbilled revenue represents work executed in accordance with the terms of the agreement with customers but not billed as of the balance sheet date.

**i) 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. For the purpose of reporting in Indian GAAP, the balance sheet as of 31<sup>st</sup> December 2010 and the Profit and Loss account for the year ended have been translated into INR, the reporting currency, using the reference rate as of 31<sup>st</sup> December 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.

**j) Tax expenses**

Provision for current tax, where applicable, is made based on the liability computed in accordance with the relevant tax rates and the tax laws applicable in the respective countries. Provision for deferred tax is made for all timing differences arising between the taxable income and accounting income at the tax rates enacted or substantively enacted by the Balance sheet date.

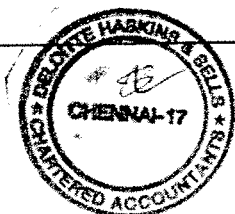
Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits and are reviewed for the appropriateness of their carrying values at each balance sheet date.

**k) Employee Benefits**

Contributions made towards retirement/employee benefits, in accordance with the relevant applicable local laws are charged to the Profit and Loss account.

**l) 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.



**ISGN Fulfillment services Inc., USA (Formerly Fiserv Fulfillment Services Inc., USA)**  
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**Notes on Accounts (Contd)**

**3. Share Capital**

The authorized share capital of the Company comprises of 1,000,000 common stock of no par value.

The company's outstanding common stock as at end of 31<sup>st</sup> December 2010 stood at 400,800 common stock of no par value.

**4. Taxation**

- (i) Current taxes represent the US State taxes paid during the year.
- (ii) Deferred tax assets are calculated with reference to the business loss and unabsorbed depreciation as per tax and other timing differences. However, in view of uncertainty with regard to the availability of profits in near future and as a matter of prudence, deferred tax asset has not been recognized.

**5. Leases**

**(a) Operating Lease**

- (i) Future minimum lease payments under non-cancellable operating lease :

	(In USD)	
	Calendar Year 2010	Calendar Year 2009
Not later than one year	2,253,784	2,100,674
Later than one year and not later than five years	4,695,973	2,910,002
Later than five years		--

The lease payments recognized in the Profit and Loss Account during the year amount to US \$ 2,667,584 (December 31, 2009 US\$ 2,662,638)

**6. Related Party Disclosure**

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

**Ultimate Holding Company (UHC)**

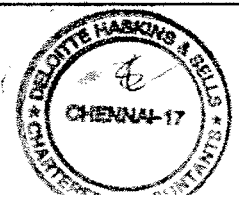
Chambal Fertilizers and Chemicals Limited

**Holding Company (HC)**

CFCL Overseas Limited – Cayman Islands  
 CFCL Technologies Limited – Cayman Islands  
 ISGN Corporation, USA  
 ISGN Solutions Inc., USA (wef. 12<sup>th</sup> December 2009)  
 FISERV Inc (Till 11<sup>th</sup> December 2009)

**Significant influence**

NEA FDI Ltd  
 NEA – Indo US Ventures, LLC



**ISGN Fulfillment services Inc., USA (Formerly Fiserv Fulfillment Services Inc., USA)**  
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**Notes on Accounts (Contd)**  
**Subsidiaries (SC)**

ISGN Fulfillment Services, Inc., USA (Arizona) (Formerly FISERV Fulfillment Services, Inc., USA (Arizona))

ISGN Fulfillment Services South, Inc., USA (Formerly FISERV Fulfillment Services South, Inc., USA)

ISGN Fulfillment Services of Alabama, LLC, USA (Formerly FISERV Fulfillment Services of Alabama, LLC, USA)

ISGN Fulfillment Services of Maryland, Inc., USA (Formerly FISERV Fulfillment Services of Maryland, Inc., USA)

ILS Services, LLC, USA

ISGN Fulfillment Agency, LLC, USA (Formerly FISERV Fulfillment Agency, LLC, USA)

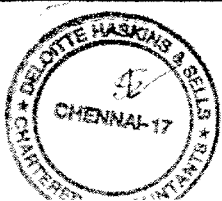
ISGN Fulfillment Agency of Alabama, LLC, USA (Formerly FISERV Fulfillment Agency of Alabama, LLC, USA)

**(b) Fellow Subsidiaries(FS) \***

Richmond Title Services, LP

\* 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.





ISGN Fulfillment services Inc., USA (Formerly Fiserv Fulfillment Services Inc., USA)  
 Schedule forming part accounts  
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Notes on Accounts (Contd)

(d) List of transactions with related parties

(In USD)

	Holding Company		Fellow Subsidiary		TOTAL	
	December 31,2010	December 31,2009	December 31,2010	December 31,2009	December 31,2010	December 31,2009
Transactions during the year						
<b>Software and Business process outsourcing services procured from</b>						
FISERV Inc		1,655,492				1,665,492
ISGN Solutions, Inc	3,239,537	-			3,239,537	-
<b>Software and Business process outsourcing services rendered to</b>						
FISERV Inc		11,560,428				11,560,428
<b>Balance as at year end</b>						
<b>Sundry creditors</b>						
ISGN Corporation	605,700	322,210			605,700	322,210
ISGN Solutions	12,404,730	4,078			12,404,730	4,078
<b>Loans and Advances</b>						
Richmond Title services, LP			165,078		165,078	-

7. Segmental Reporting

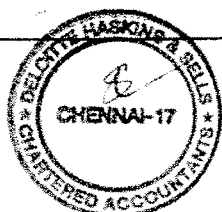
The Company is primarily engaged in the business of providing services to the mortgage industry and accordingly, there are no separate reportable segments as per Accounting Standard 17 on Segment reporting.

8. Earnings per share

	Year ended December 31, 2010	Year ended December 31, 2009
Loss for the year as per Profit and Loss account (A) (In USD)	(11,941,680)	(27,930,411)
Weighted average no. of shares outstanding (B)	400,800	400,800
Earnings per share (A/B) (in USD)	(29.79)	(69.69)

9. Going Concern

The net worth of the entity as at 31st December 2010 has been substantially eroded and the entity is dependent upon the parent entities for liquidity support on a continuing basis. The entity and all the companies in the group (CFCL Technologies Limited and its subsidiaries) plan to manage liquidity during the year 2011 through capital infusion already made by existing shareholders in the year 2010.. Further, based on the business plans for the year 2011, the group expects to generate sufficient cash flows to meet the obligations as and when they fall due. Accordingly, the financial statements have been prepared assuming that the entity will continue as a going concern.



**ISGN Fulfillment services Inc., USA (Formerly Fiserv Fulfillment Services Inc., USA)**  
**Schedule forming part accounts**  
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**Notes on Accounts (Contd)**

**10. Cash and Bank Balance**

Cash and bank balances include escrow balances that are managed by ISGN Fulfillment services. The Company has the legal rights to use these funds as appropriate to administer claims on behalf of the client. The amount of funds under management at December 2010 was US\$ 13,802,010 (Previous year 31st December 2009 - \$5,725,813).

**11. Contingent liabilities**

Claims lodged / suits filed against the company by customers are as given below. The management of the respective Companies and the group has been legally advised that these cases are not sustainable and accordingly no provisions are considered necessary. The details of the cases, the amount of claim (wherever quantifiable) is given below.

- Amount paid by Fiserv to get senior lien for the financier to be claimed from the borrower - US\$ 13,430 to collect
- Refusal to cover loans related to Lien protection Insurance- The Group is protected by indemnification from former owner -amount not quantifiable.

**12.** Previous year figures have been regrouped/reclassified, wherever necessary to confirm to the current year's classification.

**Signature to Schedules 1 to 16**

For and on behalf of the Board of Directors



Director



Director



Chief financial officer

Place: Bensalem, USA  
Date: May 2, 2011

