

# CFCL TECHNOLOGIES LIMITED

## DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors are pleased to present the Directors' Report of CFCL Technologies Limited and the Audited Statement of Accounts of the Company for the year ended December 31, 2013

### *Financial Results*

The performance of the Company for the year ended December 31, 2013 is summarized below:

(US\$. In 000's)

Particulars	Year ended December 31, 2013	Year ended December 31, 2012
Income	NIL	NIL
Profit /(Loss)	(1,815)	(1,420)

### *Business Operations:*

The Company, through its operating subsidiaries, is a leading end-to-end provider of technology and services to the U.S. mortgage industry and one of the few comprehensive end-to-end mortgage service providers to both the origination and mortgage servicing sectors. The Company's outsourced services to the mortgage industry cover all phases of the mortgage loan lifecycle including mortgage processing, valuations, title, underwriting, closing, quality control, loan servicing and default management. The Company's customer base is primarily comprised of national lenders, regional lenders, banks, nonbanks, credit unions and community banks in the U.S.

The company is not engaged in any other business activity, except, to hold the common stock of its subsidiaries namely (1) ISGN Corporation USA and (2) CFCL Ventures Limited, Cayman Islands.

### *Directors:*

Mr. Shyam S. Bhartia, Mr. C.S. Nopany, Mr. Akshay Poddar, Mr. Ben Mathias, Mr. David E. Creamer and Mr. Amit Kothiyal are the current Directors of the Company.

During the year Mr. Vinod Dham, Mr. Ravi Viswanathan, Mr. Anil Kapoor, Mr. Abhay Bajjal resigned from the Board effective July 02, 2013 and Mr. Ritesh Idnani resigned effective August 02, 2013. The Board expresses its sincere gratitude and appreciation for the services rendered by the outgoing Directors during their tenure in office.

## CFCL TECHNOLOGIES LIMITED

### *Dividend*

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

### *Share Capital*

Effective July 03, 2013 the Share Capital Clause of the Company has been amended as follows:

"The share capital of the Company is US\$6,991.4185 divided into 48,300,000 Ordinary Shares of a par value of US\$0.0001 each, 2,176,468 Series A-1 Preference Shares of US\$0.0001 each, 441,509 Series B Preference Shares of US\$0.0001 each, 3,204,074 Series B-1 Preference Shares of US\$0.0001 each, 117,406 Series C Preference Shares of US\$0.0001 each, 1,507,511 Series C-1 Preference Shares of US\$0.0001 each, 35,009 Series D Preference Shares of US\$0.0001 each, 751,878 Series D-1 Preference Shares of US\$0.0001 each, 52,514 Series E Preference Shares of US\$0.0001 each, 1,127,817 Series E-1 Preference Shares of US\$0.0001 each, 44,490 Series F Preference Shares of US\$0.0001 each, 1,455,509 Series F-1 Preference Shares of US\$0.0001 each, 2,100,000 Series G Preference Shares of US\$0.0001 each and 8,600,000 Series H Preference Shares of US\$0.0001 each."

During the year issuance of Series G Preference shares were closed on January 14, 2013 and allotment of shares were made. Further issuance Series H Preference shares were closed on July 02, 2013 and allotment shares were made.

### *Subsidiary Companies*

Your entity holds 100% stake in CFCL Ventures Limited, Cayman Islands and ISGN Corporation, USA.

### *Acknowledgements*

The Board of Directors thanks the Company's clients, vendors, investors, banks, and Government Departments for their support during the year. The Board of Directors place on record their appreciation of the contribution made by employees at all levels.

*For CFCL Technologies Limited,*

  
Amit Kothiyal  
Director

*Date: May 08, 2014*  
*Place: Bangalore*

# BSRR & Co

(Registered)

Chartered Accountants

Maruthi Info-Tech Centre  
11-12/1 Inner Ring Road  
Koramangala  
Bangalore 560 071 India

Telephone +91 80 3980 6000  
Fax +91 80 3980 6999

## Independent Auditors' Report

### To the Members of CFCL Technologies Limited

We have audited the accompanying financial statements of CFCL Technologies Limited ('the Company'), which comprise the balance sheet as at 31 December 2013, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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 31 December 2013;
- (i) in the case of the statement of profit and loss account, of the loss of the Company for the year ended on that date; and
- (ii) in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

**Other matter**

The Rupee amounts are presented in the accompanying financial statements solely for the convenience of the reader and have been translated on the basis described in Note 18 of the financial statements. The translation from US Dollars (USD) to Indian Rupees (INR) is unaudited.

*for BSRR & Co*  
*Chartered Accountants*  
Firm's registration number: 130791W



**Sampad Guha Thakurta**  
*Partner*  
Membership No. 060573

Bangalore  
08 May 2014

CFCL Technologies Limited  
Balance Sheet

	Note	As at 31 December 2013 (in USD)	As at 31 December 2012 (in USD)	As at 31 December 2013 Convenience translation into Rupees (Unaudited)
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
Share capital	2	1,796	1,488	111,098
Reserves and surplus	3	159,097,414	139,748,253	9,846,538,947
		<u>159,099,210</u>	<u>139,749,741</u>	<u>9,846,650,045</u>
<b>Current liabilities</b>				
Short-term borrowings	4	-	9,305,405	-
Trade payables	5	11,161	229,926	690,746
Other current liabilities	6	343,386	711,325	21,252,170
		<u>354,547</u>	<u>10,246,656</u>	<u>21,942,916</u>
<b>Total</b>		<u><u>159,453,757</u></u>	<u><u>149,996,397</u></u>	<u><u>9,868,592,961</u></u>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Non-current investments	7	150,680,770	140,710,863	9,325,632,876
		<u>150,680,770</u>	<u>140,710,863</u>	<u>9,325,632,876</u>
<b>Current assets</b>				
Cash and cash equivalents	8	1,497	26,932	92,601
Short-term loan and advances	9	8,771,490	9,258,602	542,867,484
		<u>8,772,987</u>	<u>9,285,534</u>	<u>542,960,085</u>
<b>Total</b>		<u><u>159,453,757</u></u>	<u><u>149,996,397</u></u>	<u><u>9,868,592,961</u></u>
Significant accounting policies	1			

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

As per our report of even date attached

for B S R R & Co  
Chartered Accountants  
Firm's registration number: 130791W



Sampad Guha Thakurta  
Partner  
Membership number: 060573

Place: Bangalore  
Date: 8 May 2014

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



Amit Kothiyal  
Director

Place: Bangalore  
Date: 8 May 2014



Shailendra Gupta  
Chief Financial Officer

Place: Bangalore  
Date: 8 May 2014

CFCL Technologies Limited  
Statement of Profit and Loss

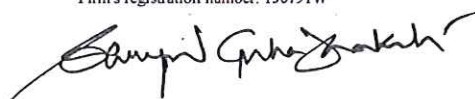
	Note	For the year ended 31 December 2013 (in USD)	For the year ended 31 December 2012 (in USD)	Year ended 31 December 2013 Convenience translation into Rupees (Unaudited)
<b>Revenue</b>				
Other income	10	-	14,187	-
<b>Total revenue</b>		<b>-</b>	<b>14,187</b>	<b>-</b>
<b>Expenses</b>				
Employee benefits	11	1,099,530	729,430	68,049,912
Finance costs	12	275,412	251,489	17,045,235
Other expenses	13	439,672	452,905	27,211,287
<b>Total expenses</b>		<b>1,814,614</b>	<b>1,433,824</b>	<b>112,306,434</b>
<b>Loss before tax</b>		<b>(1,814,614)</b>	<b>(1,419,637)</b>	<b>(112,306,434)</b>
<b>Tax expense</b>				
Current tax		-	-	-
<b>Loss for the year</b>		<b>(1,814,614)</b>	<b>(1,419,637)</b>	<b>(112,306,434)</b>
<b>Earnings per ordinary share (par value USD 0.0001)</b>				
Basic	17	(0.45)	(0.35)	(27.67)
Diluted		(0.45)	(0.35)	(27.67)
<b>Number of ordinary shares used in computing earnings per ordinary share</b>				
Basic		4,058,953	4,058,953	4,058,953
Diluted		4,058,953	4,058,953	4,058,953

Significant accounting policies 1

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

As per our report of even date attached

for B S R R & Co  
Chartered Accountants  
Firm's registration number: 130791W



Sampad Guha Thakurta  
Partner  
Membership number: 060573

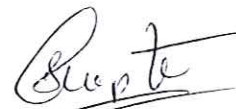
Place: Bangalore  
Date: 8 May 2014

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



Amit Kothiyal  
Director

Place: Bangalore  
Date: 8 May 2014



Shailendra Gupta  
Chief Financial Officer

Place: Bangalore  
Date: 8 May 2014

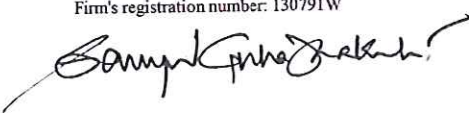
CFCL Technologies Limited

Cash Flow Statement

	For the year ended 31 December 2013 (in USD)	For the year ended 31 December 2012 (in USD)	31 December 2013 Convenience translation into Rupees (Unaudited)
<b>Cash flow from operating activities :</b>			
Loss before tax	(1,814,614)	(1,419,637)	(112,306,434)
Adjustments for :			
Stock compensation expense	1,099,530	729,430	68,049,912
Interest expense	275,412	251,439	17,045,235
	<u>(439,672)</u>	<u>(438,768)</u>	<u>(27,211,287)</u>
<b>Operating loss before working capital changes</b>			
Changes in working capital			
Short-term loans and advances	487,112	(6,305,405)	30,147,378
Current liabilities and provisions	<u>(10,305,192)</u>	<u>(2,561,232)</u>	<u>(637,788,402)</u>
<b>Cash provided by operations</b>	<u>(10,257,752)</u>	<u>(9,305,405)</u>	<u>(634,852,311)</u>
Income taxes paid	-	-	-
<b>Net cash used in operating activities</b>	<u>(10,257,752)</u>	<u>(9,305,405)</u>	<u>(634,852,311)</u>
<b>Cash flow from investing activities</b>			
<b>Cash flow from financing activities</b>			
Proceeds from short-term borrowings	-	9,305,405	-
Proceed from issue of Preference shares	10,507,509	-	650,309,710
Interest paid	<u>(275,192)</u>	<u>-</u>	<u>(17,031,619)</u>
<b>Net cash flow from financing activities</b>	<u>10,232,317</u>	<u>9,305,405</u>	<u>633,278,090</u>
Net (decrease) / increase in cash and cash equivalents	(25,435)	-	(1,574,221)
Cash and cash equivalents at the beginning of the year	26,932	26,932	1,666,820
<b>Cash and cash equivalents at the end of the year</b>	<u><u>1,497</u></u>	<u><u>26,932</u></u>	<u><u>92,601</u></u>

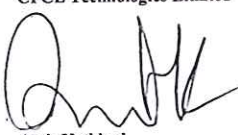
This is the cash flow statement referred to in our audit report of even date.

for B S R R & Co  
Chartered Accountants  
Firm's registration number: 130791W

  
Sampad Guha Thakurta  
Partner  
Membership number: 060573

Place: Bangalore  
Date: 8 May 2014

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

  
Amit Kothiyal  
Director

Place: Bangalore  
Date: 8 May 2014

  
Shailendra Gupta  
Chief Financial Officer

Place: Bangalore  
Date: 8 May 2014

## **CFCL Technologies Limited**

### **Notes to financial statements for the year ended 31 December 2013**

#### **1. Significant accounting policies**

##### **1.1 Background**

CFCL Technologies limited, (CFCLT) (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 in investment business.

##### **1.2 Basis of preparation**

These financial statements are prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India ("IGAAP") on accrual basis. IGAAP comprises accounting standards as prescribed by the Companies (Accounting Standards) Rules 2006, the provisions of the Companies Act, 2013 (to the extent notified) and the Companies Act, 1956 (to the extent applicable). 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.

The financial statements are presented in United States Dollars ('USD') as the functional as well as reporting currency of the Company is the United States Dollars.

##### **1.3 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 fixed assets, evaluation of impairment of fixed assets, identifiable intangible assets and goodwill, provision for income tax and deferred tax, valuation of the stock options granted and valuation of the assets and liabilities acquired in business combinations, contingencies and the allowance for doubtful accounts receivable and advances. The estimates also includes the business plan and future projections of the operations of the Company based on which the enterprise value and value of common stock as at year end has been arrived at and used to analyze indicators of impairment, if any. 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.

##### **1.4 Investments**

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

##### **1.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and balance in bank in current accounts.





**CFCL Technologies Limited**

**Notes to financial statements for the year ended 31 December 2013**

**1.6 Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated.

**1.7 Employee stock compensation cost**

Employee stock compensation costs for stock options are recognized as employee benefit expenses in accordance with the guidance note on "Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India, based on the grant date fair value of the options granted to employees. The fair value of the options is estimated on the date of grant using the Black-Scholes-Merton valuation model on the basis of an independent valuation performed and recognized in a graded manner on the basis of weighted period of services over the vesting period. The expected term of an option is estimated based on the vesting term and contractual term of the option, as well as expected exercise behavior of the employee who receives the option. Expected volatility during the expected term of the option is based on historical volatility, during a period equivalent to the expected term of the option, of the observed market prices of the publicly traded equity shares of comparable listed entities. Expected dividends during the expected term of the option are based on recent dividend activity. Risk-free interest rates are based on the government securities yield in effect at the time of the grant over the expected term.

**1.8 Earnings per share**

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

**1.9 Foreign currency transactions**

Foreign-currency denominated monetary assets and liabilities are translated at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.



2. Share capital

Particulars	As at	As at	As at
	31 December 2013 (in USD)	31 December 2012 (in USD)	31 December 2013 Convenience translation into Rupees (Unaudited)
<b>Authorised</b>			
Ordinary shares			
48,300,000 (previous year: 23,789,477), Ordinary shares of par value USD 0.0001 each	4,830	2,379	298,929
<b>Preference shares</b>			
Nil (previous year: 2,176,468) Series A Preference shares of par value USD 0.0001 each	-	218	-
2,176,468 (previous year: Nil) Series A-1 Preference shares of par value USD 0.0001 each	218	-	13,470
441,509 (previous year: 3,645,583) Series B Preference shares of par value USD 0.0001 each	44	365	2,732
3,204,074 (previous year: Nil) Series B-1 Preference shares of par value USD 0.0001 each	320	-	19,830
117,406 (previous year: 1,631,723) Series C Preference shares of par value USD 0.0001 each	12	163	727
1,507,511 (previous year: Nil) Series C-1 Preference shares of par value USD 0.0001 each	151	-	9,330
35,009 (previous year: 786,887) Series D Preference shares of par value USD 0.0001 each	4	79	217
751,878 (previous year: Nil) Series D-1 Preference shares of par value USD 0.0001 each	75	-	4,653
52,514 (previous year: 1,180,331) Series E Preference shares of par value USD 0.0001 each	5	118	325
1,127,817 (previous year: Nil) Series E-1 Preference shares of par value USD 0.0001 each	113	-	6,980
44,490 (previous year: 5,200,000) Series F Preference shares of par value USD 0.0001 each	4	520	275
1,455,509 (previous year: Nil) Series F-1 Preference shares of par value USD 0.0001 each	146	-	9,008
2,100,000 (previous year: Nil) Series G Preference shares of par value USD 0.0001 each	210	-	12,997
1,455,509 (previous year: Nil) Series H Preference shares of par value USD 0.0001 each	860	-	53,225
	6,992	3,842	432,699
<b>Issued, subscribed and paid up:</b>			
Ordinary shares			
4,058,593 (previous year: 4,058,593) Ordinary shares of par value of USD 0.0001 each fully paid up	406	406	25,127
Preference shares			
Nil (previous year: 2,176,468) Series A Preference shares of par value USD 0.0001 each	-	218	-
2,176,468 (previous year: Nil) Series A-1 Preference shares of par value USD 0.0001 each	218	-	13,470
387,098 (previous year: 3,591,172) Series B Preference shares of par value USD 0.0001 each	39	359	2,396
3,204,074 (previous year: Nil) Series B-1 Preference shares of par value USD 0.0001 each	320	-	19,830
70,193 (previous year: 1,577,704) Series C Preference shares of par value USD 0.0001 each	7	158	434
1,507,511 (previous year: Nil) Series C-1 Preference shares of par value USD 0.0001 each	151	-	9,330
35,009 (previous year: 786,887) Series D Preference shares of par value USD 0.0001 each	4	79	217
751,878 (previous year: Nil) Series D-1 Preference shares of par value USD 0.0001 each	75	-	4,653
52,514 (previous year: 1,180,331) Series E Preference shares of par value USD 0.0001 each	5	118	325
1,127,817 (previous year: Nil) Series E-1 Preference shares of par value USD 0.0001 each	113	-	6,980
44,490 (previous year: 1,499,999) Series F Preference shares of par value USD 0.0001 each	4	150	275
1,455,509 (previous year: Nil) Series F-1 Preference shares of par value USD 0.0001 each	146	-	9,008
1,996,162 (previous year: Nil) Series G Preference shares of par value USD 0.0001 each	200	-	12,354
1,082,230 (previous year: Nil) Series H Preference shares of par value USD 0.0001 each	108	-	6,698
	1,390	1,082	85,971
	1,796	1,488	111,098

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

Particulars	31 December 2013		31 December 2012	
	Number of shares	Amount (in USD)	Number of shares	Amount (in USD)
<b>Ordinary shares</b>				
Shares at the beginning	4,058,593	406	4,058,593	406
Add: Shares issued during the year	-	-	-	-
Shares at the end	4,058,593	406	4,058,593	406
<b>Series A Preference shares</b>				
Shares at the beginning	2,176,468	218	2,176,468	218
Add: Shares issued during the year	-	-	-	-
Less: Shares re-purchased during the year	2,176,468	218	-	-
Shares at the end	-	-	2,176,468	218
<b>Series A-1 Preference shares</b>				
Shares at the beginning	-	-	-	-
Add: Shares issued during the year	2,176,468	218	-	-
Less: Shares re-purchased during the year	-	-	-	-
Shares at the end	2,176,468	218	-	-
<b>Series B Preference shares</b>				
Shares at the beginning	3,591,172	359	3,591,172	359
Add: Shares issued during the year	-	-	-	-
Less: Shares re-purchased during the year	3,204,074	320	-	-
Shares at the end	387,098	39	3,591,172	359



2. Share capital (continued)

Particulars	31 December 2013		31 December 2012	
	Number of shares	Amount (in USD)	Number of shares	Amount (in USD)
<b>Series B-1 Preference shares</b>				
Shares at the beginning	-	-	-	-
Add: Shares issued during the year	3,204,074	320	-	-
Less: Shares re-purchased during the year	-	-	-	-
Shares at the end	3,204,074	320	-	-
<b>Series C Preference shares</b>				
Shares at the beginning	1,577,704	158	1,577,704	158
Add: Shares issued during the year	-	-	-	-
Less: Shares re-purchased during the year	1,507,511	151	-	-
Shares at the end	70,193	7	1,577,704	158
<b>Series C-1 Preference shares</b>				
Shares at the beginning	-	-	-	-
Add: Shares issued during the year	1,507,511	151	-	-
Less: Shares re-purchased during the year	-	-	-	-
Shares at the end	1,507,511	151	-	-
<b>Series D Preference shares</b>				
Shares at the beginning	786,887	79	786,887	79
Add: Shares issued during the year	-	-	-	-
Less: Shares re-purchased during the year	751,878	75	-	-
Shares at the end	35,009	4	786,887	79
<b>Series D-1 Preference shares</b>				
Shares at the beginning	-	-	-	-
Add: Shares issued during the year	751,878	75	-	-
Less: Shares re-purchased during the year	-	-	-	-
Shares at the end	751,878	75	-	-
<b>Series E Preference shares</b>				
Shares at the beginning	1,180,331	118	1,180,331	118
Add: Shares issued during the year	-	-	-	-
Less: Shares re-purchased during the year	1,127,817	113	-	-
Shares at the end	52,514	5	1,180,331	118
<b>Series E-1 Preference shares</b>				
Shares at the beginning	-	-	-	-
Add: Shares issued during the year	1,127,817	113	-	-
Less: Shares re-purchased during the year	-	-	-	-
Shares at the end	1,127,817	113	-	-
<b>Series F Preference shares</b>				
Shares at the beginning	1,499,999	150	1,499,999	150
Add: Shares issued during the year	-	-	-	-
Less: Shares re-purchased during the year	1,455,509	146	-	-
Shares at the end	44,490	4	1,499,999	150
<b>Series F-1 Preference shares</b>				
Shares at the beginning	-	-	-	-
Add: Shares issued during the year	1,455,509	146	-	-
Less: Shares re-purchased during the year	-	-	-	-
Shares at the end	1,455,509	146	-	-
<b>Series G Preference shares</b>				
Shares at the beginning	-	-	-	-
Add: Shares issued during the year	1,996,162	200	-	-
Less: Shares re-purchased during the year	-	-	-	-
Shares at the end	1,996,162	200	-	-
<b>Series H Preference shares</b>				
Shares at the beginning	-	-	-	-
Add: Shares issued during the year	1,082,230	108	-	-
Less: Shares re-purchased during the year	-	-	-	-
Shares at the end	1,082,230	108	-	-



2. Share capital (continued)

During the year ended 31 December 2013, the Company repurchased the existing preference shares Series A, Series B, Series C, Series D, Series E and Series F from certain shareholders and issued preference shares Series A-1, Series B-1, Series C-1, Series D-1, Series E-1 and Series F-1 as consideration for the shares repurchased.

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

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

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

Series H preference shares are convertible into ordinary shares in the ratio of 1:1. Series B and Series F preference shares are convertible into ordinary shares in the ratio of 1.02:1. Series C, Series D and Series E preference shares are convertible into ordinary shares in the ratio of 1.30:1. Series G preference shares are convertible into ordinary shares in the ratio of 1.63:1. Series A-1 and Series B-1 preference shares are convertible into ordinary shares in the ratio of 1.99:1. Series F-1 preference shares are convertible into ordinary shares in the ratio of 2.16:1. Further Series C-1, Series D-1 and Series E-1 preference shares are convertible into ordinary shares in the ratio of 2.75:1. The above conversion is subject to adjustments set forth in the Articles of Association of the Company.

While the holders of preference shares may generally elect to convert into ordinary shares at any time, all preferences shares will automatically stand converted in the above ratio under any of the following two circumstances:

- (i) immediately prior to a Qualified IPO (as defined in the Articles of Association of the Company) or;
  - (ii) with the vote or written consent of the holders of a majority of the then outstanding preference shares voting separately to convert the respective Series of preference shares based on above conversion ratio.
- Preference shareholders carry voting rights on an as converted basis with ordinary shareholders, except for key governance protections outlined in the Articles of Association of the Company, in which case each class votes separately on an as converted basis as per the terms of the preference shareholders agreement. Further preference shareholders carry preferential dividend rights over ordinary shares if declared by the Board of Directors and priority over ordinary shares in the event of any liquidation, dissolution or winding up of the affairs of Company.
- Within ninety (90) days after the receipt of a written request from members holding not less than a majority of the then outstanding preference shares, voting together on an as converted basis, that all preference shares be redeemed (such date within such ninety (90) days period being the "Redemption Date") and concurrently with the surrender by the holders of outstanding preference shares of the certificates representing such preference shares, the Company shall, to the extent it may lawfully do so, redeem all of the then outstanding preference shares by paying an amount in cash per preference share to be redeemed equal to the greater of (i) the original purchase price per share (subject to adjustment for any Recapitalizations) and (ii) the fair market value of such preference share as of the Redemption Date, as determined by an independent third-party investment bank or similar financial service provider agreed to by the Company and the holders of at least a majority of the preference shares then outstanding, voting together on an as-converted basis (the "Redemption Price"). If, on the Redemption Date, the funds of the Company legally available for redemption of preference shares are insufficient to redeem all outstanding preference shares, those funds that are legally available will be used to make to payment to the holders of preference shares on a pro-rata basis in proportion to the number of preference shares then held by such members. Any preference shares not redeemed shall remain outstanding and shall be entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of the Company are legally available for the redemption of the preference shares, such funds will immediately be used to redeem the balance of the preference shares not redeemed on the Redemption Date in the manner and in the order set forth in the preceding sentence. In the event of liquidation, preference shareholders have a preferential right over ordinary shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

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

Particulars	As at 31 December 2013		As at 31 December 2012	
	Number of shares	% of share holding	Number of shares	% of share holding
CFCL Overseas Limited, Holding Company	2,932,947	72.27%	2,932,947	72.27%
Fiserv Solutions, Inc	755,646	18.62%	755,646	18.62%
William Adamowski	240,000	5.91%	240,000	5.91%

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

Particulars	As at 31 December 2013		As at 31 December 2012	
	Number of shares	% of share holding	Number of shares	% of share holding
<b>Series A Preference shares</b>				
CFCL Overseas Limited, Holding Company	-	0.00%	2,176,468	100.00%
<b>Series A-1 Preference shares</b>				
CFCL Overseas Limited, Holding Company	2,176,468	100.00%	-	0.00%
<b>Series B Preference shares</b>				
CFCL Overseas Limited, Holding Company	-	0.00%	568,096	15.82%
NEA FDI	-	0.00%	2,418,461	67.34%
NEA-IndoUS	387,098	100.00%	604,615	16.84%
<b>Series B-1 Preference shares</b>				
CFCL Overseas Limited, Holding Company	568,096	21.55%	-	0.00%
NEA FDI	2,418,461	91.75%	-	0.00%
NEA-IndoUS	217,517	8.25%	-	0.00%
<b>Series C Preference shares</b>				
CFCL Overseas Limited, Holding Company	-	0.00%	1,029,521	65.25%
NEA FDI	-	0.00%	438,547	27.80%
NEA-IndoUS	70,193	100.00%	109,636	6.95%
<b>Series C-1 Preference shares</b>				
CFCL Overseas Limited, Holding Company	1,029,521	68.29%	-	0.00%
NEA FDI	438,547	29.09%	-	0.00%
NEA-IndoUS	39,443	2.62%	-	0.00%
<b>Series D Preference shares</b>				
CFCL Overseas Limited, Holding Company	-	0.00%	513,478	65.25%
NEA FDI	-	0.00%	218,728	27.80%
NEA-IndoUS	35,009	100.00%	54,681	6.95%



CFCL Technologies Limited  
Notes to financial statements for the year ended 31 December 2013

2. Share capital (continued)

Particulars	As at 31 December 2013		As at 31 December 2012	
	Number of shares	% of share holding	Number of shares	% of share holding
<b>Series D-1 Preference shares</b>				
CFCL Overseas Limited, Holding Company	513,478	68.29%	-	0.00%
NEA FDI	218,728	29.09%	-	0.00%
NEA-IndoUS	19,672	2.62%	-	0.00%
<b>Series E Preference shares</b>				
CFCL Overseas Limited, Holding Company	-	0.00%	770,217	65.25%
NEA FDI	-	0.00%	328,092	27.80%
NEA-IndoUS	52,514	100.00%	82,022	6.95%
<b>Series E-1 Preference shares</b>				
CFCL Overseas Limited, Holding Company	770,217	68.29%	-	0.00%
NEA FDI	328,092	29.09%	-	0.00%
NEA-IndoUS	29,508	2.62%	-	0.00%
<b>Series F Preference shares</b>				
CFCL Overseas Limited, Holding Company	-	0.00%	1,152,543	76.84%
NEA FDI	-	0.00%	277,966	18.53%
NEA-IndoUS	44,490	100.00%	-	-
<b>Series F-1 Preference shares</b>				
CFCL Overseas Limited, Holding Company	1,152,543	79.18%	-	0.00%
NEA FDI	277,966	19.10%	-	0.00%
<b>Series G Preference shares</b>				
CFCL Overseas Limited, Holding Company	1,388,192	69.54%	-	0.00%
NEA FDI	574,843	28.80%	-	0.00%
<b>Series H Preference shares</b>				
CFCL Overseas Limited, Holding Company	759,059	70.14%	-	0.00%
NEA FDI	323,171	29.86%	-	0.00%

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

340,000 ordinary shares of USD 0.0001 each, have been allotted as fully paid up during the year ended 31 December 2011, pursuant to a contract without payment being received in cash.

There has been no issuance of bonus shares or buy back of shares during the last five years ended 31 December 2013.

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

Particulars	As at	As at
	31 December 2013	31 December 2012
	Number of shares	Number of shares
Under Employee Stock Option Scheme, 2007	6,081,498	3,105,000
Series A Preference shares	-	2,176,468
Series A-1 Preference shares	4,328,929	-
Series B Preference shares	395,819	3,591,172
Series B-1 Preference shares	6,372,807	-
Series C Preference shares	91,381	2,004,992
Series C-1 Preference shares	4,146,650	-
Series D Preference shares	45,576	999,999
Series D-1 Preference shares	2,068,160	-
Series E Preference shares	68,365	1,499,999
Series E-1 Preference shares	3,102,241	-
Series F Preference shares	45,576	1,499,999
Series F-1 Preference shares	3,096,280	-
Series G Preference shares	3,260,630	-
Series H Preference shares	1,082,230	-
Warrants	2,244,473	495,693

Warrants

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

In consideration of loans availed in the previous year from its holding company and NEA FDI Limited (together referred to as 'parties'), the Group has entered into warrant agreements with the parties in the current year. The agreement provides for the holder of the warrant to purchase 93,450 ordinary shares and 35,210 Series G Preference shares of the Company. The warrants shall have an exercise price of USD 0.01 per ordinary share or Series G Preference share, as applicable. Further, in consideration of bridge loan availed during the year from the parties, the Group has entered into an agreement, whereby, the holding company has received warrants to purchase 1,412,571 Series H Preference shares with an exercise price of USD 0.01 per share and NEA FDI Limited has received warrants to Purchase 445,089 Series H preference shares with an exercise price of USD 0.01 per share.



2. Share capital (continued)

Employee stock options

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

The fair value of the ordinary shares has been determined by the management on the date of the grant of the stock options to the employees pursuant to the Plan. The fair valuation has been done by an independent appraiser using the Black-Scholes valuation model. The stock options vest equally over the period of 4 years and the exercise period is 10 years from the date of grant. The stock compensation cost is a component of the fair value of the stock options and the number of options, which is recognised as employee compensation cost over the vesting period, provided that the stock option holders continue to be in employment of the Company. The employee compensation cost recognised in the Statement of profit and loss is USD 1,099,530 (previous year: USD 729,430). The weighted average remaining useful life of the stock options is 8.82 years (previous year: 7.81 years).

The Company, in its Board Meeting held on 19 July 2013, has modified the exercise price of all the outstanding stock options to USD 1.09 to bring it in line with the fair value of the share as at that date. Accordingly, all the existing stock options have been re-priced at USD 1.09. The Company has accounted for this change in accordance with the Guidance Note on "Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India.

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

Particulars	For the year ended 31 December 2013		For the year ended 31 December 2012	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Options outstanding at the beginning of the year	2,725,614	3.66	1,680,447	2.60
Options granted during the year	3,003,734	1.09	1,174,500	5.19
Option forfeited during the year	1,032,699	1.91	129,333	3.87
Options lapsed during the year	806,210	1.09	-	-
Options outstanding at the end of the year	3,890,439	1.09	2,725,614	3.66
Options exercisable at the end of the year	997,257	1.09	1,442,680	2.35

The estimated weighted average fair value of options granted during the year was USD 0.64 (previous year: USD 2.15). This was calculated by applying the Black-Scholes option pricing model with the following inputs:

Particulars	For the year ended 31 December 2013*	For the year ended 31 December 2012
Fair value per share (USD)	1.09	5.44
Exercise price (USD)	1.09	4.99 to 5.44
Average risk-free interest rate	0.36 - 0.46 %	0.36 - 0.46 %
Expected volatility of share price	0.6585	0.6585
Expected life of options granted (in years)	5.38 to 5.64	3.38 to 3.64
Expected dividend yield	Nil	Nil
Fair value of the options	USD 0.64	USD 2.512 to 2.628

\* the numbers in the table have been presented post modification of the ESOP scheme.

The following table provides details in respect of range of exercise price and weighted average remaining contractual life for the options outstanding as at 31 December 2013.

Range of exercise price	Shares arising out of options*	Weighted average remaining contractual life	Weighted average exercise price (USD)
USD 1.09	3,890,439	8.82	1.09

\* includes 1,621,734 options granted to directors

The following table provides details in respect of range of exercise price and weighted average remaining contractual life for the options outstanding as at 31 December 2012.

Range of exercise price	Shares arising out of options*	Weighted average remaining contractual life	Weighted average exercise price (USD)
USD 1.58 to USD 5.44	2,725,614	7.81 years	3.66

\* includes 1,265,009 options granted to directors and non-executive director



CFCL Technologies Limited  
Notes to financial statements for the year ended 31 December 2013

3. Reserves and surplus

	As at 31 December 2013 (in USD)	As at 31 December 2012 (in USD)	As at 31 December 2013 Convenience translation into Rupees (Unaudited)
<b>Securities premium account</b>			
At the commencement of the year	142,127,767	142,127,767	8,796,287,500
Add: Additions during the year on issue of preference shares	20,064,244	-	1,241,776,061
Balance at the end of the year	<u>162,192,011</u>	<u>142,127,767</u>	<u>10,038,063,561</u>
<b>Employee stock options outstanding account</b>			
At the commencement of the year	1,698,397	968,967	105,113,790
Add: Employee compensation expenses for the year	1,099,530	729,430	68,049,912
At the end of the year	<u>2,797,927</u>	<u>1,698,397</u>	<u>173,163,702</u>
<b>Surplus (balance in statement of profit and loss)</b>			
Opening balance	(4,077,911)	(2,658,274)	(252,381,882)
Add: Net loss for the year	(1,814,614)	(1,419,637)	(112,306,434)
	<u>(5,892,524)</u>	<u>(4,077,911)</u>	<u>(364,688,316)</u>
	<u>159,097,414</u>	<u>139,748,253</u>	<u>9,846,538,947</u>



CFCL Technologies Limited  
Notes to financial statements for the year ended 31 December 2013

4. Short-term borrowings

	As at 31 December 2013 (in USD)	As at 31 December 2012 (in USD)	As at 31 December 2013 Convenience translation into Rupees (Unaudited)
Loans repayable on demand (unsecured) - from related parties (Note 1 and 2 below)	-	9,305,405	-
	-	9,305,405	-

1. The Company had taken bridge loan from related parties as an advance against future funds for the upcoming equity round of the Company. Bridge loan carries interest @ 14% p.a and is repayable within 90 days from the date of disbursement, in the event a roll over does not occur.

2. On 14 January 2013, bridge loan was converted into Series G Preference shares.

5. Trade payables

	As at 31 December 2013 (in USD)	As at 31 December 2012 (in USD)	As at 31 December 2013 Convenience translation into Rupees (Unaudited)
Trade payables due to micro and small enterprises (refer Note 15)	-	-	-
other creditors	11,161	229,926	690,746
	11,161	229,926	690,746

6. Other current liabilities

	As at 31 December 2013 (in USD)	As at 31 December 2012 (in USD)	As at 31 December 2013 Convenience translation into Rupees (Unaudited)
Interest accrued but not due on borrowings	-	251,440	-
Accrued expenses	205,202	427,085	12,699,962
Payables to related parties (refer Note 14(f))	138,184	32,800	8,552,208
	343,386	711,325	21,252,170





CFCL Technologies Limited  
Notes to financial statements for the year ended 31 December 2013

7. Non-current investments

	As at 31 December 2013 (in USD)	As at 31 December 2012 (in USD)	As at 31 December 2013 Convenience translation into Rupees (Unaudited)
<b>Long-term investments, at cost</b>			
<b>Trade (Unquoted)</b>			
Investment in subsidiaries			
852,774,044 (previous year: 852,774,040) Ordinary shares of USD 0.0001 each in ISGN Corporation fully paid up	142,313,800	132,343,893	8,807,801,102
50,000,000 (previous year: 50,000,000) Ordinary shares of USD 0.001 each in CFCL Ventures Limited, fully paid up	8,366,970	8,366,970	517,831,773
	<u>150,680,770</u>	<u>140,710,863</u>	<u>9,325,632,876</u>

8. Cash and cash equivalents

	As at 31 December 2013 (in USD)	As at 31 December 2012 (in USD)	As at 31 December 2013 Convenience translation into Rupees (Unaudited)
<b>Cash and cash equivalents</b>			
Balances with banks			
In current accounts	1,497	26,932	92,601
	<u>1,497</u>	<u>26,932</u>	<u>92,601</u>

9. Short-term loan and advances

	As at 31 December 2013 (in USD)	As at 31 December 2012 (in USD)	As at 31 December 2013 Convenience translation into Rupees (Unaudited)
<b>To related parties (unsecured)</b>			
Considered good			
- Other advances (refer Note 14(f))	8,771,490	9,258,602	542,867,484
	<u>8,771,490</u>	<u>9,258,602</u>	<u>542,867,484</u>



CFCL Technologies Limited

Notes to financial statements for the year ended 31 December 2013

10. Other income

	For the year ended 31 December 2013 (in USD)	For the year ended 31 December 2012 (in USD)	Year ended 31 December 2013 Convenience translation into Rupees (Unaudited)
Miscellaneous income	-	14,187	-
	<u>-</u>	<u>14,187</u>	<u>-</u>



CFCL Technologies Limited  
Notes to financial statements for the year ended 31 December 2013

11. Employee benefits

	For the year ended 31 December 2013 (in USD)	For the year ended 31 December 2012 (in USD)	Year ended 31 December 2013 Convenience translation into Rupees (Unaudited)
Stock compensation expense (Refer Note 2)	1,099,530	729,430	68,049,912
	<u>1,099,530</u>	<u>729,430</u>	<u>68,049,912</u>

12. Finance cost

	For the year ended 31 December 2013 (in USD)	For the year ended 31 December 2012 (in USD)	Year ended 31 December 2013 Convenience translation into Rupees (Unaudited)
Interest expense	275,192	251,439	17,031,619
Bank charges	220	50	13,616
	<u>275,412</u>	<u>251,489</u>	<u>17,045,235</u>

13. Other expenses

	For the year ended 31 December 2013 (in USD)	For the year ended 31 December 2012 (in USD)	Year ended 31 December 2013 Convenience translation into Rupees (Unaudited)
Travelling and conveyance	3,423	-	211,837
Communication costs	20	-	1,232
Consultancy, legal and professional charges	436,229	452,905	26,998,218
	<u>439,672</u>	<u>452,905</u>	<u>27,211,287</u>



**CFCL Technologies Limited**

**Notes to financial statements for the year ended 31 December 2013**

**14. Related party disclosures**

List of related parties

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

Ultimate holding company - Chambal Fertilisers and Chemicals Limited  
Holding Company - CFCL Overseas Limited, Cayman Islands

**b) Entities which exercise significant influence**

NEA FDI Ltd  
NEA IndoUS Ventures, LLC

**c) Key Management Personnel (KMP)**

Amit Kothiyal, Director  
Ritesh Idnani, Director (resigned with effect from 1 August 2013)  
Krishna Srinivasan, Director (resigned with effect from 21 February 2013)

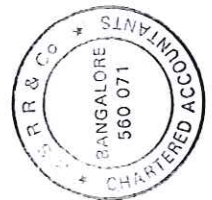


CFCL Technologies Limited  
Notes to financial statements for the year ended 31 December 2013

d) Subsidiaries

Sl no	Name of Subsidiary	Country of Incorporation	% holding As at 31 December 2013	% holding As at 31 December 2012
	<b>Subsidiaries</b>			
1	CFCL Ventures Limited ("CVL")	Cayman Islands	100%	100%
2	ISGN Corporation ("NITC")	U.S.A.	100%	100%
	<b>Step-down Subsidiaries of NITC</b>			
3	ISGN Solutions, Inc ("MH")	U.S.A.	100%	100%
4	NITC, GmbH ("GNITC") – In the process of winding up	Germany	100%	100%
	<b>Step –down subsidiaries of MH</b>			
5	Richmond Title Genpar, LLC ("Genpar")	U.S.A.	100%	100%
6	Richmond Investors, LLC ("Investors")	U.S.A.	100%	100%
7	Richmond Title Services, LP ("Richmond LP")	U.S.A.	100%	100%
8	Flex Agents Signing Team, LLC ("Flex") – Subsidiary of "Richmond LP"	U.S.A.	Dissolved effective 14 February 2012	
9	ISGN Fulfillment Services, Inc. (FFS)	U.S.A.	100%	100%
	<b>Step down subsidiaries of FFS</b>			
10	ISGN Fulfillment Services, Inc ("FFS Arizona")	U.S.A.	100%	100%
11	ISGN Fulfillment Services of Maryland, Inc ("FFS Maryland")	U.S.A.	Dissolved effective 10 February 2012	
12	ISGN Fulfillment Agency, LLC ("FFS Delaware")	U.S.A.	100%	100%
13	ISGN Fulfillment Agency of Alabama, LLC ("FFAA")	U.S.A.	Dissolved effective 30 July 2013	
	<b>Step-down Subsidiaries of CVL</b>			
14	ISG NovaSoft Technologies Limited ("ISGNTL")	India	100%	100%
15	Inuva Info Management Private Limited ("INUVA")* – a subsidiary of ISGNTL	India	71%	71%

\* A dormant subsidiary



CFCL Technologies Limited  
Notes to financial statements for the year ended 31 December 2013

e) Related party transactions:

Particulars	For the year ended 31 December 2013 (in USD)	For the year ended 31 December 2012 (in USD)	For the year ended 31 December 2013 Convenience translation into Rupees (Unaudited)
<b>Holding company</b>			
Short-term loan received	444,907	6,525,751	27,535,294
Conversion of loan into Series G Preference Shares	7,166,545	-	443,537,470
Issue of Series G and Series H Preference shares	6,816,507	-	204,830,216
Interest expense	27,655	168,547	1,711,568
<b>Subsidiary company</b>			
Investment in ordinary shares of ISGN Corporation*	9,969,907	25,000,000	617,037,544
<b>Companies having significant influence</b>			
Short-term loan received from NEA IndoUS Ventures, LLC	-	2,779,654	-
Amount written back, NEA FDI, Inc	-	14,187	-
Conversion of loan into Series G Preference Shares, NEA FDI, Inc	2,930,722	-	181,382,385
Conversion of loan into Series G Preference Shares, NEA IndoUS Ventures, LLC	250,000	-	-
Issue of Series G and Series H Preference shares to NEA FDI, Inc	2,900,466	-	87,103,243
Interest expense on loan received from NEA IndoUS Ventures, LLC	68,172	82,893	4,219,165

\* The investment in ordinary shares as disclosed above was a non-cash transaction, whereby, the amount payable by the subsidiary has been adjusted by means of investment in equity.



CFCL Technologies Limited  
Notes to financial statements for the year ended 31 December 2013

f) Related party balances:

Particulars	As at 31 December 2013 (in USD)	As at 31 December 2012 (in USD)	As at 31 December 2013 Convenience translation into Rupees (Unaudited)
<b>Ultimate holding company</b>			
Other current liabilities	48,400	-	2,995,476
<b>Holding company</b>			
Other current liabilities	32,492	32,800	2,010,930
Short-term borrowings	-	6,525,751	-
Interest accrued but not due on borrowings	-	168,547	-
<b>Subsidiary company</b>			
Other advances (ISGN Corporation)	7,935,992	9,252,349	491,158,545
Other advances (CFCL Ventures Limited)	5,953	5,953	368,431
<b>Companies having significant influence</b>			
Other current liabilities (NEA FDI Inc)	57,292	57,292	3,545,802
Other advances (NEA IndoUS Ventures, LLC)	829,545	-	51,340,540
Short-term borrowings (NEA IndoUS Ventures, LLC)	-	2,779,654	-
Interest accrued but not due on borrowings (NEA IndoUS Ventures, LLC)	-	82,893	-



**CFCL Technologies Limited**

**Notes to financial statements for the year ended 31 December 2013**

**15. Dues to Micro, Small and Medium Enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 December 2013 and 31 December 2012 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

	(Amount in USD)	
	For the year ended 31 December 2013	For the year ended 31 December 2012
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

**16. Segmental reporting**

The principle activities of the Company are to carry on the business of investment holding and to undertake and to transact in investment business. Accordingly, the activities of the Company are considered to comprise a single primary business segment and a single geographical segment (namely, the United States of America). Accordingly, disclosure requirements under Accounting Standard 17, 'Segment Reporting', notified by the Central Government, are not applicable.





**CFCL Technologies Limited**  
**Notes to financial statements for the year ended 31 December 2013**

**17. Earnings per share**

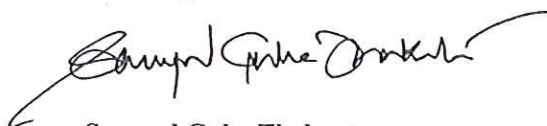
Year ended	31 December 2013 (in USD)	31 December 2012 (in USD)	31 December 2013 Convenience translation into Rupees (Unaudited)
Loss for the year	(1,814,614)	(1,419,637)	(112,306,434)
Weighted average number of ordinary shares considered in calculating Basic and Diluted Earnings Per Share ('EPS')	4,058,953	4,058,953	4,058,953
Basic and diluted EPS	(0.45)	(0.35)	(27.67)

In computing the diluted EPS, potential equity shares that are dilutive and which increase loss per share are included. Since the Company's potential equity shares are anti-dilutive and would reduce the loss per share, there is considered to be no dilution for the years ended 31 December 2013 and 2012.

**18. Convenience translation**

The books of accounts of the Company are maintained in US Dollars ('USD') being the currency of the primary economic environment in which it operates. Supplementary INR information is provided for convenience only. The balance sheet, statement of profit and loss, cash flow statement and related notes have been translated at the rate of 1 USD = INR 61.89. These numbers are based on information from the management and have not been audited by B S R R & Co.

for **B S R R & Co**  
*Chartered Accountants*  
 Firm's registration number: 130791W



**Sampad Guha Thakurta**  
*Partner*  
 Membership number: 060573

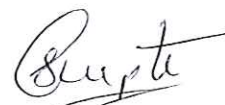
Place: Bangalore  
 Date: 8 May 2014

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



**Amit Kothiyal**  
*Director*

Place: Bangalore  
 Date: 8 May 2014



**Shailendra Gupta**  
*Chief Financial Officer*

Place: Bangalore  
 Date: 8 May 2014