

B S R & Associates LLP

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 Ventures Limited

We have audited the accompanying financial statements of CFCL Ventures Limited ('the Company'), which comprise the balance sheet as at 31 December 2014, 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 2014;
- (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 Indian 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 13 to the financial statements. The translation from US Dollars (USD) to Indian Rupees (INR) is unaudited.

for B S R & Associates LLP

Chartered Accountants

Firm's registration number: 116231W/W-100024


Rushank Muthreja

Partner

Membership No. 211386

Bangalore
29 APR 2015

CFCL Ventures Limited
Balance Sheet

	Note	As at 31 December 2014 (in USD)	As at 31 December 2013 (in USD)	As at 31 December 2014 Convenience translation into Rupees (Unaudited)
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	2	50,000	50,000	3,166,500
Reserves and surplus	3	<u>8,294,575</u>	<u>8,296,949</u>	<u>525,295,449</u>
		8,344,575	8,346,949	528,461,949
Current liabilities				
Trade payables	4	586	586	37,122
Other current liabilities	5	<u>21,809</u>	<u>19,435</u>	<u>1,381,139</u>
		22,395	20,021	1,418,261
Total		<u><u>8,366,970</u></u>	<u><u>8,366,970</u></u>	<u><u>529,880,210</u></u>
ASSETS				
Non-current assets				
Non-current investments	6	<u>8,361,970</u>	<u>8,361,970</u>	<u>529,563,560</u>
		8,361,970	8,361,970	529,563,560
Current assets				
Cash and cash equivalents	7	<u>5,000</u>	<u>5,000</u>	<u>316,650</u>
		5,000	5,000	316,650
Total		<u><u>8,366,970</u></u>	<u><u>8,366,970</u></u>	<u><u>529,880,210</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 BSR & Associates LLP
Chartered Accountants
Firm's registration number: 116231W/W-100024

Rushank Muthreja
Partner
Membership number: 211386

Place: Bangalore
Date: 29 APR 2015

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


Amit Kothiyal
Director

Place: Bangalore
Date: 29 APR 2015


Sundarraján Sampath
Chief Financial Officer

Place: Bangalore
Date: 29 APR 2015

CFCL Ventures Limited
Statement of Profit and Loss

	Note	For the year ended 31 December 2014 (in USD)	For the year ended 31 December 2013 (in USD)	Year ended December 31 December 2014 Convenience translation into Rupees (Unaudited)
Income				
Income		-	-	-
Total income		-	-	-
Expenses				
Other expenses	8	2,374	2,298	150,331
Total expenses		<u>2,374</u>	<u>2,298</u>	<u>150,331</u>
Loss before tax		<u>(2,374)</u>	<u>(2,298)</u>	<u>(150,331)</u>
Tax expense				
Current tax		-	-	-
Loss for the year		<u>(2,374)</u>	<u>(2,298)</u>	<u>(150,331)</u>
Earning per ordinary share	12			
Basic		(0.000047)	(0.00)	(0.00)
Diluted		(0.00)	(0.00)	(0.00)
Number of shares used in computing earnings per ordinary share				
Basic		50,000,000	50,000,000	50,000,000
Diluted		50,000,000	50,000,000	50,000,000

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 BSR & Associates LLP
Chartered Accountants
Firm's registration number: 116231WV-100024

Rushank Muthreja
Partner
Membership number: 211386

Place: Bangalore
Date: 29 APR 2015

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

Amit Kothiyal
Director

Place: Bangalore
Date: 29 APR 2015

Sundarajan Sampath
Chief Financial Officer


Place: Bangalore
Date: 29 APR 2015

CFCL Ventures Limited
Cash Flow Statement for the year ended 31 December 2014

	For the year ended 31 December 2014 (in USD)	For the year ended 31 December 2013 (in USD)	Year ended December 31 December 2014 Convenience translation into Rupees (Unaudited)
A. Cash flow from operating activities :			
Loss before tax	(2,374)	(2,298)	(150,331)
Operating loss before working capital changes	(2,374)	(2,298)	(150,331)
Increase in current liabilities	2,374	2,298	150,331
Cash generated from operations	-	-	-
B. Cash flow from investing activities	-	-	-
C. Cash flow from financing activities	-	-	-
Net (decrease) / increase in cash and cash equivalents (A+B+C)	-	-	-
Cash and cash equivalents at the beginning of the year	5,000	5,000	316,650
Cash and cash equivalents at the end of the year	5,000	5,000	316,650

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

for BSR & Associates LLP
Chartered Accountants
Firm's registration number: 116231W/W-100024


Rushank Muthreja
Partner
Membership number: 211386

Place: Bangalore
Date: 29 APR 2015

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


Anit Kothiyal
Director

Place: Bangalore
Date: 29 APR 2015


Sundarajan Sampath
Chief Financial Officer

Place: Bangalore
Date: 29 APR 2015

CFCL Ventures Limited

Notes to the financial statements for the year ended 31 December 2014

1. Significant accounting policies

1.1 Background

CFCL Ventures Limited, (hereinafter referred to as the "Company") is a Limited Company incorporated on March 12, 2007 and domiciled in Cayman Islands. The Company is a wholly owned subsidiary of CFCL Technologies Limited and an intermediary holding company of ISG Novasoft Technologies Limited, India. Thus, the principal activity of the Company is to carry on as the investment holding company for its investee companies.

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 include 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.



CFCL Ventures Limited

Notes to the financial statements for the year ended 31 December 2014

1.4 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.

1.5 Cash and cash equivalents

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

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 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.



2. Share capital

Particulars	As at	As at	As at
	31 December 2014 (in USD)	31 December 2013 (in USD)	31 December 2014 Convenience translation into Rupees (Unaudited)
Authorised			
Ordinary shares			
50,000,000 (previous year: 50,000,000), Ordinary shares of par value US \$ 0.001 each	50,000	50,000	3,166,500
Issued, subscribed and paid up:			
Ordinary shares			
50,000,000 (previous year: 50,000,000), Ordinary shares of par value US \$ 0.001 each fully paid up	50,000	50,000	3,166,500
	50,000	50,000	3,166,500

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

Particulars	31 December 2014		31 December 2013	
	Number of shares	Amount (in USD)	Number of shares	Amount (in USD)
Ordinary shares				
Shares at the beginning and end of the year	50,000,000	50,000	50,000,000	50,000

Rights, preference and restrictions attached to ordinary shares

The Company has a single class of ordinary shares having a par value of USD 0.001 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 equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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 2014		As at 31 December 2013	
	Number of shares	% of share holding	Number of shares	% of share holding
CFCL Technologies Limited, the Holding Company	50,000,000	100.00%	50,000,000	100.00%

There has been no buy back of shares, bonus issue or shares issued for consideration other than cash in last 5 years ended 31 December 2014.

3. Reserves and surplus

Particulars	As at	As at	As at
	31 December 2014 (in USD)	31 December 2013 (in USD)	31 December 2014 Convenience translation into Rupees (Unaudited)
Securities premium account at the beginning and end of the year	8,316,970	8,316,970	526,713,710
	8,316,970	8,316,970	526,713,710
Deficit (balance in Statement of Profit and Loss)			
Opening balance	(20,021)	(17,723)	(1,267,930)
Add: Net loss for the year	(2,374)	(2,298)	(150,331)
	(22,395)	(20,021)	(1,418,261)
Total reserves and surplus	8,294,575	8,296,949	525,295,449



CFCL Ventures Limited
Notes to financial statements for the year ended 31 December 2014

4. Trade payables

Particulars	As at 31 December 2014 (in USD)	As at 31 December 2013 (in USD)	As at 31 December 2014 Convenience translation into Rupees (Unaudited)
Trade payables			
due to micro and small enterprises (Refer Note 11)	-	-	-
other creditors	586	586	37,122
	<u>586</u>	<u>586</u>	<u>37,122</u>

5. Other current liabilities

Particulars	As at 31 December 2014 (in USD)	As at 31 December 2013 (in USD)	As at 31 December 2014 Convenience translation into Rupees (Unaudited)
Accrued expenses	-	-	-
Payables to related parties (Refer Note 9(e))	21,809	19,435	1,381,139
	<u>21,809</u>	<u>19,435</u>	<u>1,381,139</u>

6. Non-current investments

Particulars	As at 31 December 2014 (in USD)	As at 31 December 2013 (in USD)	As at 31 December 2014 Convenience translation into Rupees (Unaudited)
Trade investments (Unquoted)			
Investment in subsidiary			
36,230,700 (Previous year : 36,230,700) Ordinary shares of Rs. 10 each in ISG			
Novasoft Technologies Limited, fully paid up	8,361,970	8,361,970	529,563,560
	<u>8,361,970</u>	<u>8,361,970</u>	<u>529,563,560</u>

7. Cash and cash equivalents

Particulars	As at 31 December 2014 (in USD)	As at 31 December 2013 (in USD)	As at 31 December 2014 Convenience translation into Rupees (Unaudited)
Cash and cash equivalents			
Cash on hand	-	-	-
Balances with banks			
In current accounts	5,000	5,000	316,650
	<u>5,000</u>	<u>5,000</u>	<u>316,650</u>



CFCL Ventures Limited
Notes to financial statements for the year ended 31 December 2014

8. Other expenses

Particulars	For the year ended 31 December 2014 (in USD)	For the year ended 31 December 2013 (in USD)	Year ended December 31 December 2014 Convenience translation into Rupees (Unaudited)
Consultancy and professional charges	2,374	2,298	150,331
	<u>2,374</u>	<u>2,298</u>	<u>150,331</u>



CFCL Ventures Limited
Notes to the financial statements for the year ended 31 December 2014

9. Related party disclosures

List of related parties

a) List of parties where control exists

Ultimate holding company - Chambal Fertilizers and Chemicals Limited

Holding Company - CFCL Technologies Limited

Company which exercises control through intermediaries:

CFCL Overseas Limited

Subsidiaries

ISG Novasoft Technologies Limited

Inuva Info Management Private Limited

b) Fellow subsidiary

ISGN Corporation

c) Related party balances:

Particulars	As at 31 December 2014 (in USD)	As at 31 December 2013 (in USD)	As at 31 December 2014 Convenience translation into Rupees (Unaudited)
Holding company			
Other current liabilities	5,953	5,953	377,003
Fellow subsidiary			
Other current liabilities	15,856	13,482	1,004,136
	21,809	19,435	1,381,139



CFCL Ventures Limited

Notes to the financial statements for the year ended 31 December 2014

10. Segmental reporting

The Company's business activity falls within a single primary business segment (namely, investment holding) and a single geographical segment (namely, India). Accordingly, disclosure requirements under Accounting Standard 17, 'Segment Reporting', notified by the Central Government, are not applicable.

11. Dues from 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 2014 and 31 December 2013 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

	For the year ended 31 December 2014	For the year ended 31 December 2013
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	-	-



CFCL Ventures Limited

Notes to the financial statements for the year ended 31 December 2014

12. Earnings per ordinary share

Year ended	31 December 2014	31 December 2013	31 December 2014 Convenience translation into Rupees (Unaudited)
Loss for the year (in USD) (A)	(2,374)	(2,298)	(150,331)
Weighted average number of ordinary shares outstanding (B)	50,000,000	50,000,000	50,000,000
Basic and diluted earnings per ordinary share (in USD) (A/B)	(0.00)	(0.00)	(0.00)

13. Convenience translation

The books of accounts of the Company are maintained in USD, being the currency of the primary economic environment in which it operates. Supplementary information in Indian Rupees (INR) 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 63.33. These numbers are based on information from the management and have not been audited by B S R & Associates LLP.

*for B S R & Associates LLP**Chartered Accountants*

Firm's registration number: 116231W/W-100024

Rushank Muthreja*Partner*

Membership number: 211386

Place: Bangalore

Date: 29 APR 2015

*for and on behalf of the Board of Directors of
CFCL Ventures Limited***Amit Kothiyal***Director*

Place: Bangalore

Date: 29 APR 2015

Sundarajan Sampath*Chief Financial Officer*

Place: Bangalore

Date: 29 APR 2015