



## DIRECTORS' REPORT

Dear Shareholders,

Your directors are pleased to present the Directors' Report of Richmond Title Services, LP for the Period ended December 31, 2009.

### Financial Results

In the meeting held on December 8, 2009, your Directors approved the change of the Company's financial year from the fiscal year commencing on 1st April of one calendar year and ending on 31st March of the subsequent calendar year to the calendar year (ending 31st December). Accordingly, the current period financial statements have been prepared for the nine months period ended December 31, 2009. Please note that the current period will not be comparable with that of the previous year, which had been for a period of 12 months.

The performance of the Company for the nine months ended December 31, 2009 is summarized below:

Particulars	December 31, 2009 (US\$ In 000's)	March 31, 2009 (US\$ In 000's)
Income	7,547	8,829
Profit/(Loss) before tax	(692)	(1,160)
Profit/(Loss) after tax	(725)	(1,160)

### Business Operations

Your Company's core business is providing title insurance (as an agent) and settlement services to national lenders and mortgage brokers. The Company's primary location and base of operations is in Plano, Texas. Your Company is committed to its core strategy of organizing its operations and marketing its services to the retail origination centers of major national lenders that originate loans in multiple geographic areas from centralized locations. The Company continues to focus its energies on new client acquisition within the national lender space. With strict control over cost your Company has pruned the losses for the current period compared to the previous year. Necessary efforts are taken to optimize cost further and turn the Company profitable in the ensuing years.



**Subsidiaries**

Richmond Title Services, LLC (Alabama) and Flex Agents Signing Team, LLC (Flex) are the subsidiaries of the Company.

**Capital**

During the year Richmond Investors LLC and Richmond Title Genpar, LLC, the parent companies to the Company contributed US\$ 930,600 and US\$ 9,400 respectively, towards the Capital fund.

**Acknowledgements**

Your Directors thank the Company's clients, vendors, investors, 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,**

A handwritten signature in black ink, appearing to be 'S. K.', written over a horizontal line.

**Director**

**Date: April 23, 2010**  
**Place: Bensalem, PA**

## AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF CFCL TECHNOLOGIES LIMITED

1. We have audited the attached Balance Sheet of **RICHMOND TITLE SERVICES, LP** ("the Company") as at December 31, 2009, the Profit and Loss Account and the Cash Flow Statement of the Company for the period 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 1 (g) 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 substantial 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;



# **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, 2009;
  - (ii) in the case of the Profit and Loss Account, of the loss of the Company for the period ended on that date and
  - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.
5. These financial statements have been prepared solely for the purpose of publication of summarized financial information in the financial statements of the holding company M/s Chambal Fertilizers and Chemicals Limited pursuant to Section 212 of the Companies Act, 1956. It should be used for aforesaid purpose only.

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



Bhavani Balasubramanian  
Partner  
Membership No. 22156

Place: Chennai, April 26, 2010

**RICHMOND TITLE SERVICES, LP**  
**BALANCE SHEET AS AT DECEMBER 31, 2009**

	Schedule	As at March 31, 2009 (In USD)	As at December 31, 2009 (In USD)	As at December 31, 2009 Convenience translation into (Rs.'000) (Unaudited)
<b>SOURCES OF FUNDS</b>				
<b>Partner's Fund</b>				
Partners Capital	1	720.000	1,660.000	77.265
Reserves and surplus	2	277.034	277.034	12.895
<b>Total</b>		<b>997,034</b>	<b>1,937,034</b>	<b>90,160</b>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross block	3	177.051	177.051	8.240
Less : Accumulated depreciation		160.015	169.872	7.907
Net block		<b>17,036</b>	<b>7,179</b>	<b>333</b>
<b>Intangible Assets</b>				
	3	120.653	176.181	8.200
<b>Investments</b>				
	4	(257.077)	(980.153)	(45.621)
<b>Current Assets, Loans and Advances :</b>				
Sundry debtors	5			
Cash and bank balances	6	346.450	1,333.725	62.082
Other current assets	7	21,425,489	2,149,494	100,048
Loans and advances	8	433.872	168,855	7.859
		1,015,211	243,822	11,348
		<b>23,221,022</b>	<b>3,895,896</b>	<b>181,337</b>
<b>Less : Current Liabilities and Provisions</b>				
Current liabilities	9			
Provisions	10	23,264.447	3,036,746	141.346
		-	10,500	489
		<b>23,264,447</b>	<b>3,047,246</b>	<b>141,835</b>
<b>Net Current Assets</b>		<b>(43,425)</b>	<b>848,650</b>	<b>39,502</b>
<b>Profit &amp; Loss Account</b>		<b>1,159,847</b>	<b>1,885,177</b>	<b>87,746</b>
<b>Total</b>		<b>997,034</b>	<b>1,937,034</b>	<b>90,160</b>
Notes on Accounts	16			

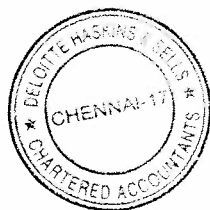
Schedules referred to above form an integral part of these accounts

This is the Balance Sheet referred to  
in our report of even date.

for Deloitte Haskins & Sells,  
Chartered Accountants

*Bhavana Balasubramanian*  
Bhavani Balasubramanian  
Partner

Place: Chennai  
Date: April 26, 2010



For Richmond Title Services, LP

*S. K. M.*  
Authorised Signatory

*Chaitanya*  
Chief Financial Officer

Place: Bensalem, PA  
Date: April 23, 2010

**RICHMOND TITLE SERVICES, LP  
PROFIT AND LOSS ACCOUNT**

		For 15 months ended March 31, 2009 (In USD)	For 9 months period ended December 31, 2009 (In USD)	For 9 months period ended December 31, 2009 Convenience translation into (Rs. '000) (Unaudited)
<b>INCOME</b>				
Revenue from Title Services	11	8,381,964	7,258,620	337,852
Other income	12	447,014	288,715	13,438
<b>Total</b>		<b>8,828,978</b>	<b>7,547,335</b>	<b>351,290</b>
<b>EXPENDITURE</b>				
Employee cost	13	4,220,861	3,078,575	143,293
Other Administrative expenses	14	5,451,804	4,095,816	190,639
Share of (Profit)/Loss from Flex signing Agents Team, LLC		(37,298)	723,076	33,656
Depreciation / Amortization	3	96,373	76,689	3,569
Financial expenses	15	257,085	264,882	12,328
<b>Total</b>		<b>9,988,825</b>	<b>8,239,038</b>	<b>383,485</b>
<b>Loss Before Tax</b>		<b>(1,159,847)</b>	<b>(691,703)</b>	<b>(32,195)</b>
Current tax		-	33,627	1,565
<b>Net loss after tax for the year</b>		<b>(1,159,847)</b>	<b>(725,330)</b>	<b>(33,760)</b>
Loss brought forward from Previous year		-	(1,159,847)	(53,986)
<b>Loss Carried to Balance Sheet</b>		<b>(1,159,847)</b>	<b>(1,885,177)</b>	<b>(87,746)</b>

Notes on Accounts

16

Schedules referred to above form an integral part of these accounts

This is the Profit & Loss Account referred to  
in our report of even date.

for Deloitte Haskins & Sells,  
Chartered Accountants

*Bhavana Balasubramanian*

Bhavana Balasubramanian  
Partner

Place: Chennai  
Date: April 26, 2010



For Richmond Title Services, LP

*S. Karan*

Authorised Signatory

*Ch. Anand*  
Chief Financial Officer

Place: Bensalem, PA  
Date: April 23, 2010

RICHMOND TITLE SERVICES, LP  
CASHFLOW STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2009

	Period ended March 31,2009 ( 15 Months) in US\$ (Unaudited)	Period ended December 31, 2009 (In USD)	Period ended December 31, 2009 Convenience translation into (Rs.000's) (Unaudited)
	(In USD)	(In USD)	(In USD)
<b>A. Cash flow from operating activities :</b>			
Loss before tax.	(1,159,847)	(691,703)	(32,195)
Adjustments for :			
Depreciation/ Amortisation	96,373	76,689	3,569
Loss / (Profit) of a subsidiary	(37,298)	723,076	33,656
Doubtful debts/ advances written off	140,948	163,950	7,631
Interest expense	18,988	1,191	55
<b>Operating (loss) /profit before working capital changes</b>	<b>(940,836)</b>	<b>273,203</b>	<b>12,716</b>
<b>Movement in working capital :</b>			
Increase in trade and other receivables	(1,272,791)	(114,820)	(5,345)
Increase/(Decrease) in trade payables	743,337	(1,341,073)	(62,420)
<b>Cash used in operations</b>	<b>(1,470,290)</b>	<b>(1,182,690)</b>	<b>(55,049)</b>
Direct taxes paid (net of refunds)		(23,127)	(1,076)
<b>Net cash used in operating activities</b>	<b>(1,470,290)</b>	<b>(1,205,817)</b>	<b>(56,125)</b>
<b>B. Cash flow from investing activities</b>			
Purchase of fixed assets (Inclusive of intangible assets)	(165,111)	(122,360)	(5,695)
Purchase of Investments	(1,000)	-	-
<b>Net cash used in investing activities</b>	<b>(166,111)</b>	<b>(122,360)</b>	<b>(5,695)</b>
<b>C. Cash flow from financing activities</b>			
Proceed from Capital	2,053,011	940,000	43,752
Interest paid	(18,988)	(1,191)	(55)
<b>Net cash generated from financing activities</b>	<b>2,034,023</b>	<b>938,809</b>	<b>43,697</b>
<b>Net Increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>397,622</b>	<b>(389,368)</b>	<b>(18,123)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>107,939</b>	<b>505,561</b>	<b>23,531</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>505,561</b>	<b>116,193</b>	<b>5,408</b>
<b>Components of cash and cash equivalents as at</b>			
Cash and cheques on hand			
Balances with banks :			
- on current account	505,561	116,193	5,408
- on escrow account	20,919,928	2,033,301	94,640
<b>Gross cash and cash equivalents</b>	<b>21,425,489</b>	<b>2,149,494</b>	<b>100,048</b>
Less: Escrow bank account balances	20,919,928	2,033,301	94,640
<b>Net cash and cash equivalents</b>	<b>505,561</b>	<b>116,193</b>	<b>5,408</b>

This is the Cashflow statement referred to  
in our report of even date.

for Deloitte Haskins & Sells,  
Chartered Accountants

*Bhavana Balasubramanian*

Bhavana Balasubramanian  
Partner

Place: CHENNAI  
Date: APRIL 26, 2010



For Richmond Title Services, LP

*S. K.*

Authorised Signatory

*Chauhan*  
Chief Financial Officer

PLACE : BENSALEM, PA  
DATE : APRIL 23, 2010

**RICHMOND TITLE SERVICES, LP  
SCHEDULES FORMING PART OF ACCOUNTS**

**As at December 31,  
2009 Convenience  
translation into  
(Rs.'000) (Unaudited)**

**SCHEDULE 1 : PARTNER'S CAPITAL**

	As at March 31,2009 (In USD)	As at December 31, 2009 (In USD)	
RTS Investor LLC, Contributed Capital	712,800	1,643,400	76,492
RTS Genpar LLC, Contributed Capital	7,200	16,600	773
	<b>720,000</b>	<b>1,660,000</b>	<b>77,265</b>

**SCHEDULE 2 : RESERVES AND SURPLUS**

Opening balance			
Flex Accumulated deficit as of 01st Jan 2008	(295,375)	(295,375)	(13,748)
Debit balance in Erstwhile partners account	(93,136)	(93,136)	(4,335)
Losses absorbed by Erstwhile partners	665,545	665,545	30,978
	<b>277,034</b>	<b>277,034</b>	<b>12,895</b>

**SCHEDULE 4 : INVESTMENTS**

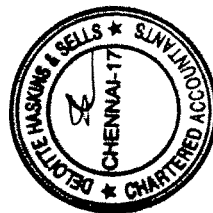
<b>(Long Term - Trade, Unquoted)</b>			
100% membership interest in Flex Agent Signing Team, LLC	1,000	1,000	47
Flex Accumulated deficit as of 01st January 2008	(295,375)	(295,375)	(13,748)
Accumulated Share of (loss)/profit from Flex	37,298	(685,778)	(31,920)
	<b>(257,077)</b>	<b>(980,153)</b>	<b>(45,621)</b>



**RICHMOND TITLE SERVICES, LP  
SCHEDULES FORMING PART OF ACCOUNTS**

**Schedule 3 : Fixed Assets**

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION				Net Block			
	Gross Cost as at April 1, 2009	Additions	Cost as at December 31, 2009	December 31, 2009 Conveyance translation into (Rs.000s) (Revised)	Upto March 31, 2009	For the year Upto December 31, 2009	December 31, 2009 Conveyance translation into (Rs.000s) (Revised)	December 31, 2009 Conveyance translation into (Rs.000s) (Revised)	As at March 31, 2009		
Computers	45,727	-	45,727	2,128	42,356	897	43,253	2,013	2,474	115	3,371
Office Equipments	48,394	-	48,394	2,252	41,698	3,352	45,050	2,097	3,344	155	6,696
Furnitures and Fixings	82,930	-	82,930	3,860	75,961	5,608	81,569	3,797	1,361	63	6,969
<b>Total of Fixed Assets (A)</b>	<b>177,051</b>	<b>0</b>	<b>177,051</b>	<b>8,240</b>	<b>160,015</b>	<b>9,857</b>	<b>169,872</b>	<b>7,907</b>	<b>7,179</b>	<b>333</b>	<b>17,038</b>
<b>Intangible Assets</b>											
Software Packages	213,936	122,960	336,296	15,653	93,283	66,832	160,115	7,453	176,181	8,200	120,653
<b>Total Intangible Assets (B)</b>	<b>213,936</b>	<b>122,960</b>	<b>336,296</b>	<b>15,653</b>	<b>93,283</b>	<b>66,832</b>	<b>160,115</b>	<b>7,453</b>	<b>176,181</b>	<b>8,200</b>	<b>120,653</b>
<b>Total</b>	<b>390,987</b>	<b>122,960</b>	<b>513,947</b>	<b>23,893</b>	<b>253,298</b>	<b>76,689</b>	<b>329,987</b>	<b>15,360</b>	<b>183,360</b>	<b>8,533</b>	<b>137,689</b>
Previous Year	225,876	165,111	390,987	19,631	136,925	96,373	253,598	12,847	137,699	6,964	137,689



	As at March 31,2009 (In USD)	As at December 31, 2009 (In USD)	As at December 31, 2009 Convenience translation into (Rs.'000) (Unaudited)
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**SCHEDULE 5 : SUNDRY DEBTORS**

Debts outstanding for a period exceeding six months	-	-	-
Unsecured, considered good	339,532	-	-
Debts outstanding for a period six months or less			
Unsecured, considered good	6,918	1,333,725	62,082
Unsecured, considered doubtful	-	6,918	322
	-	-	-
(Less: Provision for doubtful debts)	-	(6,918)	(322)
	<b>346,450</b>	<b>1,333,725</b>	<b>62,082</b>

**SCHEDULE 6 : CASH AND BANK BALANCES**

Balances with Banks			
- In Current Accounts	505,561	116,193	5,408
- In Escrow Accounts	20,919,928	2,033,301	94,640
	<b>21,425,489</b>	<b>2,149,494</b>	<b>100,048</b>

**SCHEDULE 7 : OTHER CURRENT ASSETS**

Unbilled revenue	433,872	168,855	7,859
	<b>433,872</b>	<b>168,855</b>	<b>7,859</b>

**SCHEDULE 8 : LOANS AND ADVANCES**

Advances recoverable in cash or in kind or for value to be received			
- Advances to suppliers	30,886	26,930	1,253
- Other advances recoverable in cash or in kind or for value to be received	977,197	175,989	8,191
Deposits - others	7,128	40,903	1,904
	<b>1,015,211</b>	<b>243,822</b>	<b>11,348</b>

**SCHEDULE 9: CURRENT LIABILITIES**

Sundry creditors	2,233,823	994,647	46,296
Other liabilities	110,696	-	-
Escrow liability	20,919,928	2,033,301	94,640
Book Overdraft	-	8,798	410
	<b>23,264,447</b>	<b>3,036,746</b>	<b>141,346</b>

**SCHEDULE 10 : PROVISIONS**

Provision for taxation (net of advance tax payments)	-	10,500	489
	<b>-</b>	<b>10,500</b>	<b>489</b>



**RICHMOND TITLE SERVICES, LP**  
**SCHEDULES FORMING PART OF ACCOUNTS**

**SCHEDULE 11: REVENUE FROM TITLE SERVICES**

	For 15 months ended March 31, 2009 (In USD)	For 9 months ended 31st December 2009 (In USD)	For 9 months period ended December 31, 2009 Convenience translation into (Rs.'000) (Unaudited)
Title fee revenue	8,381,964	7,258,620	337,852
	<b>8,381,964</b>	<b>7,258,620</b>	<b>337,852</b>

**SCHEDULE 12 : OTHER INCOME**

Interest received	1,019	-	-
Rent received	289,955	215,648	10,037
Miscellaneous income	156,040	73,067	3,401
	<b>447,014</b>	<b>288,715</b>	<b>13,438</b>

**SCHEDULE 13 : EMPLOYEE COST**

Salaries, wages and bonus	4,049,424	2,664,508	124,020
Contribution to provident and other funds	15,201	197,749	9,204
Workmen and staff welfare expenses	156,236	216,318	10,069
	<b>4,220,861</b>	<b>3,078,575</b>	<b>143,293</b>

**SCHEDULE 14 : OTHER ADMINISTRATIVE EXPENSES**

Sub contracting expenses	2,535,701	2,060,422	95,902
Power and fuel	27,546	73,944	3,442
Rent	889,166	636,378	29,620
Rates and taxes	90,152	11,878	553
Insurance	118,757	83,945	3,907
Repairs and maintenance :			-
- Plant & Machinery	18,551	13,378	623
- Others	26,889	42,241	1,966
Travelling and conveyance	131,697	103,435	4,814
Communication costs	605,057	428,016	19,922
Printing and stationery	52,265	10,292	479
Legal and professional fees	456,873	343,741	15,999
Selling and Marketing expenses	3,148	8,992	419
Doubtful debts	282,092	163,950	7,631
Miscellaneous expenses	213,910	115,204	5,362
	<b>5,451,804</b>	<b>4,095,816</b>	<b>190,639</b>

**SCHEDULE 15 : FINANCIAL EXPENSES**

Interest :			
- On banks	2,128	-	-
- Others	16,860	1,191	55
Bank charges and guarantee commission	238,097	263,691	12,273
	<b>257,085</b>	<b>264,882</b>	<b>12,328</b>



## **Richmond Title Services, LP**

### **Schedule forming part of accounts**

#### **Schedule – 16**

##### **Notes on Accounts (Contd)**

#### **1. 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 by Institute of Chartered Accountants of India.

##### **b) Use of Estimates**

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

##### **c) Fixed Assets**

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

##### **d) Depreciation**

Depreciation is provided on fixed assets on Straight Line Method over their estimated useful lives. The depreciation rates used are as follows:

(i) Computers	3 years
(ii) Furniture and Fittings	5 years
(iii) Office equipment	5 years
(iv) Mobile phones (included under office equipment)	100% in the year of purchase

Cost of Software is amortized over a period of three years.

##### **e) Operating Lease**

Where the company is a lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight-line basis over the lease term.



## **Richmond Title Services, LP**

### **Schedule forming part of accounts**

#### **Schedule – 16**

#### **Notes on Accounts (Contd)**

##### **Where the company is a lessor:**

Lease income by sub-lease of office premises is recognized in the profit and loss account on a straight-line basis over the lease term. Costs incurred towards such properties are recognized as expenses in the profit and loss account.

##### **f) Revenue recognition**

Operating revenues from title operations comprising of title service fees, earned insurance premium and fees for administrative services are recognized at the time of the settlement of the related real estate transaction. Unbilled revenues represent work executed in accordance with the terms of the agreement with customers but not billed as at the balance sheet date.

##### **g) Convenience Translation**

The books of accounts of the company are maintained in US Dollars being the currency of the primary economic environment in which it operates and the reporting currency is Indian Rupees (INR). The company does not have any transactions entered in any other currency apart from US Dollars. Solely for the convenience of the reader, the balance sheet as of December 31, 2009 and the Profit and Loss account for the period then ended have been translated into INR, the reporting currency, using the year end exchange rate as of December 31, 2009 which was 1US\$ = Rs 46.545. 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.

##### **h) 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.. 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.

##### **i) Investments**

Long-term investments are carried at cost. However, provision for diminution in the value is made to recognize a decline other than temporary in the value of the investments. Share of profit/loss from investee companies also accounted in the respective period



## **Richmond Title Services, LP**

### **Schedule forming part of accounts**

#### **Schedule – 16**

#### **Notes on Accounts (Contd)**

##### **j) Employee Benefits**

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

##### **k) 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.

#### **2. Change in Accounting year**

In the meeting held on 11<sup>th</sup> December 2009, the Board of Directors approved the change of the Company's financial year from the fiscal year commencing on 1<sup>st</sup> April of one calendar year and ending on 31<sup>st</sup> March of the subsequent calendar year to the calendar year (ending 31<sup>st</sup> December). In order to give effect to the change, the Board of Directors approved the closure of the financial year commencing 1<sup>st</sup> April 2009 for a 9 months period up to 31<sup>st</sup> December 2009. Accordingly, these financial statements have been prepared for the nine months period ended 31<sup>st</sup> December 2009.

#### **3. Deferred Tax**

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 the recognition of deferred tax asset has been restricted to the extent of deferred tax liability arising on account of differences between the tax and book written down value of fixed assets.

#### **4. Contingent liabilities and Commitments**

- National class action that involves many national underwriters including RTS regarding Truth and Lending Act violations – amount not quantifiable
- General case on closing fraud perpetuated – against all entities involved in closing – amount not quantifiable
- Over charging on settlement services – covered under E&O with a deductible of \$25,000
- Failure of pay off or take a title exception – amount not quantifiable

#### **5. Cash and Bank Balance**

Cash and bank balances include escrow balance that are managed by Richmond. Richmond 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 31/12/2009 was US\$ 2,033,301 (Previous year 31<sup>st</sup> March 2009 - \$20,919,928).



## Richmond Title Services, LP

### Schedule forming part of accounts

### Schedule – 16

### Notes on Accounts (Contd)

#### 6. Leases

##### a) Operating Lease

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

The company's leasing arrangements are operating leases for premises and equipments. The lease arrangements for premises range between range between 36 months and 72 months and are usually renewable by mutual consent on certain agreeable terms.

Year ending	In USD	
	31 <sup>st</sup> Dec'09	31 <sup>st</sup> Mar'09
Not later than one year	421,042	689,841
Later than one year but not later than 5 years	37,290	43,548
Later than 5 years	NIL	NIL

- (ii) The lease payments recognized in the Profit and Loss Account during the year amount to US \$ 594,343 (for the period Apr'09 to Dec 31<sup>st</sup> 2009)

##### b) Operating Lease:

###### In case of Assets given on lease

The company has leased out office premises and certain equipments under non-cancellable operating lease.

Rent Income for such operating leases recognized in the profit and loss account for the year is US\$215,648 (for the period Apr'09 to Dec 31<sup>st</sup> 2009)

Future minimum lease receipts are as follows:

Year Ending	31 <sup>st</sup> Dec'09	31 <sup>st</sup> Mar'09
Not later than one Year	43,795	293,406
Later than one Year but not later than 5 Years	NIL	NIL
Later than 5 years	NIL	NIL

#### 7. Related Party Disclosure

- a) List of parties where control exists

##### Ultimate Holding Company (UHC)

Chambal Fertilizers and Chemicals Limited



## Richmond Title Services, LP

### Schedule forming part of accounts

### Schedule – 16

### Notes on Accounts (Contd)

#### Holding Companies (HC)

CFCL Overseas Limited – Cayman Islands  
CFCL Technologies Limited  
ISGN Corporation USA  
ISGN Solutions Inc., USA  
Richmond Investors LLC  
Richmond Title Genpar LLC

#### Significant influence

NEA FDI Inc  
NEA – Indo US Ventures, LLC

#### Subsidiaries (SC)

Flex Signing Agents LLC  
Richmond Title services, LLC

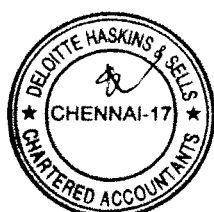
#### a) Key Management Personnel (KMP)

Mr. Krishnakumar Srinivasan, Director  
Mr. Murali Gomatam, Director  
Mr. Niraj Patel, Director

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

#### c) List of transactions with related parties

Description	Holding company		Subsidiary		Total	
	Dec'09	Mar'09	Dec'09	Mar'09	Dec'09	Mar'09
Transactions during the year						
<b>Software and Business process outsourcing services procured from</b>						
ISGN Solutions Inc	923,489	724,591			923,489	724,591
<b>Reimbursement of Expenses received</b>						
Flex Agents Signing Team LLC		339,532				339,532
ISGN Solutions, Inc	359,037	97,913			359,037	97,913
ISGN Corporation	84,562	11,967			84,562	11,967
<b>Reimbursement of expenses made</b>						
FlexAgents Signing Team LLC			173,700	184,618	173,700	184,618
<b>Loss absorbed from Subsidiary</b>						
Flex Agents Signing Team LLC			723,076		723,076	
<b>Profit absorbed from Subsidiary</b>						
Flex Agents Signing Team LLC				37,298		37,298
<b>Capital contributed by</b>						
Richmond Investors, LLC	930,600	712,800			930,600	712,800
Richmond Title Genpar, LLC	9,400	7,200			9,400	7,200
<b>Balances as at year end sundry creditors</b>						
ISGN Solutions Inc		822,504				822,504
ISGN Corporation	96,529	11,967			96,529	11,967
Flex Agents signing Team LLC				4,678		4,678
<b>Balances as at year end sundry Debtors</b>						
ISGN Solutions Inc	474,251				474,251	
			859,475		859,475	
Flex Agents Signing Team LLC						



**Richmond Title Services, LP**

**Schedule forming part of accounts**

**Schedule – 16**

**Notes on Accounts (Contd)**

**8. 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.

**9. Going Concern**

The net worth of the entity as at 31<sup>st</sup> December 2009 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 2010 through capital infusion already made by existing shareholders in the year 2009 and use of enhanced available lines of credit. Further, based on the business plans for the year 2010, 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.

**10.** The current financial period is for nine months and hence the Profit and Loss Account of the current period is not comparable with that of the previous year which was for a period of 15 months. Previous year figures have been regrouped / reclassified, wherever necessary to conform to the current period's classification.

**Signature to Schedules 1 to 16**

**for Deloitte Haskins & Sells,**  
Chartered Accountants

For Richmond Title Services, LP



Bhavani Balasubramanian  
Partner

Authorised Signatory



Chief Financial Officer