

**HOMEFIELD INTERNATIONAL PVT LTD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

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**HOMEFIELD INTERNATIONAL PVT LTD  
MANAGEMENT AND ADMINISTRATION**

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|                           |   | <i>Date of<br/>appointment</i> | <i>Date of<br/>resignation</i> |
|---------------------------|---|--------------------------------|--------------------------------|
| <b>DIRECTORS:</b>         | Dev Joory   | 10 May 2005                    |                                |
|                           | Couldip Basanta Lala  | 19 May 2005                    |                                |
|                           | Rubina Toorawa  | 19 May 2005                    |                                |
|                           | Prashant Kumar Ghose  | 30 May 2005                    |                                |
|                           | Homi Rustam Khusrokhan  | 30 May 2005                    | 10 February 2009               |
|                           | Ramakrishnan Mukundan   | 17 February 2009               |                                |
| <b>SECRETARY:</b>         | International Financial Services Limited<br>IFS Court<br>TwentyEight<br>Cybercity<br>Ebene<br>Mauritius |                                |                                |
| <b>REGISTERED OFFICE:</b> | IFS Court<br>TwentyEight<br>Cybercity<br>Ebene<br>Mauritius   |                                |                                |
| <b>AUDITORS:</b>          | Kemp Chatteris Deloitte<br>Cerne House<br>Port Louis<br>Mauritius                                       |                                |                                |
| <b>BANKER:</b>            | HSBC Bank (Mauritius) Limited<br>HSBC Centre<br>18 Cybercity<br>Ebene<br>Mauritius                      |                                |                                |


**HOMEFIELD INTERNATIONAL PVT LTD  
ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2010**

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The directors have the pleasure in submitting the Annual Report of HOMEFIELD INTERNATIONAL PVT LTD together with the audited financial statements for the year ended 31 March 2010.

The shareholder agrees that the Annual Report need not comply with the paragraphs (a), and (d) to (i) of section 221 (1) of the Mauritius Companies Act 2001.

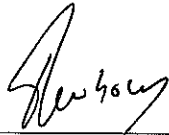
Approved by the Board of Directors on 20 May 2010 and signed on its behalf by:

 )  
 )  
 )Directors  
 )  
 )

**CERTIFICATE FROM THE SECRETARY**

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We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of HOMEFIELD INTERNATIONAL PVT LTD under the Mauritius Companies Act 2001, during the year ended 31 March 2010.



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**International Financial Services Limited**

Secretary

IFS Court  
TwentyEight  
Cybercity  
Ebene  
Mauritius

**Date:** 20 May 2010

## Independent Auditor's Report To The Shareholder of Homefield International PVT Limited

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This report is made solely to the company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Report on the Financial Statements

We have audited the financial statements of **Homefield International PVT Limited** on pages 6 to 25 which comprise the statement of financial position as at 31 March 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

#### *Directors' responsibilities for the financial statements*

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 entity's preparation and fair presentation of the financial statements 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 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.

#### *Non-compliance with International Accounting Standards (IAS) 27 - Consolidated and Separate Financial Statements and IAS 21 - The Effects of Changes in Foreign Exchange Rates*

IAS 27 requires the company that holds investments in subsidiaries to present consolidated financial statements unless it meets all the exemption requirements of IAS 27. As explained in note 17, consolidated financial statements have not been prepared in accordance with the requirements of IAS 27.

IAS 21 requires that exchange differences arising on monetary items are recognised in the income statement in the period in which they arise. As explained in note 17, the exchange differences arising on loan receivable from subsidiary have been recognised in equity which is not in accordance with the requirement of IAS 21. Accordingly, the profit for the year should be decreased by the loss on exchange of USD 901,998.

#### *Opinion*

In our opinion, because of the effects of the matters discussed in the preceding paragraph on non-compliance with International Financial Reporting Standards, the financial statements on pages 6 to 25 do not give a true and fair view of the financial position of the company as at 31 March 2010, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

### Report on other legal requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interests in, the company other than in our capacity as auditors;
- in our opinion, proper accounting records have been kept by the company as far as appears from our examination of those records.
- we have not obtained all information and explanations that we have required in so far as explained in the paragraph on non-compliance with IFRS; and
- except for the non-compliance with IAS 27 and IAS 21, the financial statements of the company comply with the Mauritius Companies Act 2001.

*Kemp Chatteris Deloitte*  
**Chartered Accountants**  
**20 MAY 2010**

**HOMEFIELD INTERNATIONAL PVT LTD**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2010**


|  | Notes  | 2010<br>USD                    | 2009<br>USD                      |
|--|--------|--------------------------------|----------------------------------|
| <b>TURNOVER</b>                                | 2(ii)  | -                              | -                                |
| <b>OTHER INCOME</b>                            |        |                                |                                  |
| Interest income                                | 2(iii) | <u>3,484,432</u>               | <u>5,358,801</u>                 |
| <b>EXPENSES</b>                                |        |                                |                                  |
| Licence fee                                    |        | -                              | 85                               |
| Directors' fee                                 |        | 4,313                          | 9,239                            |
| Secretarial fee                                |        | 1,725                          | 1,639                            |
| Bank charges                                   |        | 493                            | 1,251                            |
| Audit fees                                     |        | 5,750                          | 7,130                            |
| Professional fees                              |        | -                              | 2,660                            |
| Administration expenses                        |        | 15,250                         | 13,700                           |
| Disbursements                                  |        | 455                            | 628                              |
| Interest on loan                               |        | -                              | 3,498,255                        |
| Exchange loss on translation                   |        | -                              | 7,538                            |
|  |        | <u>27,986</u>                  | <u>3,542,125</u>                 |
| <b>PROFIT BEFORE TAX</b>                       |        | <b>3,456,446</b>               | <b>1,816,676</b>                 |
| <b>TAXATION</b>                                | 13     | <b>(518,467)</b>               | <b>(683,270)</b>                 |
| <b>PROFIT AFTER TAX</b>                        |        | <u><b>2,937,979</b></u>        | <u><b>1,133,406</b></u>          |
| <b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b> |        | <b>901,998</b>                 | <b>(6,291,551)</b>               |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b> |        | <u><u><b>3,839,977</b></u></u> | <u><u><b>(5,158,145)</b></u></u> |

The accounting policies on pages 10 to 13 and the notes on pages 14 to 25 form an integral part of these financial statements

**HOMEFIELD INTERNATIONAL PVT LTD**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010**

| ASSETS                              | Notes | 2010<br>USD        | 2009<br>USD        |
|-------------------------------------|-------|--------------------|--------------------|
| <b>Non-current assets</b>           |       |                    |                    |
| Investment in subsidiary            | 5     | 91,760,133         | 91,760,133         |
| Loan to subsidiary undertaking      | 6     | 24,671,621         |                    |
| Loan to related party               | 7     | -                  | 54,151,699         |
|                                     |       | <u>116,431,754</u> | <u>145,911,832</u> |
| <b>Current assets</b>               |       |                    |                    |
| Loan to related party               | 7     | 54,151,699         | -                  |
| Loan to subsidiary undertaking      |       | 18,127,493         | 32,771,888         |
| Cash at bank                        |       | 32,817             | 750                |
| Other receivables and prepayments   | 8     | 205,754            | 281,072            |
|                                     |       | <u>72,517,763</u>  | <u>33,053,710</u>  |
| <b>Total assets</b>                 |       | <u>188,949,517</u> | <u>178,965,542</u> |
| <b>EQUITY AND LIABILITIES</b>       |       |                    |                    |
| <b>Capital and reserves</b>         |       |                    |                    |
| Stated capital                      | 9     | 90,015,905         | 90,015,905         |
| Retained earnings                   |       | 23,170,495         | 20,232,516         |
| Translation reserve                 |       | (4,641,635)        | (5,543,633)        |
|                                     |       | <u>108,544,765</u> | <u>104,704,788</u> |
| <b>Non current liability</b>        |       |                    |                    |
| Loan from shareholder               | 10    | -                  | 73,428,429         |
| Redeemable preference shares        | 12    | 80,355,000         |                    |
|                                     |       | <u>80,355,000</u>  | <u>73,428,429</u>  |
| <b>Current liabilities</b>          |       |                    |                    |
| Other payables                      | 11    | 8,832              | 832,325            |
| Taxation                            | 13    | 40,920             | -                  |
|                                     |       | <u>49,752</u>      | <u>832,325</u>     |
| <b>Total equity and liabilities</b> |       | <u>188,949,517</u> | <u>178,965,542</u> |

Approved by the Board of Directors and authorised for issue on 20 May 2010.

  
 \_\_\_\_\_  
**Director**

  
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**Director**

The accounting policies on pages 10 to 13 and the notes on pages 14 to 25 form an integral part of these financial statements

**HOMEFIELD INTERNATIONAL PVT LTD**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2010**

|                               | <b>Stated<br/>capital<br/>USD</b> | <b>Retained<br/>earnings<br/>USD</b> | <b>Translation<br/>reserve<br/>USD</b> | <b>Total<br/>USD</b> |
|-------------------------------|-----------------------------------|--------------------------------------|--|----------------------|
| At 1 April 2008               | 90,015,905                        | 19,099,110                           | 747,918                                | 109,862,933          |
| Profit for the year           | -                                 | 1,133,406                            | -                                      | 1,133,406            |
| Other comprehensive<br>income | -                                 | -                                    | (6,291,551)                            | (6,291,551)          |
| At 31 March 2009              | 90,015,905                        | 20,232,516                           | (5,543,633)                            | 104,704,788          |
| Profit for the year           | -                                 | 2,937,979                            | -                                      | 2,937,979            |
| Other comprehensive<br>income | -                                 | -                                    | 901,998                                | 901,998              |
| At 31 March 2010              | <u>90,015,905</u>                 | <u>23,170,495</u>                    | <u>(4,641,635)</u>                     | <u>108,544,765</u>   |

The accounting policies on pages 10 to 13 and the notes on pages 14 to 25 form an integral part of these financial statements



**HOMEFIELD INTERNATIONAL PVT LTD**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

|  | 2010<br>USD        | 2009<br>USD         |
|--|--------------------|---------------------|
| <b>Cash flows from operating activities</b>          |                    |                     |
| Profit before tax                                    | 3,456,446          | 1,816,676           |
| <i>Adjustments for:</i>                              |                    |                     |
| Interest income                                      | (3,484,432)        | (5,358,801)         |
| Interest on loan                                     | -                  | 3,498,255           |
|  | <u>(27,986)</u>    | <u>(43,870)</u>     |
| <b>Operating loss before working capital changes</b> | (27,986)           | (43,870)            |
| Increase in other receivables and prepayments        | (250)              | (1,897)             |
| Increase in other payables                           | 1,082              | 1,455               |
|  | <u>(27,154)</u>    | <u>(44,312)</u>     |
| <b>Cash flows used in operating activities</b>       | (27,154)           | (44,312)            |
| Tax paid   | (477,547)          | (750,859)           |
| <b>Net cash used in operating activities</b>         | <u>(504,701)</u>   | <u>(795,171)</u>    |
| <b>Cash flows from investing activities</b>          |                    |                     |
| Loan granted   | (7,803,000)        | (15,983,500)        |
| Interest received                                    | 2,237,768          | 2,894,000           |
|  | <u>(5,565,232)</u> | <u>(13,089,500)</u> |
| <b>Net cash used in investing activities</b>         | (5,565,232)        | (13,089,500)        |
| <b>Cash flows from financing activities</b>          |                    |                     |
| Loan received  | -                  | 11,197,016          |
| Interest paid on loan                                | -                  | (859,249)           |
| Issue of redeemable preference shares                | 6,102,000          | -                   |
|  | <u>6,102,000</u>   | <u>10,337,767</u>   |
| <b>Net cash generated from financing activities</b>  | 6,102,000          | 10,337,767          |
| <b>Net cash movement during the year</b>             | <u>32,067</u>      | <u>(3,546,904)</u>  |
| <b>Cash and cash equivalents at start of year</b>    | 750                | 3,547,654           |
| <b>Net cash movement during the year</b>             | 32,067             | (3,546,904)         |
| <b>Cash and cash equivalents at end of year</b>      | <u>32,817</u>      | <u>750</u>          |

The accounting policies on pages 10 to 13 and the notes on pages 14 to 25 form an integral part of these financial statements.

**HOMEFIELD INTERNATIONAL PVT LTD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

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**1. GENERAL**

The Company was incorporated in Mauritius under the Companies Act 2001 on 10 May 2005 as a domestic private company limited by shares and its registered office is IFS Court, TwentyEight, Cybercity, Ebene, Mauritius.

The principal activity of the Company is to hold investments.

The financial statements of the Company are expressed in United States Dollars ("USD"). The Company's functional currency is the USD, the currency of the primary economic environment in which the Company operates.

**2. ACCOUNTING POLICIES**

Except for non-compliance with IAS 27, the financial statements represent the separate financial statements of the Company as defined under International Accounting Standard 27 – Consolidated and Separate Financial Statements and non compliance with IAS 21 - The Effects of Changes in Foreign Exchange Rates and have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS"). The preparation of financial statements in accordance with IFRS requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. A summary of the more important accounting policies, which have been applied consistently, is set out below:-

(i) *Basis of preparation*

The financial statements are prepared under the historical cost convention, except for the revaluation of certain financial instruments and in accordance with International Financial Reporting Standards ("IFRS").

(ii) *Turnover*

Turnover represents dividend received or receivable and is recognised when the right for payments is established.

(iii) *Other income*

*Interest income*

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

(iv) *Expense recognition*

All expenses are accounted for in the statement of comprehensive income on the accruals basis.

**HOMEFIELD INTERNATIONAL PVT LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

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**2. ACCOUNTING POLICIES (CONTINUED)**

(v) *Foreign currency translation*

*Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment of the Company (the "functional currency"). The financial statements of the Company are presented in United States Dollars ("USD"), which is the Company's functional and presentational currency.

*Transactions and balances*

Transactions denominated in foreign currencies are translated in USD at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities are translated at the rate of exchange ruling at the reporting date. Exchange differences arising on translation are recognised in equity whereas realised gains and losses on disposals or settlement of monetary assets and liabilities are recognised in the statement of comprehensive income.

The mid-closing USD/MUR rate as provided by the Bank of Mauritius at 31 March 2010 was MUR30.08. (2009: MUR32.60)

(vi) *Financial instruments*

Financial instruments carried on the statement of financial position include cash at bank, other receivables, loan from shareholder and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures about financial instruments to which the Company is a party are provided in Note 14.

(vii) *Investment in subsidiary*

Subsidiaries are those entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.

Assets are reviewed for impairment wherever events or changes in circumstances indicate that the recoverable amount of assets is below the carrying amount. In case that the carrying value of an asset exceeds its recoverable amount the Company recognises the impairment losses in the statement of comprehensive income.

**HOMEFIELD INTERNATIONAL PVT LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

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**2. ACCOUNTING POLICIES (CONTINUED)**

(vii) Investment in subsidiary (Continued)

The Company does not prepare consolidated financial statements and in accordance with International Accounting Standard (IAS) 27 has elected to report its investments at cost.

(viii) *Share capital*

Share capital is classified as equity.

(ix) *Impairment of assets*

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(x) *Cash and cash equivalents*

Cash includes balances and demand deposits with banks. Cash equivalents are short-term, highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

(xi) *Receivables*

Receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

(xii) *Loans and receivables*

Loans and other receivables that have fixed or determined payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method less any impairment.

**HOMEFIELD INTERNATIONAL PVT LTD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

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**2. ACCOUNTING POLICIES (CONTINUED)**

(xiii) *Payables*

Payables are stated at amortised cost.

(xiv) *Deferred taxation*

Deferred tax is provided, using the liability method, on all temporary differences arising between the tax bases and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine tax.

The principal temporary differences arise from tax losses carried forward. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized

(xv) *Provisions*

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

(xvi) *Other financial liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

(xvii) *Related parties*

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other or exercise significant influence over the other party in making financial and operating decisions.

(xviii) *Comparatives*

Where necessary, comparative figures have been restated or reclassified to conform to the current year's presentation.

**HOMEFIELD INTERNATIONAL PVT LTD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

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**3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 April 2009.

**3.1 Standards and Interpretations affecting presentation and disclosures**

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the presentation and disclosures in these financial statements.

IAS 1 Presentation of Financial Statements – Amendments resulting from April 2009 Annual Improvements to IFRSs

IAS 1 (2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

IFRS 7 Financial Instruments: Disclosures - Amendments enhancing disclosures about fair value and liquidity risk

The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk.

**3.2 Standards and Interpretations adopted with no effect on the reported results and or financial position**

The following relevant new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions or arrangements.

IAS 1 Presentation of Financial Statements - Amendments relating to disclosure of puttable instruments and obligations arising on liquidation

IAS 1 Presentation of Financial Statements - Amendments resulting from May 2008 Annual Improvement to IFRS

IAS 32 Financial Instruments: Presentation - Amendments relating to puttable instruments and obligations arising on liquidation

IAS 36 Impairment of Assets - Amendments resulting from May 2008 Annual Improvements to IFRSs

IAS 39 Financial Instruments: Recognition and Measurement - Amendments resulting from May 2008 Annual Improvements to IFRSs

IAS 39 Financial Instruments: Recognition and Measurement - Amendments for embedded derivatives when reclassifying financial instruments

**HOMEFIELD INTERNATIONAL PVT LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (CONTINUED)**

**3.3 Standards and Interpretations in issue not yet adopted**

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated:

|        |  |
|--------|--|
| IAS 1  | Presentation of Financial Statements – Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)  |
| IAS 7  | Statement of Cash Flows – Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)   |
| IAS 17 | Leases - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)  |
| IAS 24 | Related Party Disclosures - Revised definition of related parties (effective 1 January 2011)   |
| IAS 27 | Consolidated and Separate Financial Statements – Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)  |
| IAS 28 | Investments in Associates - Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)   |
| IAS 31 | Interests in Joint Ventures – Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)   |
| IAS 32 | Financial Instruments: Presentation - Amendments relating to classification of rights issues (effective 1 February 2010)   |
| IAS 36 | Impairment of Assets - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)  |
| IAS 38 | Intangible Assets - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 July 2009)  |
| IAS 39 | Financial Instruments: Recognition and Measurement - Amendments for eligible hedges items (effective 1 July 2009)  |
| IAS 39 | Financial Instruments: Recognition and Measurement – Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)  |
| IFRS 1 | First-time Adoption of International Financial Reporting Standards - Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters (effective 1 July 2010)                       |
| IFRS 1 | First-time Adoption of International Financial Reporting Standards – Revised and restructured (effective 1 July 2009)  |
| IFRS 1 | First-time Adoption of International Financial Reporting Standards - Amendment relating to oil and gas assets and determining whether an arrangement contains a lease (effective 1 January 2010) |
| IFRS 2 | Share-based Payment - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 July 2009)  |
| IFRS 2 | Share-based Payment – Amendments relating to group settled share-based payment transactions (effective 1 January 2010)   |

**HOMEFIELD INTERNATIONAL PVT LTD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

**2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (CONTINUED)**

|          |  |
|----------|--|
| IFRS 3   | Business Combinations - Comprehensive revision on applying the acquisition method (effective 1 July 2009)  |
| IFRS 5   | Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 July 2009)   |
| IFRS 5   | Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)  |
| IFRS 8   | Operating Segments - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)  |
| IFRS 9   | Financial Instruments - Classification and measurement (effective 1 January 2013)  |
| IFRIC 14 | IAS 19 - The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (November 2009 amendment with respect to voluntary prepaid contributions effective 1 January 2011) |
| IFRIC 17 | Distributions of Non-Cash Assets to Owners (effective 1 July 2009)   |
| IFRIC 18 | Transfers of Assets from Customers (transfers received on or after 1 July 2009)  |
| IFRIC 19 | Extinguishing financial liabilities with Equity Instruments (effective 1 July 2010)  |

The directors anticipate that the adoption of these Standards and Interpretations at the above effective dates in future periods will have no material impact on the financial statements of the company.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

*Critical accounting judgments in applying the Company's accounting policies*

In the process of applying the Company's accounting policies, which are described in Note 2, the directors have made the following judgments that have the most significant effect on the amounts recognized in the financial statements.

*Determination of functional currency*

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in note 2, the directors have considered those factors therein and have determined that the functional currency of the Company is the United States Dollar.

*Impairment of assets*

In determining when an investment is other-than-temporarily impaired, significant judgment is required. In making this judgment, the Company evaluates among other factors, the duration and extent to which the fair value of an investment is less than its



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**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)**

*Impairment of assets (continued)*

cost; and the financial health of and near term business outlook for the investee, including factors such as industry and sector performance, changes in technology and such operational and financing cash flow.

Unquoted investment in subsidiary

Determining whether investment in subsidiary is impaired requires an estimation of the value in use of the investments. In considering the value in use, the Directors have taken into consideration the management accounts and cash flow projections. The actual results could however, differ from the estimates.

**5. INVESTMENT IN SUBSIDIARY**

Long term investment comprises of investment in the equity share capital of Homefield Pvt UK Ltd, an investment holding company incorporated in UK.

|                      | % Holding | Cost<br>2010<br>USD | Cost<br>2009<br>USD |
|----------------------|-----------|---------------------|---------------------|
| Homefield Pvt UK Ltd | 100       | <b>91,760,133</b>   | 91,760,133          |

The investment is valued at cost, unless a diminution that is other than temporary is identified to the carrying value of the investment. The Company has also indirect holding in wholly owned subsidiaries as follows:

|   | Activity  | Place of<br>incorporation |
|---|---|---------------------------|
| Brunner Mond Group Limited                        | Intermediate holding company  | Great Britain             |
| Brunner Mond Limited                              | Intermediate holding company  | Great Britain             |
| Brunner Mond (UK) Limited                         | Manufactures and sells soda ash   | Great Britain             |
| Brunner Mond Generation Limited                   | Non-trading   | Great Britain             |
| Northwich Resource Management Limited             | Holding company for land used by the group                                | Great Britain             |
| Brunner Mond BV                                   | Manufactures and sells soda ash   | Netherlands               |
| Transcontinental Holdings Limited                 | Intermediate holding company for African businesses                       | Great Britain             |
| The Magadi Soda Company Limited                   | Manufactures and sells soda ash and other alkaline chemicals              | Great Britain             |
| Brunner Mond (South Africa) (Proprietary) Limited | Imports and sells soda ash and other alkaline chemicals into South Africa | South Africa              |
| Magadi Railway Company Limited                    | Non-trading   | Kenya                     |

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**6. LOAN TO SUBSIDIARY UNDERTAKING**

The loan to the subsidiary is unsecured, repayable at such time as agreed by the parties and carries interest at the rate of LIBOR plus 2.25% (2009: LIBOR + 2.25). When interest accrued at each quarter is not paid after three months that interest is capitalized and added to the loan.

As per a loan agreement dated 8 March 2010, the loan and all unpaid interest accrued up to USD25M hereunder will be repaid in full by the Borrower on either (i) the date falling on the expiry of thirty six months from the date of the agreement, or, if the parties agree, on any date falling before the Final Repayment Date; or on an agreed future date, or (ii) if earlier, the date upon which an insolvency type event (as determined by the Lender) occurs in relation to the Borrower.

The interest on the previous year loan was calculated on basis 365 days a year while for the current year loan the interest was calculated on basis 360 days a year.

|                       | 2010              | 2009              |
|-----------------------|-------------------|-------------------|
|                       | USD               | USD               |
| Loan amount           | 23,063,637        | 14,404,867        |
| Interest capitalized  | 19,735,477        | 18,367,021        |
|                       | <u>42,799,114</u> | <u>32,771,888</u> |
| Disclosed as follows: |                   |                   |
| Current               | 18,127,492        | 32,771,888        |
| Non current           | 24,671,621        | -                 |
|                       | <u>42,799,114</u> | <u>32,771,888</u> |

**7. LOAN TO RELATED COMPANY**

The loan to The Magadi Soda Company Limited ("Magadi"), which is an indirectly owned subsidiary, is unsecured and carries interest at the rate of LIBOR plus 3.5% calculated on the basis of 360 days a year.

As from 1 April 2009, the loan to Magadi which was repayable within 6 months has been extended for a further period of 24 months.

|                      | 2010              | 2009              |
|----------------------|-------------------|-------------------|
|                      | USD               | USD               |
| Loan amount          | 52,500,000        | 52,500,000        |
| Interest capitalized | 1,651,699         | 1,651,699         |
|                      | <u>54,151,699</u> | <u>54,151,699</u> |

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**8. OTHER RECEIVABLES AND PREPAYMENTS**

|   | 2010           | 2009           |
|---|----------------|----------------|
|   | USD            | USD            |
| Interest receivable on loan from Homefield Pvt UK Ltd | 202,420        | 277,988        |
| Arrangement fee                                       | 1,000          | 1,000          |
| Prepayments   | 2,334          | 2,084          |
|   | <u>205,754</u> | <u>281,072</u> |

**9. STATED CAPITAL**

|   | 2010              | 2009              |
|---|-------------------|-------------------|
|   | USD               | USD               |
| 90,016,001 (2009: 90,016,001) Ordinary shares of no par | <u>90,015,905</u> | <u>90,015,905</u> |

Fully paid ordinary shares carry one vote per share and the right to dividends.

**10. LOAN FROM SHAREHOLDER**

The loan from the shareholder was unsecured, repayable after more than one year and carried an interest at the rate of LIBOR plus 2% (2007: LIBOR + 2%) calculated on the basis of 360 days a year. When interest accrued at each quarter is not paid after three months that interest is capitalized and added to the loan.

On 21 August 2009, the loan and the interest due on the loan were converted to preference shares, which will be redeemed at the option of the lender.

|                                 | 2010                | 2009              |
|---------------------------------|---------------------|-------------------|
|                                 | USD                 | USD               |
| Loan amount                     | 73,428,429          | 69,451,471        |
| Interest capitalized            | -                   | 3,976,958         |
| Conversion to preference shares | <u>(73,428,429)</u> | -                 |
|                                 | <u>-</u>            | <u>73,428,429</u> |

**11. OTHER PAYABLES**

|   | 2010         | 2009           |
|---|--------------|----------------|
|   | USD          | USD            |
| Interest payable on loan from shareholder | -            | 824,575        |
| Accruals                                  | 8,832        | 7,750          |
|   | <u>8,832</u> | <u>832,325</u> |

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**12. REDEEMABLE PREFERENCE SHARES**

The 803,550 preference shares at par value of USD1 are non cumulative, redeemable at the option of the lender and carry a dividend rate of 5%. Distribution is received prior the ordinary shareholders on winding up. They will not have any voting rights in the General Meeting of the Company except for vote on matters affecting their rights.

**13. TAXATION**

*Income tax*

The Company is subject to income tax in Mauritius on its net income at 15%. At 31 March 2010, the Company had USD40,920 tax liability (31 March 2009 – Tax Nil).

|  | 2010<br>USD          | 2009<br>USD      |
|--|----------------------|------------------|
| Profit before tax  | 3,456,446            | 1,816,676        |
| Tax at the applicable rate of 15%  | 518,467              | 272,501          |
| Tax effect on non allowable/(allowable) deductions                       | -                    | (272,501)        |
|  | <u>518,467</u>       | <u>-</u>         |
| Withholding tax suffered   | 335,674              | 683,270          |
| Mauritius tax expense  | 182,643              | -                |
| Total tax expense  | <u>518,467</u>       | <u>683,270</u>   |
| Less payment made during the year under Mauritian Advance Payment system | (141,873)            | -                |
| Less withholding tax paid  | <u>(335,674)</u>     | <u>(683,270)</u> |
| <b>Tax liability</b>   | <u><u>40,920</u></u> | <u><u>-</u></u>  |

*Deferred tax*

There is no deferred tax since there were no temporary differences at 31 March 2010.

**14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS**

**Financial risk management**

In its ordinary operations, the Company's investment activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it invests. The following is a summary of the main risks:

(i) *Currency risk*

The Company invests in shares denominated in Pounds Sterling (GBP). Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to the GBP may change in a manner, which has a material effect on the reported values of the Company's assets, which are denominated in GBP.

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**14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)**

*Currency profile*

The currency profile of the Company's financial assets and liabilities is summarised as follows:

*Currency profile*

|                       | <b>Financial assets</b> | <b>Financial assets</b> | <b>Financial liabilities</b> | <b>Financial liabilities</b> |
|-----------------------|-------------------------|-------------------------|------------------------------|------------------------------|
|                       | <b>USD</b>              | <b>USD</b>              | <b>USD</b>                   | <b>USD</b>                   |
|                       | <b>2010</b>             | <b>2009</b>             | <b>2010</b>                  | <b>2009</b>                  |
| Pounds Sterling       | <b>18,288,488</b>       | 16,662,262              |                              |                              |
| United States dollars | <b>78,898,562</b>       | 70,541,063              | <b>80,363,832</b>            | 74,260,754                   |
|                       | <b>97,187,050</b>       | 87,203,325              | <b>80,363,832</b>            | 74,260,754                   |

*Foreign currency sensitivity analysis*

The table below details the Company's sensitivity to a 10% increase and decrease in the USD against GBP. 10% is used as the sensitivity rate as it represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in currency rates.

|              | <b>2010</b>       | <b>2009</b>       |
|--------------|-------------------|-------------------|
|              | <b>GBP Impact</b> | <b>GBP Impact</b> |
|              | <b>USD</b>        | <b>USD</b>        |
| Other equity | <b>1,828,849</b>  | 1,666,226         |

A positive number above indicates an increase in other equity whereas a decrease would have opposite impact on other equity. A 10% decrease in the USD against GBP would have a positive impact on other equity. The other equity would increase by USD1,828,849 (2009: USD1,666,226). However, a 10% increase would have same opposite impact on the other equity.

*(ii) Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

All investments are financed by loan from related party and funds from the shareholder. The Company's financial assets, except the bank deposits and loans, are non-interest-bearing. As such, the Company is subject to significant risk due to fluctuations in the prevailing levels of the market interest rates. Interest income from bank deposits and loans may fluctuate in amount, in particular due to changes in the interest rates. Interest on loan from subsidiary and related party may fluctuate in amount in particular due to changes in LIBOR rate.

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**14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)**

*(ii) Interest rate risk (continued)*

The impact of a 50 BP fluctuation in the interest rates of loan to subsidiary would be an increase/(decrease) in interest on loan and profit for the year of USD213,996 (2009: increase/(decrease) of USD163,859)

The impact of a 50 BP fluctuation in the interest rates of loan to indirectly owned subsidiary would be an increase/(decrease) in interest on loan and profit for the year of USD270,758 (2009: increase/(decrease) of USD 270,758).

The impact of a 50 BP fluctuation in the interest rates of loan from shareholder would be an increase/(decrease) in interest on loan and profit for the year ended 31 March 2009 of USD367,142.

*(iii) Capital risk management*

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholder through the optimization of the debt and equity balance.

The capital structure of the Company consists of debt, which includes borrowings, cash and equity attributable to the equity holders of the parent, comprising stated capital, reserves and retained earnings.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial assets, financial liabilities and equity instruments are disclosed in Note 2 to the financial statements.

Categories of financial instruments

|   | <u>2010</u>       | <u>2009</u>       |
|---|-------------------|-------------------|
|   | USD               | USD               |
| <b>Financial assets</b>                           |                   |                   |
| Loans   | 96,950,813        | 86,923,587        |
| Receivables (including cash and cash equivalents) | <u>236,237</u>    | <u>279,738</u>    |
|   | <u>97,187,050</u> | <u>87,203,325</u> |
| <b>Financial liabilities</b>                      |                   |                   |
| Other payables                                    | 8,832             | 832,325           |
| Loan from shareholder                             | -                 | 73,428,429        |
| Redeemable preference shares                      | <u>80,355,000</u> | <u>-</u>          |
|   | <u>80,363,832</u> | <u>74,260,754</u> |

Prepayments of USD2,334(2009: USD2,084) have not been included in the financial assets.

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**14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)**

*(iv) Equity price risks*

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

The investment in subsidiary is recorded at cost since these instruments are unquoted and there are no reliable methods of reasonably estimating their fair values. Therefore, these investments will not be taken into consideration in the equity price sensitivity analysis.

*(v) Liquidity risk*

The Company is not exposed to minimal liquidity risk since adequate funds are available with for meeting the operating expenses.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities.

|   | <b>2010</b><br><b>Less than</b><br><b><u>6 months</u></b> | <b>2010</b><br><b>More than</b><br><b><u>1 year</u></b><br><b>USD</b> | <b>2010</b><br><b><u>Total</u></b><br><b>USD</b> |
|---|---|---|--|
| <b>Non-interest bearing</b>               | 8,832   | -   | 8,832  |
| <b>Fixed interest rate instruments</b>    | -   | 80,355,000  | 80,355,000                                       |
|   | <u>8,832</u>  | <u>80,355,000</u>   | <u>80,363,832</u>                                |
|   | <b>2009</b><br><b>Less than</b><br><b><u>6 months</u></b> | <b>2009</b><br><b>More than</b><br><b><u>1 year</u></b><br><b>USD</b> | <b>2009</b><br><b><u>Total</u></b><br><b>USD</b> |
| <b>Non-interest bearing</b>               | 832,325   | -   | 832,325  |
| <b>Variable interest rate instruments</b> | -   | 73,428,429  | 73,428,429                                       |
|   | <u>832,325</u>  | <u>73,428,429</u>   | <u>74,260,754</u>                                |

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**14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)**

*(vi) Credit risk*

The Company takes on exposure to credit risk, which is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit exposure is controlled by counterparty limits that are approved and reviewed by the Board of directors on a regular basis.

Financial assets that potentially expose the Company to credit risk consist principally of loan receivable from subsidiary. The extent of the Company's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Company's Statement of Financial Position and represents the Company's maximum exposure to credit risk.

**15. RELATED PARTY TRANSACTIONS**

During the year ended 31 March 2010, the Company transacted with related entities. The nature, volume of transactions and the balances with the entities are as follows:

|   | 2010       | 2009       |
|---|------------|------------|
|   | USD        | USD        |
| Loan to subsidiary undertaking            | 42,799,114 | 32,771,888 |
| Interest accrued on loan to subsidiary    | 202,420    | 277,988    |
| Interest income from subsidiary           | 1,246,660  | 1,942,973  |
| <br>                                      |            |            |
| Loan to related party                     | 54,151,699 | 54,151,699 |
| Interest income on loan                   | 2,237,772  | 3,399,907  |
| <br>                                      |            |            |
| Loan from shareholder                     | -          | 73,428,429 |
| Interest accrued on loan from shareholder | -          | 824,575    |
| Interest payable on loan                  | -          | 3,498,255  |
| Redeemable preference shares              | 80,355,000 | -          |

Compensation of key management personnel

Three directors of the Company, Messrs Dev Joory, Couldip Basanta Lala and Ms Rubina Toorawa are also directors of International Financial Services Limited ("IFS") and hence deemed to have beneficial interest in the Service Agreement between the Company and IFS.

|   | 2010          | 2009          |
|---|---------------|---------------|
|   | USD           | USD           |
| <i>International Financial Services Limited</i> |               |               |
| Directors' and secretarial fees                 | 6,038         | 10,878        |
| Administration expenses and disbursements       | 15,705        | 14,328        |
|   | <u>21,743</u> | <u>25,206</u> |



**HOMEFIELD INTERNATIONAL PVT LTD  
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**16. HOLDING ENTITY**

The Company regards Tata Chemicals Limited, established in India as its holding entity.

**17. NON COMPLIANCE WITH INTERNATIONAL FINANCIAL ACCOUNTING STANDARDS ("IFRS")**

International Financial Accounting Standards ("IAS") 27, Consolidated and Separate Financial Statements, require a parent to present consolidated financial statement, unless it is exempted from this requirement.

Although the Company does not meet the exemptions available under IAS27, consolidated financial statements have not been prepared as the directors believe that the benefits of presenting consolidated financial statements to be minimal.

IAS 21, The Effects of Changes in Foreign Exchange Rates, requires a company to recognize any exchange difference arising on the settlement of monetary items or translated monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements in the Statement of Comprehensive Income in the period in which they arise.

The Company has accounted exchange gain arising from loan to subsidiary in equity.