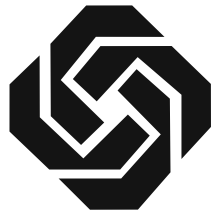


28th
Annual Report 2012-13



CFL CAPITAL FINANCIAL SERVICES LTD.

BOARD OF DIRECTORS

H.C. Mathur Chairman & Mananging Director
Sujit Dutta
B. N. Tripathi
A. V. Sudhakaran

COMPANY SECRETARY

R. C. Kurup

AUDITORS

Tarmaster & Co.
Chartered Accountants

REGISTERED OFFICE

Century Plaza,
Unit No. 233, Second Floor
81, Netaji Subhas Road
Kolkatta 700 001

BANKERS

Catholic Syrian Bank Ltd.
Dena Bank
Federal Bank Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
IndusInd Bank Ltd.
Oriental Bank of Commerce
State Bank of India
State Bank of Travancore
South Indian Bank Ltd.
UTI Bank Lytd.
Vijaya Bank

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited
59 C, Chowringhee Road, 3rd Floor
Kolkata 700 020
Phone : 033 - 2289 0540, Telefax : 033 - 2289 0539
E-mail : kolkata@linkintime.co.in

CONTENTS

Notice	1-2
Directors Report	3-4
Report on Corporate Governance	5-7
Auditors Report & Annexure on Standalone Financial Statements	8-9
Standalone Financial Statements	10-26
Schedule Prescribed by RBI of NBFCs	27
Statement Under Section 212	28
Auditors's Report on Consolidated Financial Statements	29
Consolidated Financial Statements	30-44
Proxy Form / Admission Form	Last Inside Cover



CFL CAPITAL FINANCIAL SERVICES LTD.

NOTICE

NOTICE is hereby given that the Twenty-eighth Annual General Meeting of the members of CFL Capital Financial Services Limited will be held at "Uttam Mancha", 10/1/1 Monoharpukur Road, Kolkata-700026 on Monday, the 30th day of September, 2013 at 10.30 A.M to transact the following business:

1. To receive, consider and adopt the Statement of Profit and Loss for the financial year ended 31st March 2013, the Balance Sheet as at that date, the Auditors' Report thereon and the Directors' Report.
2. To appoint a Director in place of Mr.A V Sudhakaran who retires by rotation and, being eligible, offers himself for reappointment
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board to fix their remuneration.

Special Business

To consider and if thought fit to pass, with or without modifications, the following as a Special Resolution:

4. "RESOLVED that in accordance with the applicable provisions of the Companies Act, 1956 and subject to the approval of the Central Government and such other approvals as may be necessary, this meeting hereby approves the re-appointment of and the remuneration payable to Mr.H.C.Mathur as Managing Director of the Company for a further period of one year with effect from 1st May, 2013 as set out in the draft Agreement to be entered into between the Company and Mr.Mathur, a copy whereof is laid on the table and for the purpose of identification initialled by the Chairman hereof with liberty to the Board of Directors to alter or vary the remuneration as may be agreed to between the Board and Mr.Mathur subject to the conditions laid down in Schedule XIII to the Companies Act, 1956 or any amendment thereto."

By Order of the Board

R.C.Kurup
Company Secretary

Registered Office:

Century Plaza
81, Netaji Subhas Road
Unit No.233, Second Floor
Kolkata-700 001

Dated, 30th May, 2013

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members of the Company will remain closed from 24th September, 2013 to 30th September, 2013, both days inclusive.
3. Brief profiles of Mr H C Mathur whose re-appointment as Managing Director and Mr.A V Sudhakaran who is seeking re-appointment as a Director at the ensuing Annual General Meeting required to be provided pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges are furnished in the statement on Corporate Governance published elsewhere in this Report.
4. Shareholders desiring any information as regards the Accounts are requested to write to the Company at least seven days in advance of the date of the Meeting to enable the Company to keep the information ready, as far as possible.
5. Due to the prohibitive cost of paper and printing, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of the Annual Report with them for the meeting.
6. The Equity Shares of the Company have already come under compulsory dematerialised trading with effect from 28th August 2000. Members are, therefore, at liberty to dematerialise their holdings in the Company through a Depository Participant.
7. Messers.H.C.Mathur and A V Sudhakaran are not holding any shares of the Company.



Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item 4

Mr.H.C.Mathur was first appointed as Managing Director of the Company for a period of three years with effect from 1st May 2000 and was re-appointed for further periods of two years each with effect from 1st May, 2003, 1st May, 2005, 1st May, 2007, 1st May, 2009 and 1st May, 2011.

The Board of Directors of your Company at its meeting held on 26th April, 2013 has re-appointed Mr.Mathur as Managing Director of the Company for a further period of one year with effect from 1st May, 2013, subject to the approvals of the shareholders and the Central Government, on remuneration as set out in the draft Agreement to be entered into between the Company and Mr.Mathur, an abstract of which is given below:

- | | |
|----------------------------|--------------------------|
| I. Salary | : Rs. 32,500/- per month |
| II. Consolidated Allowance | : Rs. 19,500/- per month |

In addition to the above Mr.Mathur shall be entitled to the following Perquisites:

- i) Personal accident insurance, medical re-imbusement and medical insurance for self and family, Leave Travel Concession, club fees and privilege leave on full pay and allowance, encashment of leave at the end of tenure, etc in accordance with the Rules of the Company.
- ii) Contribution to Superannuation Fund or Annuity Fund in accordance with the Rules of the Company in force from time to time
- iii) Gratuity : As per Rules of the Company in force from time to time.

The perquisites mentioned in (ii) and (iii) above and encashment of leave at the end of tenure mentioned in (i) above will not be included in the computation of ceiling on remuneration specified in Part II of Schedule XIII to the Companies Act, 1956.

Provision of car for use on Company's business and telephone will not be considered as perquisites. Personal long distance calls and use of cars for private purpose shall however be billed by the Company.

Notwithstanding anything mentioned above, where in any financial year during the currency of his tenure as Managing Director, the Company has no profits or its profits are inadequate the remuneration proposed above will be paid as minimum remuneration.

In the opinion of the Board of Directors of your Company, the remuneration payable to Mr.Mathur is commensurate with his ability, qualification, experience and past performance. The Resolution set out at item 4 of the annexed Notice is intended to obtain approval of the Shareholders to the re-appointment of Mr.H.C.Mathur as Managing Director of the Company and payment of remuneration to him as mentioned above with liberty to the Board of Directors to vary the terms, as stated in the Resolution.

Mr.Mathur possesses over 52 years of commercial experience related to various aspects of management including secretarial, legal, administration, finance, etc. He is an astute business leader who has successfully managed repayment of deposits to deposit holders in spite of adverse conditions. Your Directors feel that it will be beneficial for the Company to re-appoint him as the Managing Director and make use of his vast experience and recommend that the resolution be passed.

Copy of the draft agreement to be entered into between the Company and Mr.Mathur will be available for inspection of members at the Registered Office of the Company on any working day during the hours of 10.00 A.M. and 12 Noon and will also be available at the meeting.

MEMORANDUM OF INTEREST

None of the Directors of the Company other than Mr.Mathur is concerned with or interested in this resolution. The above should be considered as an Abstract of the Terms of re-appointment of Mr.Mathur as Managing Director of the Company and a Memorandum as to the nature of his interest in his re-appointment as required under Section 302 of the Companies Act, 1956.



DIRECTORS' REPORT, MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors hereby present their Twenty-eighth Annual Report together with the Audited Financial Statement of the Company for the year ended 31st March 2013.

FINANCIAL RESULTS

	(Rs. in Lakhs)	
	For the year ended	For the year ended
	31-3-2013	31-3-2012
Gross Income	46	56
Less: Expenditure	5085	17121
Less: Depreciation	6	10
Gross Profit/(Loss)	(5045)	(17075)
Less Exceptional items	120	211
Profit/(Loss) before tax	(4925)	(16864)
Provision for tax	-	-
Profit/(Loss) after tax	(4925)	(16864)
Add Balance brought forward from earlier years	(61999)	(51135)
Loss carried to Balance Sheet	(66924)	(61999)

DIVIDEND

In view of the continued losses, your Directors regret their inability to recommend any dividend on the Preference or Equity Shares.

INDUSTRY STRUCTURE, OPERATIONS AND DEVELOPMENT

Your Company does not fall under any industrial structure consequent to the cancellation of its Certificate of Registration as a Non-Banking Finance Company by the Reserve Bank of India and in the absence of any significant business activity. Your Company, during the year under review, faced acute financial stress due to lack of appreciable inflows and the huge pressure to service its liabilities. In view of the financial position of the Company no scheme or Plan for revival could be finalised though your Directors are exploring various options for revival.

Despite acute shortage of funds, the Company has paid all the claimed deposits within 31st December, 2012 as stipulated in the Order of the Hon'ble Company Law Board dated 13th October, 2009. 4180 depositors have however not lodged there

Designation	Remuneration (Rs.)	Nature of Employment whether contractual or otherwise	Nature of Duties	Qualification and total service Experience (Years)	Date of commencement of employment	Age	Last employment held and designation
Executive Director	88,83,896	Contractual	In-charge of Legal functions and recoveries	B.A., LL.M., MBA, PGDCS 29 Years	06.09.1995	48	Head- Legal Department Indo-Gulf Fertilisers & Chemicals Limited

SUBSIDIARY

In view of the general exemption granted by the Ministry of Corporate Affairs, Government of India vide Circular No.2/2011 dated 8th February, 2011 the Annual Report and Accounts of Samudra Securities Limited, the subsidiary of your Company, for the year ended 31st March, 2013 have not been annexed to this Report. However, the duly audited consolidated financial statements of your Company and the subsidiary prepared in strict compliance with the applicable Accounting Standards and Listing Agreements are disclosed in this Report. Your Company will make available the Accounts of the subsidiary and the related detailed information to any shareholder of the Company on request in writing. The Report and Accounts of the subsidiary will also be kept open for inspection by the shareholders of the Company at the Registered Office of the Company and that of the subsidiary.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

Your Company did not consume energy of any significant level during the year under review and, therefore, there was not much scope for taking any measures for energy conservation and for making any additional investment for reduction of energy consumption. Further, there being no involvement of any technology in the Company's activities during the year no comment is made in this regard.

respective claims, aggregating to Rs.626.37 lakhs as at the close of the financial year under review, despite reminder letters sent to them by the Company to do so. These unclaimed deposits will be paid on receipt of the claims from the depositors in terms of the issue of the said deposits.

The suits filed in the past by most of the Banks and Financial Institutions, from whom the Company had borrowed secured loans, before the Debt Recovery Tribunals(DRT) against the Company for recovery of their dues have been decided in their favour. Pursuant thereto, Recovery Officers of DRT had taken over the possession of the Company's properties, charged to these Banks and Financial Institutions and have also disposed them off, except two properties.

OPPORTUNITIES, THREATS, RISKS, CONCERNS, PERFORMANCE AND OUTLOOK

Though your directors are striving hard to explore an innovative plan to make the Company financially viable in future, it may be possible that the Company is not able to implement any viable plan due to accumulated losses and the difficulty in eliciting fresh funds infusion. Hence there is a great amount of uncertainty regarding future outlook of the Company. Acute shortage of funds faced by the Company in the past is likely to continue at least in the near future.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective system of accounting and administrative controls supported by an internal audit system with proper and adequate system of internal checks and controls to ensure safety and proper recording of all assets of the Company and their proper and authorised utilisation..

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONS

Your attention is drawn specifically to the issues mentioned hereinbefore under the head 'Industry Structure, Operations and Development' and to the comments under the head 'Opportunities, Threats, Risks, Concerns, Performance and Outlook' hereinbefore. Your Company's financial position is under extreme stress and needs a concerted effort from creditors, shareholders and third parties for any significant positive turnaround to emerge in the long run.

DIRECTORS

Mr. A V Sudhakaran retires by rotation and, being eligible, offers himself for re-appointment.

PARTICULARS OF EMPLOYEES

Mr.Amarendra Nath Misra was the only employee falling within the purview of Section 217(2-A) of the Companies Act, 1956 and his particulars are appended below:

There has been no foreign exchange earning or outgo during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures, if any ;
- (ii) they had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- (iii) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Accounts had been prepared on a going concern basis.



CFL CAPITAL FINANCIAL SERVICES LTD.

CORPORATE GOVERNANCE

In accordance with the requirements of the Listing Agreements with the Stock Exchanges, a Report on Corporate Governance along with a certificate of the Auditors confirming compliance is attached (Annexure A)

HUMAN RESOURCES

The Company's relations with the employees continued to be cordial and the number of employees at the year end was 15.

Efforts to maximize utilization of scarce resources was a continuous process throughout the year. The Company received some innovative ideas from a few employees for achieving greater efficiencies, cost control and recoveries and those with substance are being implemented.

AUDITORS & AUDIT REPORT

Messrs Tarmaster & Co., Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

Regarding Auditors' comments on inability of the Company to maintain minimum Capital Risk Asset Ratio(CRAR) as prescribed by the Reserve Bank of India and non-compliance of the provisions of the Non-Banking Financial Companies

(Reserve Bank of India) Directions 1977 /Non-Banking Financial (deposit accepting or holding) Companies (Reserve Bank of India) Directions, 2007 the comments of the Board are as under :

Due to huge losses, the net worth of the Company is negative and hence it is not in a position to meet the requirements laid down by the Reserve Bank of India (RBI). Hence the Company cannot carry NBFC Business. However RBI has directed the Company to comply with all RBI formalities till the repayment of deposits and closing all NBFC business. The notes referred by the auditors are self explanatory.

ACKNOWLEDGEMENT

Your Directors wish to record their appreciation of the encouragement, support, assistance and co-operation received from the Company's bankers, financial institutions, shareholders, depositors and employees throughout the year

For and on behalf of the Board

(H.C.Mathur)
Chairman

Kolkata

Dated: 30th May, 2013



CFL CAPITAL FINANCIAL SERVICES LTD.

Annexure 'A' to the Directors' Report

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

Your Company continues to practise transparency in its dealings with emphasis on integrity and compliance of regulatory provisions. It attaches great importance to the practice of good corporate governance for meeting the interests and aspirations of the stakeholders. Your Company has implemented the mandatory requirements regarding Corporate Governance as mentioned in Clause 49 of the Listing Agreements.

Board of Directors

The composition of the Board of Directors and other details as on 31st March, 2013 are given below:

Names of the Directors	Executive/ Independent/ Non-executive	No. of Board Meetings attended	Whether Attended Last AGM	No. of other Directorships in Public Ltd Companies	No of other Committee Chairmanship/ Member
Mr.H.C.Mathur	Managing Director	6	Yes	NIL	NIL
Mr.B.N.Tripathi	Non-executive Independent	6	No	NIL	NIL
Mr.Sujit Datta	Non-executive Independent	6	Yes	NIL	NIL
Mr.A.V.Sudhakaran	Non-executive Independent	6	No	NIL	NIL

The Board of Directors at its meeting held on 26th April, 2013 has re-appointed Mr.H.C.Mathur as Managing Director of the Company for a further period of one year with effect from 1st May, 2013 which is subject to the approval of the members at the ensuing Annual General Meeting and necessary statutory approvals.

Mr.Mathur, aged about 76 years, is an Arts and Law Graduate from Lucknow University and is associated with the Duncans and RPG group of Companies. He has more than 52 years of experience in various aspects of management including secretarial, legal, administration and finance with special emphasis on company law and legal matters. He is a director of Alipore Towers Private Limited

Mr. A V Sudhakaran retires by rotation and, being eligible, offers himself for re-appointment.

Mr.Sudhakaran is 51 years of age and has more than 26 years of corporate experience in the commercial and accounting functions. He is a director on the Board of the Company's subsidiary viz., Samudra Securites Limited.

During the year under review, 6 meetings of the Board of Directors were held on 14th May, 2012, 4th July, 2012, 13th August, 2012, 12th November, 2012, 5th December, 2012 and 13th February, 2013. The meetings of the Board of Directors are generally held once in a quarter and are scheduled well in advance unless it is necessary to convene the same for urgent business. A detailed agenda is prepared by the Company Secretary in consultation with the Managing Director which is circulated to the members of the Board in advance.

Audit Committee

The Company has a qualified Audit Committee comprising of three Non-executive Independent Directors. The terms of reference of the Committee are in accordance with the provisions of the Companies Act, 1956, the requirements of the Reserve Bank of India and of the Listing Agreements with Stock Exchanges. There were 4 meetings of Audit Committee on 4th July, 2012, 13th August, 2012, 12th November, 2012 and 13th February, 2013. The names of the members of the Committee and their attendance at the meetings are as follows:

Name of the members		No of meetings attended
Mr.Sujit Datta	Chairman	4
Mr.B.N.Tripathi	Member	4
Mr.A V Sudhakaran	Member	4

Remuneration Committee

The Company has a Remuneration Committee to recommend/review the remuneration package of the Managing Director. Mr.A V Sudhakaran is the Chairman of the Committee with Messers B N Tripathi and Sujit Datta being the other members. The Committee met once during the year with all the members being present.

Remuneration Policy

Payment of remuneration to the Managing Director is governed by the terms and conditions contained in the Agreement entered into with him which incorporates remuneration within the limit sanctioned by the Central Government and the shareholders. Remuneration structure for the Managing Director comprises salary, allowances, perquisites as well as contribution to Superannuation and Gratuity Funds. The Non-Executive Directors get sitting fees for attending the meetings of the Board. The remuneration paid during the year under review is as under:-

Directors' Remuneration

Non Executive Directors

	Name of the Director	Sitting Fees Paid (Rs.)
1	Mr Sujit Datta	6000/-
2	Mr. B N Tripathi	6000/-
3	A V Sudhakaran	6000/-

Executive Director

Name Business Relation	Mr. H C Mathur Chairman & Managing Director
Salary	3,90,000
Allowances & Perquisites	2,80,800
Contribution to Superannuation/Gratuity etc.,	2,13,535
Total	8,84,335

Investors'/Shareholders' Grievance Committee

The Company has a Shareholders'/Investors' Grievance Committee of the Board of Directors under the Chairmanship of Mr.Sujit Datta, Non-Executive Director, to look into the redressal of investors' grievances with Messers H.C.Mathur and A V Sudhakaran as the other members. The Board of Directors has delegated power of approving transfer/transmission of shares to some senior executives of the Company. During the year the Committee met 5 times with all the members attending the meetings.

Mr.R.C.Kurup, Company Secretary, is the Compliance Officer of the Company.

During the year under review, no grievances were received from any shareholder. No share transfer/transmission/issue of duplicate share certificates was pending as on 31st March, 2013.

General Body Meetings

Details of location and time of last three Annual General Meetings are as follows:

AGM	Financial Year	Venue	Date	Time	Special Resolution Passed in the AGM
25	2009-10	Birla Academy of Art and Culture 108-109 Southern Avenue Kolkata-700 029	23.07.2010	10.30 A.M.	None
26	2010-11	- Do -	29.07..2011	10.30 A.M.	Yes
27	2011-12	- Do -	31.08.2012	10.30 A.M	None

All resolutions placed before the members at the last Annual General Meeting were passed unanimously.

Code of Conduct

The Board of Directors has laid down a code of conduct for the Company which is applicable to all its Board Members and Senior Management Personnel. This code has been posted on the Company's website. For the year under review, all Directors and senior management personnel have confirmed their adherence to the provisions of the said code. A declaration to this effect signed by the Managing Director forms part of this Report.



CFL CAPITAL FINANCIAL SERVICES LTD.

Disclosures

- The Company did not enter into any materially significant related party transactions with its promoters, directors or the management, their subsidiaries, relatives etc that may have a potential conflict with the interest of the Company at large.
- The Equity Shares of the Company remain suspended for trading by the National Stock Exchange for non-compliance of certain provisions of the Listing Agreement which have since been rectified but the matter of removal of suspension is still pending. Except as aforesaid, there were no non-compliance, penalties, and strictures by Stock Exchanges, SEBI or any statutory authority on any matter related to capital markets during the last three years.
- The Company does not have any Whistle Blower Policy as of now but no employee is being denied any access to the Audit Committee.
- The Company has complied with all the mandatory requirements under Clause 49 of the Listing Agreements with the Stock Exchanges. Out of the non-mandatory requirements the requirement as to Remuneration Committee is in place.

Means of Communication

Quarterly and annual results are published in renowned daily publications such as Business Standard (English) and Kalantar or Arthik Lipi (Vernacular). The Company has a website www.cfltd.in. The Company's Email ID for the purpose of investors for any grievance is cfl-shhldgrievance@rpg.in. Individual communication of the half yearly results is not made to the shareholders. The Company has not made any presentation to institutional investors or analysts.

General Shareholder Information

- Annual General Meeting:

Date and Time	30 th September, 2013 at 10.30 A.M.
Venue	Uttam Mancha"10/1/1 Monoharpukur Road Kolkata-700026
Book Closure Date	24 th September, 2013 to 30 th September, 2013 (both days inclusive)
- Financial Calendar (tentative and subject to change)

Financial results for quarter ending 30 th June, 2013	13 th August, 2013
Financial results for quarter ending 30 th September, 2013	13 th November, 2013
Financial results for quarter ending 31 st December, 2013	12 th February, 2014
Financial results for the year ending 31 st March, 2014	end of May, 2014
Annual General Meeting for the year ending 31 st March, 2014	end of September 2014
- List of Stock Exchanges where shares are listed and Stock Code

Name	Address	Stock Code
Bombay Stock Exchange Ltd., Mumbai	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 023	511272
The National Stock Exchange of India Ltd.	Exchange Plaza, Plot C-1, IFB Center, G Block, Bandra Kurla Complex (BKC), Bandra (East), Mumbai-400 051	13042

Listing fee has been paid to the Bombay Stock Exchange Limited for the year 2013-14

The Company is still waiting for approval of the National Stock Exchange for delisting of its Equity Shares and consequently the Company has not paid the listing fees to National Stock Exchange from the year 2005-06

d. Market Price Data

Monthly High and Low of Company's Equity Shares (Rs.10 per share) for the year ended March 2013 at the Stock Exchange, Mumbai

Months	Company's Share		BSE Sensex	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
April, 2012	3.19	1.90	17,664.10	17,010.16
May, 2012	3.28	2.42	17,432.33	15,809.71
June, 2012	2.88	2.38	17,448.48	15,748.98
July, 2012	2.35	1.94	17,631.19	16,598.48
August, 2012	2.24	1.44	17,972.54	17,026.97
September, 2012	1.69	1.36	18,869.94	17,250.80
October, 2012	2.67	1.40	19,137.29	18,393.42
November, 2012	3.02	2.72	19,372.70	18,255.69
December, 2012	4.27	3.00	19,612.18	19,149.03
January, 2013	5.45	4.35	20,203.66	19,508.93
February, 2013	4.65	3.60	19,966.69	18,793.97
March, 2013	3.53	2.57	19,754.66	18,568.43

e. Registrars and Share Transfer Agent

Link Intime India Private Limited

The address and other details of the Registrars have been furnished in this Report under Serial I (i) below.

f. Share Transfer System

All shares in physical form lodged with the Company or Share Transfer Agent, Messrs. Link Intime India Private Limited, for transfer accompanied by valid transfer deeds are processed and returned to the shareholders within the stipulated period. In case of bad deliveries, the relevant documents are returned promptly. The Equity Shares of the Company have already come under compulsory dematerialised trading with effect from 28th August 2000 and shares can be transferred in demat form also.

g. Shareholding Pattern (as at 31st March, 2013)

Category	No. of Equity Shares held	Percentage of Shareholding
Promoters	10,02,73,274	72.32
Mutual Funds & UTI	1,400	0.00
Banks, Financial Institutions & Insurance Companies	10,600	0.01
Private Corporate Bodies	2,93,81,220	21.19
Indian Public	89,75,168	6.47
NRIs/OCBs	13,838	0.01
Total	13,86,55,500	100.00

h. Distribution of shareholding (as at 31st March, 2013)

Shareholding of nominal value of Rs.	No. of Holders	%	No. of Shares	%
01 to 250	25117	82.47	31,39,823	2.26
251 to 500	3393	11.14	12,70,228	0.92
501 to 1000	1035	3.40	8,71,939	0.63
1001 to 5000	734	2.41	17,18,114	1.24
5001 to 10000	86	0.28	6,54,080	0.47
10001 to 50000	71	0.23	13,91,943	1.00
50001 to 100000	5	0.02	3,15,430	0.23
100001 and above	16	0.05	12,92,93,943	93.25
Total	30457	100.00	13,86,55,500	100.00



CFL CAPITAL FINANCIAL SERVICES LTD.

- i. Dematerialisation of shares
78.83% of total Equity Share Capital is held in dematerialised form with NSDL and CDSL as at 31st March 2013. Members can hold shares in electronic form and trade the same in Depository system. However, they may hold the same in physical form also.
International Securities Identification Number INE 481A01014.
- j. Outstanding GDRs/ADRs/Warrants or any Convertible instruments
There are no outstanding GDRs/ADRs/Warrants or any Convertible instruments
- k. Plant location-Not applicable
- l. Address for correspondence
- (i) Registrars and Share Transfer Agents:
(For shares and dividend related queries)
Link Intime India Private Limited
59C Chowringhee Road, 3rd Floor
Kolkata-700 020
Phone : (033) 2289-0540 Telefax: (033) 2289 0539
E-mail:kolkata@linkintime.co.in
- (ii) Company
(For any other matter, unresolved complaints)
Company Secretary
CFL Capital Financial Services Limited
Century Plaza
81, Netaji Subhas Road, Unit No. 233, Second Floor
Kolkata-700 001
- m. E-mail (general) : cfl@rpg.in
(For investors' grievances)
cfl-shhldgrievance@rpg.in
- n. Phone No: 2243-9332, 2243- 9334
- o. Fax No. 2243-9340
- p. Website : www.cflitd.in

The accounts are available on our website.

For and on behalf of the Board

(H.C.Mathur)
Chairman

Kolkata
Dated, 30th May, 2013

Declaration as required under Clause 49 of the Listing Agreement

All Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2013.

Kolkata, 30th May, 2013

H.C.Mathur
Managing Director

AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of
CFL Capital Financial Services Limited

We have examined the compliance of the conditions of Corporate Governance by CFL Capital Financial Services Limited ("the Company") for the year ended on 31st March 2013 as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Tarmaster & Co.
Chartered Accountants
Firm Regn No 302016E

S. Saha
Partner
(Membership No.300639)

Place : Kolkata
Dated,30th May, 2013



CFL CAPITAL FINANCIAL SERVICES LTD.

INDEPENDENT AUDITORS' REPORT

To the Members of CFL Capital Financial Services Limited Report on the Financial Statements

We have audited the accompanying financial statements of CFL Capital Financial Services Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and 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 the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ('the Act'). 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.

Auditors' 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 misstatements.

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 fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances 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.

Basis for Qualified Opinion

Attention is drawn to :-

- a. **Non-compliance of the provisions of the Non- Banking Financial (Deposit Accepting or Holding) Companies (Reserve Bank) Directions, 2007. (Refer Note 26)**
- b. **The company has not been able to maintain minimum Capital Risk Asset Ratio (CRAR) as prescribed by Non- Banking Financial (Deposit Accepting or Holding) Companies (Reserve Bank) Directions, 2007. (Refer Note 26)**

The Company is not in a position to carry on business of Non Banking Financial Services

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except to the possible effects of the matter described in the Basis for qualified Opinion paragraph the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2013.
- (b) In the case of the statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of matter

- i) The net worth of the Company is negative. The Company's Management has drawn a plan to liquidate some assets, to borrow money including from promoter shareholders etc for meeting its expenses and liabilities. On the basis of the above plan the Company may be in a position to continue as a going concern. (Refer notes 1-B & 1.C of Note1)
- ii) Loans from Banks and UTI and interest charged thereon have been provided as per the claims before / orders passed by the Debt Recovery Tribunals (see notes 6.4, 6.5 6.6 and 6.8)

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act.
- e. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, we report that all the Directors are disqualified from being appointed as a director of another public company in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956

For Tarmaster & Co.,
Chartered Accountants
(Firm Registration No 302016E)

S. Saha
Partner
Membership No. 300639

Kolkata

Date : 30th May, 2013

Annexure to the Independent Auditors' Report

(referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

The annexure referred to in the Independent Auditors' Report to the members of CFL Capital Financial Services Limited (the Company) for the year ended March 31, 2013. We report that:

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
The Company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with such programme, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification..
2. The Stock of Shares and Securities of the Company has been physically verified by the Management during the year and no discrepancies were noticed between physical and book stock
3. The Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of securities, fixed assets and for sale of securities and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have not come across any major weakness in the Internal Control procedures.
5. In our opinion, and according to the information and explanations given to us, there are no transactions during the year that need to be entered in the register in pursuance of section 301 of the Act..
6. In our opinion and according to the information and explanations given to us, (a) the Company has neither accepted nor renewed any deposits during the year, (b) it had accepted deposits in earlier years by complying the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules thereunder and also the directives of the Reserve Bank of India with regard to acceptance of deposits from the public. The Company had defaulted in repayment of deposits and has got an order from the Company Law Board as per the provisions of Section 58AA of the Companies Act 1956. The Company Law Board had permitted the Company to repay the depositors in installments by 31st December, 2012. The Company has repaid in full to depositors who had claimed the same. (Refer note 6 in Note -9)
7. On the basis of the Internal Audit Reports broadly reviewed by us we are of the opinion that, the coverage of internal audit functions carried out by the Management, is commensurate with its size and the nature of its business.
8. According to the information and explanations given to us, the Companies (Cost Accounting Records) Rules 2011 prescribed by the Central Government are not applicable in respect of services carried out by the Company.
9. According to the information and the explanations given to us, and on the basis of our examination of the account, the Company has been regular in depositing with the appropriate authorities undisputed statutory dues including



CFL CAPITAL FINANCIAL SERVICES LTD.

provident fund, income- tax, sales tax, employees state insurance, customs duty, Investor Education and Protection fund, wealth tax, service and any other material statutory dues applicable to it.

10. According to the information and the explanations given to us, no undisputed dues payable in respect of income- tax, sales tax, wealth tax, service tax, customs duty and cess were outstanding at 31st March 2013 for a period of more than six months from the date they became payable.
11. According to the information and explanations given to us and on the basis of the documents and records, the following disputed statutory dues on account of Income Tax and Sales tax have not been deposited with the appropriate authorities Annexure 1.
12. The Company has accumulated losses of Rs. 72,924.13 lakhs at the end of the financial year and has incurred cash losses in the financial year and in the immediately preceding financial year.
13. On the basis of the books and records examined by us and the information and explanations given to us, the company has defaulted in repayment of dues to financial institutions and banks as per details given below- Annexure II.
14. On the basis of the books and records examined by us, and the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
15. The Company was registered as Non Banking Finance Company with the Reserve bank of India but the same stands cancelled with effect from May 18, 2004. (Refer Note B-2 of Note-9)
16. In respect of shares, shares securities debentures and other investments dealt or traded by the Company, proper records are maintained in respect of transactions and contracts and timely entries have been made therein. All the investments are in the Company's present or former name.
17. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
18. According to the information and explanations given to us, on an overall basis, the term loans taken in previous years have been applied for the purpose they were obtained
19. On the basis of overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, no funds have been raised by the Company during the year. However, the funds raised in earlier years for short term purpose have been used for long term purpose and it is not possible to determine the quantum of the same in this year.
20. The Company has not made any preferential allotment of the shares to the parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956 during the year.
21. The Company has created securities in respect of debentures outstanding at the year-end. (Refer note (iv) under Secured Loans in Schedule 3. The trustees have resigned.
22. The Company has not raised any money by public issue during the year.
23. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **TARMASTER & CO.**
Chartered Accountants
Firm Regn. No 302016E

(**S. Saha**)
Partner
Membership No. 300639

Kolkata
Date 30th May, 2013

Annexure to Auditors' Report for year ended 31st March 2013

Particulars of disputed statutory liability not paid to the to the authorities

Annexure I

Name of the Statute	Nature of dues	Amount in lakhs	Period to which Amount relates	Forum where the dispute is pending
Sales Tax	Jurisdiction of Assessing office and Lease Tax	121.14	1996-97 to 1998-99	Orissa Sales Tax Tribunal
	Lease Tax	0.15	1999-2000	Commissioner of Sales Tax, Bhubhaneshwar
	Sales Tax	1.31	1996-97	Commercial Tax Dept. Lucknow
Bombay Stamp Act, 1959	Stamp Duty	43.80	2010	Superintendent of Stamps

Annexure II

Annexure to Auditors' Report for year ended 31-Mar-2013

(Rs in Lakhs)

Default to Banks / FIs	Default Principal	Default Interest	Total Default as on 31.03.2013
Bank of Rajasthan Ltd (ICICI Bank Ltd)	551	3767	4318
Catholic Syrian Bank Ltd	387	844	1231
Dena Bank	1377	5775	7152
Federal Bank Ltd	290	2714	3004
IndusInd Bank Ltd	893	3613	4506
Oriental Bank of Commerce	448	2130	2578
South Indian Bank Ltd (ACRIL)	674	2544	3218
State Bank of Travancore (Kotak Mahindra Bank Ltd)	826	1194	2020
Axis Bank Ltd	518	778	1296
Vijaya Bank	918	2115	3033
Total - Banks **	6882	25474	32356
Financial Institution			
UTI Asset Mgmt. Co Ltd	71	1851	1922
Administrator of Specified			
Undertaking of Unit Trust of India	124	3221	3345

** Banks have realised certain assets amounting to Rs. 260 Lakhs which has not been adjusted in these amounts.



CFL CAPITAL FINANCIAL SERVICES LTD.

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in Rupees)

Particulars	Note No.	As at 31-Mar-13		As at 31-Mar-12	
		Rupees	Rupees	Rupees	Rupees
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
a. Share Capital	3	1,636,552,500.00		1,636,552,500.00	
b. Reserves & Surplus	4	(6,027,634,584.33)		(5,535,146,548.33)	
c. Money received against share warrants		-		-	
			(4,391,082,084.33)		(3,898,594,048.33)
(2) Share Application Money Pending Allotment			-		-
(3) Non-current Liabilities	5				
a. Long-term borrowings		-		-	
b. Deferred tax liabilities (net)		-		-	
c. Other long term liabilities		-		-	
d. Long term provisions		1,276,621.00		1,438,655.00	
			1,276,621.00		1,438,655.00
(4) Current Liabilities	6				
a. Short-term borrowings		562,005,104.00		475,892,792.00	
b. Trade payables		90,317,665.68		89,442,608.68	
c. Other current Liabilities		3,844,350,634.99		3,470,795,620.01	
d. Short term provisions		1,157,590.00		281,196.00	
			4,497,830,994.67		4,036,412,216.69
TOTAL			108,025,531.34		139,256,823.36
II. ASSETS					
1. Non-current Assets					
a. Fixed Assets					
i. Tangible Assets	7	17,678,382.14		21,390,351.47	
ii. Intangible Assets		-		-	
iii. Capital Work-in-progress		-		-	
iv. Intangible assets under development		-		-	
b. Non-current Investments	8	60,233,224.00		68,414,764.00	
c. Deferred tax assets (net)		-		-	
d. Long term loans and advances		-		-	
e. Other non-current assets		19,331,711.79		19,273,460.73	
			97,243,317.93		109,078,576.20
2. Current Assets	9				
a. Current investments		464,936.00		464,936.00	
b. Inventories		-		-	
c. Trade receivables		96,051.00		-	
d. Cash and cash equivalents		6,208,781.81		25,865,003.20	
e. Short-term loans and advances		1,159,475.60		996,544.00	
f. Other current assets		2,852,969.00		2,851,763.96	
			10,782,213.41		30,178,247.16
TOTAL			108,025,531.34		139,256,823.36
General Information	1				
Significant Accounting Policies	2				

The accompanying notes including other explanatory information form an integral part of the financial statements.

As per our Report attached

For **TARMASTER & CO.**
Chartered Accountants
Firm Registration No 302016E

for and on behalf of the Board of Directors

S Saha
Partner
M. No. 300639

R C Kurup
Company Secretary

H C Mathur
Chairman & MD

Sujit Datta
Director

Place : Kolkata
Date : 30-May-2013

Place : Kolkata
Date : 30-May-2013



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note No.	Year ended 31-Mar-13 Rupees	Year ended 31-Mar-12 Rupees
Income	1.C		
I Revenue from Operations		-	-
II Other Income	10	4,629,509.35	5,551,748.03
		-	-
III Total Revenue (I+II) Total		<u>4,629,509.35</u>	<u>5,551,748.03</u>
IV Expenses			
Employee Benefit Expenses	11	18,451,143.96	17,069,206.78
Finance Costs	12	481,400,803.00	1,687,037,648.25
Depreciation and amortization expenses	13	625,489.00	976,646.54
Other Expenses	14	8,670,968.61	8,039,523.86
Total expenses Total		<u>509,148,404.57</u>	<u>1,713,123,025.43</u>
V Profit before exceptional and extraordinary items and tax (III-IV)		(504,518,895.22)	(1,707,571,277.40)
VI Exceptional Items	15	12,030,859.22	21,130,980.86
VII Profits before extraordinary items & tax (V-VI)		(492,488,036.00)	(1,686,440,296.54)
VIII Extraordinary Items		-	-
IX Profit/(Loss) before Tax		<u>(492,488,036.00)</u>	<u>(1,686,440,296.54)</u>
X Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
XI Profit / (loss) for the year(VII-VIII)		(492,488,036.00)	(1,686,440,296.54)
XII Profit / (Loss) from discontinuing operation		-	-
XIII Tax Expense of discontinuing operations		-	-
XIV Profit / (Loss) from Discontinuing Operations (after tax) (XII-XIII)		-	-
XV Profit / (Loss) for the period (XI-XIV)		<u>(492,488,036.00)</u>	<u>(1,686,440,296.54)</u>
XVI EARNING PER SHARE (Rs. 10/-)			
1. Basic	24	(3.82)	(12.44)
2. Diluted	24	(3.82)	(12.44)
General Information	1		
Significant Accounting Policies & General Notes	2		

The accompanying notes including other explanatory information form an integral part of the financial statements.

As per our Report attached

For **TARMASTER & CO.**
Chartered Accountants
Firm Registration No 302016E

for and on behalf of the Board of Directors

S Saha
Partner
M. No. 300639

R C Kurup
Company Secretary

H C Mathur
Chairman & MD

Sujit Datta
Director

Place : Kolkata
Date : 30-May-2013

Place : Kolkata
Date : 30-May-2013



CFL CAPITAL FINANCIAL SERVICES LTD.

CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2013

(Amount in Rupees)

	Year ended 31-Mar-13 Rupees	Year ended 31-Mar-12 Rupees
A. Cash Flow from Operating Activities		
Net Profit Before Tax & Extraordinary items	(492,488,036.00)	(1,686,440,296.54)
Adjustments for :		
- Financial Expenses	481,400,803.00	1,687,037,648.25
- (Profit) on sale of assets	(8,802,472.04)	(14,567,223.86)
- Loss on sale of assets	22,212.82	197,874.00
- Depreciation	625,489.00	976,646.54
- Operating profit before Working Capital changes	(19,242,003.22)	(12,795,351.61)
Adjustments for :		
- (Increase) Decrease in Trade Receivables	(96,051.00)	172,174.40
- (Increase) Decrease in Other Non-Current Assets	(58,251.06)	(100,530.29)
- (Increase) Decrease in Current Loans & Advances	(162,931.60)	(221,496.40)
- (Increase) Decrease in Other Current Assets	(1,205.04)	124,935.04
- Increase (Decrease) in Other Current Liabilities	373,555,014.98	1,718,199,845.15
- Increase (Decrease) in Trade Payables	875,057.00	20,799,175.00
- Increase (Decrease) in Long Term Provisions	(162,034.00)	420,996.00
- Increase (Decrease) in Short Term Provisions	876,394.00	76,937.00
Cash generated from Operations	355,583,990.06	1,726,676,684.29
Financial Expenses	(481,400,803.00)	(1,687,037,648.25)
Net Cash from Operating Activities	(125,816,812.94)	39,639,036.04
B. Cash Flow from Investing Activities		
(Purchase) of Fixed Assets	(43,300.00)	(888,000.00)
Sale of Current Investments	-	10,104.00
Sale of Non-Current Investments	8,181,540.00	16,516,947.00
Sale/ extinguishment of Fixed Assets	11,910,039.55	26,288,901.00
Net Cash used in Investing Activities	20,048,279.55	41,927,952.00
C. Cash Flow from Financing Activities		
Increase / (Decrease) in Non Current Borrowings	-	(98,324,338.85)
Increase / (Decrease) in Current Borrowings due to decrees passed	96,630,842.00	48,841,043.00
Increase / (Decrease) in Current Borrowings due to repayment	(10,518,530.00)	(15,350,000.00)
Proceeds from unpaid calls received	-	771,957.00
Net Cash used in Financing Activities	86,112,312.00	(64,061,338.85)
Net Increase/(decrease) in Cash & Cash Equivalents	(19,656,221.39)	17,505,649.19
Cash & Cash equivalents as at opening	25,865,003.20	8,359,354.01
Cash & Cash equivalents as at closing	6,208,781.81	25,865,003.20

Notes

- The Cash Flow is prepared on the basis of Indirect method as prescribed in The Accounting Standard 3 issued by The Institute of Chartered Accountants of India.
- The Format used above is as prescribed for Financial organisation.
- Cash equivalents as on 31.3.2013 include Rs 14,545.87 (Rs.1,03,51,195.82 in Escrow account which has to be utilised first for repayment of Fixed Deposits as per the directions of Reserve Bank of India.
- The increase in Borrowings and liabilities, in the previous year, is mainly due to accounting of these items on the basis of the orders passed by the various Debt Recovery Tribunals.

As per our Report attached

For **TARMASTER & CO.**
Chartered Accountants
Firm Registration No 302016E

for and on behalf of the Board of Directors

S Saha
Partner
M. No. 300639

R C Kurup
Company Secretary

H C Mathur
Chairman & MD

Sujit Datta
Director

Place : Kolkata
Date : 30-May-2013

Place : Kolkata
Date : 30-May-2013



CFL CAPITAL FINANCIAL SERVICES LTD.

NOTE 1

GENERAL INFORMATION

A. COMPANY PROFILE

CFL Capital Financial Services Limited was incorporated in 1983 as Samudra Mahal Investments Limited as Public Company and continued to carry on Non Banking Financial Business and had the valid permissions for the same from Reserve Bank of India (RBI) and other authorities. Due to the poor financial condition of the Company, RBI cancelled its Certificate of Registration w.e.f 18-May-2004. However, the RBI has directed that the Company continues to be governed by the relevant provisions of the Act (RBI Act, 1934) and various directions/instructions issued by RBI from time to time until such time the entire amount of public deposits held by the company are repaid with interest and the entire financial assets are disposed of or the Company is converted to a non-banking non-financial company. As per its assets and income, the Company continues to be a Non Banking Financial Company. CFL has its registered office in Kolkata, West Bengal. Its Company Identification Number as given by Registrar of Companies, West Bengal, is L67120WB1983PLC036805. Its equity shares are listed on the Bombay Stock Exchange Limited.

B. Going Concern

The networth of the Company has become negative due to the accumulated losses in the previous years. The Company has drawn a plan to liquidate assets, borrow money including from shareholders / promoters etc for meeting the liabilities of the financial year ending 31st March, 2014 Hence, the Accounts have been drawn up on a going concern basis. The winding up petition filed by a depositor in the previous year is pending before the Hon'ble Calcutta High Court.

The Company's accounts have been drawn on a Going Concern basis. However, in view of the net worth of the Company being negative and in view of the accumulated losses for the last few years aggregating to Rs. 49,339.01 lakhs in all, the Company's ability to maintain the status is dependent on concessions from creditors (which is under consideration) and shareholders' support. Substantial support is reflected in this year's accounts from creditors and shareholders.

C. As the net owned fund of the Company are negative, Reserve Bank of India (RBI) had cancelled the registration of the Company as Non Banking Financial Company with effect from 18th May, 2004. Accordingly the Company cannot carry on any fresh Non Banking Financial activities. Hence these financial statements show the results of these operations / activities.

The Company is contemplating to carry on Non Banking Non Financial business and the operations from this activity during this year are not significant and hence no separation is made.

NOTE 2

SIGNIFICANT ACCOUNTING POLICIES

A. The financial statements are prepared under historical cost and on accrual basis and comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules 2006 referred to in section 211(3C) of the Companies Act, 1956 and within the terms of Prudential Norms mandated by the Reserve Bank of India.

B. Non-Current & Current Liabilities

A liability is classified as Current when it satisfies any of the following:-

- it is expected to be settled in normal operating cycle or
- it is held primarily for the purpose of being traded or
- it is due to be settled within twelve months of the Balance Sheet date or
- the Company does not have the unconditional right to defer the settlement of the liability for at least 12 months after the Balance Sheet date. All other liabilities are Non-Current.

C. Non-Current & Current Assets

An asset is classified as Current when it satisfies any of the following:-

- It is expected to be realised in or is intended for sale or consumption in normal operating cycle or
- it is held primarily for the purpose of being traded or
- It is due to be realised within twelve months of the Balance Sheet date or
- It is Cash or Cash Equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the Balance Sheet date. All other assets are Non-Current

D. Normal Operating cycle is assumed to be twelve months.

E. Fixed Assets

Fixed Assets are recorded at cost of acquisition or construction including cost of installation, transfer costs etc. They are stated at lower of historical cost less accumulated depreciation plus /minus impairment adjustments (i.e. written down value) or realisable value. There are no intangible assets.

F. Income & Expenditure

Income and Expenditure are generally accounted on accrual basis except to the extent restricted Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007.

There has been no fund based activity since 1.4.2001. The income recognised during the year is on account of additional charges recovered on account of defaults and delays in repayment of dues on Leasing, Hire Purchase, Bill Discounting and other Funding activities, Other items, except dividends, are accounted on accrual basis. Dividend is accounted when the same is received or the Company is entitled to its receipt.

G. Depreciation on assets under finance lease was provided based on the Primary Lease period of asset. On all other assets including operating leases (when in force), depreciation has been provided on the straight line basis at the rates as per Schedule XIV of the Companies Act, 1956. All leases have completed their terms. However, some of the leased assets which are under dispute continue to appear in the books on the Balance Sheet Date though at nil value.

H. Investments

Long term investments are valued at weighted average cost of acquisition and provision is made in the accounts for permanent diminution in the value of long term investments. Current investments are valued at lower of Cost or Market Value or Net Asset Value As per the Accounting Standard AS 30 these investments would all fall under "Available for Sale" category.

I. Foreign Currency Transactions. Expenses and Income are recorded at the exchange rate prevalent on the date of transaction. Assets and Liabilities are restated, to the extent the Company is not covered against exchange fluctuation, at the exchange rate prevailing on the Balance Sheet date. There is no exposure on account of Foreign Currency Transaction during the year under review or in the previous year.

J. The Company accounts follows RBI Prudential Norms for charging delayed payment charges on overdue Lease and Hire Purchase Contracts. These are booked on realisation or on entering into a settlement agreement with the party

K. Retirement Benefits.

The Company's employees are entitled to various retirement benefits Provident Fund contributions are made to a Fund approved by the appropriate authorities. The shortfall in the return is borne by the Company. Gratuity and Superannuation are covered by schemes with Life Insurance Corporation (LIC)

The Gratuity Scheme is a defined benefit plan and funded accordingly as per certificate given by the LIC in this regard. The Superannuation scheme is a defined contribution scheme and contribution is paid to the LIC as per the scheme. Liability on account of leave earned is provided on the basis of the actuarial certificate as on the date of the Balance Sheet, as per Revised AS 15, notified by the Companies (Accounting Standards) Rules 2006

L. Provision & Contingencies

A provisions is recognised when the Company has a legal and constructive obligation as a result of past event, for which it is probable that cash outflow will be required and the reliable estimate can be made. A contingent liability is disclosed when the Company has a present or a possible obligation where it is not probable that an outflow or resources will be required for settlement. Contingent assets are not recognised or disclosed

M. Use of Estimates

In preparing the Company's Financial Statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets & liabilities, revenues and expenses and other disclosures in these statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognised in the period it is determined.

N. Taxes on Income

Current Tax is provided on the basis of provision of the Income Tax Act, 1961. Deferred Tax is recognised on timing difference between the accounting income and taxable income for the year and quantified using tax rate and laws enacted on Balance Sheet date as per the Accounting Standard prescribed



CFL CAPITAL FINANCIAL SERVICES LTD.

Notes to accounts Particular	As at 31-Mar-13 Rupees		As at 31-Mar-12 Rupees	
NOTE 3				
SHARE CAPITAL				
A. Equity Share Capital				
a. Authorised				
19,49,50,000 (Previous Year 19,49,50,000) Equity Shares of Rs. 10 Each	1,949,500,000.00		1,949,500,000.00	
b. Issued				
13,86,75,000 (Previous Year 13,86,75,000) Equity shares of Rs. 10/- each	1,386,750,000.00		1,386,750,000.00	
c. Subscribed				
13,86,75,000 (Previous Year 13,86,75,000) Equity shares of Rs. 10/- each	1,386,750,000.00		1,386,750,000.00	
d. Paid-up				
i. 13,86,55,500 (Previous Year 13,86,55,500) Fully Paid Equity shares of Rs. 10/- each	1,386,555,000.00		1,386,555,000.00	
ii. Shares Forfeited 19,500 (Previous Year 19,500) partly paid Equity shares of Rs. 10/- each Rs.5/- per share paid up	97,500.00		97,500.00	
Total Paid Up Equity Share Capital	1,386,652,500.00		1,386,652,500.00	
As at 31-Mar-13				
Rupees				
As at 31-Mar-12				
Rupees				
e. Number of Equity Shares subscribed of Rs. 10 each.	Numbers		Amount	
e.1 Fully Paid				
Fully Paid at the beginning of the year	138,655,500	1,386,555,000.00	138,586,046	1,385,860,460.00
Add Partly Paid Shares Paid up during the year	-	-	69,454	694,540.00
Fully Paid at the end of the year	138,655,500	1,386,555,000.00	138,655,500	1,386,555,000.00
e.2 Partly Paid				
Partly Paid at the beginning of the year (Rs 5 Paid Up)	-	-	88,954	444,770.00
Less Partly Paid Shares Paid up during the year	-	-	69,454	347,270.00
Less Partly Paid Shares forfeited during the year	-	-	19,500	97,500.00
Partly Paid at the end of the year (Rs 5 Paid Up)	-	-	-	-
e.3 Forfeited shares				
Forfeited shares at the beginning of the year	19,500	97,500.00	-	-
Partly Paid Shares forfeited during the year (principal Amount)	-	-	19,500	97,500.00
Forfeited shares at the end of the year	19,500	97,500.00	19,500	97,500.00
Total e.1+e.2+e.3	-		1,386,652,500.00	
f. Shareholders holding more than 5% shareholding	Percentage holdings		No. of shares	
STEL Holdings Limited	34.37	47,664,340	34.37	47,664,240
Summit Securities Limited	19.70	27,318,150	19.70	27,318,150
Arco Impex Limited	17.64	24,460,100	17.64	24,460,100
Swallow Associates Limited/Blue Niles Holdings Limited	16.29	22,592,837	13.30	18,448,587
g. Calls unpaid	Numbers		Amount	
Principal amount unpaid				
Opening Balance - unpaid principal amount	-	-	88,954	444,770
Less Amount received during the year	-	-	69,454	347,270
Less Shares Forfeited during the year	-	-	19,500	97,500
Closing Balance - unpaid principal amount	-	-	-	-
(No amount was/is unpaid by the Directors or Officers of the Company)				
h. Forfeited shares				
Opening Balance - Principal Amount paid on forfeited shares	19,500	97,500	-	-
Add Principal amount paid on Forfeited shares	-	-	19,500	97,500
Closing Balance - Principal amount paid on Forfeited shares	19,500	97,500	19,500	97,500
i. Rights of equity shareholders				
Equity shareholders have the rights as provided under the Companies Act, 1956 and the Memorandum and Articles of Association of the Company.				
As at 31-Mar-13				
Rupees				
As at 31-Mar-12				
Rupees				
B. Preference Share Capital				
a. Authorised				
25,05,000 (Previous Year 25,05,000) Redeemable Cumulative Preference Shares of Rs.100 Each	250,500,000.00		250,500,000.00	
b. Issued				
24,99,000 (Previous Year 24,99,000.) 13% Redeemable Cumulative Preference Shares of Rs 100/- each	249,900,000.00		249,900,000.00	



CFL CAPITAL FINANCIAL SERVICES LTD.

c. Subscribed	24,99,000 (Previous Year 24,99,000,) 13% Redeemable Cumulative Preference Shares of Rs 100/- each		249,900,000.00		249,900,000.00
d. Paid-up	24,99,000 (Previous Year 24,99,000,) 13% Redeemable Cumulative Preference Shares of Rs 100/- each		249,900,000.00		249,900,000.00
Total Paid up Preference Share Capital			<u>249,900,000.00</u>		<u>249,900,000.00</u>
e. Number of Preference Shares subscribed at the beginning and end of the year			2,499,000		2,499,000
f. Shareholders holding more than 5% shareholding		Percentage holdings	No. of shares	Percentage holdings	No. of shares
	Williamson Tea Assam Limited	46.21	1,154,790.00	46.21	1,154,790
	Kitply Industries Limited	20.01	500,000.00	20.01	500,000
g. Redemption	The Preference shares were issued on 20.01.1998 for a period of 5 years. The redemption date was extended thrice for a period of 5 years each. The same are now due for redemption on 19.01.2018.				
h. Rights of the Preference shareholders	The Preference Shareholders have the first right to dividend (including Dividend in Arrears) out of the future distributable profits as and when they arise. They will also have the rights as provided under the Companies Act, 1956 and the Memorandum/Articles of Association of the Company.				
TOTAL SHARE CAPITAL (3 A+3 B)			<u>1,636,552,500.00</u>		<u>1,636,552,500.00</u>

NOTE 4

RESERVES AND SURPLUS

Capital Reserves

Opening Balance	940,644,587.80	-	940,644,587.80	-
Add : Amount on settlement of dues	-	-	-	-
		940,644,587.80		940,644,587.80

Securities Premium Account

Opening Balance	258,133,692.00		258,279,942.00	
Less : Calls Unpaid	-		146,250.00	
	258,133,692.00			258,133,692.00

Statutory Reserve

	66,000,000.00		66,000,000.00	
--	---------------	--	---------------	--

Statutory Reserve was created as per the provisions of Section 45-IC of the Reserve Bank of India Act, 1934 (RBI) based of the profits earned by the Company for the years ended 31-Mar-97 and 31-Mar-98. This reserve cannot be utilized without the permission of RBI.

Surplus

Opening balance	(6,799,924,828.13)	(5,113,484,531.59)	(6,799,924,828.13)	(5,113,484,531.59)
Add loss for the year	(492,488,036.00)	(1,686,440,296.54)	(6,027,634,584.33)	(5,535,146,548.33)
Total			(7,292,412,864.13)	(6,027,634,584.33)

TOTAL RESERVES AND SURPLUS

	As at 31-Mar-13 Rupees	As at 31-Mar-12 Rupees
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NOTE 5

NON-CURRENT LIABILITIES

a) Long term Borrowings

From Corporate Bodies - unsecured	-	-
From Fixed Depositors - Unsecured	-	-
b) Deferred Tax Liabilities (net)	-	-
c) Other Long term liabilities	-	-
d) Long term provisions	-	-
Provision for employee benefits - Leave Salary	1,276,621.00	1,438,655.00
TOTAL	<u>1,276,621.00</u>	<u>1,438,655.00</u>

The above amounts are due for repayment after 12 months from the date of the Balance Sheet.

	As at 31-Mar-13 Rupees	As at 31-Mar-12 Rupees
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NOTE 6

a) Short term Borrowings

From Bill Re-discounters parties - Unsecured (see note 6.1 below)	1,150,061.00	1,487,749.00
From Corporate Bodies - unsecured (See Note 6.2 below)	560,855,043.00	474,405,043.00
Interest Accrued on above	-	-
Sub-Total	<u>562,005,104.00</u>	<u>475,892,792.00</u>

b) Trade Payables

Sundry Creditors (Micro, Small, Medium Enterprises)	-	-
Other Sundry Creditors (See note 6.3 below)	90,317,665.68	89,442,608.68
Sub-Total	<u>90,317,665.68</u>	<u>89,442,608.68</u>



CFL CAPITAL FINANCIAL SERVICES LTD.

c) Other Current Liabilities		
From Banks - Secured (see notes 6.4 below)	662,253,530.32	672,874,060.32
Unpaid Debentures From Others -Secured (See notes 6.5 below)	19,500,000.00	19,500,000.00
Interest Accrued & Due on debentures-Secured (Note 6.6 below)	507,204,693.32	401,657,825.00
From Fixed Depositors - Unsecured (See note 6.7 below)	62,637,415.00	159,910,994.10
Interest Accrued & Due on Bank Loans (See note 6.8 below)	2,547,436,365.78	2,171,583,730.00
Tax deducted at Source payable	637,212.00	425,273.00
Other liabilities (See note 6.9 below)	44,681,418.57	44,843,737.59
Sub-Total	<u>3,844,350,634.99</u>	<u>3,470,795,620.01</u>
d) Short term provisions		
Provision for employee benefits Leave Salary	459,910.00	241,408.00
Provision for employee benefits Superannuation	697,680.00	-
Provision for employee benefits Gratuity	-	39,788.00
Sub-Total	<u>1,157,590.00</u>	<u>281,196.00</u>
Total	<u><u>4,497,830,994.67</u></u>	<u><u>4,036,412,216.69</u></u>

Note 6.1

The Company used to re-discount the bills which it used to discount of its clients in the course of its funding business. The amount is outstanding as the recovery from the discounters is pending and other disputes with the concerned discounters.

Note 6.2

These borrowings are interest free and due on demand. Hence there is no accrued interest.

Note 6.3 - Sundry Creditors

Sundry Creditors include dues from subsidiary- - Samudra Securities Limited - Rs. 3,04,08,208.68 (Previous Year Rs. 3,05,08,208.68) Samudra Securities Limited (SSL) (formerly Ceat Securities Ltd.)has become a subsidiary of the Company with effect from 1st April, 2003 as per the scheme of amalgamation approved by the Hon. High Courts of Madras and Calcutta. An amount of Rs. 3,04,08,208.68 is due to SSL on account of GOI securities purchased from them. This amount has remained unpaid for a few years on account of Financial constraints. SSL has made a provision against the amount due to them. The Company has made no provision in its books since the value of investment would not be impaired if the dues to SSL are settled.

Note 6.4 - Borrowings from Banks

- The loans from Banks are secured by hypothecation of present and future Hire Purchase and Leased assets and Book Debts. Specific cases of these transactions covering, Plant % Machinery, Computers, Office Equipments, Vehicles etc were provided to the specific banks. Certain buildings were also mortgaged to the banks collectively. The security is however insignificant in relation to the dues.
- The Company had entered into agreements with some banks for settlement of their dues and completed the settlements in earlier years. The Company is negotiating with the others including those who have initiated legal proceedings against the Company. The Adjudicating Authorities have decreed against the Company in many cases and the Recovery Officers have commenced possession and disposal of these assets given as security to the bankers. The amount shown as payable is calculated on the basis of amounts decreed by the adjudicating authorities along with the interest as decreed. In case the decree has not been passed the amount is computed on the basis of the claimed amount and with interest computed as per the claim. The amount payable as on the Balance sheet date is disclosed in notes 6.4 and 6.8 below.
- Debt Recovery Tribunals (DRT) - I & II< Mumbai have passed decrees in favour of six banks and in pursuance thereto recovery proceedings are pending against the Company. Five more suits filed by the banks are still pending before the DRT at Mumbai, Kolkata and Chennai. Two recovery proceedings are pending before the DRT-II, Delhi pursuant to an interim and final decree for the balance amount in respect of one bank. DRT-I, Kolkata, DRT-II, Delhi and DRT-I, Mumbai have passed injunction/status quo orders in respect of mortgaged assets/properties. DRT-I, Mumbai had appointed a Receiver in respect of the mortgaged properties in one recovery proceeding. The mortgaged properties at Ahmedabad, Kanpur, Lucknow, Ghaziabad have already been auctioned off by DRT-I, Mumbai in the recovery proceeding filed by Dena Bank, where some other banks have also joined themselves. The Pune property was auctioned off pursuant to recovery proceedings at DRT, Pune. The Company has also preferred six appeals before the Debt Recovery Appellate Tribunals, at Mumbai and Delhi, which are pending before the Hon'ble Appellate Tribunals. The amounts were earlier advanced by the banks as Working Capital limits and then converted into loans. Hence shown under this head.

The principal amount defaulted against each lender is as under	Date of Default	Default as on 31-Mar-13 Rupees	Rate of Interest p.a	Default as on 31-Mar-12 Rupees
ICICI Bank Ltd (formerly Bank of Rajasthan Ltd)	20-Jun-03	55,078,491.00	16.50/Monthly rests	55,078,491.00
Catholic Syrian Bank Ltd	11-Aug-04	38,723,407.00	10.00% Simple Interest	38,723,407.00
Dena Bank	7-May-02	137,696,228.00	12.00% Quarterly rests	137,696,228.00
Federal Bank Ltd	10-Aug-06	29,000,000.00	16.75/Monthly rests	29,000,000.00
Indusind Bank Ltd	9-Apr-03	89,344,863.07	12.00% Quarterly rests	89,344,863.07
Oriental Bank of Commerce	3-Dec-03	44,754,529.25	17.00% Quarterly rests	44,754,529.25
State Bank of Travancore	22-Jul-05	82,617,737.00	12.00% Quarterly rests	82,617,737.00
South Indian Bank Ltd	10-Mar-03	67,393,206.00	14.50% Quarterly rests	67,393,206.00
Vijaya Bank	1-May-03	91,797,485.00	9.00% Simple Interest	91,797,485.00
Axis Bank Ltd	11-Aug-04	51,818,114.00	10.00% Simple Interest	51,818,114.00
Less amounts recovered by Recovery officers of the Debt recovery Tribunals		-		-
		<u>(25,970,530.00)</u>		<u>(15,350,000.00)</u>
		<u><u>662,253,530.32</u></u>		<u><u>672,874,060.32</u></u>

The principal shown is as per the earlier proposal accepted in-principle by majority. The difference between the book principal and the one claimed by the banks as on the date of default is added to interest account referred in note 6.8.

The Recovery officers of the Debt Recovery Tribunals have sold some of the fixed assets mortgaged to the banks as security. The amount realised is held by the Recovery Officers on behalf of the above banks.



CFL CAPITAL FINANCIAL SERVICES LTD.

Note 6.5 - Unpaid Debentures

The 19% Secured Non Convertible debentures are secured by an exclusive charge/mortgage over specific assets given on Lease / Hire Purchase and the debtors. However the value of security including collateral security (one office unit) is insignificant with respect to amount due. The principal amount of Rs. 195 lakhs was payable to the lenders as per the original terms. The difference between the book principal and that claimed by lenders as on the date of default is added to the interest account referred in note 6.6 . The Company could not pay the dues as per the proposal. After the demerger of Unit Trust of India in 2002, the dues are bi-furcated between UTI Asset Management Co Ltd and the Administrator of Specified Undertaking of Unit Trust of India. The amount due as on the Balance Sheet date is disclosed below.

	Date of Default	Default as on 31-Mar-13 Rupees	Rate of Interest p.a	Default as on 31-Mar-12 Rupees
UTI Asset Management Co Ltd	12-May-03	7,117,500.00	20% Simple & compound	7,117,500.00
Administrator of the Specified Undertaking of UTI	12-May-03	12,382,500.00	qtrly Rest & 2% penal	12,382,500.00
		-		
		19,500,000.00		19,500,000.00

Note 6.6 - Interest Accrued and Due on Unpaid Debentures

	Date of Default	Default as on 31-Mar-13 Rupees	Rate of Interest p.a	Default as on 31-Mar-12 Rupees
UTI Asset Management Co Ltd	12-May-03	185,129,712.92	20% Simple & compound	146,605,106.00
Administrator of the Specified Undertaking of UTI	12-May-03	322,074,980.40	qtrly Rest & 2% penal	255,052,719.00
		-		
		507,204,693.32		401,657,825.00

Note 6.7- Fixed Deposits

The Company had defaulted in repaying the deposits as per the original terms of the deposit which were rescheduled by the Company Law Board's (CLB) orders dated 26.06.2001 and its subsequent modifications dated 11.09.2002, 30.04.2004, 28.02.2006, 07.02.2007 & 13.10.2009. The Company has already paid all the claimed deposits on 29.12.2012 as per the last CLB order. As all Fixed Deposits have matured as per the Original terms, the full amount is shown as dues to fixed depositors. The CLB has also considered the maturity amount while deciding about the amount of instalments. Hence entire amount of deposits is classified as due within one year is Rs 6,26,37,415/- (PY Rs. 15,99,10,994.10). The interest accrued and due on cumulative deposits and included in these amounts is Rs, 1,19,24,782/- (PY Rs. 3,75,27,370.10)

	No. of Deposits	Amount	No. of Deposits	Amount
Amount unclaimed	4,180	62,637,415.00	4,208	63,685,616.00

As per the order of the Honourable Company Law Board (CLB) dated May 25, 2005, no delayed payment interest would be payable if the Company makes the payment as per its order dated April 30, 2004. The CLB has subsequently amended its orders. CLB vide its latest order dated October 13, 2009 permitted the company to pay the total dues in four annual installments by December 31 every year from 2009 to 2012. The Company has repaid all the installments before 31st December, 2012 as permitted by CLB to all the depositors who have lodged their claims for repayments. Hence the Company has no unpaid deposits. The Company issues a fresh warrant / demand draft to the depositor on receipt of the stale warrant / demand draft or proper affidavit / undertaking. The amount is transferable to Investors Education and Protection Fund as Unclaimed matured deposits. The same are not due for transfer as on Balance Sheet Date.

Note 6.8 - Interest Accrued and due on loans to banks

	Dates of Defaults	Default as on 31-Mar-13	Rate of Interest p.a	Default as on 31-Mar-12
ICICI Bank Ltd (formerly Bank of Rajasthan Ltd)	20-Jun-03	376,748,646.44	16.50/Monthly rests	311,476,827.32
Catholic Syrian Bank Ltd	11-Aug-04	84,382,014.62	10.00% Simple Interest	77,777,064.13
Dena Bank	7-May-02	577,512,934.01	12.00% Quarterly rests	497,757,848.95
Federal Bank Ltd	10-Aug-06	271,366,437.74	16.75/Monthly rests	225,337,323.74
Indusind Bank Ltd	9-Apr-03	361,289,351.52	12.00% Quarterly rests	311,037,799.51
Oriental Bank of Commerce	3-Dec-03	213,061,383.10	17.00% Quarterly rests	173,521,208.21
State Bank of Travancore	22-Jul-05	119,360,070.61	12.00% Quarterly rests	96,836,929.31
South Indian Bank Ltd	10-Mar-03	254,472,137.59	14.00% Quarterly rests	213,093,846.27
Vijaya Bank	1-May-03	211,484,879.35	9.00% Simple Interest	193,447,894.09
Axis Bank Ltd	11-Aug-04	77,758,510.80	10.00% Simple Interest	71,296,988.47
		-		
		2,547,436,365.78		2,171,583,730.00

Interest has been provided at the rates as per the claim before DRT or as ordered by it on the principal claimed by the banks. Also refer note 6.4.

Note 6.9

Other liabilities include Book Overdraft of Rs. 3,56,84,840 (Previous Year Rs. 3,64,84,860)

Note 6.10

Provisions	Opening balance 1-Apr-12	Additions	Settled / paid/Transferred	Closing Balance 31-Mar-13
Non Current provision for employee benefits Leave salary	1,438,655.00	-	162,034.00	1,276,621.00
Current provision for employee benefits Leave salary	241,408.00	218,502.00	-	459,910.00
Current provision for employee benefits Gratuity	39,788.00	-	39,788.00	-
Current provision for employee benefits Superannuation	-	697,680.00	-	697,680.00
NPA Provisions on Receivables	329,975,490.30	-	2,669,385.00	327,306,105.30
NPA Provisions on Short term Loans & Advances	91,735,110.30	-	390,000.00	91,345,110.30
NPA Provisions on Standard Assets	429,419.00	-	-	429,419.00
NPA Provisions on Non Current Investments	202,899,888.00	-	-	202,899,888.00
Total	626,759,758.60	916,182.00	3,261,207.00	624,414,733.60



CFL CAPITAL FINANCIAL SERVICES LTD.

NOTE 7

FIXED ASSETS SCHEDULE AS ON 31.3.2013

(Rupees)

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2012	Additions	Sales/ Retirement Transfer	As at 31.03.2013	As at 01.04.2012	For the Year	Sales/ Transfer etc	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013
A) Assets given on Lease (All prior to 1.4.2001) (Tangible)										
Plant & Equipment	94,499,434.30	-	-	94,499,434.30	94,499,434.30	-	-	94,499,434.30	-	-
TOTAL (A)	94,499,434.30	-	-	94,499,434.30	94,499,434.30	-	-	94,499,434.30	-	-
B) Owned Assets (Tangible)										
Buildings	26,359,793.68	-	3,922,338.00	22,437,455.68	6,738,725.11	376,763.00	815,820.49	6,299,667.62	19,621,068.57	16,137,788.06
Furniture and Fixture	683,962.05	-	21,000.00	662,962.05	384,537.78	29,541.00	15,676.00	398,402.78	299,424.27	264,559.27
Vehicles	2,106,537.00	-	-	2,106,537.00	791,695.00	163,108.00	-	954,803.00	1,314,842.00	1,151,734.00
Office Equipment	7,553,716.62	43,300.00	6,753,316.02	843,700.60	7,291,219.99	56,077.00	6,735,377.20	611,919.79	262,496.63	231,780.81
TOTAL (B)	36,704,009.35	43,300.00	10,696,654.02	26,050,655.33	15,206,177.88	625,489.00	7,566,873.69	8,264,793.19	21,497,831.47	17,785,862.14
G . TOTAL (A+B)	131,203,443.65	43,300.00	10,696,654.02	120,550,089.63	109,705,612.18	625,489.00	7,566,873.69	102,764,227.49	21,497,831.47	17,785,862.14
Less Provision on Standard assets									107,480.00	107,480.00
									21,390,351.47	17,678,382.14
Previous Year	148,522,435.05	888,000.00	18,206,991.40	131,203,443.65	114,956,053.90	976,646.54	6,227,088.26	109,705,612.18	33,566,381.15	21,497,831.47

In case of most of the buildings the change to the new name of the Company in the concerned records is to be completed.

Leased Assets shown as 'Sales/Transfer/Retirement' consist mainly of completed leases. The leased assets shown above are mainly those where there are disputes or the transfers of title are not completed.

The assets sold / retired during the year include offices of the Company disposed off by the Recovery Officers of the Debt Recovery Tribunals.

The software used for computers was embedded in them or were purchased and capitalised with them over 10 years ago and are fully depreciated. The updation has been made by the clients to whom Company provided administrative services and hence are not capitalised.

Particulars	As at 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12	As at 31-Mar-12
	Nos.	Rupees	Nos.	Rupees

Note 8

NON CURRENT ASSETS

Non-current investments

a. Investment in Equity Instruments (long term-trade)

i. Investment in subsidiary -Unlisted

Samudra Securities Ltd. (FV Re. 1 per share)

28,599,032 28,599,032.00 28,599,032 28,599,032.00

Less : provision on Standard assets

(142,995.00) (142,995.00)

Total i

28,456,037.00 28,456,037.00

The investment is valued at cost.

ii. Investment in Other Companies -Unlisted

(Face Value Rs. 10/ per share unless specified otherwise)

Ace Garments Export Ltd. DO

850,000 8,500,000.00 850,000 8,500,000.00

Basic Teleservices Ltd. AM

- - 2 -

IAEC Industries Ltd. A

150,000 11,778,933.00 150,000 11,778,933.00

Indo Deain Leather Ltd. A

600,000 26,400,000.00 600,000 26,400,000.00

Indo Deutsche Metallo Chimique Ltd. - DO

171,500 30,012,500.00 171,500 30,012,500.00

Jind Textiles Ltd. UL

750,000 18,938,523.00 750,000 18,938,523.00

Kalpana Chemicals Ltd. A

700,000 21,735,000.00 700,000 21,735,000.00

Kaveri Polysacks Ltd. USO

350,000 3,500,000.00 350,000 3,500,000.00

Kohinoor Feeds Ltd. A

562,500 33,609,375.00 562,500 33,609,375.00

Multimedia Frontiers Ltd. A

100,000 900,000.00 100,000 900,000.00

Nikita Cements Ltd. DO

150,000 2,100,000.00 150,000 2,100,000.00

Ruia Hospitality Ltd. DO

1,350,000 47,250,000.00 1,350,000 47,250,000.00

Spectrum Alkyd & Resins Ltd. DO

400,000 4,000,000.00 400,000 4,000,000.00

Worldcom Multi Media Ltd. DO

100,000 2,500,000.00 100,000 2,500,000.00

Subtotal

211,224,331.00 211,224,331.00

Less Provision for Non Performing Assets - Long Term Investments

202,899,888.00 202,899,888.00

TOTAL ii

8,324,443.00 8,324,443.00



CFL CAPITAL FINANCIAL SERVICES LTD.

Particulars	As at	As at	As at	As at
	31-Mar-13 Nos.	31-Mar-13 Rupees	31-Mar-12 Nos.	31-Mar-12 Rupees
iii. Investment in Government Securities				
(Face Value Rs 100 per unit except where specified)				
12.60% Government of India 2018	20	2,022.00	20	2,022.00
7.49% Government of India 2017	100,000	9,816,500.00	100,000	9,816,500.00
7.46% Government of India 2017	20,000	1,913,800.00	20,000	1,913,800.00
12.30% Government of India 2016	500	55,125.00	500	55,125.00
10.71% Government of India 2016	200	23,253.00	200	23,253.00
11.50% Government of India 2015	160	19,200.00	160	19,200.00
6.72% Government of India 2014	120,100	11,781,810.00	203,500	19,963,350.00
11.50% Government of India 2011	-	-	-	-
Less : Provision on Standard Assets		(158,966.00)		(158,966.00)
TOTAL iii		23,452,744.00		31,634,284.00
TOTAL Non-Current Investments i+ii+iii		60,233,224.00		68,414,764.00

- A. The Long Term Investments as per the Accounting Standard 13 as notified by the Companies (Accounting Standards) Rules 2006 are classified Non Current investments.
- B. Provision has been made on the basis of the Non-Banking Financial (Deposits Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007.
- C. The Investments are valued at Cost and provisions are made as per the directions referred in B above.
- D. Shares in unlisted companies (including Subsidiary company are held in physical form while Government securities are held in electronic form.
- E. In case physically held securities (except subsidiary), the changing of Company's name is under process.
- F. No charge of SLR securities has been created in favour of the Public Depositors. This has been permitted by Reserve Bank of India.
- G. The Investee Company's status as Listed or Unlisted is as per the Company Data on the website of Ministry of Corporate Affairs at the current year end.
- H. The meaning of abbreviations is A - Active, DO - Dormant, L- Liquidated, UL - Under Liquidation, USO - Under Strike Off. These particulars are from the same data as in G above. Shares of Liquidated Companies have been written off.
- I. Provision on Standard Assets has been made @ 0.5% as per Reserve Bank of India's directions.
- J. D indicates shares are in dematerialised form otherwise they are in physical form

Aggregate Book Value of Quoted Investments	23,452,744.00	31,634,284.00
Aggregate Market Value of Quoted Investments	23,775,061.00	31,304,395.60
Aggregate Book Value of Unquoted Investments	36,780,480.00	36,780,480.00

b. Deferred Tax Asset	-	-	-	-
The Company has not accounted for Deferred Tax Asset since there is no virtual certainty of its utilisation in future.				
c. Long term loan and advances	-	-	-	-
There are no long term loans & advances				
d. Other non-current assets				
Tax Deducted at Source (Unsecured Considered Good)		19,331,711.79		19,273,460.73
Total		19,331,711.79		19,273,460.73

Note 9

CURRENT ASSETS

Current investments	Nos.	Rupees	Nos.	Rupees
a. Investment in Equity Instruments				
i. Investment in Unlisted Companies				
The share is of a face value of Rs 10 each and fully paid unless otherwise specified. They are valued at cost. The aggregate provision for diminution is shown separately.				
Ankit Yarns Ltd A	46	-	46	-
Dataline Research Ltd A	50,000	-	50,000	-
EBF Finance Ltd - DO	9,050	-	9,050	-
Gemini Agritech Co Ltd SO	145,000	-	145,000	-
Inland Printers Ltd A	10,000	-	10,000	-
KGN Agro Int Ltd (Partly Paid) DO	176,600	-	176,600	-
Lakshana Cotton Spinning Mills P Ltd UL	100	-	100	-
Mala'vika Steel Co Ltd DO	237,400	-	237,400	-
Naina Semi Conductor Ltd A	47,200	-	47,200	-



CFL CAPITAL FINANCIAL SERVICES LTD.

Current investments	Nos.	Rupees	Nos.	Rupees
Nova Surgikos Ltd UL	25,800	-	25,800	-
PAL Peugeot Ltd - UL	99,600	-	99,600	-
Prism Mills Ltd A	1,000	-	1,000	-
Radan Multimedia Ltd (Formerly Radan Tapes & Tubes Ltd) DO	17,400	-	17,400	-
Reacto Paper Ltd UL	400,000	-	400,000	-
Sun Earth Ceramics Ltd** DO	125	-	125	-
Sun Valley Farm Products Ltd (Formerly Cryptogen Ltd) A	77,700	-	77,700	-
Vitara Chemicals Co Ltd DO	198,000	-	198,000	-
TOTAL i				

ii. Investment in Listed Companies

The share is of a face value of Rs 10 each and fully paid unless otherwise specified. They are valued at cost or market price whichever is lower.

Some of the shares are suspended by the concerned stock exchanges. 'D' denotes shares are held in dematerialized form.

Autopins Ltd.(D) / A	41,730	-	41,730	-
Balaji Industrial Corporation Ltd. (D) / A	45,498	-	45,498	-
Cherry Polypack Ltd** A	36,200	-	36,200	-
Fancy Fittings Ltd A	8,900	445,641.00	8,900	445,641.00
Grand Foundry Ltd UL	200	-	200	-
JSW Steels Limited* (D) / A	100	-	250	-
KEC Limited* (D) / A	250	-	250	-
Kothari Petro Ltd. (D) / A	4,955	-	40,457	-
Moolchand Export Ltd - L	-	-	-	-
Moulik Finance and Resorts Ltd - DO	25,500	-	25,500	-
Nagarjuna Agritech Ltd. (D) / A	26,691	-	60,400	-
NGL Fine Chem Ltd (D) / A	-	-	-	-
N R International Ltd (D) / A	79,934	-	88,936	-
Pretto Leather Ltd A	2,800	-	2,800	-
Ranjeev Alloys Ltd (D) / A	2,980	-	45,100	-
Reed Relays & Electronics Ltd. A	-	-	-	-
Reliance Industries Limited * (D) / A	40	21,631.00	40	21,631.00
Shamrock Industrial Co Ltd (D) / A	86,165	-	86,165	-
Shree Rubbers Industries Ltd A	192,000	-	192,000	-
Shreeyash Industries Ltd. ** (D) / A	50,000	-	50,000	-
Venkat Pharma Ltd (D) / A	-	-	-	-
Yogi Polyester Ltd. UL	55,800	-	55,800	-
Less Provision on Standard Assets		(2,336.00)		(2,336.00)
TOTAL ii		464,936.00		464,936.00
TOTAL CURRENT INVESTMENTS (i+ii)		464,936.00		464,936.00

Aggregate Book Value of Quoted Investments	464,936.00	464,936.00
Aggregate Market Value of Quoted Investments	484,907.75	2,484,534.00
Aggregate Book Value of Unquoted Investments	-	-

Note 9.a

- The Current Investments are included in this Schedule as per the Accounting Standard 13 as notified by the Companies (Accounting Standards) Rules 2006 and there are restrictions on trading imposed by Reserve Bank of India.
- * These shares have been received by the Company on removal of defects in case of bad deliveries or for lost shares. These have been accounted at the market rate.
- ** The Company's application for duplicate shares / dematerialisation not responded by respective Companies
- Where the company has written off the value of a share/debenture/security due to non availability of market rate of a period exceeding six months, its value has been shown as Nil despite the quantitative number held as on the balance sheet date appearing. Others are valued at lower of cost or market value
- Shares marked as (D) are in electronic form, others are in physical form. In case physical securities, the changing of Company's name is under process.
- The Investee Company's status as Listed or Unlisted is as per the Company Data on the website of Ministry of Corporate Affairs at the current year end.
- The meaning of abbreviations is A - Active, DO - Dormant, L- Liquidated, UL - Under Liquidation, USO - Under Strike Off. These particulars are from the same data as in G above. Shares of Liquidated Companies have been written off.



CFL CAPITAL FINANCIAL SERVICES LTD.

	As at 31-Mar-13 Rupees	As at 31-Mar-12 Rupees
b. Trade receivables - Unsecured		
Outstanding for over six months after the due dates	-	-
Considered Good	96,051.00	-
Considered Doubtful	327,452,578.30	329,975,490.30
Less : Provision for Doubtful Debts	327,452,578.30	329,975,490.30
	<u>96,051.00</u>	<u>-</u>
Note 9.b		
i.	The above receivables are outstanding for a period exceeding six months from the date they were due for payment	
ii	The above do not consist of any amount due from the Directors or Officers of the Company or Firms and Companies in which they are Partners/Directors	
c. Cash and Cash Equivalents :		
i.	Balances with Scheduled Banks :	
- in Fixed Deposits	-	7,500,000.00
- in Fixed Deposits (against dues to employees)	151,636.00	-
- in Current Accounts	5,966,524.44	7,941,775.78
	<u>6,118,160.44</u>	15,441,775.78
ii.	Cash in hand	
	76,075.50	72,031.50
iii.	Balances with Scheduled Banks :	
- in Escrow Account	14,545.87	10,351,195.92
	<u>6,208,781.81</u>	<u>25,865,003.20</u>
Note 9.c		
The amount in the escrow account is maintained as per the directions of the Reserve Bank of India and the amount to be utilised for the purpose of repaying the fixed deposits.		
d. Short-term Loans & Advances		
Advances(unsecured) - receivable in cash or in kind or for value to be received		
Inter Corporate Deposits (Unsecured / Doubtful)	7,500,000.00	7,500,000.00
Less Provision for doubtful debts	7,500,000.00	7,500,000.00
Bills Discounted (unsecured / Doubtful)	83,659,504.26	84,049,504.26
Less Provision for doubtful debts	83,659,504.26	84,049,504.26
Staff loans (Unsecured / Considered Good)	519,000.00	662,500.00
Other loans/advances (Unsecured, Considered good)	829,393.60	522,962.00
Less Provision for doubtful debts	185,606.00	185,606.00
	<u>643,787.60</u>	337,356.00
Less Provision on Standard Assets	(3,312.00)	(3,312.00)
Short-term Loans & Advances- Net of Provisions	<u>1,159,475.60</u>	<u>996,544.00</u>
i.	Inter Corporate Deposit was given in earlier years and is doubtful of recovery. No interest has been accrued as per the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007.	
ii.	Bills Discounted are dues for bills discounted in earlier years and are doubtful of recovery. No interest has been accrued as per the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007.	
iii.	As per the Orders of the Debt Recovery Tribunals ordering the sale of Company's Assets, the Recovery Officers have sold certain assets and realised these amounts to be appropriated to various lenders.	
e. Other Current Assets (unsecured / considered good)		
Interest Receivable on Government Securities	439,973.00	508,767.96
Deposits for Premises, Telephones etc (Unsecured/considered Good)	2,427,326.00	2,357,326.00
Less ; Provision on Standard Assets (unsecured / considered good)	(14,330.00)	(14,330.00)
	2,852,969.00	2,851,763.96
The amount in the escrow account is maintained as per the directions of the Reserve Bank of India and the amount to be utilised for the purpose of repaying the fixed deposits.		
TOTAL CURRENT ASSETS	<u>10,782,213.41</u>	<u>30,178,247.16</u>
Note 9.f		
i	The above do not consist of any amount due from the Directors or Officers of the Company or Firms and Companies in which they are Partners/Directors	



CFL CAPITAL FINANCIAL SERVICES LTD.

Particulars	Year ended 31-Mar-13 Rupees	Year ended 31-Mar-12 Rupees
NOTE 10		
INCOME FROM OPERATIONS		
Other income		
Income from Old Recoveries of Funded Business.	122,145.00	632,827.00
Profit from Sale of Shares- Current Investments - Non Trade	596,482.23	420,673.99
Profit from Sale of Shares- Long Term Investments Non Trade	20,850.00	-
Dividend - Current investments - Non trade	13,435.00	56,074.27
Dividend - Long Term investments	281,250.00	281,250.00
Interest on SLR Securities Long Term Investments-Trade	2,132,783.60	3,121,690.93
Interest on Bank Deposits (TDS Rs.92,251/- . PY Rs 28,464/-)	922,510.52	391,607.84
Rent Received (TDS Rs.36,000/- PY. Rs. 36,000/-)	360,000.00	467,524.00
Other Business Income (TDS 18,000/- PY 18,000)	180,053.00	180,100.00
	<u>4,629,509.35</u>	5,551,748.03
NOTE 11		
EMPLOYEE BEBENEFIT EXPENSES		
Salaries and other benefits	17,114,275.00	14,972,269.00
Welfare Expenses	225,957.00	160,833.50
Contribution to Provident Fund, Gratuity		
Superannuation and other Funds	1,110,911.96	1,936,104.28
	<u>18,451,143.96</u>	17,069,206.78
NOTE 12		
FINANCE COSTS		
Interest - Fixed Loan	105,546,868.32	363,694,264.00
Interest - Others	375,853,934.68	1,323,343,384.25
	<u>481,400,803.00</u>	1,687,037,648.25
Note 12..1		
Interest on loans		
In the earlier years, the Company was providing simple interest @ 12.50% pa as was offered by the Company in 1999 with its proposal for settlement of bank dues. In the last year the Company has provided interest retrospectively on the basis of claim made by the lenders which is in most cases on compound basis and at higher rate. The interest for the current year and last year is as under:		
Interest for the Current Year	481,400,803.00	415,658,805.00
Interest for earlier years (differential)	-	1,271,378,843.25
	<u>481,400,803.00</u>	<u>1,687,037,648.25</u>
NOTE 13		
Depreciation and amortization expenses (see note 7)	625,489.00	976,646.54
NOTE 14		
OTHER EXPENSES		
Advertisement Expenses	-	-
Auditors Remuneration (see Note 17)	281,311.00	269,046.00
Bank Charges	775,032.32	11,030.30
Communication costs	699,232.00	829,648.64
Directors' Fees	18,000.00	25,000.00
Electricity Expenses	126,063.00	101,375.00
Insurance	521,546.00	450,556.00
Legal & Professional Charges	2,171,367.01	2,031,655.10
Printing and Stationery	291,583.27	355,449.41
Rent,	1,087,830.00	1,096,373.00
Rates & Taxes	-	-
Repairs and Maintenance-Buildings	51,735.00	409,867.42
Repairs and Maintenance- Others	49,731.00	103,313.00
Travelling and Conveyance	1,136,198.81	1,139,667.22
Vehicle Expenses	1,100,935.00	927,179.00
Miscellaneous Expenses	360,404.20	289,363.77
	<u>8,670,968.61</u>	8,039,523.86



CFL CAPITAL FINANCIAL SERVICES LTD.

	Year ended 31-Mar-13 Rupees	Year ended 31-Mar-12 Rupees
NOTE 15		
EXCEPTIONAL INCOME AND EXPENSES		
A. EXCEPTIONAL INCOME		
Provision No longer required, & others		
a) Provision for NPAs No Longer required	2,912,912.00	19,037,367.37
b) Profit on Sale of Assets	8,802,472.04	14,567,223.86
c) Write back of earlier years liabilities	337,688.00	2,301,884.00
	12,053,072.04	35,906,475.23
B. LESS EXCEPTIONAL EXPENSES		
Write offs/Provisions against doubtful/irrecoverable		
Assets and diminution/loss in value of Investments		
a) Bad debts written off	-	14,365,008.37
b) Loss on sale of assets	22,212.82	197,874.00
c) Loss on sale / redemption of securities.	-	212,612.00
	22,212.82	14,775,494.37
NET EXCEPTIONAL INCOME /(EXPENSES)	12,030,859.22	21,130,980.86

NOTE 16

Contingent Liabilities :

- i) Dividend on 13% Redeemable Cumulative Preference Shares is in arrears- Rs. 48,73,05,000/-15 years (previous Year Rs.45,48,18,000/-14 years)
- ii) Income Tax Rs Nil (Previous Year Rs 13,78,66,110/-)
- iii) Wealth Tax Rs. 3,27,843/- (Previous Year Rs. 3,27,843/-)
- iv) Sales Tax Rs. 23,14,158/- (Previous Year Rs. 23,14,158/-)
- v) Custom Duty Rs. Nil (Previous Year Rs. 7,00,000/-)
- vi) Others Rs. 13,20,000/- (PY Rs. 27,50,760/-)

The above liabilities are dependent upon the outcome of appeals before various authorities and future distributable profits.

In the opinion of the Management, there is no possibility of reimbursement, except to the extent of taxes paid and included under Loans & Advances.

Claims against the Company not acknowledged as debts, as the same are disputed by the Company. Others Rs. 21,20,585/- (Previous Year Rs. 17,99,596-)

NOTE 17

Audit fees include amounts paid to Auditors towards:

As Auditors for : Statutory Audit	125,000.00	125,000
Tax Audit	25,000.00	25,000
For certification fees	91,237.00	94,000
Corporate Governanace	20,000.00	20,000
Out of Pocket expenses	20,074.00	5,046
	281,311.00	269,046

NOTE 18

CURRENT & DEFERRED TAX

There is no provision for Income Tax during the year due to loss.

The Company has not created the Deferred Taxation Asset as its utilisation for set off against future taxable income is uncertain in the foreseeable future.

NOTE 19

The accumulated loss of Rs. 729,26,74,837/- (Previous Year Rs. 679;99,24,828/-) includes unabsorbed depreciation of Rs.170,09,26,683/- (Previous Year Rs. 1,70,02,99,479/-)

NOTE 20

The Company has paid an amount of Rs 11,05,605.96/- (PY Rs. 15,77,046.69/-) towards Provident & Pension Funds and Gratuity & Superannuation Schemes. It has provided on actuarial basis a liability of Rs. 17,36,521/- (PY Rs. 16,80,063/-) as at the year end on account of leave benefit due to the employees. From 1.4.2009 the Employees Provident Fund Scheme has been transferred to the Regional PF Commissioner Kolkata. Hence the Employees PF Scheme, Employees Pension Scheme and Superannuation Scheme are Defined Contribution Schemes and the same are fully funded on the Balance Sheet date as per the schemes. Executive Provident Fund managed by the Trust and Gratuity managed by Life Insurance Corporation of India are defined benefit schemes and are fully funded on the Balance Sheet date as per the requirements of AS-15. During the year and amount of Rs. Nil (PY Rs. 2,61,749/-) was paid by the Company to the Trust due to lower income. The Trust managing the Executive Fund was wound up as the recognition under the Income Tax Act 1961 was proposed to be withdrawn with effect from 01.04.2012 as per the proposal of the Finance Bill 2012. Leave Liability as on Balance Sheet date is provided as per the requirements of AS-15 on the basis of Actuarial Certificate.



CFL CAPITAL FINANCIAL SERVICES LTD.

NOTE 21

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:-

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expense for the year are as under:

	2012-13	2011-12
Company's Contribution to Superannuation Fund	697,680	600,449
Company's Contribution to Pension Scheme	76,468	62,430
Company's Contribution to Provident Fund (RPFO)	325,870	41,787

Defined Benefit Plan

	2012-13	2011-12
Company's Contribution to Provident Fund (Trust)	-	655,691
Company's Contribution to Gratuity Scheme	7,848	206,732

The Company's Provident Fund is exempted under para 27 of Employees' Provident Fund Scheme, 1952. Conditions for grant of exemptions stipulates that the benefits granted by the Funds will not be less favourable than those available under statutory fund. The trust was closed since the recognition was proposed to be withdrawn from 01.04.2012 as per the proposals in the Finance Bill 2012. The employees' gratuity fund scheme is managed by Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation report furnished by them, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised on the basis of the actuarial certificate and is not funded

	Gratuity (Funded)		Leave Encashment (not Funded)	
	2012-13	2011-12	2012-13	2011-12
I Assumptions as at				
Mortality Rate	LIC(1994-96)	LIC(1994-96)	LIC(1994-96)	LIC(1994-96)
Discount Rate	8% p.a.	8% p.a.	8% p.a.	8% p.a.
Salary escalation rate	10% p.a.	10% p.a.	10% p.a.	10% p.a.
Rate of Return (expected) on plan assets			NO FUND	NO FUND
Method of Valuation				
Withdrawal Rate	1%-3% depending on age		1% throughout	1% throughout
Retirement age Years	58		58	58
Expected average remaining service			11	13
Period of accounting	01.04.2012- to 31.3.2013		01.04.2012- to 31.3.2013	
I. Data information on	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Number of members	15	15	15	15
Average /Total monthly salaries	28,149.33	24,229.46	422,240	363,442
Average age	48.40	47.40	46	46
Average Past Service (yrs)/Leave balance (days)	16.80	15.87	66	61
II Changes in present value of obligations				
PVO at beginning of year	3,946,489	3,402,503	1,680,063	1,094,219
Interest cost	315,719	272,200	134,405	87,538
Current Service Cost	221,757	206,741	191,240	189,238
Benefits Paid (as intimated by Company)	-	(22,137)	-	-
Actuarial (gain)/ loss on obligation	(596,954)	87,182	(269,187)	309,068
PVO at end of year	3,887,011	3,946,489	1,736,521	1,680,063
III Changes in fair value of plan assets				
Fair value of Plan Assets at beginning of year	4,241,640	3,465,887	-	-
Expected return on Plan Assets	418,879	359,391	-	-
Contributions	285,997	438,499	-	-
Benefits Paid (as intimated by Company)	-	(22,137)	-	-
Actuarial (gain)/ loss on plan assets	-	-	-	-
Fair Value of Plan Assets at end of year (estimate)	4,946,516	4,241,640	-	-
IV Fair Value of Plan Assets				
Fair value of Plan Assets at beginning of year	4,241,640	3,465,887	-	-
Actual return on Plan Assets	418,879	359,391	-	-
Contribution	285,997	438,499	-	-
Benefits Paid (as intimated by Company)	-	(22,137)	-	-
Fair value of Plan Assets at the end of year	4,241,640	4,241,640	-	-
Funded Status	1,059,505	295,151	(1,736,521)	(1,680,063)
Excess of actual over estimated return on Plan			-	-
V Actuarial Gain/ (Loss) Recognized				
Actuarial Gain/(Loss) for the year(Obligation)	596,954	(87,182)	269,187	(309,068)
Actuarial Gain/(Loss) for the year (Plan Assets)	-	-	-	-
Total Gain/(loss) for the year	596,954	87,182	269,187	(309,068)
Actual Gain/(loss) recognized for the year	596,954	87,182	269,187	(309,068)
Unrecognized Actuarial Gain/(loss) at end of year			-	-



CFL CAPITAL FINANCIAL SERVICES LTD.

	Gratuity (Funded)		Leave Encashment (not Funded)	
	2012-13	2011-12	2012-13	2011-12
VI Amounts to be recognized in the balance sheet and statement of profit & loss statement				
PVO at end of year	3,887,011	3,946,489	1,736,521	1,680,063
Fair value of Plan Assets at the end of year	4,946,516	4,241,640	-	-
Funded Status	1,059,505	295,151	(1,736,521)	(1,680,063)
Unrecognized Actuarial Gain/ (loss)	(295,151)	(295,151)	-	-
Net assets/ (Liability) recognized in the balance sheet			(1,736,521)	(1,680,063)
VII Expense recognized in the statement of Profit & Loss				
Current Service Cost	221,757	206,741	191,240	189,238
Interest cost	315,719	272,200	134,405	87,538
Expected Return on Plan Assets	(418,879)	(359,391)	-	-
Net Actuarial Gain/(Loss) recognised for the year	(596,954)	87,182	(269,187)	309,068
Expense recognized in the statement of P & L A/c	(478,357)	206,732	56,458	585,844
VIII Movements in the Liability recognised in Balance Sheet				
Opening Net Liability	3,402,503	3,402,503	1,680,063	1,094,219
Expenses as above	206,732	206,732	56,458	585,844
Actual return on Plan Assets	359,351	359,351	-	-
Benefits paid	(22,173)	(22,173)	-	-
Closing Net Liability	3,946,489	3,946,489	1,736,521	1,680,063
IX Break up of total liabilities as Non-Current & Current			31-03-2013	31-03-2012
Current Liabilities (3 Exits)(Previous Year 2 exit)			459,900	241,408
Non Current Liabilities			1,276,621	1,438,655
Total Liability			1,736,521	1,680,063
X Experience History Information			Current Year	Last Year
Defined Benefit obligation at the end of Period			2012-13	2011-12
Plan assets at the end of the Period			1,736,521	1,680,063
Funder Status - Surplus / (Deficit)			-	-
Actuarial Gain /(Loss) due to change in basis			(1,736,521)	(1,680,063)
Actuarial Gain /(Loss) due to change in data			-	-
Total Actuarial Gain /(Loss) in Liabilities			(269,187)	309,068
Experience Gain / Loss in Plan Assets			(269,187)	309,068
			-	-
IX RESULTS OF VALUATION				
a. PV of Past Service Benefit	2,897,268	2,897,268		
b. Current Service Cost	212,533	212,533		
c. Total Service Gratuity	4,809,651	4,809,651		
d. Accrued Gratuity	2,342,555	2,342,555		
e. Life Cover Sum Assured	1,477,000	1,477,000		
f. LIC Premium	7,550	7,550		
g. Service Tax @ 12.6%	778	778		
X RECOMMENDED CONTRIBUTION RATE				
a. Fund Value as on Renewal Date	2,832,822	2,832,822		
b. Additional Contribution for Existing Fund	64,446	64,446		
c. Current Service Cost	212,533	212,533		

The Certificate for Gratuity is as given by the Life Insurance Corporation. In case of Leave encashment, the certificate is given by an Actuary

NOTE 22

Related Party Disclosures

1. Relationships

- (i) Shareholders in the Company
Sentinel Tea and Exports Ltd. holds 34.27% equity share capital of the Company.
- (ii) Subsidiary of the Company
Samudra Securities Ltd (formerly Ceat Securities Limited)
- (iii) Other related parties
Ace Garment Export Ltd**
Indo Dean Leather Ltd**
Kaveri Polysacks Ltd.**
Spectrum Alkyd & Resins Ltd**
Ruia Hospitality Ltd**

** (The Company holds over 20% shareholding in these companies. These investments were made as Merchant Bankers. The Company does not have any significant influence over their managements and are hence not considered as Associates for related parties disclosures.)

- (iv) Directors and other executives (including those who were associated for part of the period)

Mr. H C Mathur Chairman & Managing Director



CFL CAPITAL FINANCIAL SERVICES LTD.

2. The following transactions were carried out with the related parties in the ordinary course of business:

a. Details relating to parties referred to in (i), (ii) and (iii) above

	Rupees		
	Parties referred in Note 22.1.(i) above	Parties referred in Note 22.1.(ii) above	Parties referred in Note 22.1.(iii) above
Outstanding payables	-	30,408,208.68	-
Advance returned	-	6,096,622.10	-
Advances taken	-	6,196,622.10	-
Expenses charged (Previous Year)	-	180,000.00 (52,722,228.68)	-
b. Details relating to persons referred to in item 1(iv) above			
Remuneration to Chairman & Managing Director (Previous year)		884,335.00 (899,915.00)	

NOTE 23

Segment Information

The Company's present activity is to take steps to close its Non Banking Financial activities. The other activities have not made any significant progress. Hence there are no segments

Particulars	Year ended 31-Mar-13 Rupees	Year ended 31-Mar-12 Rupees
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NOTE 24

Earnings per share

a. Profit/(Loss) after tax	(Rupees)	(492,488,036)	(1,686,440,297)
b. Adjustments for			
Preference Dividend		32,487,000	32,487,000
Interest on Income Tax Refunds		4,629,509	5,551,748
Taxation of earlier years		-	-
c. Adjusted Loss after tax		(529,604,545)	(1,724,479,045)
d. Weighted average number of Equity shares for Basic EPS	Nos.	138,675,000	138,675,000
e. Nominal value per Equity share	Rs.	10.00	10.00
f. Earning per share (Basic)	Rs.	(3.82)	(12.44)
g. Weighted average number of Equity shares for Diluted EPS	Nos.	138,675,000	138,675,000
h. Earning per share (Diluted)	Rs.	(3.82)	(12.44)

NOTE 25

A sum of Rs. 26,350/- (P Y Rs. 94,695/-) is transferable to the Investors Education & Protection Fund at the end of the year. Fund. After the year end a sum of Rs. 26,350/- (P Y Rs. 94,695/-) have been transferred to the said Fund till the date of these statements.

NOTE 26

The Company follows the directions given by Reserve Bank of India (RBI) to Non Banking Financial Companies and maintains Statutory Liquidity Ratio (SLR) as per RBI's instructions in the matter. The Company continues to be governed by the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007. However Consequent to the Net Worth of the Company having become negative, the restrictions placed by para 16 of these norms pertaining to a minimum Capital Adequacy of 12% and Para 19 (pertaining to acquisition of land and building other than for own use) and Para 20 (pertaining to Concentration of Credit/ Investment) could not be met.

NOTE 27

The details required as per Para 13 of the Non Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 are annexed.

NOTE 28

The disclosures required as per Section 212(3) and 212(8) of the Companies Act, 1956 are annexed.

NOTE 29

Previous Year's figures have been reclassified and /or regrouped wherever necessary to correspond with the current year's classification and disclosures.

As per our Report attached

For **TARMASTER & CO.**
Chartered Accountants
Firm Registration No 302016E

for and on behalf of the Board of Directors

S Saha
Partner
M. No. 300639

R C Kurup
Company Secretary

H C Mathur
Chairman & MD

Sujit Datta
Director

Place : Kolkata
Date : 30-May-2013

Place : Kolkata
Date : 30-May-2013



STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT,1956,RELATING TO SUBSIDIARY COMPANY

Name of the Subsidiary	SAMUDRA SECURITIES LIMITED Amount in Rupees
Particulars	
1. Holding Company's interest in subsidiary	2,85,99,032 Equity Shares of Rs 1 each fully paid 91.69%
2. Net aggregate amount of the profit/ (loss) of the subsidiary not dealt with in Holding Company's account	
a) For the financial year of the the Subsidiary Company	203,470.95
b) For the previous financial year of the Subsidiary Company	(65,092.94)
3. Net aggregate amount of the profit of the Subsidiary dealt with in Holding Company's account	
a) For the financial year of the Subsidiary Company	Nil
b) For the previous financial year of the Subsidiary Company	Nil

R C Kurup

Company Secretary

H C Mathur

Chairman & MD

Sujit Datta

Director

Place : Kolkata

Date : 30-May-2013

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT,1956,RELATING TO SUBSIDIARY COMPANY

Name of the Subsidiary	SAMUDRA SECURITIES LIMITED as at 31 st March, 2013
Particulars	Amount in Rupees
Capital	31,100,000
Reserves	(29,397,521)
Total Assets	1,738,577
Total Liabilities	36,098
Investments other than Investment in Subsidiary	-
	Year ended 31-Mar-13
Turnover	340,773
Profit/(Loss) Before Tax	221,912
Provision for Tax	-
Profit / (Loss)After Tax	221,912
Dividend	-

R C Kurup

Company Secretary

H C Mathur

Chairman & MD

Sujit Datta

Director

Place : Kolkata

Date : 30-May-2013



CFL CAPITAL FINANCIAL SERVICES LTD.

INDEPENDENT AUDITORS' REPORT

To The Board of Directors of

CFL Capital Financial Services Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **CFL CAPITAL FINANCIAL SERVICES LIMITED** ('the Company') and its subsidiary, Samudra Securities Limited (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated 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 misstatements.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In respect of the order dated 25th May, 2004 passed by the Reserve Bank of India cancelling the Certificate of Registration of the Holding Company and restrictions placed on carrying out of Non Banking Financial business and other conditions,

Attention is drawn to :-

- a. **Non-compliance of the provisions of the Non- Banking Financial (Deposit Accepting or Holding) Companies (Reserve Bank) Directions, 2007. (Refer Note 25)**
- b. **The company has not been able to maintain minimum Capital Risk Asset Ratio (CRAR) as prescribed by Non- Banking Financial (Deposit Accepting or Holding) Companies (Reserve Bank) Directions, 2007. (Refer Note 25)**

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except to the possible effects of the matter described in the Basis for Qualified Opinion paragraph of the consolidated financial statements give the

information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of the Balance Sheet of the state of affairs of the Group as at March 31, 2013.
- (b) In the case of the statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of matter

- i) The net worth of the Group is negative. The Holding Company's Management has drawn a plan to liquidate some assets, to borrow money including from promoter shareholders etc for meeting its expenses and liabilities. On the basis of the above plan the Company may be in a position to continue as a going concern. (Refer notes 1-B & 1.C of Note1)
- ii) Loans from Banks and UTI and interest charged thereon have been provided as per the claims before / orders passed by the Debt Recovery Tribunals (see notes 6.4, 6.5 6.6 and 6.8)

Our opinion is not qualified in respect of these matters.

Other Matters

5. Financial statements of the subsidiary SAMUDRA SECUTITIES LIMITED, which have been consolidated in these statements, have been audited by us.

For Tarmaster & Co.,
Chartered Accountants
(Firm Registration No 302016E)

S Saha
Partner
Membership No. 300639

Kolkata
Date : 30th May, 2013



CFL CAPITAL FINANCIAL SERVICES LTD.

BALANCE SHEET AS AT 31ST MARCH, 2013 - CONSOLIDATED

(Amount in Rupees)

Particulars	Note No.	As at 31-Mar-13		As at 31-Mar-12	
		Rupees	Rupees	Rupees	Rupees
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
a. Share Capital	3	1,636,552,500.00		1,636,552,500.00	
b. Reserves & Surplus	4	(6,026,640,304.33)		(5,534,256,316.25)	
c. Money received against share warrants		-		-	
			(4,390,087,804.33)		(3,897,703,816.25)
(2) Share Application Money Pending Allotment			-		-
(3) Minority Shareholders' Interest		-	2,660,371.07		2,642,507.17
(4) Non-current Liabilities					
a. Long-term borrowings	5	-		-	
b. Deferred tax liabilities (net)		-		-	
c. Other long term liabilities		-		-	
d. Long term provisions		1,276,621.00		1,438,655.00	
			1,276,621.00		1,438,655.00
(5) Current Liabilities					
a. Short-term borrowings	6	562,005,104.00		475,892,792.00	
b. Trade payables		59,909,457.00		58,934,400.00	
c. Other current Liabilities		3,844,386,732.99		3,470,846,669.01	
d. Short term provisions		1,157,590.00		281,196.00	
			4,467,458,883.99		4,005,955,057.01
TOTAL			81,308,071.73		112,332,402.93
II. ASSETS					
1. Non-current Assets					
a. Fixed Assets					
i. Tangible Assets	7	18,678,382.14		22,390,351.47	
ii. Intangible Assets		-		-	
iii. Capital Work-in-progress		-		-	
iv. Intangible assets under development		-		-	
b. Non-current Investments	8	31,779,687.00		39,961,227.00	
c. Deferred tax assets (net)		-		-	
d. Long term loans and advances		200,000.00		200,000.00	
e. Other non-current assets		19,347,914.07		19,289,663.01	
			70,005,983.21		81,841,241.48
2. Current Assets					
a. Current investments	9	464,936.00		464,936.00	
b. Inventories		-		-	
c. Trade receivables		96,051.00		-	
d. Cash and cash equivalents		6,728,656.92		26,177,917.49	
e. Short-term loans and advances		1,159,475.60		996,544.00	
f. Other current assets		2,852,969.00		2,851,763.96	
			11,302,088.52		30,491,161.45
TOTAL			81,308,071.73		112,332,402.93

Significant Accounting Policies

2

The accompanying notes including other explanatory information form an integral part of the financial statements.

As per our Report attached

For **TARMASTER & CO.**
Chartered Accountants
Firm Registration No 302016E

for and on behalf of the Board of Directors

S Saha
Partner
M. No. 300639

R C Kurup
Company Secretary

H C Mathur
Chairman & MD

Sujit Datta
Director

Place : Kolkata
Date : 30-May-2013

Place : Kolkata
Date : 30-May-2013



CFL CAPITAL FINANCIAL SERVICES LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013 - CONSOLIDATED

Particulars	Note No.	Year ended 31-Mar-13 Rupees	Year ended 31-Mar-12 Rupees
Income	1.C		
I Revenue from Operations		-	-
II Other Income	10	4,790,282.27	5,601,697.02
III Total Revenue (I+II)	Total	4,790,282.27	5,601,697.02
IV Expenses			
Employee Benefit Expenses	11	18,451,143.96	17,069,206.78
Finance Costs	12	481,400,803.00	1,687,037,648.25
Depreciation and amortization expenses	13	625,489.00	976,646.54
Other Expenses	14	8,709,829.71	8,060,465.26
Total expenses	Total	509,187,265.67	1,713,143,966.83
V Profit before exceptional and extraordinary items and tax (III-IV)		(504,396,983.40)	(1,707,542,269.81)
VI Exceptional Items	15	12,030,859.22	21,273,975.86
VII Profits before extraordinary items & tax (V-VI)		(492,366,124.18)	(1,686,268,293.95)
IX Profit/(Loss) before Tax		(492,366,124.18)	(1,686,268,293.95)
X Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
XI Profit / (loss) for the year(VII-VIII)		(492,366,124.18)	(1,686,268,293.95)
XII Profit / (Loss) from discontinuing operation		-	-
XIII Tax Expense of discontinuing operations		-	-
XIV Profit / (Loss) from Discontinuing Operations (after tax) (XII-XIII)		-	-
XV Add/ (Less) Share of Minority shareholders (Loss)/Profit		17,863.90	(5,899.47)
XVI Profit / (Loss) for the period (XI-XIV)		(492,383,988.08)	(1,686,274,193.42)
XII EARNING PER SHARE (Rs. 10/-)			
1. Basic	23	(3.78)	(12.39)
2. Diluted	23	(3.78)	(12.39)
General Information	1		
Significant Accounting Policies & General Notes	2		

The accompanying notes including other explanatory information form an integral part of the financial statements.

As per our Report attached

For **TARMASTER & CO.**
Chartered Accountants
Firm Registration No 302016E

for and on behalf of the Board of Directors

S Saha
Partner
M. No. 300639

R C Kurup
Company Secretary

H C Mathur
Chairman & MD

Sujit Datta
Director

Place : Kolkata
Date : 30-May-2013

Place : Kolkata
Date : 30-May-2013



CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2013 CONSOLIDATED

(Amount in Rupees)

	Year ended 31-Mar-13 Rupees	Year ended 31-Mar-12 Rupees
A. Cash Flow from Operating Activities		
Net Profit Before Tax & Extraordinary items	(492,366,124.18)	(1,686,268,293.95)
Adjustments for :		
- Financial Expenses	481,400,803.00	1,687,037,648.25
- (Profit) on sale of assets	(8,802,472.04)	(14,567,223.86)
- Loss on sale of assets	22,212.82	197,874.00
- Amount of Loss adjusted on Minority share	(17,863.90)	5,899.47
- Depreciation	625,489.00	976,646.54
- Operating profit before Working Capital changes	(19,137,955.30)	(12,617,449.55)
Adjustments for :		
- (Increase) Decrease in Trade Receivables	(96,051.00)	172,174.40
- (Increase) Decrease in Other Non-Current Assets	(58,251.06)	(100,530.29)
- (Increase) Decrease in Current Loans & Advances	(162,931.60)	(221,496.40)
- (Increase) Decrease in Other Current Assets	(1,205.04)	124,935.04
- Increase (Decrease) in Other Current Liabilities	373,540,063.98	1,718,202,894.15
- Increase (Decrease) in Trade Payables	975,057.00	20,556,180.00
- Increase (Decrease) in Long Term Provisions	(162,034.00)	420,996.00
- Increase (Decrease) in Short Term Provisions	876,394.00	76,937.00
Cash generated from Operations	355,773,086.98	1,726,614,640.35
Financial Expenses	(481,400,803.00)	(1,687,037,648.25)
Direct taxes paid	-	-
Interest received on Refunds	-	-
Net Cash from Operating Activities	(125,627,716.02)	39,576,992.10
B. Cash Flow from Investing Activities		
(Purchase) of Fixed Assets	(43,300.00)	(888,000.00)
Sale of Current Investments	-	10,104.00
Sale of Non-Current Investments	8,181,540.00	16,516,947.00
Sale of Fixed Assets	11,910,039.55	26,288,901.00
Net Cash used in Investing Activities	20,048,279.55	41,927,952.00
C. Cash Flow from Financing Activities		
Increase / (Decrease) in Non Current Borrowings	-	(98,324,338.85)
Increase / (Decrease) in Current Borrowings due to decrees passed	75,491,782.00	18,141,043.00
Increase / (Decrease) in Current Borrowings due to repayment	10,620,530.00	15,350,000.00
Proceeds from unpaid calls received	-	771,957.00
Increase / (Decrease) in Minority Interest	17,863.90	(5,899.47)
Net Cash used in Financing Activities	86,130,175.90	(64,067,238.32)
Net Increase/(decrease) in Cash & Cash Equivalents	(19,449,260.57)	17,437,705.78
Cash & Cash equivalents as at opening	26,177,917.49	8,740,211.71
Cash & Cash equivalents as at closing	6,728,656.92	26,177,917.49

Notes

- The Cash Flow is prepared on the basis of Indirect method as prescribed in The Accounting Standard 3 issued by The Institute of Chartered Accountants of India.
- The Format used above is as prescribed for Financial organisation.
- Cash equivalents as on 31.3.2013 include Rs.14,545.87 (Rs.1,03,51,195.82) in Escrow account which has to be utilised first for repayment of Fixed Deposits as per the directions of Reserve Bank of India.
- The increase in Borrowings and liabilities in the previous year is mainly due to accounting of these items on the basis of the orders passed by the Debt Recovery Tribunals in case of the holding company.

As per our Report attached

For **TARMASTER & CO.**
Chartered Accountants
Firm Registration No 302016E

for and on behalf of the Board of Directors

S Saha
Partner
M. No. 300639

R C Kurup
Company Secretary

H C Mathur
Chairman & MD

Sujit Datta
Director

Place : Kolkata
Date : 30-May-2013

Place : Kolkata
Date : 30-May-2013



CFL CAPITAL FINANCIAL SERVICES LTD.

NOTE FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

NOTE 1

GENERAL INFORMATION

A GROUP PROFILE

CFL Capital Financial Services Limited (CFL) was incorporated in 1983 as Samudra Mahal Investments Limited and continued to carry on Non Banking Financial Business and had the valid permissions for the same from Reserve Bank of India (RBI) and other authorities. Due to the poor financial condition of the Company, RBI cancelled its Certificate of Registration w.e.f 18-May-2004. However, the RBI has directed that the Company continues to be governed by the relevant provisions of the Act (RBI Act, 1934) and various directions/instructions issued by RBI from time to time until such time the entire amount of public deposits held by the company is repaid with interest and the entire financial assets are disposed of or the Company is converted to a non-banking non-financial company. As per assets and income, the Company continues to be a Non Banking Financial Company. CFL is the holding company and has its registered office in Kolkata, West Bengal. The Company Identification Number (CIN) allotted by The Registrar of Companies, West Bengal, is L67120WB1983PLC036805. Its equity shares are listed on the Bombay Stock Exchange Limited.

Samudra Securities Ltd. (SSL) was incorporated as Ceat Securities Limited in 1994 as a Stock Broking Company. It was a registered broker on the National Stock Exchange of India Limited till 1998-99 when it surrendered its membership. At present it has a membership of Bangalore Stock Exchange Limited but is not carrying out any broking activity. CFL holds 91.69% shares of the Company. SSL has its registered office in Kolkata, West Bengal. The CIN allotted is U67120WB1994PLC066795.

B BASIS OF CONSOLIDATION

The Consolidated Accounting Statements for the year ended 31st March, 2013 have been prepared by line by line addition of the respective financial statements for year ending 31st March, 2013 for CFL Capital Financial Services Limited (CFLCFSL) and its subsidiary viz. Samudra Securities Ltd. (SSL) (holding 91.96%) Though CFLCFSL holds more than 20% equity capital in the following companies, the same are not considered as Associates as CFLCFSL does not have effective control over its affairs:-

Ace Garment Export Ltd
Indo Dean Leather Ltd
Kaveri Polysacks Ltd.
Spectrum Alkyd & Resins Ltd
Ruia Hospitality Ltd

C Going Concern

The network of the group has become negative due to the accumulated losses in the previous years. The Company has drawn a plan to liquidate assets, borrow money including from shareholders / promoters etc for meeting the liabilities of the financial year ending 31st March, 2014 Hence, the Accounts have been drawn up on a going concern basis. The winding up petition filed by a depositor in the previous year is pending before the Hon'ble Calcutta High Court.

The group's accounts have been drawn on a Going Concern basis. However, in view of the net worth of the Company being negative and in view of the accumulated losses for the last few years aggregating to Rs. 49,339.01 lakhs in all, the Company's ability to maintain the status is dependent on concessions from creditors (which is under consideration) and shareholders' support. Substantial support is reflected in this year's accounts from creditors and shareholders.

D As the net owned fund of the Company are negative, Reserve Bank of India (RBI) has cancelled the registration of the Company as Non Banking Financial Company with effect from 18th May, 2004. Accordingly the Company cannot carry on any fresh Non Banking Financial activities. Hence these financial statements show the results of these operations / activities.

The Company is contemplating to carry on Non Banking Non Financial business and the operations from this activity during this year are not significant and hence no separation is made.

NOTE 2

SIGNIFICANT ACCOUNTING POLICIES

A The financial statements are prepared under historical cost and on accrual basis and comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules 2006 referred to in section 211(3C) of the Companies Act, 1956 and within the terms of Prudential Norms mandated by the Reserve Bank of India.

B Non-Current & Current Liabilities

A liability is classified as Current when it satisfies any of the following:-

- It is expected to be settled in normal operating cycle or
- it is held primarily for the purpose of being traded or
- It is due to be settled within twelve months of the Balance Sheet date or
- The Company does not have the unconditional right to defer the settlement of the liability for at least 12 months after the Balance Sheet date All other liabilities are Non-Current.

C Non-Current & Current Assets

An asset is classified as Current when it satisfies any of the following:-

- It is expected to be realised in or is intended for sale or consumption in normal operating cycle or
- it is held primarily for the purpose of being traded or
- It is due to be realised within twelve months of the Balance Sheet date or
- It is Cash or Cash Equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the Balance Sheet date. All other assets are Non-Current

D Normal Operating cycle is assumed to be twelve months.

E Fixed Assets

Fixed Assets are recorded at cost of acquisition or construction including cost of installation, transfer costs etc. They are stated at lower of historical cost less accumulated depreciation plus /minus impairment adjustments (i.e. written down value) or realisable value. There are no intangible assets.

F Income & Expenditure

Income and Expenditure are generally accounted on accrual basis except to the extent restricted Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007.

There has been no fund based activity since 1.4.2001. The income recognised during the year is on account of additional charges recovered on account of defaults and delays in repayment of dues on Leasing, Hire Purchase, Bill Discounting and other Funding activities, Other items, except dividends, are accounted on accrual basis. Dividend is accounted when the same is received or the Company is entitled to its receipt.

G Depreciation on assets under finance lease was provided based on the Primary Lease period of basis at the rates as per Schedule XIV of the Companies Act, 1956. All leases have completed their terms. However, some of the leased assets which are under dispute continue to appear in the books on the Balance Sheet Date though at nil value.

H Investments

Long term investments are valued at weighted average cost of acquisition and provision is made in the accounts for permanent diminution in the value of long term investments. Current investments are valued at lower of Cost or Market Value or Net Asset Value As per the Accounting Standard AS 30 these investments would all fall under "Available for Sale" category.

I Foreign Currency Transactions. Expenses and Income are recorded at the exchange rate prevalent on the date of transaction. Assets and Liabilities are restated, to the extent the Company is not covered against exchange fluctuation, at the exchange rate prevailing on the Balance Sheet date. There is no exposure on account of Foreign Currency Transaction during the year under review or in the previous year.

J The Company accounts follows RBI Prudential Norms for charging delayed payment charges on overdue Lease and Hire Purchase Contracts. These are booked on realisation or on entering into a settlement agreement with the party

K Retirement Benefits. The Company's employees are entitled to various retirement benefits Provident Fund contributions are made to a Fund approved by the appropriate authorities. The shortfall in the return is borne by the Company. Gratuity and Superannuation are covered by schemes with Life Insurance Corporation (LIC) The Gratuity Scheme is a defined benefit plan and funded accordingly as per certificate given by the LIC in this regard. The Superannuation scheme is a defined contribution scheme and contribution is paid to the LIC as per the scheme. Liability on account of leave earned is provided on the basis of the actuarial certificate as on the date of the Balance Sheet. as per Revised AS 15. notified by the Companies (Accounting Standards) Rules 2006

L Provision & Contingencies

A provisions is recognised when the Company has a legal and constructive obligation as a result of past event, for which it is probable that cash outflow will be required and the reliable estimate can be made. A contingent liability is disclosed when the Company has a present or a possible obligation where it is not probable that an outflow or resources will be required for settlement. Contingent assets are not recognised or disclosed

M Use of Estimates

In preparing the Company's Financial Statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets & liabilities, revenues and expenses and other disclosures in these statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognised in the period it is determined.

N Taxes on Income

Current Tax is provided on the basis of provision of the Income Tax Act, 1961. Deferred Tax is recognised on timing difference between the accounting income and taxable income for the year and quantified using tax rate and laws enacted on Balance Sheet date as per the Accounting Standard prescribed.

CFL CAPITAL FINANCIAL SERVICES LTD.



Notes to Accounts				
Particular	As at 31-Mar-13 Rupees		As at 31-Mar-12 Rupees	
NOTE 3				
SHARE CAPITAL				
A. Equity Share Capital				
a. Authorised				
19,49,50,000 (Previous Year 19,49,50,000) Equity Shares of Rs. 10 Each		1,949,500,000.00	1,949,500,000.00	
b. Issued				
13,86,75,000 (Previous Year 13,86,75,000) Equity shares of Rs. 10/- each		1,386,750,000.00	1,386,750,000.00	
c. Subscribed				
13,86,75,000 (Previous Year 13,86,75,000) Equity shares of Rs. 10/- each		1,386,750,000.00	1,386,750,000.00	
d. Paid-up				
i. 13,86,55,500 (Previous Year 13,86,55,500) Fully Paid Equity shares of Rs. 10/- each		1,386,555,000.00	1,386,555,000.00	
ii. Shares Forfeited 19,500 (Previous Year 19,500) partly paid Equity shares of Rs 10/- each - Rs.5/- per share paid up		97,500.00	97,500.00	
Total Paid Up Equity Share Capital		1,386,652,500.00	1,386,652,500.00	
e. Number of Equity Shares subscribed of Rs. 10 each.	Numbers	Amount	Numbers	Amount
e.1 Fully Paid				
Fully Paid at the beginning of the year	138,655,500	1,386,555,000.00	138,586,046	1,385,860,460.00
Add Partly Paid Shares Paid up during the year	-	-	69,454	694,540.00
Fully Paid at the end of the year	138,655,500	1,386,555,000.00	138,655,500	1,386,555,000.00
e.2 Partly Paid				
Partly Paid at the beginning of the year (Rs 5 Paid Up)	-	-	88,954	444,770.00
Less Partly Paid Shares Paid up during the year	-	-	69,454	347,270.00
Less Partly Paid Shares forfeited during the year	-	-	19,500	97,500.00
Partly Paid at the end of the year (Rs 5 Paid Up)	-	-	-	-
e.3 Forfeited shares				
Forfeited shares at the beginning of the year	19,500	97,500.00	-	-
Partly Paid Shares forfeited during the year (pricipal Amount)	-	-	19,500	97,500.00
Forfeited shares at the end of the year	19,500	97,500.00	19,500	97,500.00
Total e.1+e.2+e.3	-	1,386,652,500.00	-	1,386,652,500.00
f. Shareholders holding more than 5% shareholding	Percentage holdings	No. of shares	Percentage holdings	No. of shares
STEL Holdings Limited	34.37	47,664,340	34.37	47,664,240
Summit Securities Limited	19.70	27,318,150	19.70	27,318,150
Arco Impex Limited	17.64	24,460,100	17.64	24,460,100
Swallow Associates Limited/Blue Niles Holdings Limited	16.29	22,592,837	13.30	18,448,587
g. Calls unpaid	Numbers	Amount	Numbers	Amount
Prinipal amount unpaid				
Opening Balance - unpaid principal amount	-	-	88,954	444,770
Less Amount received during the year	-	-	69,454	347,270
Less Shares Forfeited during the year	-	-	19,500	97,500
Closing Balance - unpaid principal amount	-	-	-	-
(No amount was/is unpaid by the Directors or Officers of the Company)				
h. Forfeited Shares				
Opening Balance - Principal Amount paid on forfeited shares	19,500	97,500	-	-
Add Principal amount paid on Forfeited shares	-	-	19,500	97,500
Closing Balance - Principal amount paid on Forfeited shares	19,500	97,500	19,500	97,500
i. Rights of equity shareholders				
Equity shareholders have the rights as provided under the Companies Act, 1956 and the Memorandum and Articles of Association of the Company.				
Particulars		As at 31-Mar-13 Rupees	As at 31-Mar-12 Rupees	
B. Preference Share Capital				
a. Authorised				
25,05,000 (Previous Year 25,05,000) Redeemable Cumulative Preference Shares of Rs.100 Each		250,500,000.00	250,500,000.00	
b. Issued				
24,99,000 (Previous Year 24,99,000,) 13% Redeemable Cumulative Preference Shares of Rs 100/- each		249,900,000.00	249,900,000.00	
c. Subscribed				
24,99,000 (Previous Year 24,99,000,) 13% Redeemable Cumulative Preference Shares of Rs 100/- each		249,900,000.00	249,900,000.00	
d. Paid-up				
24,99,000 (Previous Year 24,99,000,) 13% Redeemable Cumulative Preference Shares of Rs 100/- each		249,900,000.00	249,900,000.00	
Total Paid up Preference Share Capital		249,900,000.00	249,900,000.00	
e. Number of Preference Shares subscribed at the beginning and end of the year		2,499,000	2,499,000	



CFL CAPITAL FINANCIAL SERVICES LTD.

	As at 31-Mar-13 Rupees		As at 31-Mar-12 Rupees	
f. Shareholders holding more than 5% shareholding	Percentage holdings	No. of shares	Percentage holdings	No. of shares
Williamson Tea Assam Limited	46.21	1,154,790.00	46.21	1,154,790
Kitply Industries Limited	20.01	500,000.00	20.01	500,000
g. Redemption				
The Preference shares were issued on 20.01.1998 for a period of 5 years The redemption date was extended thrice for a period of 5 years each. The same are now due for redemption on 19.01.2018				
h. Rights of the Preference shareholders				
The Preference Shareholders have the first right to dividend (including Dividend in Arrears) out of the future distributable profits as and when they arise. They will also have the rights as provided under the Companies Act, 1956 and the Memorandum Articles of Association of the Company.				
TOTAL SHARE CAPITAL (3 A+3 B)		<u>1,636,552,500.00</u>		<u>1,636,552,500.00</u>
NOTE 4				
RESERVES AND SURPLUS				
Capital Reserves				
Opening Balance	<u>943,483,270.90</u>		943,483,270.90	-
Add : Amount on settlement of dues	-		-	-
		<u>943,483,270.90</u>		943,483,270.90
Securities Premium Account				
Opening Balance	<u>258,133,692.00</u>		258,279,942.00	
Less : Calls Unpaid	-		146,250.00	
		<u>258,133,692.00</u>		258,133,692.00
		<u>66,000,000.00</u>		66,000,000.00
Statutory Reserve was created as per the provisions of Section 45-IC of the Reserve Bank of India Act, 1934 (RBI) based of the profits earned by the Company for the years ended 31-Mar-97 and 31-Mar-98. This reserve cannot be utilized without the permission of RBI.				
Surplus				
Opening balance	(6,801,873,279.15)		(5,115,599,085.73)	
Add Profit /loss for the year	<u>(492,383,988.08)</u>		<u>(1,686,274,193.42)</u>	
Total		<u>(7,294,257,267.23)</u>		<u>(6,801,873,279.15)</u>
TOTAL RESERVES AND SURPLUS		<u>(6,026,640,304.33)</u>		<u>(5,534,256,316.25)</u>
NOTE 5				
NON-CURRENT LIABILITIES				
a) Long term Borrowings				
From Corporate Bodies - unsecured		-		-
From Fixed Depositors - Unsecured		-		-
b) Deferred Tax Liabilities (net)		-		-
c) Other Long term liabilities		-		-
d) Long term provisions		-		-
Provision for employee benefits - Leave Salary		<u>1,276,621.00</u>		1,438,655.00
TOTAL		<u>1,276,621.00</u>		<u>1,438,655.00</u>
The above amounts are due for repayment after 12 months from the date of the Balance Sheet.				
NOTE 6				
a) Short term Borrowings				
From Bill Re-discounters parties - Unsecured (see note 6.1 below)		<u>1,150,061.00</u>		1,487,749.00
From Corporate Bodies - unsecured (See Note 6.2 below)		<u>560,855,043.00</u>		474,405,043.00
Interest Accrued on above				
Sub-Total		<u>562,005,104.00</u>		475,892,792.00
b) Trade Payables				
Sundry Creditors (Micro, Small, Medium Enterprises)				
Other Sundry Creditors (See note 6.3 below)		<u>59,909,457.00</u>		58,934,400.00
Sub-Total		<u>59,909,457.00</u>		58,934,400.00
c) Other Current Liabilities				
From Banks - Secured (see note 6.4 below)		<u>662,253,530.32</u>		672,874,060.32
Unpaid Debentures From Others -Secured (See note 6.5 below)		<u>19,500,000.00</u>		19,500,000.00
Interest Accrued & Due on debentures-Secured (Note 6.6 below)		<u>507,204,693.32</u>		401,657,825.00
From Fixed Depositors - Unsecured (See note 6.7 below)		<u>62,637,415.00</u>		159,910,994.10
Interest Accrued & Due on Bank Loans (See note 6.8 below)		<u>2,547,436,365.78</u>		2,171,583,730.00
Tax deducted at Source payable		<u>637,212.00</u>		443,273.00
Other liabilities (See note 6.9 below)		<u>44,717,516.57</u>		44,876,786.59
Sub-Total		<u>3,844,386,732.99</u>		3,470,846,669.01
d) Short term provisions				
Provision for employee benefits Leave Salary		<u>459,910.00</u>		241,408.00
Provision for employee benefits Superannuation		<u>697,680.00</u>		-
Provision for employee benefits Gratuity		-		39,788.00
Sub-Total		<u>1,157,590.00</u>		281,196.00
Total		<u>4,467,458,883.99</u>		<u>4,005,955,057.01</u>



CFL CAPITAL FINANCIAL SERVICES LTD.

Note 6.1

The Company used to re-discount the bills which it used to discount of its clients in the course of its funding business. The amount is outstanding as the recovery from the discounters is pending and other disputes with the concerned discounters.

Note 6.2

These borrowings are interest free and due on demand. Hence there is no accrued interest.

Note 6.3 - Sundry Creditors

The Sundry Creditor has not informed the company about its status under MSMED Act 2006 inspite of confirming the dues to it

Note 6.4 - Borrowings from Banks

- The loans from Banks are secured by hypothecation of present and future Hire Purchase and Leased assets and Book Debts. Specific cases of these transactions covering, Plant & Machinery, Computers, Office Equipments, Vehicles etc were provided to the specific banks. Certain buildings were also mortgaged to the banks collectively. The security is however insignificant in relation to the dues.
- The Company had entered into agreements with some banks for settlement of their dues and completed the settlements in earlier years. The Company is negotiating with the others including those who have initiated legal proceedings against the Company. The Adjudicating Authorities have decreed against the Company in many cases and the Recovery Officers have commenced possession and disposal of these assets given as security to the bankers. The amount shown as payable is calculated on the basis of amounts decreed by the adjudicating authorities along with the interest as decreed. In case the decree has not been passed the amount is computed on the basis of the claimed amount and with interest computed as per the claim.

The amount payable as on the Balance Sheet date is disclosed in notes 6.4 and 6.8 below.

- Debt Recovery Tribunals (DRT) - I & II- Mumbai have passed decrees in favour of six banks and in pursuance thereto recovery proceedings are pending against the Company. Five more suits filed by the banks are still pending before the DRT at Mumbai, Kolkata and Chennai. Two recovery proceedings are pending before the DRT-II, Delhi pursuant to an interim and final decree for the balance amount in respect of one bank. DRT-I, Kolkata, DRT-II, Delhi and DRT-I, Mumbai have passed injunction/status quo orders in respect of mortgaged assets/properties. DRT-I, Mumbai had appointed a Receiver in respect of the mortgaged properties in one recovery proceeding. The mortgaged properties at Ahmedabad, Kanpur, Lucknow, Ghaziabad have already been auctioned off by DRT-I, Mumbai in the recovery proceeding filed by Dena Bank, where some other banks have also joined themselves. The Pune property was auctioned off pursuant to recovery proceedings at DRT, Pune. The Company has also preferred six appeals before the Debt Recovery Appellate Tribunals, at Mumbai and Delhi, which are pending before the Hon'ble Appellate Tribunals. The amounts were earlier advanced by the banks as Working Capital limits and then converted into loans. Hence shown under this head.

	Date of Default	Default as on 31-Mar-13 Rupees	Default as on Rate of Interest p.a	Default as on 31-Mar-12 Rupees
The principal amount defaulted against each lender is as under				
ICICI Bank Ltd (formerly Bank of Rajasthan Ltd)	20-Jun-03	55,078,491.00	16.50/Monthly rests	55,078,491.00
Catholic Syrian Bank Ltd	11-Aug-04	38,723,407.00	10.00% Simple Interest	38,723,407.00
Dena Bank	7-May-02	137,696,228.00	12.00% Quarterly rests	137,696,228.00
Federal Bank Ltd	10-Aug-06	29,000,000.00	16.75/Monthly rests	29,000,000.00
Indusind Bank Ltd	9-Apr-03	89,344,863.07	12.00% Quarterly rests	89,344,863.07
Oriental Bank of Commerce	3-Dec-03	44,754,529.25	17.00% Quarterly rests	44,754,529.25
State Bank of Travancore	22-Jul-05	82,617,737.00	12.00% Quarterly rests	82,617,737.00
South Indian Bank Ltd	10-Mar-03	67,393,206.00	14.00% Quarterly rests	67,393,206.00
Vijaya Bank	1-May-03	91,797,485.00	9.00% Simple Interest	91,797,485.00
Axis Bank Ltd	11-Aug-04	51,818,114.00	10.00% Simple Interest	51,818,114.00
Less amounts recovered by Recovery officers of the Debt recovery Tribunals		(25,970,530.00)		(15,350,000.00)
		662,253,530.32		672,874,060.32

The above amounts are the defaulted sums claimed by the lenders before the Debt Recovery Tribunals (DRT). These are admitted by DRT and in some cases orders passed in their favour. The principal shown is as per the original proposal. The difference between the book principal and the one claimed by the bank is added to interest account referred in note 6.8.

The Recovery officers of the Debt Recovery Tribunals have sold some of the fixed assets mortgaged to the banks as security. The amount realised is held by the Recovery Officers on behalf of the above banks.

Note 6.5 - Unpaid Debentures

The 19% Secured Non Convertible debentures are secured by an exclusive charge/mortgage over specific assets given on Lease / Hire Purchase and the debtors However the value of security including collateral security (one office unit) is insignificant with respect to amount due. The principal amount of Rs. 195 lakhs was payable to the lenders as per the original terms. The difference between the book principal and that claimed by lenders as on the date of default is added to the interest account referred in note 6.6 . The Company could not pay the dues as per the proposal. After the demerger of Unit Trust of India in 2002, the dues are bi-furcated between UTI Asset Management Co Ltd and the Administrator of Specified Undertaking of Unit Trust of India. The amount due as on the Balance Sheet date is disclosed below.

	Date of Default	Default as on 31-Mar-13 Rupees	Rate of Interest p.a	Default as on 31-Mar-12 Rupees
UTI Asset Management Co Ltd	12-May-03	7,117,500.00	20% Simple & compound	7,117,500.00
Administrator of the Specified Undertaking of UTI	12-May-03	12,382,500.00	qtrly Rest & 2% penal	12,382,500.00
		19,500,000.00		19,500,000.00

Note 6.6 - Interest Accrued and Due on Unpaid Debentures

UTI Asset Management Co Ltd	12-May-03	185,129,712.92	20% Simple & compound	146,605,106.00
Administrator of the Specified Undertaking of UTI	12-May-03	322,074,980.40	qtrly Rest & 2% penal	255,052,719.00
		507,204,693.32		401,657,825.00



CFL CAPITAL FINANCIAL SERVICES LTD.

Note 6.7 - Fixed Deposits

The Company had defaulted in repaying the deposits as per the original terms of the deposit which were rescheduled by the Company Law Board's (CLB) orders dated 26.06.2001 and its subsequent modifications dated 11.09.2002, 30.04.2004, 28.02.2006, 07.02.2007 & 13.10.2009. The Company has already paid all the claimed deposits on 29.12.2012 as per the last CLB order. As all Fixed Deposits have matured as per the Original terms, the full amount is shown as dues to fixed depositors. The CLB has also considered the maturity amount while deciding about the amount of instalments. Hence entire amount of deposits is classified as due within one year is Rs 6,26,37,415/- (PY Rs. 15,99,10,994.10). The interest accrued and due on cumulative deposits and included in these amount is Rs, 1,19,24,782/- (PY Rs. 3,75,7370.10)

	No. of Deposits	Amount	No. of Deposits	Amount
Amount unclaimed	4,180	62,637,415.00	4,208	63,685,616.00

As per the order of the Honourable Company Law Board (CLB) dated May 25, 2005, no delayed payment interest would be payable if the Company makes the payment as per its order dated April 30, 2004. The CLB has subsequently amended its orders. CLB vide its latest order dated October 13, 2009 permitted the company to pay the total dues in four annual installments by December 31 every year from 2009 to 2012. The Company has repaid all the installments before 31st December, 2012 as permitted by CLB to all the depositors who have lodged their claims for repayments. Hence the Company has no unpaid deposits. The Company issues a fresh warrant / demand draft to the depositor on receipt of the stale warrant / demand draft or proper affidavit / undertaking. The amount is transferable to Investors Education and Protection Fund as Unclaimed matured deposits. The same are not due for transfer asw on Balance Sheet Date..

Note 6.8 - Interest Accrued and due on loans to banks

	Dates of Defaults	Default as on	Rate of Interest p.a	Default as on
		31-Mar-13		31-Mar-12
ICICI Bank Ltd (formerly Bank of Rajasthan Ltd)	20-Jun-03	376,748,646.44	16.50/Monthly rests	311,476,827.32
Catholic Syrian Bank Ltd	11-Aug-04	84,382,014.62	10.00% Simple Interest	77,777,064.13
Dena Bank	7-May-02	577,512,934.01	12.00% Quarterly rests	497,757,848.95
Federal Bank Ltd	10-Aug-06	271,366,437.74	16.75/Monthly rests	225,337,323.74
Indusind Bank Ltd	9-Apr-03	361,289,351.52	12.00% Quarterly rests	311,037,799.51
Oriental Bank of Commerce	3-Dec-03	213,061,383.10	17.00% Quarterly rests	173,521,208.21
State Bank of Travancore	22-Jul-05	119,360,070.61	12.00% Quarterly rests	96,836,929.31
South Indian Bank Ltd	10-Mar-03	254,472,137.59	14.50% Quarterly rests	213,093,846.27
Vijaya Bank	1-May-03	211,484,879.35	9.00% Simple Interest	193,447,894.09
Axis Bank Ltd	11-Aug-04	77,758,510.80	10.00% Simple Interest	71,296,988.47
		2,547,436,365.78		2,171,583,730.00

Interest has been provided at the rates as per the claim before DRT or as ordered by it on the principal claimed by the banks. Also refer note 6.4.

Note 6.9

Other liabilities include Book Overdraft of Rs. 3,56,84,840 (Previous Year Rs. 3,64,84,860)

Note 6.10

Provisions	Opening balance	Additions	Settled / paid/Transferred	Closing Balance
	1-Apr-12			31-Mar-13
Non Current provision for employee benefits Leave salary	1,438,655.00	-	162,034.00	1,276,621.00
Current provision for employee benefits Leave salary	241,408.00	218,502.00	-	459,910.00
Current provision for employee benefits Gratuity	39,788.00	-	39,788.00	-
Current provision for employee benefits Superannuation	-	697,680.00	-	697,680.00
NPA Provisions on Receivables	329,975,490.30	-	2,669,385.00	327,306,105.30
NPA Provisions on Short term Loans & Advances	91,735,110.30	-	390,000.00	91,345,110.30
NPA Provisions on Standard Assets	429,419.00	-	-	429,419.00
NPA Provisions on Non Current Investments	202,899,888.00	-	-	202,899,888.00
Total	626,759,758.60	916,182.00	3,261,207.00	624,414,733.60

NOTE 7

CONSOLIDATED FIXED ASSETS SCHEDULE AS ON 31.3.2013

(Rupees)

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2012	Additions	Sales/ Retirement Transfer	As at 31.03.2013	As at 01.04.2012	For the Year	Sales/ Transfer etc	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013
A) Leased Assets Funded prior to 1.4.2001 (Tangible)										
Plant & Equipment	94,499,434.30	-	-	94,499,434.30	94,499,434.30	-	-	94,499,434.30	0	0
TOTAL (A)	94,499,434.30	-	-	94,499,434.30	94,499,434.30	-	-	94,499,434.30	-	-
B) Owned Assets (Tangible)										
Buildings	26,359,793.68	-	3,922,338.00	22,437,455.68	6,738,725.11	376,763.00	815,820.49	6,299,667.62	19,621,068.57	16,137,788.06
Furniture and Fixture	683,962.05	-	21,000.00	662,962.05	384,537.78	29,541.00	15,676.00	398,402.78	299,424.27	264,559.27
Vehicles	2,106,537.00	-	-	2,106,537.00	791,695.00	163,108.00	-	954,803.00	1,314,842.00	1,151,734.00
Office Equipment	7,553,716.62	43,300.00	6,753,316.02	843,700.60	7,291,219.99	56,077.00	6,735,377.20	611,919.79	262,496.63	231,780.81
Bangalore SE Card	1,000,000.00	-	-	1,000,000.00	-	-	-	-	1,000,000.00	1,000,000.00
TOTAL (B)	37,704,009.35	43,300.00	10,696,654.02	27,050,655.33	15,206,177.88	625,489.00	7,566,873.69	8,264,793.19	22,497,831.47	18,785,862.14
G . TOTAL (A+B)	132,203,443.65	43,300.00	10,696,654.02	121,550,089.63	109,705,612.18	625,489.00	7,566,873.69	102,764,227.49	22,497,831.47	18,785,862.14
Less Provision on Standard assets									107,480.00	107,480.00
									22,390,351.47	18,678,382.14
Previous Year	149,522,435.05	888,000.00	18,206,991.40	132,203,443.65	114,956,053.90	976,646.54	6,227,088.26	109,705,612.18	34,566,381.15	22,497,831.47

CFL CAPITAL FINANCIAL SERVICES LTD.



In case of most of the buildings the change to the new name of the Company/Subsidiary in the concerned records is to be completed.

Leased Assets shown as 'Sales/Transfer/Retirement' consist mainly of completed leases. The leased assets shown above are mainly those where there are disputes or the transfers of title are not completed.

The assets sold / retired during the year include offices of the Holding Company disposed off by the Recovery Officers of the Debt Recovery Tribunals.

The software used for computers was embedded in them or were purchased and capitalised with them over 10 years ago and are fully depreciated. The updation has been made by the clients to whom Company provided administrative services and hence are not capitalised.

	As at 31-Mar-13 Rupees	As at 31-Mar-13 Rupees	As at 31-Mar-12 Rupees	As at 31-Mar-12 Rupees
Note 8				
NON CURRENT ASSETS	Nos.	Rupees	Nos.	Rupees
a. Non-current investments				
i. Investment in Other Companies -Unlisted				
(Face Value Rs. 10/ per share unless specified otherwise)				
Ace Garments Export Ltd. DO	850,000	8,500,000.00	850,000	8,500,000.00
Bangalore Stock Exchange Ltd.(Face Value Re. 1/- per share)	2,500	2,500.00	2,500	2,500.00
Basic Teleservices Ltd. AM	-	-	2	-
IAEC Industries Ltd. A	150,000	11,778,933.00	150,000	11,778,933.00
Indo Deain Leather Ltd. A	600,000	26,400,000.00	600,000	26,400,000.00
Indo Deutsche Metallo Chimique Ltd. - DO	171,500	30,012,500.00	171,500	30,012,500.00
Jind Textiles Ltd. UL	750,000	18,938,523.00	750,000	18,938,523.00
Kalpna Chemicals Ltd. A	700,000	21,735,000.00	700,000	21,735,000.00
Kaveri Polysacks Ltd. USO	350,000	3,500,000.00	350,000	3,500,000.00
Kohinoor Feeds Ltd. A	562,500	33,609,375.00	562,500	33,609,375.00
Multimedia Frontiers Ltd. A	100,000	900,000.00	100,000	900,000.00
Nikita Cements Ltd. DO	150,000	2,100,000.00	150,000	2,100,000.00
Ruia Hospitality Ltd. DO	1,350,000	47,250,000.00	1,350,000	47,250,000.00
Spectrum Alkyd & Resins Ltd. DO	400,000	4,000,000.00	400,000	4,000,000.00
Worldcom Multi Media Ltd. DO	100,000	2,500,000.00	100,000	2,500,000.00
Subtotal		<u>211,226,831.00</u>		<u>211,226,831.00</u>
Less Provision for Non Performing Assets - Long Term Investments		<u>202,899,888.00</u>		<u>202,899,888.00</u>
TOTAL i		<u>8,326,943.00</u>		<u>8,326,943.00</u>
ii. Investment in Government Securities				
(Face Value Rs 100 per unit except where specified)				
C2018 12.60% Government of India 2018	20	2,022.00	20	2,022.00
C2017 7.49% Government of India 2017	100,000	9,816,500.00	100,000	9,816,500.00
C2017 7.46% Government of India 2017	20,000	1,913,800.00	20,000	1,913,800.00
C2016 12.30% Government of India 2016	500	55,125.00	500	55,125.00
C2016 10.71% Government of India 2016	200	23,253.00	200	23,253.00
C2015 11.50% Government of India 2015	160	19,200.00	160	19,200.00
C2014 6.72% Government of India 2014	120,100	11,781,810.00	203,500	19,963,350.00
C2011 11.50% Government of India 2011	-	-	-	-
Less : Provision on Standard Assets		<u>(158,966.00)</u>		<u>(158,966.00)</u>
TOTAL ii		<u>23,452,744.00</u>		<u>31,634,284.00</u>
TOTAL Non-Current Investments i+ii		<u>31,779,687.00</u>		<u>39,961,227.00</u>
A. The Long Term Investments as per the Accounting Standard 13 as notified by the Companies (Accounting Standards) Rules 2006 are classified Non Current investments. B. Provision has been made on the basis of the Non-Banking Financial (Deposits Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007. C. The Investments are valued at Cost and provisions are made as per the directions referred in B above. D. Shares in unlisted companies (including Subsidiary company) are held in physical form while Government securities are held in electronic form. E. In case physically held securities (except subsidiary), the changing of Company's name is under process. F. No charge of SLR securities has been created in favour of the Public Depositors. This has been permitted by Reserve Bank of India. G. The Investee Company's status as Listed or Unlisted is as per the Company Data on the website of Ministry of Corporate Affairs at the current year end. H. The meaning of abbreviations is A - Active, DO - Dormant, L - Liquidated, UL - Under Liquidation, USO - Under Strike Off. These particulars are from the same data as in G above. Shares of Liquidated Companies have been written off. I. Provision on Standard Assets has been made @ 0.5% as per Reserve Bank of India's directions. J. D indicates shares are in dematerialised form otherwise they are in physical form				
Aggregate Book Value of Quoted Investments		23,452,744.00		31,634,284.00
Aggregate Market Value of Quoted Investments		23,775,061.00		31,304,395.60
Aggregate Book Value of Unquoted Investments		8,326,943.00		8,326,943.00
b. Deferred Tax Asset				
The Company has not accounted for Deferred Tax Asset since there is no virtual certainty of its utilisation in future.		-		-
c. Long term loan and advances				
Deposits with Bangalore Stock Exchange Ltd.		200,000.00		200,000.00
d. Other non-current assets				
Tax Deducted at Source (Unsecured Considered Good)		<u>19,347,914.07</u>		<u>19,289,663.01</u>
Total		<u>51,327,601.07</u>		<u>59,450,890.01</u>



CFL CAPITAL FINANCIAL SERVICES LTD.

Note 9

CURRENT ASSETS

Current investments	Nos.	Rupees	Nos.	Rupees
a. Investment in Equity Instruments				
i. Investment in Unlisted Companies				
The share is of a face value of Rs 10 each and fully paid unless otherwise specified. They are valued at cost. The aggregate provision for diminution is shown separately.				
Ankit Yarns Ltd A	46	-	46	-
Dataline Research Ltd A	50,000	-	50,000	-
EBF Finance Ltd - DO	9,050	-	9,050	-
Gemini Agritech Co Ltd SO	145,000	-	145,000	-
Inland Printers Ltd A	10,000	-	10,000	-
KGN Agro Int Ltd (Partly Paid) DO	176,600	-	176,600	-
Lakshana Cotton Spinning Mills P Ltd UL	100	-	100	-
Mala\rika Steel Co Ltd DO	237,400	-	237,400	-
Naina Semi Conductor Ltd A	47,200	-	47,200	-
Nova Surgikos Ltd UL	25,800	-	25,800	-
PAL Peugeot Ltd - UL	99,600	-	99,600	-
Prism Mills Ltd A	1,000	-	1,000	-
Radan Multimedia Ltd (Formerly Radan Tapes & Tubes Ltd) DO	17,400	-	17,400	-
Reacto Paper Ltd UL	400,000	-	400,000	-
Sun Earth Ceramics Ltd** DO	125	-	125	-
Sun Valley Farm Products Ltd (Formerly Cryptogen Ltd) A	77,700	-	77,700	-
Vitara Chemicals Co Ltd DO	198,000	-	198,000	-
TOTAL i		-		-
ii. Investment in Listed Companies				
The share is of a face value of Rs 10 each and fully paid unless otherwise specified. They are valued at cost or market price whichever is lower. Some of the shares are suspended by the concerned stock exchanges. 'D' denotes shares are held in dematerialized form.				
Autopins Ltd.(D) / A	41,730	-	41,730	-
Balaji Industrial Corporation Ltd. (D) / A	45,498	-	45,498	-
Cherry Polypack Ltd** A	36,200	-	36,200	-
Fancy Fittings Ltd A	8,900	445,641.00	8,900	445,641.00
Grand Foundry Ltd UL	200	-	200	-
JSW Steels Limited* (D) / A	100	-	250	-
KEC Limited* (D) / A	250	-	250	-
Kothari Petro Ltd. (D) / A	4,955	-	40,457	-
Moolchand Export Ltd - L	-	-	-	-
Moulik Finance and Resorts Ltd - DO	25,500	-	25,500	-
Nagarjuna Agritech Ltd. (D) / A	26,691	-	60,400	-
NGL Fine Chem Ltd (D) / A	-	-	-	-
N R International Ltd (D) / A	79,934	-	88,936	-
Pretto Leather Ltd A	2,800	-	2,800	-
Ranjeev Alloys Ltd (D) / A	3,980	-	45,100	-
Reed Relays & Electronics Ltd. A	-	-	-	-
Reliance Industries Limited * (D) / A	40	21,631.00	40	21,631.00
Shamrock Industrial Co Ltd (D) / A	86,165	-	86,165	-
Shree Rubbers Industries Ltd A	192,000	-	192,000	-
Shreeyash Industries Ltd. ** (D) / A	50,000	-	50,000	-
Venkat Pharma Ltd (D) / A	-	-	-	-
Yogi Polyester Ltd. UL	55,800	-	55,800	-
Less Provision on Standard Assets		(2,336.00)		(2,336.00)
TOTAL ii		464,936.00		464,936.00
TOTAL CURRENT INVESTMENTS (i+ii)		464,936.00		464,936.00



CFL CAPITAL FINANCIAL SERVICES LTD.

Note 9

CURRENT ASSETS

Current investments	Nos.	Rupees	Nos.	Rupees
Aggregate Book Value of Quoted Investments		464,936.00		464,936.00
Aggregate Market Value of Quoted Investments		484,907.75		2,484,534.00
Aggregate Book Value of Unquoted Investments		-		-

A. The Current Investments are included in this Schedule as per the Accounting Standard 13 as notified by the Companies (Accounting Standards) Rules 2006 and there are restrictions on trading imposed by Reserve Bank of India.

B. * These shares have been received by the Company on removal of defects in case of bad deliveries or for lost shares. These have been accounted at the market rate.

C. ** The Company's application for duplicate shares / dematerialisation not responded by respective Companies

D. Where the company has written off the value of a share/debenture/security due to non availability of market rate of a period exceeding six months, its value has been shown as Nil despite the quantitative number held as on the balance sheet date appearing. Others are valued at lower of cost or market value

E. Shares marked as (D) are in electronic form, others are in physical form. In case physical securities, the changing of Company's name is under process.

F. The Investee Company's status as Listed or Unlisted is as per the Company Data on the website of Ministry of Corporate Affairs at the current year end.

G. The meaning of abbreviations is A - Active, DO - Dormant, L- Liquidated, UL - Under Liquidation, USO - Under Strike Off. These particulars are from the same data as in G above. Shares of Liquidated Companies have been written off.

b. Trade receivables - Unsecured

Outstanding for over six months after the due dates	-	-	-	-
Considered Good	96,051.00	-	-	-
Considered Doubtful	357,860,786.98	329,975,490.30		
Less : Provision for Doubtful Debts	357,860,786.98	329,975,490.30		
		96,051.00		-

Note 9.b

- The above receivables are outstanding for a period exceeding six months from the date they were due for payment
- The above do not consist of any amount due from the Directors or Officers of the Company or Firms and Companies in which they are Partners/Directors

c. Cash and Cash Equivalents :

i. Balances with Scheduled Banks :				
- in Fixed Deposits	-	7,500,000.00		
- in Fixed Deposits (against dues to employees)	151,636.00	-		
- in Current Accounts	6,486,399.55	8,254,690.07		
		6,638,035.55		15,754,690.07
ii. Cash in hand		76,075.50		72,031.50
iii. Balances with Scheduled Banks :				
- in Escrow Account		14,545.87		10,351,195.92
		6,728,656.92		26,177,917.49

Note 9.c

The amount in the escrow account is maintained as per the directions of the Reserve Bank of India and the amount to be utilised for the purpose of repaying the fixed deposits.

d. Short-term Loans & Advances

Advances(unsecured) - receivable in cash or in kind or for value to be received				
Inter Corporate Deposits (Unsecured / Doubtful)	7,500,000.00	7,500,000.00		
Less Provision for doubtful debts	7,500,000.00	7,500,000.00		
Bills Discounted (unsecured / Doubtful)	83,659,504.26	84,049,504.26		
Less Provision for doubtful debts	83,659,504.26	84,049,504.26		
Staff loans (Unsecured / Considered Good)		519,000.00		662,500.00
Other loans/advances (Unsecured, Considered good)	829,393.60	522,962.00		
Less Provision for doubtful debts	185,606.00	185,606.00		
		643,787.60		337,356.00
Less Provision on Standard Assets		(3,312.00)		(3,312.00)
Short-term Loans & Advances- Net of Provisions		1,159,475.60		996,544.00

- Inter Corporate Deposit was given in earlier years and is doubtful of recovery. No interest has been accrued as per the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007.
- Bills Discounted are dues for bills discounted in earlier years and are doubtful of recovery. No interest has been accrued as per the Non-Banking Financial Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007.
- As per the Orders of the Debt Recovery Tribunals ordering the sale of Company's Assets, the Recovery Officers have sold certain assets and realised these amounts to be appropriated to various lenders.

e. Other Current Assets (unsecured / considered good)

Interest Receivable on Government Securities	439,973.00	508,767.96		
Deposits for Premises, Telephones etc (Unsecured/considered Good)	2,427,326.00	2,357,326.00		
Less ; Provision on Standard Assets (unsecured / considered good)	(14,330.00)	(14,330.00)		
		2,852,969.00		2,851,763.96



CFL CAPITAL FINANCIAL SERVICES LTD.

The amount in the escrow account is maintained as per the directions of the Reserve Bank of India and the amount to be utilised for the purpose of repaying the fixed deposits.

TOTAL CURRENT ASSETS

11,302,088.52

30,491,161.45

Note 9.f

i The above do not consist of any amount due from the Directors or Officers of the Company or Firms and Companies in which they are Partners/Directors

Particulars	Year ended 31-Mar-13 Rupees	Year ended' 31-Mar-12 Rupees
NOTE 10		
OTHER INCOME		
Income from Old Recoveries of Funded Business.	122,145.00	632,827.00
Profit from Sale of Shares- Current Investments - Non Trade	614,819.23	522,901.84
Profit from Sale of Shares- Long Term Investments Non Trade	20,850.00	-
Dividend - Current investments - Non trade	335,870.92	183,795.41
Dividend - Long Term investments	281,250.00	281,250.00
Interest on SLR Securities Long Term Investments-Trade	2,132,783.60	3,121,690.93
Interest on Bank Deposits (TDS Rs. /- PY Rs 28,464/-)	922,510.52	391,607.84
Rent Received (TDS Rs.36,000/- PY. Rs. 36,000/-)	360,000.00	467,524.00
Other Business Income (TDS 18,000/- PY 18,000)	53.00	100.00
	<u>4,790,282.27</u>	<u>5,601,697.02</u>
NOTE 11		
EMPLOYEE BENEFIT EXPENSES		
Salaries and other benefits	17,114,275.00	14,972,269.00
Welfare Expenses	225,957.00	160,833.50
Contribution to Provident Fund, Gratuity		
Superannuation and other Funds	1,110,911.96	1,936,104.28
	<u>18,451,143.96</u>	<u>17,069,206.78</u>
NOTE 12		
FINANCE COSTS		
Interest - Fixed Loan	105,546,868.32	363,694,264.00
Interest - Others	375,853,934.68	1,323,343,384.25
	<u>481,400,803.00</u>	<u>1,687,037,648.25</u>
Note 12..1		
In the earlier years, the Company was providing simple interest @ 12.50% pa as was offered by the Company in 1999 with its proposal for settlement of bank dues. In the last year the Company has provided interest retrospectively on the basis of claim made by the lenders which is in most cases on compound basis and at higher rate. The interest for the current year and last year is as under:		
Interest for the Current Year	481,400,803.00	415,658,805.00
Interest for earlier years (differential)	-	1,271,378,843.25
	<u>481,400,803.00</u>	<u>1,687,037,648.25</u>
NOTE 13		
Depreciation and amortization expenses (see note 7)	625,489.00	976,646.54
NOTE 14		
OTHER EXPENSES		
Auditors Remuneration (see Note 17)	296,311.00	284,046.00
Bank Charges	775,172.32	11,912.70
Communication costs	699,232.00	829,648.64
Directors' Fees	18,000.00	25,000.00
Electricity Expenses	126,063.00	101,375.00
Insurance	521,546.00	450,556.00
Legal & Professional Charges	2,192,039.11	2,031,655.10
Printing and Stationery	291,583.27	355,449.41
Rent,	1,087,830.00	1,096,373.00
Rates & Taxes	-	-
Repairs and Maintenance-Buildings	51,735.00	409,867.42
Repairs and Maintenance- Others	49,731.00	103,313.00
Travelling and Conveyance	1,136,198.81	1,139,667.22
Vehicle Expenses	1,100,935.00	927,179.00
Miscellaneous Expenses	363,453.20	294,422.77
	<u>8,709,829.71</u>	<u>8,060,465.26</u>



CFL CAPITAL FINANCIAL SERVICES LTD.

	Year ended 31-Mar-13 Rupees	Year ended 31-Mar-12 Rupees
NOTE 15		
EXCEPTIONAL INCOME AND EXPENSES		
A. EXCEPTIONAL INCOME		
Provision No longer required, & others		
a) Provision for NPAs No Longer required	2,912,912.00	19,080,362.37
b) Profit on Sale of Assets	8,802,472.04	14,567,223.86
c) Write back of earlier years liabilities	337,688.00	2,301,884.00
	12,053,072.04	35,949,470.23
B. LESS EXCEPTIONAL EXPENSES		
Write offs/Provisions against doubtful/irrecoverable		
Assets and diminution/loss in value of Investments		
a) Bad debts written off	-	14,265,008.37
b) Loss on sale of assets	22,212.82	197,874.00
c) Loss on sale / redemption of securities.	-	212,612.00
	22,212.82	14,675,494.37
NET EXCEPTIONAL INCOME /(EXPENSES)	12,030,859.22	21,273,975.86

NOTE 16

Contingent Liabilities :

- i) Dividend on 13% Redeemable Cumulative Preference Shares is in arrears- Rs. 48,73,05,000/-15 years (previous Year Rs.45,48,18,000/-14 years)
- ii) Income Tax Rs Nil (Previous Year Rs 13,78,66,110/-)
- iii) Wealth Tax Rs. 3,27,843/- (Previous Year Rs. 3,27,843/-)
- iv) Sales Tax Rs. 23,14,158/- (Previous Year Rs. 23,14,158/-)
- v) Custom Duty Rs. Nil (Previous Year Rs. 7,00,000/-)
- vi) Others Rs. 13,20,000/- (PY Rs. 27,50,760/-)

The above liabilities are dependent upon the outcome of appeals before various authorities and future distributable profits. In the opinion of the Management, there is no possibility of reimbursement, except to the extent of taxes paid and included under Loans & Advances. Claims against the Company not acknowledged as debts, as the same are disputed by the Company. Others Rs. 21,20,585/- (Previous Year Rs. 17,99,596/-)

NOTE 17

Audit fees include amounts paid to Auditors towards:

	Year ended 31-Mar-13 Rupees	Year ended 31-Mar-12 Rupees
As Auditors for : Statutory Audit	140,000.00	140,000.00
Tax Audit	25,000.00	25,000.00
For certification fees	91,237.00	94,000.00
Corporate Governanace	20,000.00	20,000.00
Out of Pocket expenses	20,074.00	5,046.00
	296,311.00	284,046.00

NOTE 18

CURRENT & DEFERRED TAX

There is no provision for Income Tax during the year due to loss..

The Company has not created the Deferred Taxation Asset as its utilisation for set off against future taxable income is uncertain in the foreseeable future.

NOTE 19

The accumulated loss of Rs. 729,42,57,267/- (Previous Year Rs. 680,18,73,279.15 /-) includes unabsorbed depreciation of Rs.170,09,26,683/- (Previous Year Rs. 1,70,02,99,479/-)

NOTE 20

The Company has paid an amount of Rs 11,05,605.96/- (PY Rs. 15,77,046.69/-) towards Provident & Pension Funds and Gratuity & Superannuation Schemes. It has provided on actuarial basis a liability of Rs. 17,36,521/- (PY Rs. 16,80,063/-) as at the year end on account of leave benefit due to the employees. From and are fully funded on the Balance Sheet date as per the requirements of AS-15. During the year an amount of Rs. Nil (PY Rs. 2,61,749/-) was paid by the Company to the Trust due to lower income. The Trust managing the Executive Fund was wound up as the recognition under the Income Tax Act 1961 was proposed to be withdrawn with effect from 01.04.2012 as per the proposal of the Finance Bill 2012. Leave Liability as on Balance Sheet date is provided as per the requirements of AS-15 on the basis of Actuary's Certificate.

NOTE 21

Related Party Disclosures

1. Relationships
 - (i) Shareholders in the Company
Sentinel Tea and Exports Ltd. holds 34.27% equity share capital of the Company.
 - (ii) Subsidiary of the Company Samudra Securities Ltd (consolidated)



CFL CAPITAL FINANCIAL SERVICES LTD.

- (iii) Other related parties
Ace Garment Export Ltd**
Indo Dean Leather Ltd**
Kaveri Polysacks Ltd.**
Spectrum Alkyd & Resins Ltd**
Ruia Hospitality Ltd**

** (The Company holds over 20% shareholding in these companies. These investments were made as Merchant Bankers. The Company does not have any significant influence over their managements and are hence not considered as Associates for related parties disclosures.)

- (iv) Directors and other executives (including those who were associated for part of the period)
Mr H C Mathur - Chairman & Managing Director
2. The following transactions were carried out with the related parties in the ordinary course of business:
- a. Details relating to parties referred to in (i), (ii) and (iii) above

	Parties referred in Note 21.1.(i) above NIL	Rupees Parties referred in Note 21.1.(ii) above N.A.	Rupees Parties referred in Note 21.1.(iii) above NIL
b. Details relating to persons referred to in item 1(iv) above		Current Year	Previous Year
		<u>Rupees</u>	<u>Rupees</u>
Remuneration to Chairman & Managing Director		884,335.00	884,335.00

NOTE 22

Segment Information

The Company's present activity is to take steps to close its Non Banking Financial activities. The other activities have not made any significant progress. Hence there are no segments. The subsidiary also does not have any active broking activity.

NOTE 23

Earnings per share

a. Profit/(Loss) after tax		(492,383,988)	(1,686,274,193)
b. Adjustments for			
Preference Dividend		32,487,000	32,487,000
Interest on Income Tax Refunds		-	-
Taxation of earlier years		-	-
c. Adjusted Loss after tax		(524,870,988)	(1,718,761,193)
d. Weighted average number of Equity shares for Basic EPS	Nos.	138,675,000	138,675,000
e. Nominal value per Equity share	Rs.	10.00	10.00
f. Earning per share (Basic)	Rs.	(3.78)	(12.39)
g. Weighted average number of Equity shares for Diluted EPS	Nos.	138,675,000	138,675,000
h. Earning per share (Diluted)	Rs.	(3.78)	(12.39)

NOTE 24

A sum of Rs. 26,350/- (P Y Rs. 94,695/-) is transferable to the Investors Education & Protection Fund at the end of the year. Fund. After the year end a sum of Rs. 26,350/- (P Y Rs. 94,695/-) have been transferred to the said Fund till the date of these statements.

NOTE 25

The Company follows the directions given by Reserve Bank of India (RBI) to Non Banking Financial Companies and maintains Statutory Liquidity Ratio (SLR) as per RBI's instructions in the matter. The Company continues to be governed by the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007. However consequent to the Net Worth of the Company having become negative, the restrictions placed by para 16 of these norms pertaining to a minimum Capital Adequacy of 12% and Para 19 (pertaining to acquisition of land and building other than for own use) and Para 20 (pertaining to Concentration of Credit/ Investment) could not be met.

NOTE 26

Previous Year's figures have been reclassified and /or regrouped wherever necessary[to correspond with the current year's classification and disclosures.

As per our Report attached

For **TARMASTER & CO.**
Chartered Accountants
Firm Registration No 302016E

for and on behalf of the Board of Directors

S Saha
Partner
M. No. 300639

R C Kurup
Company Secretary

H C Mathur
Chairman & MD

Sujit Datta
Director

Place : Kolkata
Date : 30-May-2013

Place : Kolkata
Date : 30-May-2013



STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT,1956,RELATING TO SUBSIDIARY COMPANY

Name of the Subsidiary	SAMUDRA SECURITIES LIMITED
Particulars	Amount in Rupees
1. Holding Company's interest in subsidiary	28599032 Equity Shares of Rs 1 each fully paid 91..69%
2. Net aggregate amount of the profit/ (loss) of the subsidiary not dealt with in Holding Company's account	
a) For the financial year of the the Subsidiary Company	203,470.95
b) For the previous financial year of the Subsidiary Company	(65,092.94)
3. Net aggregate amount of the profit of the Subsidiary dealt with in Holding Company's account	
a) For the financial year of the Subsidiary Company	Nil
b) For the previous financial year of the Subsidiary Company	Nil

R C Kurup

Company Secretary

H C Mathur

Chairman & MD

Sujit Datta

Director

Place : Kolkata

Date : 30-May-2013

Place : Kolkata

Date : 30-May-2013

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT,1956,RELATING TO SUBSIDIARY COMPANY

Name of the Subsidiary	SAMUDRA SECURITIES LIMITED
Particulars	as at 31 st March 2013
	Amount in Rupees
Capital	31,100,000
Reserves	(29,397,521)
Total Assets	1,738,577
Total Liabilities	36,098
Investments other than Investment in Subsidiary	-
	Year ended 31-Mar-13
Turnover	340,773
Profit/(Loss) Before Tax	221,912
Provision for Tax	-
Profit / (Loss)After Tax	221,912
Dividend	-

R C Kurup

Company Secretary

H C Mathur

Chairman & MD

Sujit Datta

Director

Place : Kolkata

Date : 30-May-2013

Place : Kolkata

Date : 30-May-2013

CFL CAPITAL FINANCIAL SERVICES LTD.

REGISTERED OFFICE

Century Plaza, Unit No. 233, Second Floor, Netaji Subhas Road, Kolkata 700 001

TWENTY EIGHT ANNUAL GENERAL MEETING

MONDAY, 30TH SEPTEMBER, 2013 AT 10.30 A.M.

“UTTAM MANCHA”, 10/1/1 MONOHARPUKUR ROAD, KOLKATA-700026

ADMISSION SLIP

A member / proxy wishing to attend the meeting must complete this Admission Slip and hand it over at the entrance. If you intend to appoint a proxy, complete the Proxy Form below and deposit it at the Company's Registered Office, at least 48 hours before the time of holding the meeting.

Folio No.	DP ID No.	Client HD No.

I record my presence at the 28th AGM

Signature of Member/Proxy

Name of the Member/Proxy (if any) in Block Letters

CFL CAPITAL FINANCIAL SERVICES LTD.

REGISTERED OFFICE

Century Plaza, Unit No. 233, Second Floor, Netaji Subhas Road, Kolkata 700 001

I/We _____

of _____

being a member of CFL Capital Financial Services Limited, hereby appoint _____

_____ of _____

_____ of _____

as my/our proxy to attend vote for me/us and on my/our behalf at the Twenty Eight Annual General Meeting of the company to be held on Monday, 30th September, 2013 At 10.30 a.m.

As at witness my/our hand/s this _____ day of _____ 2013.

Signed by the said _____

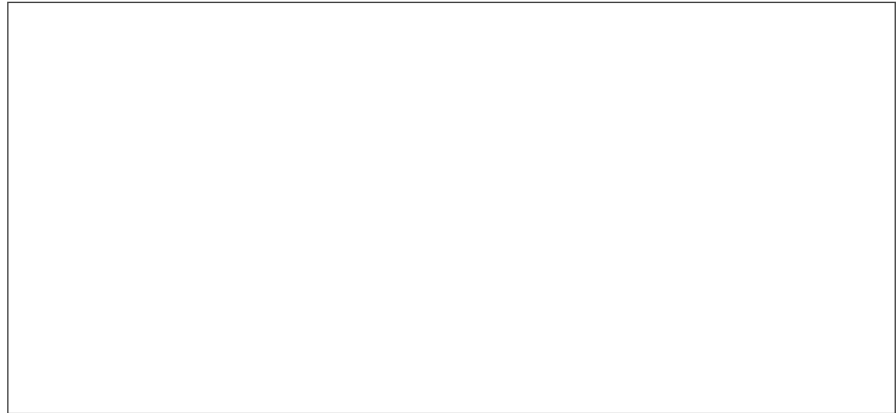
Affix
Revenue
Stamp
here

Folio No.	DP ID No.	Client HD No.

This Proxy Form duly completed must be received at the Company's Registered Office at least 48 hours before the time of holding the Meeting

PROXY FORM

BOOK-POST



If undelivered, please return to:

CFL CAPITAL FINANCIAL SERVICES LTD.

Century Plaza, Unit No. 233, Second Floor,
81, Netaji Subhas Road, Kolkata 700 001