



**30th
Annual Report 2014-15**

CFL CAPITAL FINANCIAL SERVICES LTD.

(CIN: L67120WB1983PLC036805)

BOARD OF DIRECTORS

H.C. Mathur - *Chairman & Managing Director*

Sujit Dutta

B. N. Tripathi

A. V. Sudhakaran

Jostna Shrestha (w.e.f. 31st March, 2015)

COMPANY SECRETARY

R. C. Kurup

AUDITORS

Tarmaster & Co.

Chartered Accountants

SECRETARIAL AUDITOR

Ranjit Ghosh & Co.

Company Secretaries

REGISTERED OFFICE

Century Plaza,

Unit No. 233, Second Floor

81, Netaji Subhas Road

Kolkata 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

Kotak Mahindra Bank Limited

Asset Reconstruction Company (I) Limited

Axis 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

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CFL CAPITAL FINANCIAL SERVICES LTD.

NOTICE

NOTICE is hereby given that the Thirtieth 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 28th day of September, 2015 at 10.30 A.M to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the year ended 31st March 2015, the audited consolidated financial statements for the year ended as on that date and the Reports of the Board of Directors and Auditors thereon.

2. To ratify the appointment of Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder the re-appointment of the retiring Auditors, Messrs Tarmaster & Co., Chartered Accountants (Firm Registration No.302016E) to hold office from the conclusion of the Twenty-ninth Annual General Meeting of the Company till the conclusion of Thirty-second Annual General Meeting of the Company be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee of the Board of Directors of the Company in consultation with the Auditors."

Special Business

To consider and if thought fit, to pass, with or without modifications, the following Resolutions:

3. As an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs.Jostna Sreshtha (DIN: 07143678) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 31st March, 2015 and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, for a period of 5 (five) consecutive years for a term upto the conclusion of the Thirty-fifth Annual General Meeting of the Company."

4. As a Special Resolution

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, if required, and such other approvals as may be necessary, approval of the Company be and is hereby accorded to the re-appointment of Shri H C Mathur (DIN: 00054757) as Managing Director of the Company for a period of one year with effect from 1st May, 2015, on the terms and conditions including remuneration as set out in the statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri H C Mathur subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof or stipulated by the Central Government while according its approval for the re-appointment of Mr.Mathur;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

By Order of the Board of Directors

R.C.Kurup
Company Secretary

Registered Office:
Century Plaza
81, Netaji Subhas Road
Unit No.233, Second Floor
Kolkata-700 001
CIN: L67120WB1983PLC036805
Website: <http://cfltd.in>
E-mail: cflcapfs@gmail.com

Dated: 27th May, 2015.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF. 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.

A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Register of Members of the Company will remain closed from 22nd September, 2015 to 28th September, 2015 both days inclusive.

3. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their Bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS) mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Share Transfer Agent, Link Intime India Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Company's Registrars and Share Transfer Agent.

In case the mailing address mentioned on the Attendance Slip is without the PINCODE, Members are requested to kindly inform the PINCODE immediately.

The Company proposes to send to the Members Notices, Annual Reports and Accounts and other communication through electronic mode. Members are, therefore, requested to update their e-mail address with the Depository Participant if the holding is in electronic mode or intimate to the Company's Registrar at kolkata@linkintime.co.in or to the Company at cflcapfs@gmail.com their e-mail address if the shares are held in physical form. Copies of all such communication can also be obtained in physical form from the Company free of cost, upon request. All such documents shall also be available at the Company's website <http://cfltd.in>

4. Members can avail of the nomination facility, under Section 72 of the Companies Act, 2013 by submitting Form No.SK.13 as per rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 with the Company. Blank forms will be made available on request.

5. 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.

6. 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.

7. As per directives issued by SEBI, it is compulsory to trade in securities of any Company's equity shares in dematerialized form. Members are, therefore, at liberty to dematerialise their holdings in the Company through a Depository Participant to avail easy liquidity in trading of shares, avoid risk of custody of physical certificates and incur stamp duty for transfer of shares.

8. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Registrars and Share Transfer Agent of the Company.

9. The brief profile of the Directors seeking appointment and other details under revised Clause 49 of the Listing Agreements with the Stock Exchanges in respect of the Directors seeking appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointments.

10. Voting through electronic means

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Company is pleased



to provide members facility to exercise their right to vote at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited(CDSL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/its discretion. The instruction for e-voting are as under:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25th September, 2015 (9.00 am) and ends on 27th September, 2015 (5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on Monday, the 21st September, 2015 (the Cut-off Date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The facility for voting through ballot paper / polling paper shall be made available at the AGM and the members as on the "cut-off date" i.e. Record date, attending the meeting, who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper / polling paper. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Attendance Slip indicated in the PAN field as mentioned in instruction (iv)
Dividend Bank Details or Date of Birth(DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for CFL Capital Financial Services Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

II. Poll Process at AGM

- (a) The voting on the agenda items shall be done by e-voting as well as by Poll. Those who do not exercise the option of e-voting shall be entitled to participate and vote at the Poll to be conducted at the venue of the AGM on the date of the meeting. Ballot papers will be issued immediately after an announcement in this regard by the Chairman of the meeting and will continue till all the shareholders present and who want to vote have cast their votes. The number of votes will be equivalent to the number of shares held by them as on the Cut-off Date i.e., 21st September, 2015
- (b) Mr Ranjit Kumar Ghosh, a Practising Company Secretary (Membership No.FCS3724) has been appointed as the Scrutinizer to scrutinize the e-voting process. He will also act as Scrutinizer along with another shareholder at the Poll to be conducted at the meeting in a fair and transparent manner.
- (c) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizers Report shall be placed on the Company's website and on the website of CDSL within 2(two days) of passing the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal working hours 10.00 A.M and 5.00 P.M. on all working days upto and including the date of the AGM.

- 11. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Items Nos. 3 and 4 of the Notice are as under:

In respect of Item 3

Mrs Jostna Sreshta is a Non-Executive Independent Director of the Company. She joined the Board of Directors of the Company on 31st March, 2015.



Mrs. Jostna Sreshta was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 31st March, 2015 and pursuant to Section 161 of the Companies Act, 2013 vacates her office at the ensuing Annual General Meeting. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 Mrs Jostna Sreshta being eligible is proposed to be appointed as an Independent Director for five consecutive years for a term upto the conclusion of the Thirty-fifth Annual General Meeting of the Company. Mrs Jostna Sreshta is not disqualified from being appointed as a Director under Section 164 of the Companies Act, 2013. The Company has received (i) form DIR-8 from her in terms of Section 164(2) and applicable Rules thereon confirming her eligibility and (ii) a declaration to the effect that she meets the criteria of Independence as provided in Sub-section (6) of Section 149 and other applicable provisions of the Companies Act, 2013. The Company has received a notice from a member under section 160(1) of the Companies Act, 2013 proposing Mrs. Jostna Sreshta as a candidate for the office of Director of the Company. Mrs Jostna Sreshta is 48 years of age and has graduated in Arts from Indira Gandhi National Open University and has about 19 years' experience in Administrative Management. Mrs. Sreshta has not been inducted on any Committees and is not a director of any other Company.

In the opinion of the Board, Mrs Jostna Sreshta fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. The Board considers that her continued assistance would be of immense benefit to the Company. Accordingly the Board recommends the resolution relating to the appointment of Mrs Jostna Sreshta as an Independent Director, for the approval of the shareholders of the Company.

Except Mrs Jostna Sreshta being an appointee and her relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution set out at item 3 of the annexed Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

In respect of Item 4

Mr.H.C.Mathur was first appointed as a Director of the Company with effect from 10th March, 2000 and subsequently as Managing Director of the Company for a period of three years with effect from 1st May 2000. He 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 and thereafter was appointed for a period of one year each with effect from 1st May, 2013 and 1st May, 2014

The Board of Directors of your Company at its meeting held on 27th April, 2015 has re-appointed Mr.Mathur as Managing Director of the Company for a further period of one year with effect from 1st May, 2015, subject to the approvals of the shareholders and the Central Government, if necessary, 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.82,500/- per month

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

- Personal accident insurance, medical re-imburement 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.
- Contribution to Superannuation Fund or Annuity Fund in accordance with the Rules of the Company in force from time to time
- 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 under Schedule V of the Companies Act, 2013.

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.

Payment of the above remuneration to Mr.H C Mathur has been approved at the meeting of the Nomination and Remuneration Committee of the Board duly held on 16th April, 2015.

Mr.H C Mathur does not have any interest in the capital of the Company, directly or indirectly nor has any direct or indirect interest nor was related to any of the directors or promoters of the Company at any time during the last two years before or on the date of the appointment and possesses requisite qualification and expertise with specialized knowledge in the field of his profession.

Mr.Mathur possesses over 54 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.

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.

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. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

None of the Key Managerial Personnel of the Company other than Mr.Mathur is concerned with or interested in this resolution.

Statement containing information as required under section Section II(B)(iv) of Part II of Schedule V of the Companies Act, 2013 and forming part of the Notice of 30th Annual General Meeting.

I. GENERAL INFORMATION

- Nature of Industry
The Company's main business as per its Objects Clause relate to finance business
- Date or expected date of commencement of commercial production
Not applicable
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus
Not applicable
- Financial performance based on given indicators Rs.in lakhs

Financial year ended	31.03.2015	31.03.2014	31.03.2013
Gross Sales & Other Income	107.51	42.55	46.30
Profit/(Loss) before Tax	(6466.36)	(5,716.00)	(4,924.88)
Profit/ (Loss) after Tax	(6542.38)	(5,716.00)	(4,924.88)
Equity Share Capital	13,866.52	13,866.52	13,866.52
Reserve and Surplus(excluding			
Revaluation reserve)	(72,536.05)	(65,992.34)	(60,276.35)
Net worth	(56,170.52)	(49,626.82)	(43,910.82)

- Foreign investments or collaborations, if any:
None

II. INFORMATION ABOUT THE APPOINTEES:

Information about the appointee are mentioned in the Explanatory Statement to the Notice of the Annual General Meeting of the Company forming part of this Annual Report.



DIRECTORS' REPORT, MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors hereby present their Thirtieth Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2015.

FINANCIAL RESULTS

(Rs. in Lakhs)

	For the year ended 31-3-2015	For the year ended 31-3-2014
Gross Income	108	43
Less: Expenditure	6678	5803
Less: Depreciation	5	6
Gross Profit/(Loss)	(6575)	(5766)
Less Exceptional items	109	50
Profit/(Loss) before tax	(6466))	(5716
Tax Expense relating to earlier years	76	-
Profit/(Loss) after tax	(6542)	(5716)
Add Depreciation of earlier years	2	-
Profit/(Loss) after Depreciation for earlier years	(6544)	(5716)
Add Balance brought forward from earlier years	(78640)	(72924)
Loss carried to Balance Sheet	(85184)	(78640)

In view of the losses the question of transfer of any amount to reserves does not arise.

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

There was improvement in the economy especially due to the growth of the services sector and a moderate growth in the manufacturing sector which resulted in improved GDP compared to the previous year with the inflation in moderate terms towards the later part of the year which helped fundamentally strong financial companies to register growth.

However, your Company could not cash in on the above positive background as it could not engage in any significant business activity primarily due to the cancellation of the Certificate of Registration as a Non-Banking Financial Company by the Reserve Bank of India and difficulty in entering into new business of non-banking non finance due to lack of funds and consequently your Company does not fall under any industry structure. The Company however has financial services as its main activity in its Memorandum of Association. The Board of Directors have, in the absence of the required financial support from the Banks and also due to ongoing recovery suits filed by them before various Debt Recovery Tribunals, have not been able to implement any viable Business Plan. This has resulted in continued losses and caused a tremendous pressure on the Company to meet operational expenses and payment of liabilities.

The Debt Recovery Tribunals have passed decrees in favour of the Banks and Financial Institutions in most of the cases filed by them for realisation of their outstanding dues. Pursuant thereto, Recovery Officers have taken over possession of the Company's properties, charged to these Banks and Financial Institutions and have also disposed them off except 3 properties.

OPPORTUNITIES, THREATS, RISKS, CONCERNS, PERFORMANCE AND OUTLOOK

Though there is scope and opportunity for the Company to engage in constructive and profitable business activities in view of its experience and the promising outlook in the economy but lack of financial resources is preventing it from taking up any new measures to revive it. There is therefore a great amount of uncertainty regarding future outlook of the Company though your Directors are striving hard to take effective steps. Acute shortage of funds faced by the Company in the past is

likely to continue at least in the near future unless there is capital infusion coupled with a restructuring exercise. The accumulated losses is a cause for concern which dissuades stake holders from participating in a restructuring exercise

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has in place an established internal control system designed to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. Self certification exercise is also conducted by which senior management certifies effectiveness of the internal control system of the Company. Internal Audit has been conducted throughout the organization by qualified Internal Auditors. Findings of the internal Audit Report are reviewed by the top Management and by the Audit Committee of the Board and proper follow up action are ensured wherever required. The Statutory Auditors have evaluated the system of internal controls of the Company and they have reported that the same are adequate and commensurate with the size of the Company and nature of its business.

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.

Subsidiary Company

The Company has prepared a Consolidated Financial Statement of the Company and its subsidiary namely Samudra Securities Limited in the form and manner as that of the Company in accordance with the provisions of Section 129 (3) of the Companies Act, 2013, the Rules made thereunder and in compliance with the applicable accounting standards and the listing agreement with the Stock Exchanges which has been duly audited by the Statutory Auditors of the Company. The Consolidated Financial Statement form part of this Report and the same shall be laid before the Annual General Meeting while laying the financial statements of the Company. A Report on the performance and financial position of the Subsidiary Company in form AOC-1 forms a part of the Consolidated Financial Statement

In terms of Clause 49 of the Listing Agreements with the Stock Exchanges Samudra Securities Limited is a material subsidiary. As per the aforesaid Clause 49 the policy of the Company for determining material subsidiaries is posted on the website of the Company and may also be accessed at the link <http://cfltd.in>

Vigil Mechanism Policy/Whistle Blower Policy

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has framed a vigil mechanism policy and system of vigil mechanism to deal with instances of fraud and mismanagement, if any, and concerns about violation of Company's policies. The details of the Vigil Mechanism and Whistle Blower Policy are also posted on the website of the Company and may be accessed at the link <http://cfltd.in>

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Considering the nature of your Company's activities during the year under review your Company did not consume energy of any significant level nor there was much scope for taking any measures for energy conservation, research and development, technology absorption, and making any additional investment for the above purposes and no comment is made in this regard. There has been no foreign exchange earnings or outgo during the year under review.

Public Deposits

The Company had repaid all deposits which were claimed by the deposit holders in terms of the Schemes sanctioned by the Hon'ble Company Law Board except 3,624 deposits with a principal amount of Rs.4,41,63,804 and a maturity amount of Rs.5,43,90,485 which were not claimed by the deposit holders in spite of the Company sending reminders to them at periodic intervals. The unclaimed deposits are being paid as and when the same are claimed and an amount of Rs.000 has been paid since 31st March, 2015.



Number of meetings of the Board of Directors

There were 6 meetings of the Board of Directors held during the financial year 2014-15 and the details are mentioned in the Corporate Governance Report attached to this Report.

Directors' Responsibility Statement

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Directors to the best of their knowledge and belief and according to the information and explanations obtained confirm that:

- (i) in the preparation of the Annual accounts for the year ended 31st March, 2015, 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Accounts had been prepared on a going concern basis;
- (v) proper financial controls were in place and that the financial controls were adequate and were operating effectively and
- (vi) proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Declaration by Independent Directors

Mr B N Tripathi, Mr Sujit Datta and Mr A V Sudhakaran are Independent Directors on the Board of the Company. The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Audit Committee

The Audit Committee of the Board of Directors consist of Mr Sujit Datta, Mr.B N Tripathi and Mr A V Sudhakaran and the Company Secretary is the Secretary of the Committee. The Managing Director, Chief Financial Officer and Auditors are permanent invitees to the Committee meetings. The details of terms of reference of the Committee, number and dates of meetings held and other details are given separately in the Corporate Governance Report. Your Company has a well structured internal audit system commensurate with its size and operation. During the year there was no occasion when the Board had not accepted the recommendations of the Audit Committee

Stakeholders' Relationship Committee

The Company has a Stakeholders' Relationship Committee for reviewing the complaints of investors in the Company. The members of the Committee are Mr.Sujit Datta, Mr.H C.Mathur and Mr A V Sudhakaran The number of meetings held and other details are given separately in the Corporate Governance Report.

Corporate Social Responsibility

The provisions of the Companies Act, 2013 regarding Corporate Social Responsibility are not applicable to the Company due to continuous losses suffered by the Company.

Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee consisting of Mr A V Sudhakaran, Mr B N Tripathi and Mr Sujit Datta as its members. The details of terms of reference of the Committee and number of meetings held and the brief outline of the remuneration policy of the Company are given separately in the attached Corporate Governance Report. The Company Secretary acts as the Secretary of the Committee.

Directors

Mr H C Mathur was re-appointed as Managing Director of the Company for a further period of one year with effect from 1st May, 2015, subject to the approvals of the shareholders and the Central Government on the expiry of his earlier term on

30th April, 2015. Necessary Special Resolution has been proposed in the Notice of the Annual General Meeting for this purpose.

As per the provisions of the Companies Act, 2013 and the revised Corporate Governance stipulations of the Stock Exchanges it was necessary to appoint a woman director on the Board of Directors of the Company. The Board has accordingly appointed Mrs.Jostna Shrestha as an Additional Director of the Company with effect from 31st March, 2015 who will vacate her office at the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013. The Company has received a notice from a member under section 160(1) of the Companies Act, 2013 proposing Mrs Jostna Shrestha as a candidate for the office of Director of the Company.

As per Section 149 and other applicable provisions of the Companies Act, 2013 your Directors are seeking re-appointment of Mrs Jostna Shrestha as an Independent Director of the Company to hold office for a term of five consecutive years upto the conclusion of Thirty-fifth Annual General Meeting of the Company. Details of the proposal for her appointment are mentioned in the Explanatory Statement set out in the annexed Notice.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Risk Management

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor, mitigate and control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The procedures are reviewed to ensure that executive management controls risk through means of a well thought framework. The Company has appointed a Risk Management Committee in terms of the requirement of the provisions in the Listing Agreement with the Stock exchange regarding Corporate Governance and the members of the Committee are Mr Sujit Datta, Mr H C Mathur and Mr A V Sudhakaran.

Particulars of employees and key managerial personnel (KMP)

The following are the Key Managerial Personnel of the Company in terms of Section 203 of the Companies Act, 2013:

Mr.Harish Chandra Mathur	Managing Director (re-appointed w.e.f. 1 st May, 2015 for a period of one year on expiry of his earlier term on 30 th April, 2015)
Mr.Ramulu Marampilly	Chief Financial Officer (Appointed w.e.f. 1 st March, 2015)
Mr Rama Chandra Kurup	Company Secretary

Pursuant to Section 134 (3) (q) read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the details of Key Managerial Personnel required to be furnished as per the said Rules are annexed to this Report. There were no employees who were drawing remuneration in excess of the limit provided in Rule 5 (2) of the aforesaid Rules

Details of significant and material orders passed by the Regulators, Courts and Tribunals

No significant and material order has been passed by any Regulator, Court or Tribunal impacting the going concern status and Company's operation in future

Particulars of Loans, Guarantee or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

Related Party Transactions

All related party transactions that were entered into during the financial year were on arms' length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with



promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All related party transactions are placed before the Audit Committee and given in the notes annexed to and forming part of this Financial Statement.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT 9 as required under Section 92 of the Companies Act, 2013 are annexed to this Report.

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 set out in the Annexure forming part of this Annual Report

Human Resources

The Company's relations with the employees continued to be cordial.

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 and Audit Report

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed there under Messrs Tarmaster & Co., Chartered Accountants, (Firm Registration No.302016E) were appointed as the Statutory Auditors of the Company by the Shareholders on 29th September, 2014 at the Twenty ninth Annual General Meeting of the Company to hold office till the date of the Thirty second Annual General Meeting, subject to ratification of their appointment at the thirtieth and thirty first Annual General Meetings. Accordingly a Resolution seeking Members ratification for their appointment is included in item 2 of the Notice convening the Annual General Meeting.

Regarding comments of the Auditors regarding non compliance of the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms(Reserve Bank) Directions, 2007 and the Company not being able to maintain minimum Capital Risk Asset Ratio (CRAR) as prescribed by the aforesaid

Directions the comments of the Board are as under:

The Company's net worth had become negative in March, 2002 due to continued losses. Later Reserve Bank of India cancelled the NBFC Registration. Hence the maintenance of CRAR and other compliances of the Directions are no more applicable to the Company.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 Messrs Ranjit Ghosh & Co., Company Secretaries (Membership No.FCS 3724) were appointed to carry out a secretarial audit of the Company. The Secretarial Audit Report is attached in the Annexure forming part of this Annual Report. As regards the comments of the Secretarial Audit Report your Board's reply is as follows:

- 1) The Company could not increase the minimum public shareholding due to the distressing financial position of the Company which in turn has rendered it extremely difficult to plan any exercise in this regard due to the anticipated reluctance of the public to take up Promoters shares for divestment and the non feasibility of making a further issue of shares to the public.
- 2) The Company's application to National Stock Exchange of India for delisting its Equity Shares is still pending for which no reasons have been furnished to the Company in spite of numerous complaints to the Exchange and to the concerned Regulator and hence the Company has withheld the payment of listing fees to the said Exchange.

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)
Managing Director
(DIN: 00054757)

(Sujit Datta)
Director
(DIN:00337464)

Kolkata

Dated: 27th May, 2015



Annexure to the Directors' Report

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3) (q) READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ;	Mr H C Mathur 3.8 Mr Sujit Datta 0.013 Mr B N Tripathi 0.013 Mr A V Sudhakaran 0.013 Mrs.Jostna Shrestha 0.002	8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Managerial remuneration of the Managing Director which remained at Rs. 9.00 lakhs p.a. for the period from 2008-09 to 2013-14 was fixed. In 2014-15, as per the Companies Act 2013 this was raised.
2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Directors: Mr H C Mathur 86 Mr Sujit Datta Nil Mr B N Tripathi Nil Mr A V Sudhakaran Nil Mrs.Jostna Shrestha NA Key Managerial Personnel Mr H C Mathur 86.00 Mr Ramulu Marampilly NA Mr R C Kurup 14.18	9. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	The Company has very little commercial activity and hence comparison is not representative
3. The percentage increase in the median remuneration of employees in the financial year;	5.14	10. The key parameters for any variable component of remuneration availed by the directors;	No variable component is paid to the Managing Director Other Directors are paid only sitting fees
4. The number of permanent employees on the rolls of the company as on 31.03.15;	9	11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	1 : 0.65
5. The explanation on the relationship between average increase in remuneration and company performance;	There is no relationship of increase in remuneration of key managerial personnel with the Company's performance.	12. Affirmation that the remuneration is as per the remuneration policy of the company	Yes
6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	-do-		
7. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	Market Capitalisation has fallen from 3175 lakhs on 31.03.2014 to 1899 lakhs on 31.03.2015 The Company made a Rights Issue of Shares at par in the year 2000 and there is a decline in the percentage of quotation of the Company's shares as per BSE Sensex by 86.30% as at the close of the financial year		

For and on behalf of the Board

(H.C.Mathur)
Managing Director
(DIN: 00054757)

(Sujit Datta)
Director
(DIN:00337464)

Kolkata
Dated: 27th May, 2015



SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

CFL Capital Financial Services Limited
81, Netaji Subhas Road
Unit No 233, Second Floor
Kolkata-700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CFL Capital Financial Services Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by CFL Capital Financial Services Limited ("the Company") for the financial year ended on **31st March, 2015** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The Environment (Protection) Act, 1986;
- (vii) The EPF & Misc. Provisions Act, 1952;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

1. *Minimum level of public shareholding as specified in Rule 19(2)(b) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 was not maintained.*
2. *The Company has not paid Listing fees for the year under review to the National Stock Exchange (NSE) on the ground that its Application for Delisting of Equity Shares is still pending with NSE.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes (induction of a Woman Director) in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not taken any actions/decisions, having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above).

Reserve Bank of India cancelled Registration of the Company as NBFC w.e.f 18.05.2004 due to inability of the Company to maintain the norms of NBFC and the Company has not carried any NBFC activities during the year under review. But as per directions of RBI the Company is complying with all the applicable provisions /directions / instructions of RBI until 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. The company has also not carried on any other significant business activity during the year.

As per the Order of the Company Law Board the Company has repaid to depositors who had claimed the same but still there are unencashed and unpaid amount of deposits and interests as on the date of year end.

The Office of the Registrar of Companies, West Bengal, had initiated prosecution proceedings against some of the present and past Directors of the Company, its erstwhile Manager and Company Secretary for non-compliance of certain provisions of the Companies Act, 1956 following inspections carried out by the Department of Companies Affairs. The aforesaid persons have already filed compounding application and the matter is still pending for final disposal.

Applications for compounding of offences for non-compliance of certain provisions of the Companies Act, 1956, for which Show Cause Notices were issued on the Company as well as its Managing Director and Secretary by the Office of the Registrar of Companies, West Bengal were submitted. The said applications were finally disposed off during the financial year under audit.

A show cause Notice was served on the Company by the Office of the Registrar of Companies, West Bengal vide its letter dated 26th June, 2014 for non-filing of Form 5 INV regarding unclaimed amount for the year 2014 lying with the Company. The Company had since filed the aforesaid Form INV in respect of unclaimed deposits.

For Ranjit Ghosh & Co.

Ranjit Kumar Ghosh
Proprietor
FCS No.:3724
C P No.:11521

Date: 25th May, 2015
Place : Howrah

N.B.- This report is to be read with our letter of even date which is annexed as 'Annexure -A' and forms an integral part of this report.



To,
The Members,
CFL Capital Financial Services Limited
81, Netaji Subhas Road
Unit No. 233, Second Floor
Kolkata-700001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Ranjit Ghosh & Co.

Ranjit Kumar Ghosh
Proprietor
FCS No.:3724
C P No.:11521

Date: 25th May, 2015
Place : Howrah



Form No. MGT-9

EXTRACT OF ANNUAL RETURN for the financial year ended on 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN	L67120WB1983PLC036805
ii. Registration Date	23/09/1983
iii. Name of the Company	CFL CAPITAL FINANCIAL SERVICES LIMITED
iv. Category / Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
v. Address of the Registered Office and contact details	Century Plaza 81 Netaji Subhas Road, Unit No 233, Second Floor Kolkata-700001 Phone: + 91 33 22439332 Fax: 91 33 22439340 Email: cflcapfs@gmail.com Website://cfltd.in
vi. Whether listed company	Yes. Listed on BSE Limited and National Stock Exchange of India Limited
vii. Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Link Intime India Pvt Ltd. 59C, Chowringhee Road, 3 rd Floor Kolkata-700020 Phone: +91 33 22890540; Fax: 91 33 22890539 Email: Kolkata@linkintime@co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Financial Services	649	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	Samudra Securities Limited	U67120WB1994PLC066795	Subsidiary	91.95	2 (87) (ii)
2	Stel Holdings Limited	L65993KL1990PLC005811	Associate	48.812	2 (6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	98932575	25789477	124722052	89.951	92,372,228	25789477	118,161,705	85.220	-4.731
e) Banks / FI	-	-	-	-					
f) Any Other	-	-	-	-					
Sub-total (A)(1)	98932575	25789477	124722052	89.951	92,372,228	25789477	118,161,705	85.220	-4.731
(2) Foreign									
a) NRIs - Individuals	-	-	-	-					
b) Other - Individuals	-	-	-	-					
c) Bodies Corp.	-	-	-	-					
d) Banks / FI	-	-	-	-					
e) Any Other	-	-	-	-					



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (A)(2)	-	-	-	-					
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	98932575	25789477	124722052	89.951	92,372,228	25789477	118,161,705	85.220	-4.731
B. Public									
1. Institutions									
a) Mutual Funds		1400	1400	0.001		1,400	1,400	0.001	
b) Banks / FI	300	10300	10600	0.008	300	10300	10,600	0.008	
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	300	11700	12,000	0.009	300	11700	12,000	0.009	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4769614	31757	4801371	3.463	9428438	31557	9459995	6.823	3.360
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3912788	3444607	7357395	5.306	4542556	3424428	7966984	5.746	0.440
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1412611	58010	1470621	1.061	2731065	58010	2789075	2.012	0.951
c) Others (specify) HUF	109849	-	109849	0.079	105119	-	105119	0.076	0.003
Clearing Member	168385	-	168385	0.121	146372	-	146372	0.106	-0.015
NRIs	12079	-	12079	0.009	12002	-	12002	0.009	
NRN	1748	-	1748	0.001	2248	-	2248	0.002	0.001
Sub-total (B)(2)	10387074	3534374	13921448	10.04	16967800	-	20481795	14.772	+4.732
Total Public Shareholding (B)=(B)(1)+ (B)(2)	10387374	28006174	38393548	10.049	16968100	3525695	20493795	14.780	+4.731
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	109319949	29335551	138655500	100.00	109340328	29315172	138655500	100.00	



(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	
1	Stel Holdings Limited	47664340	34.376		67681206	48.812		+ 14.436
2	Summit Securities Limited	27306828	19.694		24651922	17.779		-1.915
3	Arco Impex Limited	24460100	17.641		24460100	17.641		0
4	Swallow Associates LLP	20508837	14.791		1312800	0.947		-13.844
5	Swallow Associates Limited	3396800	2.450		0	0		-2.450
6	Rainbow Investments Limited	0	0		1346047	0.970		+0.970
7	Universal Industrial Fund Limited	297100	0.214		0	0		-0.214
8	Trade Apartments Limited	150400	0.108		0	0		-0.108
9	RPG Properties Private Limited	27700	0.020		27700	0.020		0
10	Off-Shore India Limited	898347	0.648		16577	0.012		-0.648
11	Carnival Investments Limited	11200	0.008		11200	0.008		0
12	Adorn Investments Limited	100	0.000		100	0.000		0
13	Adapt Investments Limited	100	0.000		100	0.000		0
14	Saregama India Limited	100	0.000		100	0.000		0
15	Zensar Technologies Limited	100	0.000		100	0.000		0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Stel Holdings Limited At the beginning of the year Increased on 27.03.2015 due to acquisition At the End of the year (or on the date of separation, if separated during the year)	47664340 +20016866 67681206	34.376 +14.436 48.812	47664340 +20016866 67681206	34.376 +14.436 48.436
2	Summit Securities Limited At the beginning of the year Decreased on 30.06.2014, 30.09.2014, 31.12.2014 due to sale At the End of the year (or on the date of separation, if separated during the year)	27306828 -525194 -747250 -1376262 -6200 24651922	19.694 -0.379 -0.539 -0.992 -0.005 17.779	27306828 -2654906 24651922	19.694 -1.915 17.779
3	Arco Impex Limited At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): At the End of the year (or on the date of separation, if separated during the year)	24460100 NIL 24460100	17.641 NIL 17.641	24460100 NIL 24460100	17.641 NIL 17.641
4	Rainbow Investments Limited At the beginning of the year Increased on 31.12.2015 due to acquisition by transmission At the End of the year (or on the date of separation, if separated during the year)	0 +1329470 1329470	0 +0.959 0.959	0 +1329470 1329470	0 +0.959 0.959
5	Swallow Associates LLP At the beginning of the year Increased on 30.06.2014 due to acquire of shares from market	20508837 +3380676	14.791 +2.438	20508837	14.791



Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Decreased on 30.09.2014, 31.12.2015 & 31.03.2015 due to sale At the End of the year (or on the date of separation, if separated during the year)	-1207962 -398585 -20970166 1312800	-0.871 -0.287 -15.12 0.947	-19196037 1312800	-13.844 0.947
6	Swallow Associates Limited At the beginning of the year Decreased on 31.12.2014 due to sale At the End of the year (or on the date of separation, if separated during the year)	3396800 3396800 0	2.450 2.450 0	3396800 3396800 0	2.450 2.450 0
7	Universal Industrial Fund Limited At the beginning of the year Decreased on 31.12.2014 due to transmission At the End of the year (or on the date of separation, if separated during the year)	297100 297100 0	0.214 0.214 0	297100 197100 0	0.214 0.214 0
8	Trade Apartments Limited At the beginning of the year Decreased on 31.12.2014 due to transmission At the End of the year (or on the date of separation, if separated during the year)	150400 -150400 0	0.108 -0.108 0	150400 -150400 0	0.108 -0.108 0
9	RPG Properties Private Limited At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): At the End of the year (or on the date of separation, if separated during the year)	27700 NIL 27700	0.020 NIL 0.020	27700 NIL 27700	0.020 NIL 0.020
10	Off-Shore India Limited At the beginning of the year Decreased on 31.12.2014 due to transmission At the End of the year (or on the date of separation, if separated during the year)	898347 -881770 16577	0.648 -0.636 0.012	898347 16577 16577	0.648 0.012 0.012
11	Carniwal Investments Limited At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): At the End of the year (or on the date of separation, if separated during the year)	11200 NIL 11200	0.008 NIL 0.008	11200 NIL 11200	0.008 NIL 0.008
12	Adorn Investments Limited At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): At the End of the year (or on the date of separation, if separated during the year)	100 NIL 100	0.000 NIL 0.000	100 NIL 100	0.000 NIL 0.000
13	Adapt Investments Limited At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): At the End of the year (or on the date of separation, if separated during the year)	100 NIL 100	0.000 NIL 0.000	100 NIL 100	0.000 NIL 0.000
14	Saregama India Limited At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): At the End of the year (or on the date of separation, if separated during the year)	100 NIL 100	0.000 NIL 0.000	100 NIL 100	0.000 NIL 0.000
15	Zensar Technologies Limited At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): At the End of the year (or on the date of separation, if separated during the year)	100 NIL 100	0.000 NIL 0.000	100 NIL 100	0.000 NIL 0.000



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	FAIRLUCK COMMERCIAL COMPANY LTD. At the beginning of the year Decreased on 31.12.2014 due to sale Increased on 31.03.2015 due to acquisition At the End of the year	3837500 -500000 +392425 3729925	2.768 -0.361 +0.283 2.690	3837500 NIL -107575 3729925	2.768 NIL -0.078 2.690
2.	BNK CAPITAL MARKETS LTD. At the beginning of the year Increased on 30.09.2014, 31.12.2014 & 31.03.2015 due to acquisition At the End of the year	NIL +1450393 +1169680 +779259 3399332	NIL +1.046 +0.844 +0.562 2.452	NIL 3399332 3399332	NIL 2.452 2.452
3.	ASIAN SECURITIES EXCHANGE PVT. LTD. At the beginning of the year Decreased on 30.09.2014 & 31.03.2015 due to sale At the End of the year	564824 -1000 -170803 393021	0.407 -0.001 -0.122 0.284	564824 -171803 393021	0.407 -0.123 0.284
4.	BABULAL JAIN At the beginning of the year Increased on 30.06.2014, 30.09.2014 & 31.12.2014 due to acquisition At the End of the year	1275 +9639 +73495 +42755 127164	0.001 +0.007 +0.053 +0.031 0.092	1275 +125889 127164	0.001 0.091 0.092
5.	BURLE RAM KUMAR At the beginning of the year Increased on 31.12.2014 due to acquisition At the End of the year	NIL +108000 108000	NIL +0.078 0.078	NIL +108000 108000	NIL +0.078 0.078
6.	DEBASISH BISWAS At the beginning of the year Increased on 31.03.2015 due to acquisition At the End of the year	NIL +393021 393021	NIL +0.284 0.284	NIL +393021 393021	NIL +0.284 0.284
7.	JAYSHREE KIRAN GOKAL GANDHI At the beginning of the year Increased on 30.06.2015 due to acquisition At the End of the year	12205 +72000 84205	0.009 +0.052 0.061	12205 84205 84205	0.009 0.061 0.061
8.	BONANZA PORTFOLIO LTD. At the beginning of the year Increased on 31.12.2014 due to acquisition Decreased on 30.06.2014 due to sale At the End of the year	19850 +74000 -15900 77950	0.014 +0.053 -0.011 0.056	19850 +58100 77950	0.014 0.042 0.056
9.	PARAMESHWARI INFRAPROJECTS PRIVATE LIMITED At the beginning of the year Increased on 30.06.2014 due to acquisition Decreased on 31.12.2014 due to sale At the End of the year	1988 +113805 -40793 75000	0.001 +0.083 -0.030 0.054	1988 +73012 75000	0.001 +0.053 0.054
10.	HARSHA HITESH JAVERI HITESH RAMJI JAVERI RADHABAI RAMJI JAVERI At the beginning of the year Increased on 30.06.2014 due to acquisition At the End of the year	NIL +43995 +26005 70000	NIL +0.032 +0.019 0.051	NIL +70000 70000	NIL +0.051 0.051



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Bhola Nath Tripathi	100	0.00	100	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10233.53	6661.11	569.77	17464.39
ii) Interest due but not paid	32744.15			32744.15
iii) Interest accrued but not due				
Total (i + ii + iii)	42977.68	6661.11	569.77	50208.54
Change in Indebtedness during the financial year				
• Addition	6484.92	17.50		6502.42
• Reduction	-	(16.69)	(25.97)	(42.66)
Net Change	6484.92	0.81	(25.97)	6459.76
Indebtedness at the end of the financial year				
i) Principal Amount	10233.53	6661.92	543.90	17439.35
ii) Interest due but not paid	39229.07			39229.07
iii) Interest accrued but not due				
Total (i + ii + iii)	49462.60	6661.92	543.90	56668.42

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD H C Mathur
1.	Gross salary :	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	15,03,812
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	3,208
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	
	- as % of profit	-
	- others, specify	-
5.	Others, please specify	-
	Total (A)	15,07,020
	Ceiling as per the Companies Act, 2013	15,18,000

B. Remuneration to other Directors:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Director				Total Amount
		B N Tripathi	A V Sudhakaran	Sujit Datta	Jostna Sreshtha	
	DIN:	00236986	00237716	00337464	07143678	
1.	Independent Directors					
	• Fee for attending Board and Board Committee meetings	6,000	6,000	6,000	1,000	19,000
	• Commission	-			-	-
	• Others, please specify	-			-	-
	Total (1)	6,000	6,000	6,000	1,000	19,000



Sl. No.	Particulars of Remuneration	Name of Director				Total Amount
		B N Tripathi	A V Sudhakaran	Sujit Datta	Jostna Sreshtha	
	DIN:	00236986	00237716	00337464	07143678	
2.	Other Non-Executive Directors					
	• Fee for attending Board and Board Committee meetings	-	-			-
	• Commission	-	-			-
	• Others, please specify	-	-			-
	Total (2)	-	-			-
	Total (B) = (1) + (2)	6,000	6,000	6,000	1,000	19,000
	Total Managerial Remuneration(A) + (B)					15,26,020
	Overall ceiling as per the Companies Act, 2013					15,37,000

C. Remuneration to Key Managerial Personnel other than Managing Director / Manager / Whole-time Director:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		R C Kurup Company Secretary	Ramulu B M Chief Financial Officer
1.	Gross salary :		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23,02,707	25,345
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961		
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify		
5.	Others, please specify		
	Total (C)	23,02,707	25,345

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
PENALTY			NIL		
PUNISHMENT			NIL		
COMPOUNDING	224(8)(b)	Non-compliance of provisions of payment of remuneration to Auditors of the Company in relation to Balance Sheet as at 31/03/2009, 31/03/2010, 31/03/2011, 31/03/2012 & 31/03/2013	₹ 10,000/- in aggregate	Regional Director	No Appeal made
B. DIRECTORS : MR. H.C. MATHUR – MANAGING DIRECTOR					
PENALTY			NIL		
PUNISHMENT			NIL		
COMPOUNDING	211(1) r/w Part-I of Schedule VI	Non disclosure of details in relation to Balance Sheet as at 31/03/2009, 31/03/2010 ,31/03/2011 & 31/03/2012	₹ 5000/- for the offence of each year aggregating to ₹ 20,000/- for the offence of 4 years	Company Law Board	No Appeal made
	211(3A)	Deviations from the requirement of Accounting Standard in relation to Balance Sheet as at 31/03/2009, 31/03/2010, 31/03/2011 & 31/03/2012	₹ 1500/- for the offence of each year aggregating to ₹ 6000/- for the offence of 4 years	Company Law Board	No Appeal made
	211(3B)	Non disclosure of deviation from Accounting Standard in relation to Balance Sheet as at 31/03/2009, 31/03/2010, 31/03/2011 & 31/03/2012	₹ 1500/- for the offence of each year aggregating to ₹ 6000/- for the offence of 4 years	Company Law Board	No Appeal made



Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
		31/03/2010 ,31/03/2011 & 31/03/2012			
		Non-compliance of provisions of payment of remuneration to auditors of the Company in relation to Balance Sheet as at 31/03/2009, 31/03/2010, 31/03/2011, 31/03/2012 & 31/03/2013	₹ 5,000/- in aggregate	Regional Director	No Appeal made
	224(8)(b)				
C. OTHER OFFICERS IN DEFAULT: MR. R.C. KURUP - COMPANY SECRETARY					
PENALTY	NIL				
PUNISHMENT	NIL				
COMPOUNDING	211(1) r/w Part-I of Schedule VI	Non disclosure of details in relation to Balance Sheet as at 31/03/2009, 31/03/2010, 31/03/2011 & 31/03/2012	₹ 1250/- for the offence of each year aggregating to ₹ 5000/- for the offence of 4 years	Company Law Board	No Appeal made
	211(3A)	Deviations from the requirement of Accounting Standard in relation to Balance Sheet as at 31/03/2009, 31/03/2010, 31/03/2011 & 31/03/2012	₹ 750/- for the offence of each year aggregating to ₹ 3000/- for the offence of 4 years	Company Law Board	No Appeal made
	211(3B)	Non disclosure of deviation from Accounting Standard in relation to Balance Sheet as at 31/03/2009,	₹ 750/- for the offence of each year aggregating to ₹ 3000/- for the offence of 4 years	Company Law Board	No Appeal made
		31/03/2010, 31/03/2011 & 31/03/2012			
	224(8)(b)	Non-compliance of provisions of payment of remuneration to auditors of the Company in relation to Balance Sheet as at 31/03/2009, 31/03/2010, 31/03/2011, 31/03/2012 & 31/03/2013	₹ 5,000/- in aggregate	Regional Director	No Appeal made

For and on behalf of the Board

(H.C.Mathur)
Managing Director
(DIN: 00054757)

(Sujit Datta)
Director
(DIN:00337464)

Kolkata
Dated: 27th May, 2015



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, 2015 are given below:

Names of the Directors	Category of Directors	No. of Board Meetings attended	Whether Attended Last AGM	No. of other Directorships in Public Ltd Companies	No of other Committee Membership(s) Chairman-Ship held
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
Mrs. Jostna Sreshtha	Non-executive Independent	1	N.A.	NIL	NIL

During the year under review, 6 meetings of the Board of Directors were held on 14th May, 2014, 30th May, 2014, 14th August, 2014, 14th November, 2014, 13th February, 2015 and 31st March 2015. The meetings of the Board of Directors are generally held once in a quarter so that not more than 120 days elapses between the dates of two meetings 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.

The Board of Directors at its meeting held on 27th April, 2015 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, 2015 which is subject to the approval of the members at the ensuing Annual General Meeting and necessary statutory approvals.

Mr.Mathur, aged about 78 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 54 years of experience in various aspects of management including secretarial, legal, administration and finance with special emphasis on company law and legal matters.

Mrs.Jostna Sreshtha was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from 31st March, 2015 in accordance with the requirements of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges for appointment of woman directors on the Board. Mrs Jostna Sreshta is 48 years of age and has graduated in Arts from Indira Gandhi National Open University and has about 19 years' experience in Administrative Management. Mrs. Sreshtha has not been inducted on any Committees and is not a director of any other Company.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 Ms. Jostna Sreshta is being proposed for appointment as an Independent Director of the Company at the ensuing Annual General Meeting to hold office for a term of five consecutive years upto the conclusion of the Thirty-fifth Annual General Meeting of the Company. The profiles of these Directors are also provided in the Explanatory Statement to the Notice of the Annual General Meeting.

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 Section 177 of the Companies Act, 2013 and include the powers stipulated in Clause 49III(c), the role of the Audit Committee as laid down in Clause 49III(D) and review of information pursuant to Clause 49III(E) of the Listing Agreement with the Stock Exchanges and the requirements of the Reserve Bank of India. There were 4 meetings of Audit Committee held on 30th May, 2014, 14th August, 2014, 14th November, 2014 and 13th February, 2015. 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

The Company Secretary of the Company acts as the Secretary to the Audit Committee. The Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on 29th September, 2014.

Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee and the terms of the Committee are in conformity with the role as stipulated in Clause 49IV(B) of the Listing Agreements with the Stock Exchanges and Section 178 of the Companies Act, 2013.

The role of the Committee. inter alia, includes the following:

Identify persons qualified to become directors or hold senior management positions and advise the Board for such appointments

Formulate criterion for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees

Evaluate the performance of Independent Directors and of the Board

Devise a policy on Board diversity

In accordance with the recommendations of the Committee the Company has formulated a Remuneration Policy for directors and Key Managerial Personnel and other senior managerial personnel.

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 twice during the year with all the members being present.

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

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/-
4 Mrs Jostna Shreshtha	1000/-



Executive Director

Rs.

Name, Business Relationship with the Company, If any	Mr. H C Mathur, Chairman & Managing Director
Salary	3,90,000
Management Allowance	9,30,900
Other Allowances & Perquisites	1,86,120
Contribution to Superannuation/ & Gratuity,	74,100
Total	15,81,120

The term of the Managing Director is for period of one year with effect from 1st May, 2014. There is a Notice period of 6 months or payment of salary in lieu of Notice period as severance fees.

Stakeholders Relationship Committee

The Company has a Stakeholders Relationship Committee and the terms of reference of the Committee are in conformity with the role as stipulated in Section 178 of the Companies Act, 2013 to look into the redressal of investors' grievances.

The Committee meets at regular intervals under the Chairmanship of Mr.Sujit Datta, a Non-Executive Director, with Messers H.C.Mathur and A V Sudhakaran as the other members. During the year the Committee met 4 times on 15th April, 2014, 25th July, 2014, 27th October, 2014 and 8th January, 2015 with all the members attending the meetings.

The Board of Directors has delegated power of approving transfer of shares to some senior executives of the Company.

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, 2015.

Independent Directors' Meeting

During the year under review the Independent Directors has reviewed the performance of non independent directors and the Board as a whole including that of the Chairman taking into account the views of the executive and non-executive directors of the Company to assess the quality, quantity and timeliness of flow information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties and other related matters. All the three Independent Directors attended the said meeting.

No familiarisation programme for Independent Directors was conducted as the Independent Directors are already familiar with the affairs of the Company.

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
27	2011-12	Birla Academy of Art and Culture 108-109 Southern Avenue Kolkata-700 029	31.08.2012	10.30 A.M.	Yes
28	2012-13	Uttam Mancha 10/1/1 Monoharpukur Road, Kolkata-700026	30.09.2013	10.30 A.M.	Yes
29	2013-14	- Do -	28.09.2014	10.30 A.M.	Yes

All resolutions placed before the members at the last Annual General Meeting were passed unanimously. No resolutions were passed by the Shareholders by Postal Ballot at the above Annual General Meetings nor any resolution is proposed in the ensuing Annual General Meeting for passing by Postal Ballot.

- Disclosures regarding appointment or re-appointment of Directors in accordance with Clause 49 VIII(E) (1) of the Listing Agreement has been given in the Notice convening the Annual General Meeting of the Company.

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, Key Managerial Personnel 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.

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 relating to non-maintenance of minimum public shareholding which the Company is not in a position to comply due to the non feasibility of taking any remedial steps due to the difficult financial condition of the Company. The Bombay Stock Exchange had sent a Notice for penalty for delay in filing copies of the Annual Report of the Company for the year ended 31st March, 2014 in terms of the Listing Agreement. The Company has since sent the copies of the Reports to the Exchange. 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 has a Vigil Mechanism/Whistle Blower Policy and no employee is being denied any access to the Audit Committee. Details of the Whistle Blower Policy are available on the Company's website.
- The Company has complied with all the mandatory requirements under Clause 49 of the Listing Agreements with the Stock Exchanges. The applicable Non-Mandatory requirements will be implemented by the Company as and when required and/or deemed necessary by the Board.

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 results and other mandatory publications are posted on the Company's website [://:cfltd.in](http://:cfltd.in). The Company's Email ID for the purpose of investors for any grievance is cflcapinvestgrievances@gmail.com. The Company does not publish any half yearly results for the information of the shareholders. The Company has not made any presentation to institutional investors or analysts nor has it issued any official news releases.

General Shareholder Information

- Annual General Meeting:

Date and Time	28 th September, 2015
Venue	Uttam Mancha 10/1/1 Monohorpukur Road, Kolkata-700026
- Financial year
- Date of Book Closure
- No dividend has been recommended by the Board of Directors
- Listing on Stock Exchanges and Stock Codes:

Bombay Stock Exchange Limited	511272
National Stock Exchange of India Limited(NSE)	13042

Company's application to NSE made in the year 2004 for delisting its Equity Shares is still pending and consequently the Company has not paid the listing fees to National Stock Exchange from the year 2005-06. Listing fee has been paid to the Bombay Stock Exchange Limited for the year 2015-16.
- Market Price high low, close during each month from April, 2014 to March, 2015 (in Rs.) (as available from the website of Bombay Stock Exchange Limited) and Monthly performance in comparison with the BSE SENSEX along with No. of Shares traded during the financial year.



Months	Company's Share		BSE Sensex		No of Shares traded
	High (Rs.)	High (Rs.)	Low (Rs.)	Low (Rs.)	
April, 2014	2.50	1.90	1.90	1.90	1,99,136
May, 2014	2.34	1.80	1.80	1.80	2,10,520
June, 2014	2.57	1.92	1.92	1.92	5,03,284
July, 2014	2.36	1.95	1.95	1.95	9,22,142
August, 2014	4.20	2.32	2.32	2.32	8,10,540
September, 2014	3.61	2.76	2.76	2.76	11,61,064
October, 2014	2.84	2.20	2.20	2.20	10,05,701
November, 2014	3.40	2.31	2.31	2.31	7,17,299
December, 2014	2.74	1.95	1.95	1.95	5,45,935
January, 2015	2.10	1.55	1.55	1.55	10,88,263
February, 2015	2.07	1.64	1.64	1.64	1,23,781
March, 2015	2.01	1.30	1.30	1.30	2,08,471

h. Registrars and Share Transfer Agent
Link Intime India Private Limited
59-C Chowringhee Road, 3rd Floor
Kolkata-700020
Telephone No(033) 2289 0539/40
Fax – 033-2289 0539
E-Mail: kolkata@linkintime.co.in

i. Share Transfer Process

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 and other mandatory documents are processed and returned to the shareholders within the stipulated period. In case of bad deliveries, the relevant documents are returned promptly. As per directives issued by SEBI, it is compulsory to trade in securities of any Company's equity shares in dematerialized form.

j. Distribution of Shareholding as on 31st March, 2015

Size of Holdings	No. of Holders	%	No. of Shares	Percentage of Total
01 to 500	28547	92.80	4367792	3.15
501 to 1000	1085	3.53	923358	0.67
1001 to 2000	492	1.60	781391	0.56
2001 to 3000	175	0.57	452028	0.33
3001 to 4000	81	0.26	293774	0.21
4001 to 5000	108	0.35	518792	0.37
5001 to 10000	130	0.42	981774	0.71
10001 and above	144	0.47	130336591	94.00
Total	30762	100.00	138655500	100.00

g. Shareholding Pattern (as at 31st March, 2015)

Category	No. of Equity Shares held	Percentage of Shareholding
Promoters	11,81,61,705	85.220
Mutual Funds & UTI	1,400	0.001
Banks, Financial Institutions & Insurance Companies	10,600	0.008
Private Corporate Bodies	94,59,995	6.823
Indian Public	1,10,07,550	7.937
NRIs/OCBs	14,250	0.011
Total	13,86,55,500	100.00

h. Dematerialisation of Shares:

	Shares	%
NSDL	102768843	74.12
CDSL	6571485	4.74

- 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) cfllcapfsl@gmail.com
(For investors' grievances) cfllcapinvestgrievances@gmail.com
- n. Phone No: 2243-9332
- o. Fax No. 2243-9340
- p. Website : //:cflltd.in
- The accounts are available on our website.

For and on behalf of the Board

(H.C.Mathur)
Managing Director
(DIN: 00054757)

(Sujit Datta)
Director
(DIN:00337464)

Kolkata
Dated: 27th May, 2015

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, 2015.

Kolkata, 27th May, 2015
(DIN: 00054757)

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 2015 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

Place : Kolkata
Dated 27th May, 2015

(A K Chakrabarti)
Partner
(Membership No. 015374)



INDEPENDENT AUDITORS' REPORT

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

1. We have audited the accompanying standalone financial statements of CFL Capital Financial Services Limited ('the Company'), (CIN: L67120WB1983PLC036805) which comprise the Balance Sheet as at March 31, 2015, 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

2. Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements to 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 the accounting standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, 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

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the Audit Report,
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. 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 of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the Financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements..

Basis for Qualified Opinion

8. 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 16(11))
 - 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 16(11))

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

Qualified Opinion

9. 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, 2015.
- (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

- 10 i) Note 1.A, 1.B and 1.C in the Financial statements indicate that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net cash loss during the current and previous years and, the Company's current liabilities exceeded the current assets as at the Balance sheet date. These conditions, along with the other matters set forth in the above note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.
- 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

11. As required by 'The Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as 'Order'), and on the basis of such checks of the books and records of the Company as we consider appropriate and according to the information and explanations given to us, we give in the Annexure a statement in the matters specified in paragraphs 3 and 4 of the Order
12. As required by Section 143(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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014
 - e. On the basis of written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the Directors is disqualified from being appointed as director (in terms of Section 164(2) of the Act,
 - f. With respect to the matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us :
 1. The Company has disclosed the impact of pending litigations as on 31st March, 2015 on its financial position in the financial statements
 2. The Company has made provision as at 31st March 2015 as required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contracts including derivative contracts,
 3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2015.

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

A K Chakrabarti
Partner
Membership No. 015374

Kolkata
Date : 27th May, 2015



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, 2015. 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 189 of the Act.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control system 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 system.
5. In our opinion, and according to the information and explanations given to us the Company has neither accepted or renewed any deposits from the public within the meaning of Section 73 and 74 of the Act and Rules framed thereunder to the extent notified during the year. However, in our opinion and according to the information and explanations given to us, the Company 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 6.7)
6. 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.
7.
 - a. 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 provident fund, employees state insurance, income- tax, sales tax, wealth tax, service tax value added tax, duty of customs, duty of excise and any other material statutory dues, as applicable, with the appropriate authorities .
 - b. 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.
 - c. The amount required to be transferred to the Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act 1956 and the rules made thereunder
8. The Company has accumulated losses of Rs. 85,183.83 lakhs at the end of the financial year and has incurred cash losses in the financial year and in the immediately preceding financial year.
9. 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.
10. 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.
11. 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 1-C)

12. 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.
13. 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
14. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither across any instance of material fraud on or by the Company, noticed or reported during the year, not have been informed of any such case by the Management.

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

A K Chakrabarti
Partner
Membership No. 015374

Kolkata
Date : 27th May, 2015

Annexure to Auditors' Report for year ended 31st March 2015

Particulars of disputed statutory liability not paid to the authorities

Annex - 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		Superintendent of Stamps

Annex - II

Annexure to Auditors' Report for year ended 31-Mar-2015

(Rs. in Lakhs)

Name of Bank /Financial Institution/ Mutual Fund	Default Principal as per Lender	Interest as per appeal / Order	Total
ICICI Bank Ltd. (formerly Bank of Rajasthan Ltd.)	852.06	4,235.15	5,087.22
Catholic Syrian Bank Ltd.	646.23	650.87	1,297.10
Dena Bank	1,926.38	6,123.36	8,049.74
Federal Bank Ltd.	780.64	2,766.61	3,547.26
Indusind Bank Ltd.	1,349.75	3,722.18	5,071.93
Oriental Bank of Commerce	447.18	2,598.00	3,045.19
Kotak Bank Ltd. (formerly State Bank of Travancore)	793.85	1,479.43	2,273.28
Asset Reconstruction Co. (I) Ltd. (formerly South Indian Bank Ltd.)	840.21	2,853.27	3,693.48
Vijaya Bank	1,215.26	1,997.93	3,213.19
Axis Bank Ltd.	700.72	659.66	1,360.38
	9,552.30	27,086.47	36,638.77
UTI Asset Management Co Ltd.	248.62	2,151.55	2,400.18
Administrator of the Specified Undertaking of UTI	432.60	3,743.05	4,175.65
	681.23	5,894.60	6,575.83

The principal amount is as claimed by the lenders in their applications before the appellate authorities. Interest is calculated at the rates demanded by them or as per the orders passed by the Appellate Authorities.

CFL CAPITAL FINANCIAL SERVICES LTD.



BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in Rupees)

Particulars	Note No.	As at 31-Mar-15		As at 31-Mar-14	
		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	<u>(7,253,604,790.02)</u>		<u>(6,599,234,874.80)</u>	
			(5,617,052,290.02)		(4,962,682,374.80)
(2) Non-current Liabilities					
a. Long-term borrowings	5	-	-	-	-
b. Other long term liabilities		-	-	-	-
c. Long term provisions		<u>879,117.00</u>		<u>1,107,359.00</u>	
			879,117.00		1,107,359.00
(4) Current Liabilities					
a. Short-term borrowings	6	628,643,104.00		626,893,104.00	
b. Trade payables		34,435,519.93		34,513,931.93	
c. Other current Liabilities		5,038,424,039.69		4,394,178,279.59	
d. Short term provisions		<u>707,132.00</u>		<u>890,502.00</u>	
			5,702,209,795.62		5,056,475,817.52
TOTAL			<u>86,036,622.60</u>		<u>94,900,801.72</u>
II. ASSETS					
1. Non-current Assets					
a. Fixed Assets					
i. Tangible Assets	7	15,288,119.35		16,827,163.89	
ii. Intangible Assets		-		-	
iii. Capital Work-in-progress		-		-	
b. Non-current Investments	8	56,808,505.00		51,192,278.00	
c. Long term loans and advances		-		-	
d. Other non-current assets	8	<u>555,009.00</u>		<u>19,276,357.15</u>	
			72,651,633.35		87,295,799.04
2. Current Assets					
a. Current investments	9	484,136.00		464,936.00	
b. Inventories		-		-	
c. Trade receivables		141,243.00		196,562.00	
d. Cash and cash equivalents		9,449,279.25		3,693,604.78	
e. Short-term loans and advances		370,908.00		413,883.90	
f. Other current assets		<u>2,939,423.00</u>		<u>2,836,016.00</u>	
			13,384,989.25		7,605,002.68
TOTAL			<u>86,036,622.60</u>		<u>94,900,801.72</u>
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

A K Chakrabarti
Partner
M. No. 015374

R C Kurup
Company Secretary

Ramulu B M
Chief Financial Officer

H C Mathur
Managing Director
DIN : 00054757

Sujit Datta
Director
DIN : 00337464

Place : Kolkata
Date : 27-May-2015

Place : Kolkata
Date : 27-May-2015



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in Rupees)

Particulars	Note No.	Year ended 31-Mar-15 Rupees	Year ended 31-Mar-14 Rupees
I Revenue from Operations (See note 1.C)	10	6,535,295.06	4,254,808.11
II Other Income- Interest on Income Tax refund		4,215,288.00	28,171.00
III Total Revenue (I+II)	Total	10,750,583.06	4,282,979.11
IV Expenses			
Employee Benefit Expenses	11	10,989,575.00	11,004,096.60
Finance Costs	12	648,728,300.00	559,098,964.00
Depreciation and amortization expenses	13	488,833.31	566,660.52
Other Expenses	14	8,093,144.95	10,198,702.42
Total expenses	Total	668,299,853.26	580,868,423.54
V Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		(657,549,270.20)	(576,585,444.43)
VI Exceptional Items	15	10,912,943.20	4,985,153.96
VII Profits before extraordinary items & tax (V-VI)		(646,636,327.00)	(571,600,290.47)
VIII Extraordinary Items		-	-
IX Profit / (Loss) before Tax		(646,636,327.00)	(571,600,290.47)
X Tax Expense			
Current Tax		-	-
Earlier years tax		7,601,400.79	-
Deferred Tax		-	-
XI Profit / (loss) for the year(VII-VIII)		(654,237,727.79)	(571,600,290.47)
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)		(654,237,727.79)	(571,600,290.47)
XVI EARNING PER SHARE (Rs. 10/-)			
1. Basic	16(9)	(4.87)	(4.36)
2. Diluted	16(9)	(4.87)	(4.36)
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

A K Chakrabarti
Partner
M. No. 015374

R C Kurup
Company Secretary

Ramulu B M
Chief Financial Officer

H C Mathur
Managing Director
DIN : 00054757

Sujit Datta
Director
DIN : 00337464

Place : Kolkata
Date : 27-May-2015

Place : Kolkata
Date : 27-May-2015



CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2015

(Amount in Rupees)

Particulars	Year ended 31-Mar-15 Rupees	Year ended 31-Mar-14 Rupees
A. Cash Flow from Operating Activities		
Net Profit Before Tax & Extraordinary items	(646,636,327.00)	(571,600,290.47)
Adjustments for :		
- Financial Expenses	648,728,300.00	559,098,964.00
- (Profit) on sale of assets	(1,186,032.66)	-
- Loss on sale of assets	20,216.46	182,348.42
- Difference in Depreciation as per Schedule II	132,187.43	-
- Interest on IT refunds	-	-
- Depreciation	488,833.31	566,660.52
- Operating profit before Working Capital changes	1,547,177.54	(11,752,317.53)
Adjustments for :		
- (Increase) Decrease in Trade Receivables	55,319.00	(100,511.00)
- (Increase) Decrease in Other Non-Current Assets	18,721,348.15	55,354.64
- (Increase) Decrease in Current Loans & Advances	42,975.90	745,591.70
- (Increase) Decrease in Other Current Assets	(103,407.00)	16,953.00
- Increase (Decrease) in Other Current Liabilities	644,245,760.10	549,827,644.60
- Increase (Decrease) in Trade Payables	(78,412.00)	(19,553,733.75)
- Increase (Decrease) in Long Term Provisions	(228,242.00)	(169,262.00)
- Increase (Decrease) in Short Term Provisions	(183,370.00)	(267,088.00)
Cash generated from Operations	664,019,149.69	518,802,631.66
Financial Expenses	(648,728,300.00)	(559,098,964.00)
Direct taxes paid	(7,601,400.79)	-
Interest received on Refunds	-	-
Net Cash from Operating Activities	7,689,448.90	(40,296,332.34)
B. Cash Flow from Investing Activities		
(Purchase) of Fixed Assets	-	-
Sale /(Transfer) of Current Investments	(19,200.00)	-
Sale /(valuation) of Non-Current Investments	(5,616,227.00)	9,040,946.00
Sale/ extinguishment of Fixed Assets	1,951,652.57	102,209.31
Net Cash used in Investing Activities	(3,683,774.43)	9,143,155.31
C. Cash Flow from Financing Activities		
Increase /(Decrease) in Non-Current Borrowings	-	-
Increase / (Decrease) in Current Borrowings due to decrees passed	1,750,000.00	28,638,000.00
Increase / (Decrease) in Current Borrowings due to repayment	-	-
Proceeds from unpaid calls received	-	-
Net Cash used in Financing Activities	1,750,000.00	28,638,000.00
Net Increase/(decrease) in Cash & Cash Equivalents	5,755,674.47	(2,515,177.03)
Cash & Cash equivalents as at opening	3,693,604.78	6,208,781.81
Cash & Cash equivalents as at closing	9,449,279.25	3,693,604.78

- 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 31.03.2015 include Rs. 22,80,050.31 (Previous Year Rs. 20,75,146,.24 in Escrow account which has to be utilised for repayment of Fixed Deposits as per the directions of Reserve Bank of India.

As per our Report attached

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

for and on behalf of the Board of Directors

A K Chakrabarti
Partner
M. No. 015374

R C Kurup
Company Secretary

Ramulu B M
Chief Financial Officer

H C Mathur
Managing Director
DIN : 00054757

Sujit Datta
Director
DIN : 00337464

Place : Kolkata
Date : 27-May-2015

Place : Kolkata
Date : 27-May-2015



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

NOTE 1

GENERAL INFORMATION

COMPANY PROFILE

A CFL Capital Financial Services Limited was incorporated in 1983 as Samudra Mahal Investments Limited as Public Company and was engaged in the business of Non Banking Financial Business under valid permissions for the same from Reserve Bank of India (RBI) granted in 1998. Due to the poor financial condition of the Company on account of dot.com burst of 1998-99 and subsequent impact thereof which lead to inter alia Capital Risk Adequacy Ratio (CRAR) going below the prescribed limit, RBI cancelled its Certificate of Registration w.e.f 18-May-2004. The RBI also 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 In view of the above, the Company cannot carry on any fresh Non Banking Financial activities. Hence these financial statements show the results of these operations / activities.

C Going Concern

The network of the Company has become negative due to the accumulated losses in the previous years. The Company had drawn a plan to liquidate assets, borrow money including from shareholders / promoters etc for meeting the liabilities of the financial year ending 31st March, 2015.

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.

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. 85183,83069.82 till March 2015, the Company's ability to maintain the status is dependent on concessions from stakeholders' and others' support. Substantial support is reflected in the earlier years from creditors and shareholders.

NOTE 2

SIGNIFICANT ACCOUNTING POLICIES

A Pursuant to Section 133 of the Companies Act, 2013 and Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting and addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under Companies Act, 1956 shall continue to apply. Consequently, the financial statements are prepared under historical cost and on accrual basis and in accordance with the Accounting Standards notified by the Companies (Accounting Standards) Rules 2006 referred to in section 211(3C) of the Companies Act, 1956, other relevant provisions of Companies Act, 2013 and within the terms of Prudential Norms mandated by the Reserve Bank of India subject to note 1.C above.

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

All other assets are Non-Current

D Normal Operating cycle is assumed to be twelve months.

E Fixed Assets

- Tangible Assets : Fixed Assets are stated at cost net of accumulated depreciation and accumulated impairment losses if any. The cost comprises of cost of acquisition, borrowing cost and any attributable cost of bringing the asset to the condition for its intended use. Costs also include direct expenses incurred upto the date of capitalisation / commissioning.

Subsequent expenditure related to an existing item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond the previous. It assessed standards of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

- Intangible Assets - Intangible assets are reflected at cost of acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

F Income & Expenditure

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

There has been no fund based lending 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.

- 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 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. Effective 1st April, 2014, the Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Act as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act, 2013.

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.

- 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.

- 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.

- Retirement Benefits. The Company's employees are entitled to the following retirement benefits

- Provident Fund contributions are being made to the Regional Provident Fund Organisation.
- The Gratuity Scheme is a defined benefit plan for which the Company has taken a policy from Life Insurance Corporation of India (LIC).
- The Superannuation Scheme is a defined contribution scheme and contribution is paid to the LIC as per the Scheme.



- iv) 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 provision 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, the 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

O Impairments of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the assets is less than the book value of the impaired asset the recoverable amount of the asset is stated as the revised value of the impaired asset in the books of account and consequential reduction is recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each Balance Sheet date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been change of assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in the statement of profit and loss.



NOTES TO ACCOUNTS

Particulars	As at 31-Mar-15 Rupees		As at 31-Mar-14 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		<u>1,386,652,500.00</u>		<u>1,386,652,500.00</u>
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	138,655,500	1,386,555,000.00
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 - Nil	-	-	-	-
e.3 Forfeited shares				
Forfeited shares at the beginning of the year	19,500	97,500.00	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	-	1,386,652,500.00		1,386,652,500.00
f. Shareholders holding more than 5% equity shares in the Company	Percentage holdings	No. of shares	Percentage holdings	No. of shares
STEL Holdings Limited	48.81	67,681,206	34.37	47,664,340
Summit Securities Limited	17.78	24,651,922	19.70	27,318,150
Arco Impex Limited	17.64	24,460,100	17.64	24,460,100
Swallow Associates Limited*	-	-	16.29	22,592,837
*converted to Swallow Associates LLP w.e.f 31.10.2012				
g. Calls unpaid Nil	Numbers	Amount	Numbers	Amount
h. Forfeited shares				
Opening Balance - Principal Amount paid on forfeited shares	19,500	97,500	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, 2013 and the Memorandum and Articles of Association of the Company.				
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		<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



		As at 31-Mar-15 Rupees		As at 31-Mar-14 Rupees
	Percentage holdings	No. of shares	Percentage holdings	No. of shares
f. Shareholders holding more than 5% shareholding				
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 and 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, 2013 and the Memorandum Articles of Association of the Company.				
TOTAL SHARE CAPITAL (1.d+2.d)		<u>1,636,552,500.00</u>		<u>1,636,552,500.00</u>
NOTE 4				
RESERVES AND SURPLUS				
Capital Reserves		940,644,587.80		940,644,587.80
Securities Premium Account		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 in the Statement of Profit & Loss				
Opening balance			(7,292,412,864.13)	
Add loss for the year	(7,864,013,154.60)		(571,600,290.47)	
Add Depreciation of earlier years	(654,237,727.79)			
Closing Balance	(132,187.43)		-	
TOTAL RESERVES AND SURPLUS		<u>(8,518,383,069.82)</u>		<u>(7,864,013,154.60)</u>
		<u>(7,253,604,790.02)</u>		<u>(6,599,234,874.80)</u>
NOTE 5				
NON-CURRENT LIABILITIES				
a) Long term Borrowings				
From Corporate Bodies - unsecured		-		-
From Fixed Depositors - Unsecured		-		-
b) Other Long term liabilities		-		-
c) Long term provisions				
Provision for employee benefits - Leave Salary		879,117.00		1,107,359.00
TOTAL		<u>879,117.00</u>		<u>1,107,359.00</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)		1,150,061.00		1,150,061.00
From Corporate Bodies - unsecured (See Note 6.2 below)		627,493,043.00		625,743,043.00
Interest Accrued on above		-		-
Sub-Total		<u>628,643,104.00</u>		<u>626,893,104.00</u>
b) Trade Payables				
Sundry Creditors (Micro, Small, Medium Enterprises)		-		-
Sundry Creditors Related Parties (See note 6.3 below)		30,813,778.93		30,892,190.93
Sundry Creditors Others		3,621,741.00		3,621,741.00
Sub-Total		<u>34,435,519.93</u>		<u>34,513,931.93</u>
c) Other Current Liabilities				
Borrowing from Banks - Secured (see note 6.4 below)		955,230,077.55		955,230,077.55
Unpaid Debentures -Secured (See note 6.5 below)		68,122,631.00		68,122,631.00
Interest Accrued & Due on debentures-Secured (Note 6.6 below)		751,748,788.32		589,460,105.32
From Fixed Depositors - Unsecured (See note 6.7 below)		54,390,485.00		56,976,967.00
Interest Accrued & Due on Bank Loans (See note 6.8 below)		3,171,158,209.55		2,684,954,991.55
Tax deducted at Source payable		224,569.00		214,668.00
Other loans & liabilities (See note 6.9 below)		37,549,279.27		39,218,839.17
Sub-Total		<u>5,038,424,039.69</u>		<u>4,394,178,279.59</u>
d) Short term provisions				
Provision for employee benefits				
Leave Salary		574,392.00		441,206.00
Superannuation		-		115,006.00
Gratuity		132,740.00		334,290.00
Sub-Total		<u>707,132.00</u>		<u>890,502.00</u>
Total		<u>5,702,209,795.62</u>		<u>5,056,475,817.52</u>



Note 6.1

The Company had re-discounted the bills of its clients in the past. The Company could not pay to its discounters as the Company's clients whose bills were discounted by the Company had not paid the due amount to it. The amounts are still due.

Note 6.2

These borrowings are interest free, due on demand and subject to confirmation in many cases. Hence, there is no accrued interest.

Note 6.3 - Sundry Creditors

The amount of Rs. 3,08,13,778.93 (Previous Year Rs. 3,08,92,190.43) due to Samaudra Securities Limited (SSL), the subsidiary of the Company since 1st April, 2003 against purchase / sale of GOI securities from them prior to 2004. 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. None of the creditors have intimated their status under the Micro Small Medium Enterprises Development Act, 2006

Note 6.4 - Borrowings from Banks

- The loans from Banks are secured by pari passu hypothecation of present and future Hire Purchase (HP) receivables and Lease rentals and the relative assets consisting of Plant and Machinery, Office Equipments, Vehicles etc. and HP/ Lease debtors including overdue interest, delayed payment charges and the assets. The loans are further secured by way of collateral security given in the form of equitable / registered mortgage of the Company' office units in Delhi and Hyderabad to all banks along with pari passu hypothecation charge on the movable assets at these premises. The security is insignificant with respect to the amount claimed.
- The amounts were earlier advanced by the banks as Working Capital limits and then converted into loans. Hence shown under this head.
- Position of defaulted amount and other particulars as at 31st March, 2015 are given below.

	Date of Default	Original Sanctioned Amount	Default as on 31-Mar-15 Rupees	Rate of Interest per annum	Default as on 31-Mar-14 Rupees
The principal amount defaulted against each lender is as under					
ICICI Bank Ltd (formerly Bank of Rajasthan Ltd)	31-Mar-02	60,000,000.00	85,206,476.09	16.50/Monthly rests	85,206,476.09
Catholic Syrian Bank Ltd	31-Mar-02	45,000,000.00	64,623,264.00	10.00% Simple Interest	64,623,264.00
Dena Bank	28-Dec-01	150,000,000.00	192,638,170.00	12.00% Quarterly rests	192,638,170.00
Federal Bank Ltd	30-Jun-01	50,000,000.00	78,064,423.64	16.75/Monthly rests	78,064,423.64
Indusind Bank Ltd	30-Sep-02	100,000,000.00	134,975,050.02	12.00% Quarterly rests	134,975,050.02
Oriental Bank of Commerce	30-Sep-01	50,000,000.00	44,718,460.00	17.00% Quarterly rests	44,718,460.00
Kotak Mahindra Bank Ltd (formerly State Bank of Travancore)	30-Sep-00	90,000,000.00	79,384,869.00	12.00% Quarterly rests	79,384,869.00
Asset Reconstruction Co. (I) Ltd (fmlly South Indian Bank Ltd.)	31-Dec-01	74,000,000.00	84,020,763.00	14.50% Quarterly rests	84,020,763.00
Vijaya Bank	1-Apr-01	100,000,000.00	121,526,304.02	9.00% Simple Interest	121,526,304.02
Axis Bank Ltd	30-Sep-02	65,000,000.00	70,072,297.78	10.00% Simple Interest	70,072,297.78
		784,000,000.00	955,230,077.55		955,230,077.55

The principal amount is as claimed by the banks in the suits filed by them before the Debt Recovery Tribunals. (DRTs). The dates of defaults are as per the dates recorded by the Mumbai Debt Recovery Tribunal. In the earlier year, the principal was considered as per Company's proposal given in 1999.

There is no change in the total liability claimed by the lenders. The Recovery officers of the Debt Recovery Tribunals have sold some of the fixed assets mortgaged to the banks as security. The net amount of Rs.2,32,02,576/- realised by them are distributed by the Recovery Officers during the year - Nil (Previous Year - Rs. 2,32,02,576/-) to the banks after deducting the expenses and adding the interest earned.

- The above lenders had approached the Debt Recovery Tribunals of Competent Jurisdiction.

Note 6.5 - Unpaid Debentures - Secured

- 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 at Mumbai) is insignificant with respect to amount claimed. The principal amount is shown as on the date of filing the suit before the Debt Recovery Tribunal. 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.
- Position of defaulted amount and other particulars as at 31st March, 2015 are given below.

	Date of Default	Default as on 31-Mar-15 Rupees	Rate of Interest per annum	Default as on 31-Mar-14 Rupees
UTI Asset Management Co Ltd.	12-May-03	24,862,220.00	20%Simple & compound	24,862,220.00
Administrator of the Specified Undertaking of UTI	12-May-03	43,260,411.00	qtrly Rest & 2% penal	43,260,411.00
		68,122,631.00		68,122,631.00
Note 6.6 - Interest Accrued and Due on Unpaid Debentures				
UTI Asset Management Co Ltd.	12-May-03	274,390,847.32	20%Simple & compound	215,155,478.76
Administrator of the Specified Undertaking of UTI	12-May-03	477,357,941.00	qtrly Rest & 2% penal	374,304,626.56
		751,748,788.32		589,460,105.32

The interest is calculated at the rates as stated above from the date of filing the appeal i.e. 15-Mar-2004.



Note 6.7 - Fixed Deposits

The Company had defaulted in repaying the deposits as per the original terms of the deposits. The repayments 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 i.e. before 31.12.2012 the last date specified as per the last CLB order of 13.10.2009. As all Fixed Deposits have matured as per the original terms, the full amount is shown as dues to fixed depositors. The break-up of principal and interest on cumulative deposits upto the date of contracted maturity is given below.

Number of deposits	3,624	3,798
Total Amount unclaimed	54,390,485.00	56,976,967.00
Principal	44,163,804.00	46,195,642.00
Interest	10,226,681.00	10,781,325.00

The amount due within one year is Rs. 5,43,90,485/- (Previous Year Rs. 5,69,76,967/-)

Whereas majority of the warrants were encashed within their validity period, some of the remained unencashed.

Further the Company had been regularly issuing fresh warrants or bank demand drafts, as the case may be, to the depositors, who could not encash their warrants on time as and when request for the same were received. In the process, the Company had repaid Rs. 25,86,482/- (Previous Year Rs. 56,60,448/-) to the depositors during the year under review.

Further, any request received from the deposit holders against the unencashed amount shall be duly paid till the expiry of 7 years from the respective due date whereupon the same shall be transferred to the Investor Education and Protection Fund.

Note 6.8 - Interest Accrued and due on loans to banks	Date of Default	Default as on 31-Mar-15	Rate of Interest per annum	Default as on 31-Mar-14
ICICI Bank Ltd (formerly Bank of Rajasthan Ltd)	31-Mar-02	512,014,746.35	16.50/Monthly rests	421,743,171.35
Catholic Syrian Bank Ltd	31-Mar-02	70,123,195.62	10.00% Simple Interest	63,660,867.62
Dena Bank	28-Dec-01	708,290,338.01	12.00% Quarterly rests	607,825,141.01
Federal Bank Ltd	30-Jun-01	338,913,829.10	16.75% Monthly rests	275,014,748.10
Indusind Bank Ltd	30-Sep-02	432,307,082.57	12.00% Quarterly rests	369,047,776.57
Oriental Bank of Commerce	30-Sep-01	313,242,166.35	17.00% Quarterly rests	258,343,204.35
Kotak Mahindra Bank Ltd (formerly State Bank of Travancore)	30-Sep-00	173,733,443.61	12.00% Quarterly rests	145,201,801.61
Asset Reconstruction Co. (I) Ltd (formerly South Indian Bank Ltd.)	31-Dec-01	337,435,781.59	14.00% Quarterly rests	282,948,473.59
Vijaya Bank	1-Apr-01	214,547,662.33	9.00% Simple Interest	196,926,346.33
Axis Bank Ltd	30-Sep-02	70,549,964.02	10.00% Simple Interest	64,243,461.02
		<u>3,171,158,209.55</u>		<u>2,684,954,991.55</u>

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. The dates of defaults are as recorded by the Mumbai Debt Recovery Tribunal No. 1.

Note 6.9

Other liabilities includes outstanding liabilities for expenses, employees dues, tax deducted at source pending deposit etc. And book overdraft of Rs. 3,02,15,006.24 (Previous Year Rs 3,02,20,006.24)

Note 6.10 Provisions	Opening balance 1-Apr-15	Additions	Settled / paid/ Transferred	Closing Balance 31-Mar-14
Non Current provision for employee benefits Leave salary	1,107,359.00	-	228,242.00	879,117.00
Current provision for employee benefits Leave salary	441,206.00	183,099.00	49,913.00	574,392.00
Current provision for employee benefits Gratuity	334,290.00	-	201,550.00	132,740.00
Current provision for employee benefits Superannuation	386,866.60	-	386,866.60	-
NPA Provisions on Receivables	137,867,670.80	-	3,733,882.50	134,133,788.30
NPA Provisions on Short term Loans & Advances	57,315,133.38	-	-	57,315,133.38
NPA Provisions on Standard Assets	429,419.00	-	127,088.00	302,331.00
NPA Provisions on Non Current Investments	200,159,024.00	-	161,416,417.00	38,742,607.00
Total	398,040,968.78	183,099.00	166,143,959.10	232,080,108.68

CFL CAPITAL FINANCIAL SERVICES LTD.



Particulars	Year ended	Year ended
	31-Mar-14	31-Mar-13
	Rupees	Rupees

Note 6.11

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

a. Principal amount and Interest due thereon remaining unpaid to any supplier at the end of accounting year	-	-
b. Interest paid during the year beyond the appointed day	-	-
c. Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-
d. Amount of interest accrued and remaining unpaid at the end of the year	-	-
e. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small	-	-

Note 6.12

All the creditors of the Company, except few corporates, banks and Financial Institutions (FIs), have confirmed their dues to the Company as on 31st March, 2015. Further, the amount due to the banks except Vijaya Bank (VB), Bank of Rajasthan Ltd. (BR) (now merged with ICICI Bank Ltd), Federal Bank Ltd (FB) and FIs have been stated at the amount decreed by the Hon'ble Debt Recovery Tribunal (DRT) in their favour, as increased by the interest due thereon at the rate ordered by DRT in the respective decree. The dues to VB, BR, FB and FIs have been stated at the amount claimed by them in their recovery suits filed before DRT and interest due thereon upto 31st March, 2015 at the rate demanded by them in their respective recovery suits.

NOTE 7

FIXED ASSETS SCHEDULE AS ON 31.3.2015

(Rupees)

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION/AMORTISATION					NET BLOCK		
	As at 01.04.2014	Additions	Deletions	As at 31.03.2015	As at 01.04.2014	For the Year	Adjustments made, as per new provisions	On deleted Assets	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Owned Assets (Tangible)											
Buildings	22,437,455.68	-	1,123,100.00	21,314,355.68	6,665,398.62	144,339.18	-	235,312.66	6,574,425.14	14,739,930.54	15,772,057.06
Furniture and Fixture	321,562.05	-	134,323.00	187,239.05	317,730.05	-	(12,246.10)	127,606.85	177,877.10	9,361.95	3,832.00
Vehicles	1,716,924.00	-	419,866.00	1,297,058.00	728,298.00	340,145.61	-	374,675.49	693,768.12	603,289.88	988,626.00
Office Equipment	409,136.93	-	116,196.84	292,940.09	239,008.10	4,348.52	144,433.53	110,387.04	277,403.11	15,536.98	170,128.83
Computers	-	-	-	-	-	-	-	-	-	-	-
TOTAL	24,885,078.66	-	1,793,485.84	23,091,592.82	7,950,434.77	488,833.31	132,187.43	847,982.04	7,723,473.47	15,368,119.35	16,934,643.89
Less Provision on Standard assets										80,000.00	107,480.00
										15,288,119.35	16,827,163.89
Previous Year	120,550,089.63	-	95,665,010.97	24,885,078.66	102,764,227.49	566,660.52		95,380,453.24	7,950,434.77	16,934,643.89	17,678,382.14

Notes :

- Buildings, mostly consist of office units, some of which are yet to be recorded in Company's new name.
- Buildings with the gross value of Rs. 1,63,64,355.68 located at New Delhi and Hyderabad are given as collateral security to Banks (Note 6.4) and the building at Mumbai valued at Rs. 48,50,000 to Debenture holders (Note 6.5)
- Leased Assets deleted during the year represent assets removed from the books on completion of lease.
- The assets sold / retired during the year include offices of the Company disposed off by the Recovery Officers of the Debt Recovery Tribunals.
- Office Equipment include cost of the software embedded in the computers or were purchased / capitalised over 10 years ago and are fully depreciated.
- In accordance with the provisions of Schedule II of the Act, in case of fixed assets having completed the useful life as at 1st April, 2014 or have been depreciated more than the residual value, the net carrying value (net of residual value) - amounting to Rs. 1,32,187.43 has been recognised in the retained earning. No cognisance has been taken of deferred tax due to uncertainty of future taxable profits
- In case the depreciation was provided as per provisions of Schedule XIV of the Companies Act, 2013, the depreciation would have been higher by Rs. 89,284.49/-

Particulars	As at	As at	As at	As at
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	Nos.	Rupees	Nos.	Rupees
Note 8				
NON CURRENT ASSETS				
Non-current investments				
a. Investment in Equity Shares (long term-trade)	QUANTITY	VALUE	QUANTITY	VALUE
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				



Particulars	As at 31-Mar-15 Nos.	As at 31-Mar-14 Rupees	As at 31-Mar-15 Nos.	As at 31-Mar-14 Rupees
(Face Value Rs. 10/ per share unless specified otherwise)				
Ace Garments Export Ltd. DO	-	-	850,000	8,500,000.00
IAEC Industries Madras Ltd. A	-	-	150,000	11,778,933.00
Indo Daein Leather Ltd. A	-	-	600,000	26,400,000.00
Indo Deutsche Metallo Chimique P. Ltd. - DO	-	-	171,500	30,012,500.00
Jind Textiles Ltd. UL	-	-	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
Kohinoor Feeds & Fats Ltd. A	562,500	33,609,375.00	562,500	33,609,375.00
Multimedia Frontiers Ltd. A	-	-	100,000	900,000.00
Nitika Cements Ltd. DO	-	-	150,000	2,100,000.00
Ruia Hospitality Ltd. DO	-	-	1,350,000	47,250,000.00
Spectrum Alkyd & Resins Ltd. DO	-	-	400,000	4,000,000.00
Worldcom Multi Media Ltd. DO	-	-	100,000	2,500,000.00
Subtotal		55,344,375.00		211,224,331.00
Less Provision for Non Performing Assets - Long Term Investments		38,742,607.00		200,159,024.00
TOTAL ii		16,601,768.00		11,065,307.00
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
Less : Provision on Standard Assets		(60,000.00)		(158,966.00)
TOTAL iii		11,750,700.00		11,670,934.00
TOTAL Non-Current Investments i+ii+iii		56,808,505.00		51,192,278.00
<p>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.</p> <p>B. Provision has been made on the basis of the Non-Banking Financial (Deposits Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007.</p> <p>C. The Investments are valued at Cost and provisions are made as per the directions referred in B above.</p> <p>D. Shares in unlisted companies (including Subsidiary company are held in physical form while Government securities are held in electronic form.</p> <p>E. In case physically held securities (except subsidiary), the changing of Company's name is under process.</p> <p>F. No charge of SLR securities has been created in favour of the Public Depositors. This has been permitted by Reserve Bank of India.</p> <p>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.</p> <p>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 Struk off / Liquidated Companies , Companies under Liquidation or strike off have been written off. In case of Active companies to whom letter have been send by Registered Post and which have been returned undelivered are also written off.</p> <p>I. Provision on Standard Assets has been made @ 0.5% as per Reserve Bank of India's directions.</p> <p>J. D indicates shares are in dematerialised form otherwise they are in physical form</p> <p>K. Shares of Dormant and Under Liquidation /Liquidated Companies are removed from the Books. Some 'Active' Companies's shares have also been removed where no accounts for the last few years are available with Registrar of Companies and the Registered letters are returned undelivered</p>				
Aggregate Book Value of Quoted Investments		11,750,700.00		11,670,934.00
Aggregate Market Value of Quoted Investments		11,677,151.00		11,693,791.00
Aggregate Book Value of Unquoted Investments		45,057,805.00		39,521,344.00
b. Long term loan and advances		-		-
There are no long term loans & advance				
c. Other non-current assets				
Tax Deducted at Source (Unsecured Considered Good)		555,009.00		19,276,357.15
Total		57,363,514.00		70,468,635.15



Particulars	As at 31-Mar-15 Nos.	As at 31-Mar-14 Rupees	As at 31-Mar-15 Nos.	As at 31-Mar-14 Rupees
Note 9				
CURRENT ASSETS				
Current investments	QUANTITY	VALUE	QUANTITY	VALUE
a. Investment in Government Securities				
i. Investment in Unlisted Companies (Face Value Rs. 100 per unit except where specified)				
11.50% Government of India 2015	160	19,200.00	-	-
		<u>19,200.00</u>		<u>-</u>
b. Investment in Equity Shares				
i. Investment in Unlisted Companies (as per records of Ministry of Corporate Affairs) 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 and Research Technologies (India) Ltd - A	50,000	-	50,000	-
EBF Finance Ltd - DO	-	-	9,050	-
KGN Agro Internationals Ltd (Partly Paid) - DO	176,600	-	176,600	-
Lakshana Cotton Spinning and Processing P Ltd - UL	-	-	100	-
Malvika Steel Ltd - DO	-	-	237,400	-
Nova Surgikos Ltd - UL	-	-	25,800	-
PAL-Peugeot Ltd - UL	-	-	99,600	-
Prism Mills Ltd - A	1,000	-	1,000	-
Radan Multimedia Ltd (Formerly Radan Tapes & Tubes Ltd) DO	-	-	17,400	-
Reacto Papers India Ltd - UL	-	-	400,000	-
Sun Earth Ceramics Ltd** - DO	-	-	125	-
Sun Valley Farm Products Ltd (Formerly Cryptogen Ltd) - A	77,700	-	77,700	-
Vitara Chemicals Pvt Ltd - DO	-	-	198,000	-
TOTAL i		<u>-</u>	<u>-</u>	<u>-</u>
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.				
Auto Pins 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	-
Inland Printers Ltd - A	10,000	-	10,000	-
JSW Steels Limited* - (D) / A	100	-	100	-
KEC International Limited* - (D) / A F/V Rs. 2/-	250	-	250	-
Moulik Finance and Resorts Ltd - DO	-	-	25,500	-
Nagarjuna Agri-Tech Ltd. - (D) / A	24,691	-	24,691	-
Naina Semi Conductor Ltd - A	47,200	-	47,200	-
N R International Ltd - (D) / A	79,934	-	79,934	-
Pretto Leather Industries Ltd - A	2,800	-	2,800	-
Ranjeev Alloys Ltd. - (D) / A	3,980	-	3,980	-
Reliance Industries Limited * - (D) / A	40	21,631.00	40	21,631.00
Shamrock Industrial Company 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	-
Yogi Polyester Ltd. - UL	-	-	55,800	-
Less Provision on Standard Assets		(2,336.00)		(2,336.00)
Yogi Polyester Ltd. - (UL)	55,800	-	55,800	-
Less Provision on Standard Assets		<u>(2,336.00)</u>		<u>(2,336.00)</u>
TOTAL ii		<u>464,936.00</u>		<u>464,936.00</u>
TOTAL CURRENT INVESTMENTS (i+ii)		<u>484,136.00</u>		<u>464,936.00</u>
Aggregate Book Value of Quoted Investments		464,936.00		464,936.00
Aggregate Market Value of Quoted Investments		825,089.65		961,719.43
Aggregate Book Value of Unquoted Investments	-	-	-	-



Note 9.a

- 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.
- H. The shares of Dormant or under liquidation / dormant Companies as per website of Ministry of Corporate Affairs have been removed from the books.

b. Trade receivables - Unsecured

Outstanding for over six months after the due dates	-	-	-
Considered Good	-	-	-
Considered Doubtful	122,233,788.30	137,867,670.80	
Less : Provision for Doubtful Debts	122,233,788.30	137,867,670.80	
Others due for less than 6 months considered good	141,243.00	196,562.00	
		<u>141,243.00</u>	<u>196,562.00</u>
			<u>196,562.00</u>

The Company is taking legal action against most of the debtors. Their confirmations were not received, The Company has however provided the amount.

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 (against dues to employees)	176,192.27	163,761.27	-
- in Fixed Deposits	5,000,000.00	-	-
- in Current Accounts	1,909,746.67	1,050,485.80	-
		<u>7,085,938.94</u>	1,214,247.07
ii. Cash in hand	-	83,290.00	64,061.00
iii. Balances with Scheduled Banks :			
- in Escrow Account -Current	2,280,050.31	-	340,150.47
- in Escrow Account - Fixed Deposit	-	-	2,075,146.24
		<u>9,449,279.25</u>	<u>3,693,604.78</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)	49,629,527.38	49,629,527.38	
Less Provision for doubtful debts	49,629,527.38	49,629,527.38	
		-	-
Staff loans (Unsecured / Considered Good)		286,000.00	314,000.00
Other loans/advances (Unsecured Considered good)	272,514.00	288,801.90	
Less Provision for doubtful debts	185,606.00	185,606.00	
		<u>86,908.00</u>	103,195.90
Less Provision on Standard Assets	-	(2,000.00)	(3,312.00)
Short-term Loans & Advances- Net of Provisions	-	<u>370,908.00</u>	<u>413,883.90</u>



Particulars	Year ended 31-Mar-14 Rupees	Year ended 31-Mar-13 Rupees
Note 9.d		
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.		
9.e Other Current Assets (unsecured / considered good)		
Interest Receivable on Government Securities	361,447.00	361,447.00
Interest Receivable on Security Deposit	208,726.00	107,073.00
Deposits for Premises, Telephones etc. (Unsecured/considered Good)	2,384,250.00	2,381,826.00
Less ; Provision on Standard Assets (unsecured / considered good)	(15,000.00)	(14,330.00)
	2,939,423.00	2,836,016.00
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	13,384,989.25	7,605,002.68
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		
NOTE 10		
INCOME FROM OPERATIONS		
OTHER INCOME		
Income from Old Recoveries of Funded Business.	791,118.00	661,882.00
Profit from Sale of Shares - Current Investments - Non Trade	-	35,764.86
Profit from Sale of Shares - Long Term Investments Non Trade	-	228,190.00
Dividend - Current investments - Non trade	1,820.00	18,741.25
Dividend - Long Term investments	281,250.00	281,250.00
Interest on SLR Securities Long Term Investments-Trade	908,584.00	1,637,130.00
Interest on Bank Deposits (TDS Rs. 51,298/- . PY Rs. Nil/-)	511,664.80	14,466.00
Interest on Deposits with DRT-RO(TDS Rs.Nil. PY Rs. Nil)	-	489,139.00
Interest on Security Deposits (TDS Rs. 763/- . PY Rs. Nil)	5,706.00	128,243.00
Rent Received (TDS Rs.36,000/- . PY. Rs. 36,000/-)	360,000.00	360,000.00
Consultancy Charges	3,100,000.00	400,000.00
Other Business Income	575,152.26	2.00
	6,535,295.06	4,254,808.11
NOTE 11		
EMPLOYEE BENEFIT EXPENSES		
Salaries and other benefits	10,452,253.00	9,853,948.00
Welfare Expenses	72,970.00	123,821.00
Contribution to Provident Fund, Gratuity		
Superannuation and other Funds	464,352.00	1,026,327.60
	10,989,575.00	11,004,096.60
NOTE 12		
FINANCE COSTS		
Interest - Debentures	162,288,683.00	130,878,043.00
Interest - Banks & others	486,439,617.00	428,220,921.00
	648,728,300.00	559,098,964.00
NOTE 13		
Depreciation and amortization expenses (see note 7)	488,833.31	566,660.52
NOTE 14		
OTHER EXPENSES		
Auditors Remuneration (see Note 17)	276,754.00	250,367.00
Communication costs	552,156.88	644,796.23
Directors' Fees	19,000.00	18,000.00
Electricity Expenses	58,824.00	124,526.00
Insurance	423,658.00	497,521.00



Particulars	Year ended	
	31-Mar-15	31-Mar-14
	Rupees	
Legal & Professional Charges	4,027,035.37	2,489,415.51
Printing and Stationery	297,102.30	316,797.00
Rent,	519,950.00	1,094,330.00
Recovery Expenses by Debt Recovery Tribunals.	-	2,767,954.00
Repairs and Maintenance-Buildings	16,491.00	32,118.00
Repairs and Maintenance- Others	91,379.00	78,529.39
Service Tax -reverse charge	215,046.00	157,436.00
Travelling and Conveyance	835,152.00	1,000,350.00
Vehicle Expenses	432,780.00	530,359.00
Miscellaneous Expenses	327,816.40	196,203.29
	8,093,144.95	10,198,702.42

NOTE 15

EXCEPTIONAL INCOME AND EXPENSES

A. EXCEPTIONAL INCOME

Provision No longer required, & others

a) Provision for NPAs No Longer required	21,303,544.00	226,355,748.68
b) Provision for Expenses no longer required NPAs No Longer required	383,022.00	-
c) Profit on Sale of Assets	1,186,032.66	-
	22,872,598.66	226,355,748.68

B. LESS EXCEPTIONAL EXPENSES

Write offs/Provisions against doubtful/irrecoverable

Assets and diminution/loss in value of Investments

a) Bad debts written off	11,933,326.00	218,083,636.30
b) Loss on sale of assets	20,216.46	182,348.42
c) Diminution in value of Investments	6,113.00	-
d) Loss on foreclosure.	-	3,104,610.00
	11,959,655.46	221,370,594.72

NET EXCEPTIONAL INCOME / (EXPENSES)

10,912,943.20 **4,985,153.96**

NOTE 16

(1) Contingent Liabilities :

- Dividend on 13% Redeemable Cumulative Preference Shares is in arrears- Rs. 55,22,79,000/-17 years (previous Year Rs.51,97,92,000/-16 years)
- Wealth Tax Rs. 3,27,843/- (Previous Year Rs. 3,27,843/-)
- Sales Tax Rs. 23,14,158/- (Previous Year Rs. 23,14,158/-)
- Others Rs. 13,20,000/- (PY Rs. 13,20,000/-)

The above liabilities, except dividend on preference shares, are dependent upon the outcome of appeals before various authorities. The contingent liability towards dividend on Preference Shares would be payable if the Company has distributable profits.

Claims against the Company not acknowledged as debts, as the same are disputed by the Company. Others Rs. 29,35,966/- (Previous Year Rs. 23,98,362/-)

(2) Audit fees include amounts paid to Auditors towards:

	Year ended	
	31-Mar-15	31-Mar-14
	Rupees	
As Auditors for : Statutory Audit	125,000	125,000
Tax Audit	-	-
For certification fees	62,500	85,293
Corporate Governance	20,000	20,000
Out of Pocket expenses	69,254	20,074
	276,754	250,367

(3) 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.

- The accumulated loss of Rs. 851,8383,069.83/- (Previous Year Rs. 7,86,40,13,154.60/- includes unabsorbed depreciation of Rs.170,19,80,477.39/- (Previous Year Rs. 1,70,14,93,343.52/-)

- The Company has paid an amount of Rs. 4,45,197/- (PY Rs. 7,69,866/-) towards Provident & Pension Funds and Gratuity & Superannuation Schemes. For leave benefit the Company has provided, on actuarial basis. A liability of Rs. 14,53,459/- (PY Rs. 15,48,515/-) is accrued as at the year end.



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

a. Defined Contribution Plan

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

	2014-15	2013 -14
Company's Contribution to Superannuation Fund	470,660	498,873
Company's Contribution to employee (RPFO) Pension Scheme	75,012	62,007
Company's Contribution to Provident Fund (RPFO)	85,904	111,030

b. Defined Benefit Plan (Please refer note 16(5))

Company's Contribution to Provident Fund (Trust)

Company's Contribution to Gratuity Scheme

	2014-15	2013 -14
Company's Contribution to Provident Fund (Trust)	-	-
Company's Contribution to Gratuity Scheme	(201,500)	334,290

The present value of obligation towards gratuity is determined based on actuarial valuation report furnished by LIC, 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. It is fully funded as on the year end.

The obligation for leave encashment is recognised on the basis of the actuarial certificate and is not funded.

Particulars	Gratuity (Funded)		Leave Encashment (not Funded)	
	2014-15	2013-14	2014-15	2013-14
I Assumptions as at				
Mortality Rate	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate	LIC(1994-96)	LIC(1994-96)
Discount Rate	8% p.a.	8% p.a.	8% p.a.	9% p.a.
Salary escalation rate	4% p.a.	7% p.a.	10% p.a.	10% p.a.
Rate of Return (expected) on plan assets	9.15% p.a	9.05% p.a.	NO FUND	NO FUND
Method of Valuation	Projected Unit Credit Method	Projected Unit Credit Method		
Withdrawal Rate	1% to 3% depending on age	1% to 3% depending on age	1% throughout	1% throughout
Retirement age Years	58	58	58	58
Expected average remaining service			7(5.9)	9(7.1)
Period of accounting	01.04.2014 to 31.3.2015	01.04.2013 to 31.3.2014	01.04.2014 to 31.3.2015	01.04.2013 to 31.3.2014
Data information on	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Number of members	12	12	9	12
Average /Total monthly salaries	23,606	22,105	222,232	265,268
Average age	52.33	51.33	51	49
Average Past Service (yrs)/Leave balance (days)	18.33	17.50	55	57
II Changes in present value of obligations				
PVO at beginning of year	2,561,312	3,887,011	1,548,515	1,736,521
Interest cost	204,905	310,961	123,881	132,431
Current Service Cost	125,340	203,917	212,567	201,201
Benefits Paid (as intimated by Company)	(60,317)	(1,874,637)	-	(530,138)
Actuarial (gain)/ loss on obligation	(234,839)	34,060	(614,603)	8,500
PVO at end of year	2,596,401	2,561,312	1,270,360	1,548,515
III Changes in fair value of plan assets				
Fair value of Plan Assets at beginning of year	3,359,667	4,946,516	-	-
Expected return on Plan Assets	296,959	214,648	-	-
Contributions	-	-	-	-
Benefits Paid (as intimated by Company)	(60,317)	(1,874,637)	-	-
Actuarial (gain)/ loss on plan assets	-	-	-	-
Fair Value of Plan Assets at end of year (estimate)	3,596,306	3,286,527	-	-
IV Fair Value of Plan Assets				
Fair value of Plan Assets at beginning of year	3,359,667	4,946,516	-	-
Actual return on Plan Assets	296,956	214,648	-	-
Contribution	-	-	-	-
Benefits Paid (as intimated by Company)	(60,317)	(1,874,637)	-	-
Fair value of Plan Assets at the end of year	3,596,306	3,286,527	-	-
Funded Status	999,905	725,215	(1,548,515)	1,548,515
Excess of actual over estimated return on Plan	-	-	-	-



Particulars	Gratuity (Funded)		Leave Encashment (not Funded)	
	2014-15	2013-14	2014-15	2013-14
V Actuarial Gain/ (Loss) Recognized				
Actuarial Gain /(Loss) for the year(Obligation)	234,839	(34,060)	614,603	(8,500)
Actuarial Gain/(Loss) for the year (Plan Assets)	-	-	-	-
Total Gain/(loss) for the year	(234,839)	34,060	614,603	(8,500)
Actual Gain/(loss) recognized for the year	(234,839)	34,060	614,603	(8,500)
Unrecognized Actuarial Gain/(loss) at end of year			-	-
VI Amounts to be recognized in the balance sheet and statement of profit & loss statement				
PVO at end of year	2,596,401	2,561,312	1,270,360	1,548,515
Fair value of Plan Assets at the end of year	3,596,306	3,286,527	-	-
Funded Status	999,905	725,215	(1,270,360)	(1,548,515)
Unrecognized Actuarial Gain/ (loss)	-	-	-	-
Net assets/ (Liability) recognized in the balance sheet	999,905	725,215	(1,270,360)	(1,548,515)
VII Expense recognized in the statement of Profit & Loss				
Current Service Cost	125,340	203,917	212,567	201,201
Interest cost	204,905	310,961	123,881	132,431
Expected Return on Plan Assets	(296,956)	(214,648)	-	-
Net Actuarial Gain/(Loss) recognised for the year	(234,839)	34,060	(614,603)	8,500
Expense recognized in the statement of P & L A/c	(201,550)	334,290	(278,155)	342,132
VIII Movements in the Liability recognised in Balance Sheet				
Opening Net Liability	-	-	1,548,515	1,736,521
Expenses as above	-	-	(278,155)	342,132
Actual return on Plan Assets	-	-	-	-
Benefits paid	-	-	-	(530,138)
Closing Net Liability	-	-	1,270,360	1,548,515
IX Break up of total liabilities as Non-Current & Current				
Current Liabilities (3 Exits)(Previous Year 2 exit)	-	-	391,243	441,156
Non Current Liabilities	-	-	879,117	1,107,359
Total Liability	-	-	1,270,360	1,548,515
X Experience History Information				
Defined Benefit obligation at the end of Period	-	-	1,270,360	1,548,515
Plan assets at the end of the Period			-	-
Funder Status - Surplus / (Deficit)			(2,370,360)	(1,548,515)
Actuarial Gain /(Loss) due to change in basis			12,198	(31,123)
Actuarial Gain /(Loss) due to change in data			(626,801)	39,623
Total Actuarial Gain /(Loss) in Liabilities			(614,603)	8,500
Experience Gain /(Loss) in Plan Assets			-	-
XI RESULTS OF VALUATION				
a. PV of Past Service Benefit	2,596,401	2,561,312		
b. Current Service Cost	85,606	125,340		
c. Total Service Gratuity	3,752,510	32,486,511		
d. Accrued Gratuity	22,980,323	2,670,882		
e. Life Cover Sum Assured	771,724	805,804		
f. LIC Premium	4,813	5,841		
g. Service Tax @ 12.6%	595	722		
XII RECOMMENDED CONTRIBUTION RATE				
a. Fund Value as on Renewal Date	3,299,350	4,830,129		
b. Additional Contribution for Existing Fund	-	-		
c. Current Service Cost	-	-		

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



(7) Related Party Disclosures

1. Relationships

- (i) Shareholders in the Company
STEL Holdings Ltd. holds 48.81% 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 for related party disclosures as associates. The financial statements for the previous three years are also not available on the website Ministry of corporate Affairs, (MCA) Government of India. As per MCA most of these Companies are dormant.

Even in case of "Active" Companies the letters sent to the registered offices as per MCA website were returned undelivered. These investments are also removed from the books during the year.

- (iv) Directors and other executives (including those who were associated for part of the period)
Mr H C Mathur - Chairman & Managing Director
Mr R C Kurup - Company Secretary
Mr Ramulu B M - Chief Financial Officer

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 16 (7)(i) above	Rupees Parties referred in Note 16 (7)(ii) above	Parties referred in Note 16 (7)(iii) above
Outstanding payables	-	30,813,778.93	-
Amounts paid against dues	-	50,000.00	-
Advances taken	-	-	-
Amounts paid on your behalf and recovered	-	28,412.00	-
Previous Year	-	(37,468,208.68)	-

- b. Details relating to persons referred to in item 1(iv) above

	Current Year Rupees
Remuneration to Chairman & Managing Director	4,038,656.00
Previous Year	(3,056,041.00)

(8) 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.

(9) Earnings per share

Particulars	Note No.	Year ended	Year ended
		31-Mar-15	31-Mar-14
	(Rupees)	Rupees	Rupees
a. Profit/(Loss) after tax		(654,237,728)	(571,600,290)
b. Adjustments for			
Preference Dividend		32,487,000	32,487,000
Interest on Income Tax Refunds		4,215,288	28,171
Taxation of earlier years		7,601,401	-
c. Adjusted Loss after tax		(674,908,039)	(604,115,461)
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.	(4.87)	(4.36)
g. Weighted average number of Equity shares for Diluted EPS	Nos.	138,675,000	138,675,000
h. Earning per share (Diluted)	Rs.	(4.87)	(4.36)



(10) A sum of Rs. 50,000/- (P Y Rs. 35,103/-) is transferable to the Investors Education & Protection Fund at the end of the year.

After the year end a sum of Rs. 50,000/- (P Y Rs. 35,103/-) have been transferred to the said Fund till the date of these statements.

(11) 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.

(12) 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.

(13) The Company is not liable to spend any money towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 since it has losses u/s 197 of the said Act for all the last three financial years

(14) Disclosures required with regard to the subsidiaries and transactions with related parties in forms AOC-1 & AOC -2 are attached as Annexures.

(15) 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

A K Chakrabarti

Partner

M. No. 015374

R C Kurup

Company Secretary

Ramulu B M

Chief Financial Officer

H C Mathur

Managing Director

DIN : 00054757

Sujit Datta

Director

DIN : 00337464

Place : Kolkata

Date : 27-May-2015

Place : Kolkata

Date : 27-May-2015



FORM AOC-1

(Pursuant to first provision to sub-section (3) of the section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries / associates / joint ventures

Part "A" - Subsidiaries

1	Serial No	1
2	Name of subsidiary	Samudra Securities
3	Reporting period of the subsidiary	31-Mar-15
4	Reporting Currency and exchange rate as on the last date of the relevant Financial Year	Rupees
5	Share Capital	31,100,000.00
6	Reserves & Surplus	(30,858,502.53)
7	Total Assets	272,281.47
8	Total Liabilities	30,784.00
9	Investments	2,500.00
10	Turnover	-
11	Profit before Tax	(956,137.00)
12	Provision for Taxation	9,202.28
13	Profit after Tax	(965,339.26)
14	Proposed Dividend	-
15	% of shareholding	91.95

Part "B" - Associates & Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to associate Companies & Joint Ventures

	Name of the Associate /Joint Venture	Ace Garments Export Ltd.	Indo Deain Leather Ltd.	Kaveri Polysacks Ltd.	Ruia Hospitality Ltd.	Spectrum Alkyd & Resins Ltd.
1	Latest Audited Balance Sheet Date (as per MCA website)	Not Available	3/31/2008 (as per MCA website)	3/31/2010 (as per MCA website)	Not Available	Not Available
2	Share of Associate / Joint Venture held on the year end					
	Number of Shares	850,000	600,000	350,000	1,350,000	400,000
	Amount of Investment in Associate / Joint Venture (Rupees)	8,500,000.00	26,400,000.00	3,500,000.00	47,250,000.00	4,000,000.00
	Extend of holding %	24.90	20.04	21.21	27.00	24.69 (on authorised Capital)
3	Description of how there is significant influence	No influence	No influence	No influence	No influence	No influence
4	Reason why the associate is not consolidated	No data	no relevant data	no relevant data	No data	No data
5	Networth attributable to shareholding as per latest Balance Sheet	Not Available			Not Available	Not Available
6	Profit / Loss for the year					
	i Considered in Consolidation	Nil	Nil	Nil	Nil	Nil
	ii Not considered in consolidation	No data	no relevant data	no relevant data	No data	No data
	The above investments are written off in books during the current year					

As per our Report attached
For **TARMASTER & CO.**
Chartered Accountants
Firm Registration No 302016E

for and on behalf of the Board of Directors

A K Chakrabarti
Partner
M. No. 015374

R C Kurup
Company Secretary

Ramulu B M
Chief Financial Officer

H C Mathur
Managing Director
DIN : 00054757

Sujit Datta
Director
DIN : 00337464

Place : Kolkata
Date : 27-May-2015

Place : Kolkata
Date : 27-May-2015



(8) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	2791.96
(a) Related parties	284.56
(b) Other than related parties	2507.40
(ii) Net non-Performing Assets	607.44
(a) Related parties	0.00
(b) Other than related parties	607.44
(iii) Assets acquired in satisfaction of debt (in earlier years) and in possession (gross)	0.00

Notes:

- 1 As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- 2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007.
- 3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

for and on behalf of the Board of Directors

Ramulu B M
Chief Financial Officer

H C Mathur
Managing Director
DIN : 00054757

Sujit Datta
Director
DIN : 00337464

R C Kurup
Company Secretary

Place : Kolkata
Date : 27-May-2015



INDEPENDENT AUDITORS' REPORT

To The Board of Directors of
CFL Capital Financial Services Limited

Report on the Consolidated Financial Statements

- 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, 2015, 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

- Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these consolidated financial statements to 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 the accounting standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes 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

- 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 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors 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 on the consolidated financial statements..

Basis for Qualified Opinion

- Attention is drawn to :-
 - Non-compliance by the Holding Company of the provisions of the Non-Banking Financial (Deposit Accepting or Holding) Companies (Reserve Bank) Directions, 2007. (Refer Note 16(11))
 - The Holding 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 16(11))

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

Qualified Opinion

- We report that the consolidated financial statements have been prepared by the Group's management in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements and (AS)-23 Accounting for Investments in Associates in Consolidated Financial Statements specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- Based on our audit and on other financial information of the Components of the group as referred in para 11 below and to the best of our information and according to the explanations given to us, in our opinion, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the group as at 31st March, 2015 and its consolidated profit and loss and consolidated cash flow for the year ended on that day. In our opinion and to the best of our information and according to the explanations given to us,

Emphasis of matter

- Note 1.A, 1.C and 1.D in the Consolidated Financial statements indicate that the Group has accumulated losses and its net worth has been fully eroded, the Company has incurred a net cash loss during the current and previous years and, the Group's current liabilities exceeded the current assets as at the Balance sheet date. These conditions, along with the other matters set forth in the above note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.

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)

- Note 1.B in the Consolidated Financial statements indicate that the Company has not accounted for investments in certain associates for the reasons stated therein

Our opinion is not qualified in respect of these matters

Report on Other Legal and Regulatory Requirements

- As required by 'The Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as 'Order'), and on the basis of such checks of the books and records of the Group as we consider appropriate and according to the information and explanations given to us, we give in the Annexure a statement in the matters specified in paragraphs 3 and 4 of the Order

Other Matters

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

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

A K Chakrabarti
Partner
Membership No. 015374

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 Board of Directors members of CFL Capital Financial Services Limited and its subsidiary (together called 'the Group') for the year ended March 31, 2015. We report that:

- The Group has maintained proper records showing full particulars, including quantitative details and situation of fixed assets

The Group has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the



- Group 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 Group has been physically verified by the Management during the year and no discrepancies were noticed between physical and book stock.
 3. The Group 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 189 of the Act.
 4. In our opinion, and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Group 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 Group, and according to the information and explanations given to us, we have not come across any major weakness in the Internal Control system.
 5. In our opinion, and according to the information and explanations given to us the Group has neither accepted or renewed any deposits from the public within the meaning of Section 73 and 74 of the Act and Rules framed thereunder to the extent notified during the year. However, in our opinion and according to the information and explanations given to us, the Group 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 Group had defaulted in repayment of deposits and has got an order from the Group Law Board as per the provisions of Section 58AA of the Companies Act 1956. The Group Law Board had permitted the Group to repay the depositors in installments by 31st December, 2012. The Group has repaid in full to depositors who had claimed the same. (Refer note 6.7)
 6. 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 Group.
 7. a. According to the information and the explanations given to us, and on the basis of our examination of the account, the Group has been regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income- tax, sales tax, wealth tax, service tax value added tax, duty of customs, duty of excise and any other material statutory dues, as applicable, with the appropriate authorities .
 - a. 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 .
 - b. The amount required to be transferred to the Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act 1956 and the rules made thereunder.
 8. The Group has accumulated losses of Rs. 85,183.83 lakhs at the end of the financial year and has incurred cash losses in the financial year and in the immediately preceding financial year.
 9. On the basis of the books and records examined by us and the information and explanations given to us, the Group has defaulted in repayment of dues to financial institutions and banks as per details given below- Annexure II.
 10. According to the information and explanations given to us, the Group has not given any guarantee for loans taken by others from banks or financial institutions.
 11. The Group's Holding Company was registered as Non Banking Finance Group with the Reserve Bank of India but the same stands cancelled with effect from May 18, 2004. (Refer Note 1-C). The Subsidiary was a Stock Broker. However the Exchange has been de-recognised by the Securities and Exchange Board of India during the year.
 12. In respect of shares, shares securities debentures and other investments dealt or traded by the Group, proper records are maintained in respect of transactions and contracts and timely entries have been made therein. All the investments are in the individual Company of the Group's present or former name.

13. 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
14. During the course of our examination of the books and records of the Group, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither across any instance of material fraud on or by the Group, noticed or reported during the year, not have been informed of any such case by the Management.

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

A K Chakrabarti
Partner
Membership No. 015374

Annexure to Auditors' Report for year ended 31st March 2015

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

Annex - 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		Superintendent of Stamps

There are no disputed liabilities in case of the subsidiary

Annex - II

Annexure to Auditors' Report for year ended 31-Mar-2015

(Rs. in Lakhs)

Name of Bank /Financial Institution/Mutual Fund	Default Principal as per Lender	Interest as per appeal / Order	Total
ICICI Bank Ltd. (formerly Bank of Rajasthan Ltd.)	852.06	4,235.15	5,087.22
Catholic Syrian Bank Ltd.	646.23	650.87	1,297.10
Dena Bank	1,926.38	6,123.36	8,049.74
Federal Bank Ltd.	780.64	2,766.61	3,547.26
Indusind Bank Ltd.	1,349.75	3,722.18	5,071.93
Oriental Bank of Commerce	447.18	2,598.00	3,045.19
Kotak Bank Ltd. (formerly State Bank of Travancore)	793.85	1,479.43	2,273.28
Asset Reconstruction Co. (I) Ltd. (formerly South Indian Bank Ltd.)	840.21	2,853.27	3,693.48
Vijaya Bank	1,215.26	1,997.93	3,213.19
Axis Bank Ltd.	700.72	659.66	1,360.38
	9,552.30	27,086.47	36,638.77
UTI Asset Management Co Ltd.	248.62	2,151.55	2,400.18
Administrator of the Specified Undertaking of UTI	432.60	3,743.05	4,175.65
	681.23	5,894.60	6,575.83

The principal amount is as claimed by the lenders in their applications before the appellate authorities. Interest is calculated at the rates demanded by them or as per the orders passed by the Appellate Authorities.

There are no defaults of the subsidiary company.



CFL CAPITAL FINANCIAL SERVICES LTD.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in Rupees)

Particulars	Note No.	As at 31-Mar-15		As at 31-Mar-14	
		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	(7,253,548,409.18)		(6,598,212,355.96)	
			(5,616,995,909.18)		(4,961,659,855.96)
(2) Minority Shareholders' Interest			2,542,858.56	-	2,620,471.84
(3) Non-current Liabilities					
a. Long-term borrowings	5		-		-
b. Other long term liabilities			-		-
c. Long term provisions		879,117.00		1,107,359.00	
			879,117.00		1,107,359.00
(4) Current Liabilities					
a. Short-term borrowings	6	628,643,104.00		626,893,104.00	
b. Trade payables		3,621,741.00		3,621,741.00	
c. Other current Liabilities		5,038,454,823.69		4,394,202,426.59	
d. Short term provisions		707,132.00		890,502.00	
			5,671,426,800.69		5,025,607,773.59
TOTAL			57,852,867.07		67,675,748.47
II. ASSETS					
1. Non-current Assets					
a. Fixed Assets					
i. Tangible Assets	7	15,288,119.35		17,827,163.89	
ii. Intangible Assets		-		-	
iii. Capital Work-in-progress		-		-	
b. Non-current Investments	8	28,354,968.00		22,738,741.00	
c. Long term loans and advances		200,000.00		200,000.00	
d. Other non-current assets	8	555,009.00		19,285,559.43	
			44,398,096.35		60,051,464.32
2. Current Assets					
a. Current investments	9	484,136.00		464,936.00	
b. Inventories		-		-	
c. Trade receivables		141,243.00		196,562.00	
d. Cash and cash equivalents		9,519,060.72		3,712,886.25	
e. Short-term loans and advances		370,908.00		413,883.90	
f. Other current assets		2,939,423.00		2,836,016.00	
			13,454,770.72		7,624,284.15
TOTAL			57,852,867.07		67,675,748.47

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

A K Chakrabarti

Partner

M. No. 015374

R C Kurup

Company Secretary

Ramulu B M

Chief Financial Officer

H C Mathur

Managing Director

DIN : 00054757

Sujit Datta

Director

DIN : 00337464

Place : Kolkata

Date : 27-May-2015

Place : Kolkata

Date : 27-May-2015



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note No.	Year ended 31-Mar-15 Rupees	Year ended 31-Mar-14 Rupees
I Revenue from Operations (See note 1.C)	10	6,535,295.06	4,311,577.45
II Other Income- Interest on Income Tax refund		4,215,288.00	28,171.00
		-	-
III Total Revenue (I+II)	Total	10,750,583.06	4,339,748.45
IV Expenses			
Employee Benefit Expenses	11	10,989,575.00	11,004,096.60
Finance Costs	12	648,728,300.00	559,098,964.00
Depreciation and amortization expenses	13	488,833.31	566,660.52
Other Expenses	14	8,127,693.95	10,233,903.77
Total expenses	Total	668,334,402.26	580,903,624.89
V Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		(657,583,819.20)	(576,563,876.44)
VI Exceptional Items	15	9,912,943.20	4,958,925.58
VII Profit / (Loss) before extraordinary items & tax (V-VI)		(647,670,876.00)	(571,604,950.86)
VIII Extraordinary Items		-	-
IX Profit / (Loss) before Tax		(647,670,876.00)	(571,604,950.86)
X Tax Expense			
Current Tax		-	-
Earlier years tax		7,610,603.07	7,000.00
Deferred Tax		-	-
XI Profit / (loss) for the year(VII-VIII)		(655,281,479.07)	(571,611,950.86)
		-	-
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 in Profit / (Loss)		77,613.28	39,899.23
XVI Profit / (Loss) for the period (XI-XIV)		(655,203,865.79)	(571,572,051.63)
XVII EARNING PER SHARE (Rs. 10/-)			
1. Basic	16(9)	(4.98)	(4.36)
2. Diluted	16(9)	(4.98)	(4.36)
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

A K Chakrabarti
Partner
M. No. 015374

R C Kurup
Company Secretary

Ramulu B M
Chief Financial Officer

H C Mathur
Managing Director
DIN : 00054757

Sujit Datta
Director
DIN : 00337464

Place : Kolkata
Date : 27-May-2015

Place : Kolkata
Date : 27-May-2015



CFL CAPITAL FINANCIAL SERVICES LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2015

(Amount in Rupees)

	Year ended 31-Mar-15 Rupees	Year ended 31-Mar-14 Rupees
A. Cash Flow from Operating Activities		
Net Profit Before Tax & Extraordinary items	(647,670,876.00)	(571,604,950.86)
Adjustments for :		
- Financial Expenses	648,728,300.00	559,098,964.00
- (Profit) on sale of assets	(1,186,032.66)	-
- Loss on sale of assets	1,020,216.46	182,348.42
- Amount of Loss adjusted on Minority share	(77,613.28)	(39,899.23)
- Difference in Depreciation as per Schedule II	132,187.43	
- Interest on IT refunds		
- Depreciation	488,833.31	566,660.52
- Operating profit before Working Capital changes	1,435,015.26	(11,796,877.15)
Adjustments for :		
- (Increase) Decrease in Trade Receivables	55,319.00	(100,511.00)
- (Increase) Decrease in Other Non-Current Assets	18,730,550.43	62,354.64
- (Increase) Decrease in Current Loans & Advances	42,975.90	745,591.70
- (Increase) Decrease in Other Current Assets	(103,407.00)	16,953.00
- Increase (Decrease) in Other Current Liabilities	644,252,397.10	549,851,791.60
- Increase (Decrease) in Trade Payables	-	(20,073,814.00)
- Increase (Decrease) in Long Term Provisions	(228,242.00)	(169,262.00)
- Increase (Decrease) in Short Term Provisions	(183,370.00)	(267,088.00)
Cash generated from Operations	664,001,238.69	518,269,138.79
Financial Expenses	(648,728,300.00)	(559,098,964.00)
Direct taxes paid	(7,610,603.07)	(7,000.00)
Income Tax settled	-	-
Net Cash from Operating Activities	7,662,335.62	(40,836,825.21)
B. Cash Flow from Investing Activities		
(Purchase) of Fixed Assets	-	-
Sale of Current Investments	(19,200.00)	-
Sale of Non-Current Investments	(5,616,227.00)	9,040,946.00
Sale of Fixed Assets	1,951,652.57	102,209.31
Net Cash used in Investing Activities	(3,683,774.43)	9,143,155.31
C. Cash Flow from Financing Activities		
Increase / (Decrease) in Non Current Borrowings	1,750,000.00	28,638,000.00
Increase / (Decrease) in Current Borrowings due to decrees passed	-	-
Increase / (Decrease) in Current Borrowings due to repayment	-	-
Proceeds from unpaid calls received	-	-
Increase / (Decrease) in Minority Interest	77,613.28	39,899.23
Net Cash used in Financing Activities	1,827,613.28	28,677,899.23
Net Increase/(decrease) in Cash & Cash Equivalents	5,806,174.47	(3,015,770.67)
Cash & Cash equivalents as at opening	3,712,886.25	6,728,656.92
Cash & Cash equivalents as at closing	9,519,060.72	3,712,886.25

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 31.03.2015 include Rs. 22,80,050.31 (Previous Year Rs. 20,75,146.24 in Escrow account which has to be utilised for repayment of Fixed Deposits as per the directions of Reserve Bank of India.

As per our Report attached

For **TARMASTER & CO.**

Chartered Accountants

Firm Registration No 302016E

for and on behalf of the Board of Directors

A K Chakrabarti

Partner

M. No. 015374

R C Kurup

Company Secretary

Ramulu B M

Chief Financial Officer

H C Mathur

Managing Director

DIN : 00054757

Sujit Datta

Director

DIN : 00337464

Place : Kolkata

Date : 27-May-2015

Place : Kolkata

Date : 27-May-2015



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. It had a membership of Bangalore Stock Exchange Limited which has been de-recognised by Securities & Exchange Board of India during the year. 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, 2015 have been prepared by line by line addition of the respective financial statements for year ending 31st March, 2015 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

The financial statements for the previous three years are not even available on the website Ministry of Corporate Affairs (MCA), Government of India.

As per MCA most of these Companies are dormant or under strike off. Even in case of "Active" Companies the letters sent to the registered offices as per MCA website were returned undelivered. Hence these are not consolidated as required under Accounting Standard 23. These investments are written off in the books during the year.

C In view of the above, the Company cannot carry on any fresh Non Banking Financial activities. Hence these financial statements show the results of these operations / activities.

D 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, 2015. 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. 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. 8521165372.03 till March 2015, the Company's ability to maintain the status is dependent on concessions from stakeholders' and others' support. Substantial support is reflected in the earlier years from creditors and shareholders.

NOTE 2

SIGNIFICANT ACCOUNTING POLICIES

A Pursuant to Section 133 of the Companies Act, 2013 and Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting and addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under Companies Act, 1956 shall continue to apply. Consequently, the financial statements are prepared under historical cost and on accrual basis and in accordance with the Accounting Standards notified by the Companies (Accounting Standards) Rules 2006 referred to in section 211(3C) of the Companies Act, 1956, other relevant provisions of Companies Act, 2013 and within the terms of Prudential Norms mandated by the Reserve Bank of India subject to note 1.C above.

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

(i) **Tangible Assets** : Fixed Assets are stated at cost net of accumulated depreciation and accumulated impairment losses if any. The cost comprises of cost of acquisition, borrowing cost and any attributable cost of bringing the asset to the condition for its intended use. Costs also include direct expenses incurred upto the date of capitalisation / commissioning. Subsequent expenditure related to an existing item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond the previously assessed standards of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

(ii) **Intangible Assets** - Intangible assets are reflected at cost of acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

F Income & Expenditure

Income and Expenditure are generally accounted on accrual basis except to the extent restricted by Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007. There has been no fund based lending 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 as amended by the Schedule II of the Companies Act, 2013. All leases have completed their terms.

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 the following retirement benefits

- i) Provident Fund contributions are being made to the Regional Provident Fund Organisation.
- ii) The Gratuity Scheme is a defined benefit plan for which the Company has taken a policy from Life Insurance Corporation of India (LIC).
- iii) The Superannuation Scheme is a defined contribution scheme and contribution is paid to the LIC as per the Scheme.
- iv) 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 provision 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, the 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

O Impairments of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the assets is less than the book value of the impaired asset the recoverable amount of the asset is stated as the revised value of the impaired asset in the books of account and consequent reduction is recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An assessment is made at each Balance Sheet date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been change of assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in the statement of profit and loss.



NOTES TO ACCOUNTS

Particulars	As at 31-Mar-15 Rupees		As at 31-Mar-14 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	138,655,500	1,386,555,000.00
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 Forfeited shares				
Forfeited shares at the beginning of the year	19,500	97,500.00	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	-	1,386,652,500.00		1,386,652,500.00
f. Shareholders holding more than 5% equity shares in the Company				
	Percentage holdings	No. of shares	Percentage holdings	No. of shares
STEL Holdings Limited	48.81	67,681,206	34.37	47,664,340
Summit Securities Limited	17.78	24,651,922	19.70	27,318,150
Arco Impex Limited	17.64	24,460,100	17.64	24,460,100
Swallow Associates Limited*	-	-	16.29	22,592,837
*converted to Swallow Associates LLP w.e.f 31.10.2012				
g. Calls unpaid Nil				
h. Forfeited shares				
Opening Balance - Principal Amount paid on Forfeited shares	19,500	97,500	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, 2013 and the Memorandum and Articles of Association of the Company.				
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



Particulars	As at 31-Mar-15 Rupees		As at 31-Mar-14 Rupees	
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	
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	46.21	1,154,790
Kitply Industries Limited	20.01	500,000	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 and 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, 2013 and the Memorandum Articles of Association of the Company.				
TOTAL SHARE CAPITAL (1.d+2.d)	1,636,552,500.00		1,636,552,500.00	

NOTE 4

RESERVES AND SURPLUS

Capital Reserves	943,483,270.90	943,483,270.90
Securities Premium Account	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 in the Statement of Profit & Loss

Opening balance	(7,865,829,318.86)	(7,294,257,267.23)
Add loss for the year	(655,203,865.79)	(571,572,051.63)
Add Depreciation of earlier years	(132,187.43)	-
Closing Balance	(8,521,165,372.08)	(7,865,829,318.86)
TOTAL RESERVES AND SURPLUS	(7,253,548,409.18)	(6,598,212,355.96)

NOTE 5

NON-CURRENT LIABILITIES

a) Long term Borrowings

From Corporate Bodies - unsecured	-	-
From Fixed Depositors - Unsecured	-	-

b) Other Long term liabilities

	-	-
--	---	---

c) Long term provisions

Provision for employee benefits - Leave Salary	879,117.00	1,107,359.00
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TOTAL	879,117.00	1,107,359.00
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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)	1,150,061.00	1,150,061.00
From Corporate Bodies - unsecured (See Note 6.2 below)	627,493,043.00	625,743,043.00
Interest Accrued on above	-	-
Sub-Total	628,643,104.00	626,893,104.00



Particulars	As at 31-Mar-15 Rupees	As at 31-Mar-14 Rupees
b) Trade Payables	-	-
Sundry Creditors (Micro, Small, Medium Enterprises)	-	-
Sundry Creditors Related Parties (See note 6.3 below)	-	-
Sundry Creditors Others	3,621,741.00	3,621,741.00
Sub-Total	3,621,741.00	3,621,741.00
c) Other Current Liabilities		
Borrowing from Banks - Secured (See note 6.4 below)	955,230,077.55	955,230,077.55
Unpaid Debentures -Secured (See note 6.5 below)	68,122,631.00	68,122,631.00
Interest Accrued & Due on debentures-Secured (See Note 6.6 below)	751,748,788.32	589,460,105.32
From Fixed Depositors - Unsecured (See refer note 6.7 below)	54,390,485.00	56,976,967.00
Interest Accrued & Due on Bank Loans (See note 6.8 below)	3,171,158,209.55	2,684,954,991.55
Tax deducted at Source payable	224,569.00	214,668.00
Other loans & liabilities (See note 6.9 below)	37,580,063.27	39,242,986.17
Sub-Total	5,038,454,823.69	4,394,202,426.59
d) Short term provisions		
Provision for employee benefits		
Leave Salary	574,392.00	441,206.00
Superannuation	-	115,006.00
Gratuity	132,740.00	334,290.00
Sub-Total	707,132.00	890,502.00
Total	5,671,426,800.69	5,025,607,773.59

Note 6.1

The Company had re-discounted the bills of its clients in the past. The Company could not pay to its discounters as the Company's clients whose bills were discounted by the Company had not paid the due amount to it. The amounts are still due.

Note 6.2

These borrowings are interest free, due on demand and subject to confirmation in many cases. Hence, there is no accrued interest.

Note 6.3 - Sundry Creditors

The amount of Rs. 3,08,13,778.93 (Previous Year Rs. 3,08,92,190.43) due to Smaudra Securities Limited (SSL), the subsidiary of the Company since 1st April, 2003 against purchase / sale of GOI securities from them prior to 2004. 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. None of the creditors have intimated their status under the Micro Small Medium Enterprises Development Act, 2006

Note 6.4 - Borrowings from Banks

- The loans from Banks are secured by pari passu hypothecation of present and future Hire Purchase (HP) receivables and Lease rentals and the relative assets consisting of Plant and Machinery, Office Equipments, Vehicles etc and HP/ Lease debtors including overdue interest, delayed payment charges and the assets. The loans are further secured by way of collateral security given in the form of equitable / registered mortgage of the Company' office units in Delhi and Hyderabad to all banks along with pari passu hypothecation charge on the movable assets at these premises. The security is insignificant with respect to the amount claimed.
- The amounts were earlier advanced by the banks as Working Capital limits and then converted into loans. Hence shown under this head.
- Position of defaulted amount and other particulars as at 31st March, 2015 are given below.

The principal amount defaulted against each lender is as under	Date of Default	Original Sanctioned Amount	Default as on 31-Mar-15 Rupees	Default as on Rate of Interest p.a	Default as on 31-Mar-14 Rupees
ICICI Bank Ltd. (formerly Bank of Rajasthan Ltd)	31-Mar-02	60,000,000.00	85,206,476.09	16.50/Monthly rests	85,206,476.09
Catholic Syrian Bank Ltd.	31-Mar-02	45,000,000.00	64,623,264.00	10.00% Simple Interest	64,623,264.00
Dena Bank	28-Dec-01	150,000,000.00	192,638,170.00	12.00% Quarterly rests	192,638,170.00
Federal Bank Ltd.	30-Jun-01	50,000,000.00	78,064,423.64	16.75/Monthly rests	78,064,423.64
Indusind Bank Ltd.	30-Sep-02	100,000,000.00	134,975,050.02	12.00% Quarterly rests	134,975,050.02
Oriental Bank of Commerce	30-Sep-01	50,000,000.00	44,718,460.00	17.00% Quarterly rests	44,718,460.00
Kotak Mahindra Bank Ltd. (formerly State Bank of Travancore)	30-Sep-00	90,000,000.00	79,384,869.00	12.00% Quarterly rests	79,384,869.00
Asset Reconstruction Co. (I) Ltd. (fmly South Indian Bank Ltd.)	31-Dec-01	74,000,000.00	84,020,763.00	14.50% Quarterly rests	84,020,763.00
Vijaya Bank	1-Apr-01	100,000,000.00	121,526,304.02	9.00% Simple Interest	121,526,304.02
Axis Bank Ltd.	30-Sep-02	65,000,000.00	70,072,297.78	10.00% Simple Interest	70,072,297.78
		784,000,000.00	955,230,077.55		955,230,077.55

The principal amount is as claimed by the banks in the suits filed by them before the Debt Recovery Tribunals. (DRTs). The dates of defaults are as per the dates recorded by the Mumbai Debt Recovery Tribunal. In the earlier year, the principal was considered as per Company's proposal given in 1999.



There is no change in the total liability claimed by the lenders. The Recovery officers of the Debt Recovery Tribunals have sold some of the fixed assets mortgaged to the banks as security. The net amount of Rs.2,32,02,576/- realised by them are distributed by the Recovery Officers during the year - Nil (Previous Year - Rs. 2,32,02,576/-) to the banks after deducting the expenses and adding the interest earned.

- iv. The above lenders had approached the Debt Recovery Tribunals of Competent Jurisdiction.

Note 6.5 - Unpaid Debentures - Secured

- i. 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 at Mumbai) is insignificant with respect to amount claimed. The principal amount is shown as on the date of filing the suit before the Debt Recovery Tribunal. 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.

- ii. Position of defaulted amount and other particulars as at 31st March, 2015 are given below.

	Date of Default	Default as on 31-Mar-15 Rupees	Rate of Interest p.a	Default as on 31-Mar-14 Rupees
UTI Asset Management Co Ltd	12-May-03	24,862,220.00	20%Simple & compound	24,862,220.00
Administrator of the Specified Undertaking of UTI	12-May-03	43,260,411.00	qtrly Rest & 2% penal	43,260,411.00
		68,122,631.00		68,122,631.00

Note 6.6 - Interest Accrued and Due on Unpaid Debentures

	Date of Default	Default as on 31-Mar-15 Rupees	Rate of Interest p.a	Default as on 31-Mar-14 Rupees
UTI Asset Management Co Ltd	12-May-03	274,390,847.32	20%Simple & compound	215,155,478.76
Administrator of the Specified Undertaking of UTI	12-May-03	477,357,941.00	qtrly Rest & 2% penal	374,304,626.56
		751,748,788.32		589,460,105.32

The interest is calculated at the rates as stated above from the date of filing the appeal i.e. 15-Mar-2004.

Note 6.7 - Fixed Deposits

The Company had defaulted in repaying the deposits as per the original terms of the deposits. The repayments 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 i.e. before 31.12.2012 the last date specified as per the last CLB order of 13.10.2009.

As all Fixed Deposits have matured as per the original terms, the full amount is shown as dues to fixed depositors. The break-up of principal and interest on cumulative deposits upto the date of contacted maturity is given below.

Number of deposits	3,624	3,798
Total Amount unclaimed	54,390,485.00	56,976,967.00
Principal	44,163,804.00	46,195,642.00
Interest	10,226,681.00	10,781,325.00

The amount due within one year is Rs. 5,43,90,485/- (Previous Year Rs. 5,69,76,967/-)

Whereas majority of the warrants were encashed within their validity period, some of the remained unencashed.

Further the Company had been regularly issuing fresh warrants or bank demand drafts, as the case may be, to the depositors, who could not encash their warrants on time as and when request for the same were received. In the process, the Company had repaid Rs. 25,86,482/- (Previous Year Rs. 56,60,448/-) to the depositors during the year under review.

Further, any request received from the deposit holders against the unencashed amount shall be duly paid till the expiry of 7 years from the respective due date whereupon the same shall be transferred to the Investor Education and Protection Fund.

Note 6.8 - Interest Accrued and due on loans to banks

	Date of Default	Default as on 31-Mar-15 Rupees	Rate of Interest p.a	Default as on 31-Mar-14 Rupees
ICICI Bank Ltd. (formerly Bank of Rajasthan Ltd)	31-Mar-02	512,014,746.35	16.50/Monthly rests	421,743,171.35
Catholic Syrian Bank Ltd.	31-Mar-02	70,123,195.62	10.00% Simple Interest	63,660,867.62
Dena Bank	28-Dec-01	708,290,338.01	12.00% Quarterly rests	607,825,141.01
Federal Bank Ltd.	30-Jun-01	338,913,829.10	16.75% Monthly rests	275,014,748.10
Indusind Bank Ltd.	30-Sep-02	432,307,082.57	12.00% Quarterly rests	369,047,776.57
Oriental Bank of Commerce	30-Sep-01	313,242,166.35	17.00% Quarterly rests	258,343,204.35
Kotak Mahindra Bank Ltd. (formerly State Bank of Travancore)	30-Sep-00	173,733,443.61	12.00% Quarterly rests	145,201,801.61
Asset Reconstruction Co. (I) Ltd. (formerly South Indian Bank Ltd.)	31-Dec-01	337,435,781.59	14.00% Quarterly rests	282,948,473.59
Vijaya Bank	1-Apr-01	214,547,662.33	9.00% Simple Interest	196,926,346.33
Axis Bank Ltd.	30-Sep-02	70,549,964.02	10.00% Simple Interest	64,243,461.02
		3,171,158,209.55		2,684,954,991.55

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. The dates of defaults are as recorded by the Mumbai Debt Recover Tribunal No. 1.



Note 6.9

Other liabilities includes outstanding liabilities for expenses, employees dues, tax deducted at source pending deposit etc. And book overdraft of Rs. 3,02,15,006.24 (Previous Year Rs 3,02,20,006.24)

Note 6.10

Provisions	Opening balance 1-Apr-14	Additions	Settled / paid/ Transferred	Closing Balance 31-Mar-15
Non Current provision for employee benefits Leave salary	1,107,359.00	-	228,242.00	879,117.00
Current provision for employee benefits Leave salary	441,206.00	183,099.00	49,913.00	574,392.00
Current provision for employee benefits Gratuity	334,290.00	-	201,550.00	132,740.00
Current provision for employee benefits Superannuation	386,866.60	-	386,866.60	-
NPA Provisisons on Receivables	137,867,670.80	-	3,733,882.50	134,133,788.30
NPA Provisisons on Short term Loans & Advances	57,315,133.38	-	-	57,315,133.38
NPA Provisisons on Standard Assets	429,419.00	-	127,088.00	302,331.00
NPA Provisisons on Non Current Investments	200,159,024.00	-	161,416,417.00	38,742,607.00
Total	398,040,968.78	183,099.00	166,143,959.10	232,080,108.68

Note 6.11

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

a. Principal amount and Interest due thereon remaining unpaid to any supplier at the end of accounting year	-	-
b. Interest paid during the year beyond the appointed day -	-	-
c. Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-
d. Amount of interest accrued and remaining unpaid at the end of the year	-	-
e. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small	-	-

Note 6.12

All the creditors of the Company, except few corporates, banks and Financial Institutions (FIs), have confirmed their dues to the Company as on 31st March, 2015.

Further, the amount due to the banks except Vijaya Bank (VB), Bank of Rajasthan Ltd. (BR) (now merged with ICICI Bank Ltd), Federal Bank Ltd (FB) and FIs have been stated at the amount decreed by the Hon'ble Debt Recovery Tribunal (DRT) in their favour, as increased by the interest due thereon at the rate ordered by

DRT in the respective decree. The dues to VB, BR, FB and FIs have been stated at the amount claimed by them in their recovery suits filed before DRT and interest due thereon upto 31st March, 2015 at the rate demanded by them in their respective recovery suits.

NOTE 7

CONSOLIDATED FIXED ASSETS SCHEDULE AS ON 31.3.2014

(Rupees)

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 01.04.2014	Additions	Deletions	As at 31.03.2015	As at 01.04.2014	For the Year	as per new provisions	on deleted Assets	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Owned Assets (Tangible)											
Buildings	22,437,455.68	-	1,123,100.00	21,314,355.68	6,665,398.62	144,339.18	-	235,312.66	6,574,425.14	14,739,930.54	15,772,057.06
Furniture and Fixture	321,562.05	-	134,323.00	187,239.05	317,730.05	-	(12,246.10)	127,606.85	177,877.10	9,361.95	3,832.00
Vehicles	1,716,924.00	-	419,866.00	1,297,058.00	728,298.00	340,145.61	-	374,675.49	693,768.12	603,289.88	988,626.00
Office Equipment	409,136.93	-	116,196.84	292,940.09	239,008.10	4,348.52	144,433.53	110,387.04	277,403.11	15,536.98	170,128.83
Bangalore SE Card	1,000,000.00	-	1,000,000.00	-	-	-	-	-	-	-	1,000,000.00
TOTAL (B)	25,885,078.66	-	2,793,485.84	23,091,592.82	7,950,434.77	488,833.31	132,187.43	847,982.04	7,723,473.47	15,368,119.35	17,934,643.89
Less Provision on Standard assets										80,000.00	107,480.00
										15,288,119.35	17,827,163.89
Previous Year	121,550,089.63	-	95,665,010.97	25,885,078.66	102,764,227.49	566,660.52	-	95,380,453.24	7,950,434.77	17,827,163.89	18,678,382.14

- Buildings, mostly consist of office units, some of which are yet to be recorded in Company's new name.
- Buildings with the gross value of Rs. 1,63,64,355.68 located at New Delhi and Hyderabad are given as collateral security to Banks (Note 6.4) and the building at Mumbai valued at Rs. 48,50,000 to Debenture holders (Note 6.5)
- Leased Assets deleted during the year represent assets removed from the books on completion of lease.
- The assets sold / retired during the year include offices of the Company disposed off by the Recovery Officers of the Debt Recovery Tribunals.
- Office Equipment include cost of the software embedded in the computers or were purchased / capitalised over 10 years ago and are fully depreciated.
- The Cost of the Bangalore Exchange Card has been written off since the Bangalore Stock Exchange has been de recognised.
- In accordance with the provisions of Schedule II of the Act, in case of fixed assets having completed the useful life as at 1st April, 2014 or have been depreciated more than the residual value, the net carrying value (net of residual value) amounting to Rs. 1.32.187.43 has been recognised in the retained earning. No cognisance has been taken of deferred tax due to uncertainty of future taxable profits.
- In case the depreciation was provided as per provisions of Schedule XIV of the Companies Act, 2013, the depreciation would have been higher by Rs. 89.284.49/-



CFL CAPITAL FINANCIAL SERVICES LTD.

Particulars	As at 31-Mar-15 Nos.	As at 31-Mar-15 Rupees	As at 31-Mar-14 Nos.	As at 31-Mar-14 Rupees
Note 8				
NON CURRENT ASSETS				
Non-current investments	QUANTITY	VALUE	QUANTITY	VALUE
a. Investment in Equity Shares (long term-trade)				
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
Bangalore Stock Exchange Limited FV Re 1)	2,500	2,500.00	2,500	2,500.00
IAEC Industries Madras Ltd. - A	-	-	150,000	11,778,933.00
Indo Daein Leather Ltd. - A	-	-	600,000	26,400,000.00
Indo Deutsche Metallo Chimique P. Ltd. - DO	-	-	171,500	30,012,500.00
Jind Textiles Ltd. - UL	-	-	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
Kohinoor Feeds & Fats Ltd. - A	562,500	33,609,375.00	562,500	33,609,375.00
Multimedia Frontiers Ltd. - A	-	-	100,000	900,000.00
Nitika Cements Ltd. - DO	-	-	150,000	2,100,000.00
Ruia Hospitality Ltd. - DO	-	-	1,350,000	47,250,000.00
Spectrum Alkyd & Resins Ltd. - DO	-	-	400,000	4,000,000.00
Worldcom Multi Media Ltd. - DO	-	-	100,000	2,500,000.00
Subtotal		55,346,875.00		211,226,831.00
Less Provision for Non Performing Assets - Long Term Investments		38,742,607.00		200,159,024.00
TOTAL i		16,604,268.00		11,067,807.00
ii. 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
Less : Provision on Standard Assets		(60,000.00)		(158,966.00)
TOTAL ii		11,750,700.00		11,670,934.00
TOTAL Non-Current Investments i+ii+iii		28,354,968.00		22,738,741.00
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 Struck off / Liquidated Companies , Companies under Liquidation or strike off have been written off. In case of Active companies to whom letter have been send by Registered Post and which have been returned undelivered are also 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				
K. Shares of Dormant and Under Liquidation /Liquidated Companies areremoved from the Books. Some 'Active' Companies's shares have also been removed where no accounts for the last few years are available with Registrar of Companies and the Registered letters are returned undelivered				
Aggregate Book Value of Quoted Investments			11,750,700.00	11,670,934.00
Aggregate Market Value of Quoted Investments			11,677,151.00	11,693,791.00
Aggregate Book Value of Unquoted Investments			16,604,268.00	11,067,807.00



Particulars	As at 31-Mar-15 Nos.	As at 31-Mar-15 Rupees	As at 31-Mar-14 Nos.	As at 31-Mar-14 Rupees
Note 8 (Contd.)				
b. Long term loan and advances	-	200,000.00	-	200,000.00
There are no long term loans & advances				
c. Other non-current assets				
Tax Deducted at Source (Unsecured Considered Good)				
		555,009.00		19,285,559.43
Total		28,909,977.00		42,024,300.43

Particulars	As at 31-Mar-15 Nos.	As at 31-Mar-15 Rupees	As at 31-Mar-14 Nos.	As at 31-Mar-14 Rupees
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Note 9				
CURRENT ASSETS				
Current investments	QUANTITY	VALUE	QUANTITY	VALUE
a. Investment in Government Securities				
(Face Value Rs. 100 per unit except where specified)				
11.50% Government of India 2015	160	19,200.00	-	-
		19,200.00		-
b. Investment in Equity Shares				
i. Investment in Unlisted Companies (as per records of Ministry of Corporate Affairs)				
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 and Research Technologies (india) Ltd - A	50,000	-	50,000	-
EBF Finance Ltd - DO	-	-	9,050	-
KGN Agro Internationals Ltd (Partly Paid) DO	176,600	-	176,600	-
Lakshana Cotton Spinning and Processing P Ltd - UL	-	-	100	-
Malvika Steel Ltd - DO	-	-	237,400	-
Nova Surgikos Ltd - UL	-	-	25,800	-
PAL-Peugeot Ltd - UL	-	-	99,600	-
Prism Mills Ltd - A	1,000	-	1,000	-
Radan Multimedia Ltd (Formerly Radan Tapes & Tubes Ltd) - DO	-	-	17,400	-
Reacto Papers India Ltd - UL	-	-	400,000	-
Sun Earth Ceramics Ltd** DO	-	-	125	-
Sun Valley Farm Products Ltd (Formerly Cryptogen Ltd) - A	77,700	-	77,700	-
Vitara Chemicals Pvt Ltd - DO	-	-	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.				
Auto Pins 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	-
Inland Printers Ltd A	10,000	-	10,000	-
JSW Steels Limited* - (D) / A	100	-	100	-
KEC International Limited* - (D) / A F/V Rs. 2/-	250	-	250	-
Moulik Finance and Resorts Ltd - DO	-	-	25,500	-
Nagarjuna Agri-Tech Ltd. - (D) / A	24,691	-	24,691	-
Naina Semi Conductor Ltd - A	47,200	-	47,200	-
N R International Ltd - (D) / A	79,934	-	79,934	-
Pretto Leather Industries Ltd - A	2,800	-	2,800	-
Ranjeev Alloys Ltd - (D) / A	3,980	-	3,980	-



Particulars	As at 31-Mar-15 Nos.	As at 31-Mar-15 Rupees	As at 31-Mar-14 Nos.	As at 31-Mar-14 Rupees
Reliance Industries Limited * - (D) / A	40	21,631.00	40	21,631.00
Shamrock Industrial Company 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	-
Yogi Polyester Ltd. - UL	-	-	55,800	-
Less Provision on Standard Assets		(2,336.00)		(2,336.00)
TOTAL ii		464,936.00		464,936.00
TOTAL CURRENT INVESTMENTS (a + b(i + ii))		484,136.00		464,936.00
Aggregate Book Value of Quoted Investments		464,936.00		464,936.00
Aggregate Market Value of Quoted Investments		825,089.65		961,719.43
Aggregate Book Value of Unquoted Investments		-		-

Note 9.a

- 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.
- H. The shares of Dormant or under liquidation / dormant Companies as per website of Ministry of Corporate Affairs have been removed from the books.

b. Trade receivables - Unsecured

Outstanding for over six months after the due dates	-	-	-	-
Considered Good	-	-	-	-
Considered Doubtful	153,047,567.23	-	137,867,670.80	-
Less : Provision for Doubtful Debts	153,047,567.23	-	137,867,670.80	-
Others due for less than 6 months considered good	141,243.00	-	196,562.00	-
		141,243.00		196,562.00

c. Cash and Cash Equivalents :

i. Balances with Scheduled Banks :				
- in Fixed Deposits (against dues to employees)	176,192.27	-	163,761.27	-
- in Fixed Deposits	5,000,000.00	-	-	-
- in Current Accounts	1,979,528.14	-	1,050,485.80	-
		7,155,720.41		1,214,247.07
ii. Cash in hand	-	83,290.00	-	64,061.00
iii. Balances with Scheduled Banks :				
- in Escrow Account -Current		2,280,050.31		359,431.94
- in Escrow Account - Fixed Deposit		-		2,075,146.24
		9,519,060.72		3,712,886.25



Particulars	As at 31-Mar-15 Nos.	As at 31-Mar-15 Rupees	As at 31-Mar-14 Nos.	As at 31-Mar-14 Rupees
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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)	49,629,527.38		49,629,527.38	
Less Provision for doubtful debts	49,629,527.38		49,629,527.38	
Staff loans (Unsecured / Considered Good)	-	286,000.00		314,000.00
Other loans/advances (Unsecured, Considered good)	272,514.00		288,801.90	
Less Provision for doubtful debts	185,606.00		185,606.00	
		86,908.00		103,195.90
Less Provision on Standard Assets	-	(2,000.00)		(3,312.00)
Short-term Loans & Advances- Net of Provisions	-	370,908.00		413,883.90

- 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	361,447.00		361,447.00	
Interest Receivable on Security / Bank Deposit	208,726.00		107,073.00	
Deposits for Premises, Telephones etc (Unsecured/considered Good)	2,384,250.00	-	2,381,826.00	
Less ; Provision on Standard Assets (unsecured / considered good)	(15,000.00)	-	(14,330.00)	-
		2,939,423.00		2,836,016.00

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		13,454,770.72		7,624,284.15
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Note 9.f

- 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-15 Rupees	Year ended 31-Mar-14 Rupees
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NOTE 10

INCOME FROM OPERATIONS

OTHER INCOME

Income from Old Recoveries of Funded Business.	791,118.00	661,882.00
Profit from Sale of Shares- Current Investments - Non Trade	-	35,764.86
Profit from Sale of Shares- Long Term Investments Non Trade	-	228,190.00
Dividend - Current investments - Non trade	1,820.00	75,510.59
Dividend - Long Term investments	281,250.00	281,250.00
Interest on SLR Securities Long Term Investments-Trade	908,584.00	1,637,130.00
Interest on Bank Deposits (TDS Rs. 51,298/- . PY Rs 92,251/-)	511,664.80	14,466.00
Interest on Deposits with DRT-RO (TDS Rs.Nil. PY Rs Nil)	-	489,139.00
Interest on Security Deposits (TDS Rs. 763/- . PY Rs Nil)	5,706.00	128,243.00
Rent Received (TDS Rs.36,000/- . PY. Rs. 36,000/-)	360,000.00	360,000.00
Consultancy Charges	3,100,000.00	400,000.00
Other Business Income	575,152.26	2.00
	6,535,295.06	4,311,577.45



Particulars	Year ended 31-Mar-15 Rupees	Year ended 31-Mar-14 Rupees
NOTE 11		
EMPLOYEE BENEFIT EXPENSES		
Salaries and other benefits	10,452,253.00	9,853,948.00
Welfare Expenses	72,970.00	123,821.00
Contribution to Provident Fund, Gratuity		
Superannuation and other Funds	464,352.00	1,026,327.60
	<u>10,989,575.00</u>	<u>11,004,096.60</u>
NOTE 12		
FINANCE COSTS		
Interest - Debentures	162,288,683.00	130,878,043.00
Interest - Banks & others	486,439,617.00	428,220,921.00
	<u>648,728,300.00</u>	<u>559,098,964.00</u>
NOTE 13		
Depreciation and amortization expenses (see note 7)	488,833.31	566,660.52
NOTE 14		
OTHER EXPENSES		
Auditors Remuneration (see Note 17)	291,754.00	265,367.00
Communication costs	552,156.88	644,796.23
Directors' Fees	19,000.00	18,000.00
Electricity Expenses	58,824.00	124,526.00
Insurance	423,658.00	497,521.00
Legal & Professional Charges	4,038,647.37	2,489,415.51
Printing and Stationery	297,102.30	316,797.00
Rent	519,950.00	1,094,330.00
Recovery Expenses by Debt Recovery Tribunals.	-	2,767,954.00
Repairs and Maintenance-Buildings	16,491.00	32,118.00
Repairs and Maintenance- Others	91,379.00	78,529.39
Service Tax -reverse charge	215,046.00	157,436.00
Travelling and Conveyance	835,152.00	1,000,350.00
Vehicle Expenses	432,780.00	530,359.00
Miscellaneous Expenses	335,753.40	216,404.64
	<u>8,127,693.95</u>	<u>10,233,903.77</u>
NOTE 15		
EXCEPTIONAL INCOME AND EXPENSES		
A. EXCEPTIONAL INCOME		
Provision No longer required, & others		
a) Provision for NPAs No Longer required	21,303,544.00	226,355,748.68
b) Provision for Expenses no longer required	383,022.00	-
c) Profit on Sale of Assets	1,186,032.66	-
	<u>22,872,598.66</u>	<u>226,355,748.68</u>
B. LESS EXCEPTIONAL EXPENSES		
Write offs/Provisions against doubtful/irrecoverable Assets and diminution/loss in value of Investments		
a) Bad debts written off	11,933,326.00	218,083,636.30
b) Loss on sale of assets	1,020,216.46	182,348.42
c) Diminution in value of Investments	6,113.00	26,228.38
d) Loss on foreclosure.	-	3,104,610.00
	<u>12,959,655.46</u>	<u>221,396,823.10</u>
NET EXCEPTIONAL INCOME /(EXPENSES)	<u><u>9,912,943.20</u></u>	<u><u>4,958,925.58</u></u>



Particulars	Year ended 31-Mar-15 Rupees	Year ended 31-Mar-14 Rupees
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NOTE 16

(1) Contingent Liabilities :

- i) Dividend on 13% Redeemable Cumulative Preference Shares is in arrears- Rs. 55,22,79,000/-17 years (previous Year Rs.51,97,92,000/-16 years)
- ii) Wealth Tax Rs. 3,27,843/- (Previous Year Rs. 3,27,843/-)
- iii) Sales Tax Rs. 23,14,158/- (Previous Year Rs. 23,14,158/-)
- iv) Others Rs. 13,20,000/- (PY Rs. 13,20,000/-)

The above liabilities, except dividend on preference shares, are dependent upon the outcome of appeals before various authorities. The contingent liability towards dividend on Preference Shares would be payable if the Company has distributable profits.

Claims against the Company not acknowledged as debts, as the same are disputed by the Company. Others Rs. 29,35,966/- (Previous Year Rs. 23,98,362/-)

(2) Audit fees include amounts paid to Auditors towards:

As Auditors for : Statutory Audit	125,000	125,000
Tax Audit	-	-
For certification fees	62,500	100,293
Corporate Governance	20,000	20,000
Out of Pocket expenses	69,254	20,074
	276,754	265,367

(3) 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.

- (4) The accumulated loss of Rs. 851,8383,069.83/- (Previous Year Rs. 7,86,40,13,154.60/- includes unabsorbed depreciation of Rs.170,19,80,477.39/- (Previous Year Rs. 1,70,14,93,343.52/-)
- (5) The Company has paid an amount of Rs. 4,45,197/- (PY Rs. 7,69,866/-) towards Provident & Pension Funds and Gratuity & Superannuation Schemes. For leave benefit the Company has provided, on actuarial basis. A liability of Rs. 14,53,459/- (PY Rs. 15,48,515/-) is accrued as at the year end. Samudra Securities have no employees for the last many years.
- (6) 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:

	2014-15	2013-14
Company's Contribution to Superannuation Fund	470,660	498,873
Company's Contribution to Employee (RPFO) Pension Scheme	75,012	62,007
Company's Contribution to Provident Fund (RPFO)	85,904	111,030
Defined Benefit Plan	2014-15	2013-14
Company's Contribution to Provident Fund (Trust)	-	-
Company's Contribution to Gratuity Scheme	(201,500)	334,290

The present value of obligation towards gratuity is determined based on actuarial valuation report furnished by LIC, 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. It is fully funded as on the year end.

The obligation for leave encashment is recognised on the basis of the actuarial certificate and is not funded

Particulars	Gratuity (Funded)		Leave Encashment (not Funded)	
	2014-15	2013-14	2014-15	2013-14
I Assumptions as at				
Mortality Rate	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate	LIC(1994-96)	LIC(1994-96)
Discount Rate	8% p.a.	8% p.a.	8% p.a.	9% p.a.
Salary escalation rate	4% p.a.	7% p.a.	10% p.a.	10% p.a.
Rate of Return (expected) on plan assets	9.15% p.a	9.05% p.a.	NO FUND	NO FUND
Method of Valuation	Projected Unit Credit Method	Projected Unit Credit Method		
Withdrawal Rate	1% to 3% depending on age	1% to 3% depending on age	1% throughout	1% throughout
Retirement age Years	58	58	58	58
Expected average remaining service			7(5.9)	9(7.1)



CFL CAPITAL FINANCIAL SERVICES LTD.

Particulars	Gratuity (Funded)		Leave Encashment (not Funded)	
	2014-15	2013-14	2014-15	2013-14
Period of accounting	01.04.2014- to 31.3.2015	01.04.2013- to 31.3.2014	01.04.2014- to 31.3.2015	01.04.2013- to 31.3.2014
Data information on	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Number of members	12	12	9	12
Average /Total monthly salaries	23,606	22,105	222,232	265,268
Average age	52.33	51.33	51	49
Average Past Service (yrs)/Leave balance (days)	18.33	17.50	55	57
II Changes in present value of obligations				
PVO at beginning of year	2,561,312	3,887,011	1,548,515	1,736,521
Interest cost	204,905	310,961	123,881	132,431
Current Service Cost	125,340	203,917	212,567	201,201
Benefits Paid (as intimated by Company)	(60,317)	(1,874,637)	-	(530,138)
Actuarial (gain)/ loss on obligation	(234,839)	34,060	(614,603)	8,500
PVO at end of year	2,596,401	2,561,312	1,270,360	1,548,515
III Changes in fair value of plan assets				
Fair value of Plan Assets at beginning of year	3,359,667	4,946,516	-	-
Expected return on Plan Assets	296,959	214,648	-	-
Contributions	-	-	-	-
Benefits Paid (as intimated by Company)	(60,317)	(1,874,637)	-	-
Actuarial (gain)/ loss on plan assets	-	-	-	-
Fair Value of Plan Assets at end of year (estimate)	3,596,306	3,286,527	-	-
IV Fair Value of Plan Assets				
Fair value of Plan Assets at beginning of year	3,359,667	4,946,516	-	-
Actual return on Plan Assets	296,956	214,648	-	-
Contribution	-	-	-	-
Benefits Paid (as intimated by Company)	(60,317)	(1,874,637)	-	-
Fair value of Plan Assets at the end of year	3,596,306	3,286,527	-	-
Funded Status	999,905	725,215	(1,548,515)	1,548,515
Excess of actual over estimated return on Plan	-	-	-	-
V Actuarial Gain/ (Loss) Recognized				
Actuarial Gain /(Loss) for the year(Obligation)	234,839	(34,060)	614,603	(8,500)
Actuarial Gain/(Loss) for the year (Plan Assets)	-	-	-	-
Total Gain/(loss) for the year	(234,839)	34,060	614,603	(8,500)
Actual Gain/(loss) recognized for the year	(234,839)	34,060	614,603	(8,500)
Unrecognized Actuarial Gain/(loss) at end of year	-	-	-	-
VI Amounts to be recognized in the balance sheet and statement of profit & loss statement				
PVO at end of year	2,596,401	2,561,312	1,270,360	1,548,515
Fair value of Plan Assets at the end of year	3,596,306	3,286,527	-	-
Funded Status	999,905	725,215	(1,270,360)	(1,548,515)
Unrecognized Actuarial Gain/ (loss)	-	-	-	-
Net assets/ (Liability) recognized in the balance sheet	999,905	725,215	(1,270,360)	(1,548,515)
VII Expense recognized in the statement of Profit & Loss				
Current Service Cost	125,340	203,917	212,567	201,201
Interest cost	204,905	310,961	123,881	132,431
Expected Return on Plan Assets	(296,956)	(214,648)	-	-
Net Actuarial Gain/(Loss) recognised for the year	(234,839)	34,060	(614,603)	8,500
Expense recognized in the statement of P & L A/c	(201,550)	334,290	(278,155)	342,132
VIII Movements in the Liability recognised in Balance Sheet				
Opening Net Liability	-	-	1,548,515	1,736,521
Expenses as above	-	-	(278,155)	342,132
Actual return on Plan Assets	-	-	-	-
Benefits paid	-	-	-	(530,138)
Closing Net Liability	-	-	1,270,360	1,548,515
IX Break up of total liabilities as Non-Current & Current				
Current Liabilities (3 Exits)(Previous Year 2 exit)	-	-	391,243	441,156
Non Current Liabilities	-	-	879,117	1,107,359
Total Liability	-	-	1,270,360	1,548,515



Particulars	Gratuity (Funded)		Leave Encashment (not Funded)	
	2014-15	2013-14	2014-15	2013-14
Defined Benefit obligation at the end of Period	-		1,270,360	1,548,515
Plan assets at the end of the Period			-	-
Funder Status - Surplus / (Deficit)			(2,370,360)	(1,548,515)
Actuarial Gain /(Loss) due to change in basis			12,198	(31,123)
Actuarial Gain /(Loss) due to change in data			(626,801)	39,623
Total Actuarial Gain /(Loss) in Liabilities			(614,603)	8,500
Experience Gain / Loss in Plan Assets			-	-
XI RESULTS OF VALUATION				
a. PV of Past Service Benefit	2,596,401	2,561,312		
b. Current Service Cost	85,606	125,340		
c. Total Service Gratuity	3,752,510	32,486,511		
d. Accrued Gratuity	22,980,323	2,670,882		
e. Life Cover Sum Assured	771,724	805,804		
f. LC Premium	4,813	5,841		
g. Service Tax @ 12.6%	595	722		
XII RECOMMENDED CONTRIBUTION RATE				
a. Fund Value as on Renewal Date	3,299,350	4,830,129		
b. Additional Contribution for Existing Fund	-	-		
c. Current Service Cost	-	-		

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

(7) Related Party Disclosures

1. Relationships

- (i) Shareholders in the Company
STEL Holdings Ltd. holds 48.81% equity share capital of the Company.
- (ii) 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 Bankser. The Company does not have any significant influence over their managements and are hence not considered for related party disclosures. The financial statements for the previous three years are also not available on the website Ministry of corporate Affair , (MCA) Government of India. As per MCA most of these Companies are dormant. Even in case of 'Active' Companies the letters sent to the registered offices as per MCA website were returned undelivered.) These investments are written off during the year.

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

- Mr H C Mathur - Chairman & Managing Director
- Mr R C Kurup - Company Secretary
- Mr Ramulu BM Chief Financial Officer C Kurup - Company Secretary

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 16(7)1.(i) above	Parties referred in Note 16(7)1.(ii) above
Previous Year	-	-
b. Details relating to persons referred to in item 1 (iii) above		Rupees
1 Remuneration to Chairman & Managing Director		4,038,656.00
Previous Year		(3,056,041.00)

(8) Segment Information

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



CFL CAPITAL FINANCIAL SERVICES LTD.

(9) Earnings per share

	(Rupees)	(655,203,866)	(571,572,052)
a. Profit/(Loss) after tax			
b. Adjustments for			
Preference Dividend		32,487,000	32,487,000
Interest on Income Tax Refunds		4,215,288	28,171
Taxation of earlier years		(7,610,603)	-
c. Adjusted Loss after tax		(691,086,181)	(604,030,881)
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.	(4.98)	(4.36)
g. Weighted average number of Equity shares for Diluted EPS	Nos.	138,675,000	138,675,000
h. Earning per share (Diluted)	Rs.	(4.98)	(4.36)

(10) A sum of Rs. 50,000/- (P Y Rs. 35,103/-) is transferable to the Investors Education & Protection Fund at the end of the year.

After the year end a sum of Rs. 50,000/- (P Y Rs. 35,103/-) have been transferred to the said Fund till the date of these statements.

(11) 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.

(12) Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries

	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount (Rupees)	As % of Consolidated Net Profit	Amount (Rupees)
I Parent				
CFL Capital Financial Services Limited	100.05	(5,617,052,290.02)	99.85	(654,237,727.79)
II Subsidiary -Indian				
Samudra Securities Limited	(0.00)	241,497.47	0.15	(965,339.28)
III Minority Interest in subsidiary	(0.05)	2,542,858.56	0.01	(77,613.28)
IV Inter company Eliminations and Consolidation adjustments	0.00	(185,116.63)	(0.01)	77,613.28
V Total	100.00	(5,614,453,050.62)	100.00	(655,203,067.07)

The Company holds over 25% shareholding in Ace Garment Export Ltd, Indo Dean Leather Ltd, Kaveri Polysacks Ltd, Spectrum Alkyd & Resins Ltd & Ruia Hospitality Ltd.

The financial statements for the previous three years are not even available on the website Ministry of Corporate Affair (MCA), Government of India.

As per MCA most of these Companies are dormant or under strike off. Even in case of "Active" Companies the letters sent to the registered offices as per MCA website were returned undelivered. Hence these are not consolidated as required under Accounting Standard 23. These investments are written off in the books during the year.

(13) 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.

(14) The Company is not liable to spend any money towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 since it has losses u/s 197 of the said Act for all the last three financial years

(15) 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

A K Chakrabarti

Partner

M. No. 015374

R C Kurup

Company Secretary

Ramulu B M

Chief Financial Officer

H C Mathur

Managing Director

DIN : 00054757

Sujit Datta

Director

DIN : 00337464

Place : Kolkata

Date : 27-May-2015

Place : Kolkata

Date : 27-May-2015

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CFL CAPITAL FINANCIAL SERVICES LIMITED

Regd Office: Century Plaza, 81, N S Road, 2nd Floor, Room No.233, Kolkata-700 001

CIN: L67120WB1983PLC036805,

website: www.cfltd.in; **E-mail:** cflcapfsl@gmail.com

Name of the member(s)			
Registered Address			
Email ID			
Folio No. / Client ID / DP ID		DP ID	

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint

1. Name:Address:

E-mail Id:.....Signature:

or failing him

2. Name:Address:

E-mail Id:.....Signature:

or failing him

3. Name:Address:

E-mail Id:.....Signature:

as my/our proxy to attend and vote for me/us and on my/our behalf at the Thirtieth Annual General Meeting of the Company being held on Monday the 28th day of September, 2015 at : "Uttam Mancha", 10/11, Monoharpukur Road, Kolkata-700026 and at any adjournment thereof in respect of such resolutions are indicated below:

- Adoption of Financial Statements and Reports
- Appointment of Auditors
- Appointment of Independent Director
- Appointment of Managing Director

Signed this _____ day of _____, 2015

Signature of shareholder

Affix a
1 Rupee
Revenue
Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

NOTE: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting

2. A Proxy need not be a member of the Company.

If undelivered, please return to:

Registered Office: Century Plaza,
Unit No. 233, Second Floor,
81, Netaji Subhas Road,
Kolkata 700 001.
Tel.: +91-33-22439332