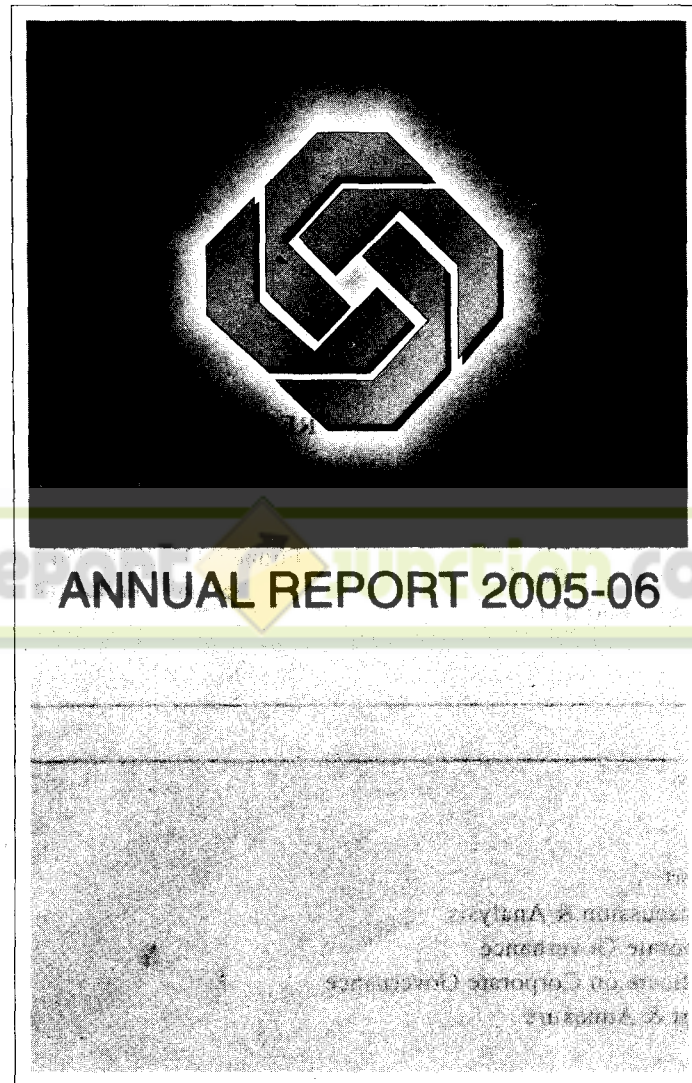


# CFL CAPITAL FINANCIAL SERVICES LTD.



### BOARD OF DIRECTORS

H.C. Mathur - Chairman & Managing Director  
 Sujit Dutta  
 B. N. Tripathi  
 Sudhamoy Chatterjee  
 A. V. Sudhakaran (w.e.f. 15.12.2005)

### COMPANY SECRETARY

R. C. Kurup

### AUDITORS

Tarmaster & Co.  
 Chartered Accountants

### REGISTERED OFFICE

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

### CORPORATE OFFICE

207-215, Bezzola Complex,  
 B Wing, 71, Sion Trombay Road,  
 Chembur, Mumbai - 400 071.

### BANKERS

Bank of Baroda  
 Bank of Rajasthan Ltd.  
 Dena Bank  
 Federal Bank Ltd.  
 HDFC Bank Ltd.  
 The IndusInd Bank Ltd.  
 Oriental Bank of Commerce  
 State Bank of India  
 State Bank of Travancore  
 The Catholic Syrian Bank Ltd.  
 The South Indian Bank Ltd.  
 UTI Bank Ltd.  
 Vijaya Bank

### REGISTRARS & SHARE TRANSFER AGENTS

Intime Spectrum Registry Limited  
 59C Chowringhee Road, 3rd Floor  
 Kolkata - 700 020.  
 Phone : 033-2289-0540, Telefax : 033-2289-0539  
 E-mail : kolkata@intimespectrum.com

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**CFL CAPITAL FINANCIAL SERVICES LTD.****CFL CAPITAL FINANCIAL SERVICES LIMITED**

**NOTICE** is hereby given that the Twenty-first Annual General Meeting of the members of CFL Capital Financial Services Limited will be held at the Mini Auditorium, Science City, JBS Haldane Avenue, Kolkata-700 046 on Tuesday, the 5<sup>th</sup> day of September, 2006 at 10.30 A.M to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Profit and Loss Account for the financial year ended 31<sup>st</sup> March 2006, the Balance Sheet as that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.Sujit Datta who retires by rotation and is eligible for reappointment
3. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board to fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and if thought fit to pass, with or without modifications, the following as an Ordinary Resolution  
"RESOLVED THAT Mr.A.V.Sudhakaran be and is hereby appointed as a Director of the Company liable to retire by rotation."

By Order of the Board

R.C.Kurup  
Company Secretary

Registered Office:  
Century Plaza  
81, Netaji Subhas Road  
Unit No.233, Second Floor  
Kolkata-700 001  
Dated : 30<sup>th</sup> June, 2006

**NOTES**

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and, on a poll, to vote on his behalf. A proxy need not be a member of the Company. Proxies, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The Register of Members of the Company will remain closed from 29<sup>th</sup> August, 2006 to 5<sup>th</sup> September, 2006, both days inclusive.
3. An Explanatory Statement pursuant to Section 173 relating to special business is annexed to this Notice.
4. Mr.Sujit Datta and Mr.A.V.Sudhakaran are not holding any shares of the Company.
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. Pursuant to Section 205A of the Companies Act, 1956 dividends for the financial year ended 31<sup>st</sup> March, 1998 which remained unpaid/unclaimed have been transferred to the Investor Education and Protection Fund of the Central Government (IEPF).
8. The Equity Shares of the Company have already come under compulsory dematerialised trading with effect from 28<sup>th</sup> August 2000. Members are, therefore, at liberty to dematerialise their holdings in the Company through a Depository Participant.
9. Usage of of plastic & Polythene carry bags are strictly prohibited inside the auditorium.

**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.****Item 4**

The Board of Directors of your Company have appointed Mr.A.V.Sudhakran as an Additional Director on the Board with effect from 15<sup>th</sup> December, 2005 pursuant to Article 116 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and his term of office expires at the ensuing Annual General Meeting.

The Company has received a notice from a member together with the requisite deposit, signifying his intention to propose Mr. Sudhakran's name as a candidate for the office of a Director of the Company. Mr.Sudhakaran possesses over 20 years of corporate experience in the commercial and accounting functions. Considering his background and experience in management your Directors feel that it would be beneficial for the Company to continue to avail of his services as a Director of your Company.

Your Directors recommend that the resolution set out at item 4 of the annexed Notice be passed in the interest of the Company. Except Mr.Sudhakaran none of the Directors is concerned with or interested in the resolution.

# CFL CAPITAL FINANCIAL SERVICES LTD.

## DIRECTORS' REPORT

Your Directors hereby present their Twenty-first Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March 2006.

## FINANCIAL RESULTS

	(Rs. in Lakhs)	
	For the year ended 31-3-2006	For the year ended 31-3-2005
Gross Income	294	227
Less: Expenditure	1201	1355
Depreciation	62	74
Write off/Provision against doubtful and irrecoverable debts and diminution/loss in value of investments	978	906
Gross Profit/(Loss)	(1948)	(2108)
Provision for expenses/NPA no longer required/ bad debts recovered etc	748	801
Profit/(Loss) before tax	(1200)	(1307)
Provision for tax	3	-
Profit/ (Loss) after tax	(1203)	(1307)
Add: Balance brought forward from earlier years	(47349)	(46042)
Loss carried to Balance Sheet	(48552)	(47349)

## DIVIDEND

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

## OPERATIONS

Despite the best efforts of your Directors to commence a non-banking line of business, no tangible development could take place due to acute shortage of funds. Available funds were utilised for repayment of fixed deposits, settlement with creditors and for operating expenses. Your Directors are still exploring the possibility of entering into any other suitable business with minimum requirements of financial resources.

With resources being scarce, your Company continues in its efforts to reduce its operating expenses and is operating at the bare minimum level. As the resources mobilised did not meet the forecasts, leading to a shortfall, your Company had to approach the Hon'ble Company Law Board for a short term extension for repayment of the instalment of Fixed Deposits which was due for payment within 31<sup>st</sup> March, 2006 as per the Order of the Hon'ble Company Law Board passed on 30th April, 2004. The Hon'ble Company Law Board vide its Order dated 28th February, 2006 was pleased to grant the extension upto 30th September, 2006. The Company had paid Rs. 157 lakhs to holders of Fixed Deposits during the year ended 31st March, 2006. 6812 deposits amounting to Rs. 156 lakhs have matured and remained unclaimed as on the date of the Balance Sheet. Your Company will continue to make its best efforts to repay the outstanding Fixed Deposits in accordance with the Orders passed by the Hon'ble Company Law Board.

Intensive efforts for recoveries from debtors continued to be the principal focus, and despite the difficult and sticky cases the Company could manage to make recoveries from several of its debtors. This was achieved through persuasion and legal action and the proceeds were utilised for repayment of dues and for operating expenses.

## DIRECTORS

Mr.H.C.Mathur was re-appointed as the Managing Director of the Company for a period of 2 years with effect from 1<sup>st</sup> May, 2005 as per approval of the shareholders at the last Annual General Meeting of the Company and the Central Government vide its letter no. 1/287/2005-CL.VII dated 8th September, 2005 and 19th October, 2005.

Mr. A.V.Sudhakran was appointed as an Additional Director on the Board with effect from 15<sup>th</sup> December 2005 and he vacates his office at the ensuing Annual General Meeting. Notice has been received from a shareholder signifying his intention to propose the candidature of Mr.Sudhakran at the ensuing Annual General Meeting. Your Directors recommend his appointment for the office of a Director.

Mr.Sujit Datta retires by rotation and, being eligible, offers himself for re-appointment.

## PARTICULARS OF EMPLOYEES

Mr.Amarendra Nath Misra, Vice President-Legal, is the only employee falling within the purview of Section 217 (2-A) of the Companies Act, 1956. Mr.Misra aged 42 years, with an experience of 22 years, is a B.A., LL.M., MBA, PGDCS and was head of the Legal Department of Indo-Gulf Fertilisers & Chemicals Corporation Ltd. prior to joining the Company on 6th September, 1995. He has a contractual appointment with the Company and was in receipt of remuneration aggregating Rs.,33,64,414/-(Rs.33,62,761) during the year under review. The remuneration is inclusive of salary, allowances, incentives, medical expenses, leave travel assistance, ex-gratia compensation, monetary value of perquisites, Company's contribution to Provident and other Funds.

Mr.Misra is not a relative of any Director of the Company and does not hold any shares in the Company either in his own name or in the name of his relatives.

## SUBSIDIARIES

The Directors' Report along with the Auditors' Report, Balance Sheet and Profit and Loss Account of Ceat Securities Limited for the year ended 31st March, 2006 are annexed to this Report.

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

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



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

#### AUDITORS AND AUDIT REPORT

Messrs Tarmaster & Co., Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment. As regards the comments in the Auditors' Report, the relevant notes in the Accounts are self explanatory and may be treated as explanations submitted by the Board as contemplated under Section 217(3) of the Companies Act, 1956.

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure;
- (ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are 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 have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) they have prepared the Accounts on a going concern basis (As explained in Note B 1 & 2 Schedule 12 of the Accounts).

#### MANAGEMENT DISCUSSION AND ANALYSIS CORPORATE GOVERNANCE

In accordance with the requirements of the Listing Agreements with the Stock Exchanges, a report on Management Discussion and Analysis is attached hereto (Annexure 'A'). A report on the status of compliance of corporate governance norms along with the certificate of the Auditors is also attached. (Annexure 'B')

#### ACKNOWLEDGEMENT

Your Directors wish to thank the Company's stakeholders, and employees for their support extended to it throughout the year.

For and on behalf of the Board

(H.C.Mathur)  
Chairman

Kolkatta  
Dated: 30<sup>th</sup> June, 2006



#### Annexure 'A' to the Directors Report

##### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company continuously strived to raise resources for meeting its liabilities and especially its dues to the holders of Fixed Deposits. With the scarce funds being insufficient even for meeting its day to day liabilities your Company's efforts to commence some non-finance business did not make any headway.

##### INDUSTRY STRUCTURE AND DEVELOPMENTS

In the absence of any business activity and the current circumstances the Company does not fall under any industrial structure. The efforts in raising resources did not match the planned projections and the Company had to approach the Hon'ble Company Law Board for a short extension for repayment of the instalment of Fixed Deposits which was due for payment within 31<sup>st</sup> March, 2006 as per the Order of the Hon'ble Company Law Board passed on 30<sup>th</sup> April, 2004. The Hon'ble Company Law Board vide its Order dated 28<sup>th</sup> February, 2006 was pleased to approve the extension upto 30<sup>th</sup> September, 2006. Proceedings initiated against the Company by most of the banks for recovery of their dues, are at various stages before the Debt Recovery Tribunal.

##### OPPORTUNITIES, THREATS, RISKS, CONCERNS, PERFORMANCE AND OUTLOOK

As in the previous year, the entire efforts of the Company continue to be directed towards managing its liabilities. Due to the continuous losses during the last few years and with the entire net worth of the Company getting eroded your Company is facing constraints in generating the resources for meeting its liabilities. Nevertheless your Company is still continuing its utmost efforts to maximize its recoveries. Your Company would continue its efforts to pay off its liabilities including repayment of fixed deposits. The Company will also continue to pursue settlements wherever possible with its creditors / lenders.

##### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

##### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONS

Your attention is drawn to the report of the Directors and more specifically to the issues mentioned under the head 'Operations' and to the comments under the head 'Opportunities, Threats, Risks, Concerns, Performance and Outlook' here before. The Company's financial position is under extreme stress and needs a concerted effort from creditors and shareholders for any significant positive result to emerge in the long run.



## CFL CAPITAL FINANCIAL SERVICES LTD.

### HUMAN RESOURCES

The Company has 21 employees.

During the year a few innovative ideas were received from the staff, many of which were implemented for improvement in cost control and for achieving greater efficiency.

For and on behalf of the Board

(H.C.Mathur)

Chairman

Kolkatta

Dated: 30<sup>th</sup> June, 2006

Annexure 'B' to the Directors Report

### CORPORATE GOVERNANCE

#### Company's Philosophy on Corporate Governance

Your Company continues to practise transparency in its dealings with emphasis on integrity and regulatory compliance. It attaches great importance to 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 31<sup>st</sup> March, 2006 are given below:

Name of the Director	Executive/ Independent/ Non-executive	No. of Board Meetings attended	Whether attended last AGM	No. of other director in Public Ltd companies	No of other Committee ships Chairman- ship/Member
Mr.H.C.Mathur	Managing Director	9	Yes	NIL	NIL
Mr.B.N.Tripathi	Independent non-executive	9	Yes	NIL	NIL
Mr.Sujit Datta	Independent non-executive	9	Yes	NIL	NIL
Mr.Sudhamoy Chatterjee	Independent non-executive	9	Yes	NIL	NIL
Mr.A.V.Sudhakaran	Independent Non-executive	3	Not applicable	NIL	NIL

Mr.H.C.Mathur's re-appointment as the Managing Director of the Company for a period of 2 years with effect from 1<sup>st</sup> May, 2005 was approved by the shareholders at the last Annual General Meeting of the Company. The Central Government accorded its approval for the appointment and payment of remuneration upto a maximum of Rs.9,00,000 per annum vide its letter no.1/287/2005-CL.VII dated 8th September, 2005 and 19th October, 2005.

Mr. Sujit Datta retires by rotation and, being eligible, offers himself for re-appointment. Mr. Datta is 45 years of age and had graduated in Commerce and Law from Calcutta University. He has about 25 years experience in Commercial and Finance management.

During the year under review, 9 meetings of the Board of Directors were held on 12<sup>th</sup> April, 2005, 13<sup>th</sup> April, 2005, 30<sup>th</sup> April, 2005, 30<sup>th</sup> June, 2005, 29<sup>th</sup> July, 2005, 31<sup>st</sup> October, 2005, 15<sup>th</sup> December, 2005, 31<sup>st</sup> January, 2006 and 31<sup>st</sup> March, 2006. The meetings of the Board of Directors are generally held once in a quarter and are scheduled well in advance unless it is necessary to convene the same for urgent purposes. A detailed agenda is prepared by the Company Secretary in consultation with the Managing Director which is circulated to the members of the Board in advance.

#### Audit Committee

The Company has a qualified Audit Committee. The terms of reference of the Committee are in accordance with the provisions of the Companies Act, 1956, the requirements of the Reserve Bank of India and of the Listing Agreements with Stock Exchanges. The present members of the Audit Committee are Messers Sujit Dutta, B.N.Tripathi and Sudhamoy Chatterjee. There were five meetings of the Audit Committee on 30<sup>th</sup> June, 2005, 29<sup>th</sup> July, 2005, 31<sup>st</sup> October, 2005, 31<sup>st</sup> January, 2006 and 31<sup>st</sup> March, 2006. The attendance at the meetings was as follows:



Name of the members		No of meetings attended
Mr.Sujit Dutta	Chairman	5
Mr.B.N.Tripathi	Member	5
Mr.Sudhamoy Chatterjee	Member	5

All the members are Independent and Non-Executive Directors.

#### Remuneration Committee

The Company has a Remuneration Committee to recommend/review the remuneration package of the Managing Director. Mr.B.N.Tripathi is the Chairman of the Committee with Messrs Sujit Dutta and Sudhamoy Chatterjee being the other members. The Committee met twice during the year on 13<sup>th</sup> April, 2005 and 26<sup>th</sup> October, 2005 which were attended by all the members of the Committee.

#### 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 shareholders and the Central Government. The remuneration structure comprises of salary, consolidated allowance and other perquisites such as house rent allowance, medical benefits, leave travel concession, club subscription, contribution to provident, superannuation and gratuity funds and provision of car and telephone. There is no separate provision for payment of severance fee. However, the statutory provisions will apply.

The details of remuneration paid to Mr. H.C. Mathur during the year ended 31st March, 2006 are Basic Salary Rs. 4,56,000/-, House Rent Allowance Rs.2,73,600/- Consolidated Allowance Rs.60,900/- and Perquisites including Provident Fund, Personal Accident Insurance, etc, Rs.2,39,898/- aggregating Rs 10,30,398/-. Either party to the Agreement is entitled to terminate the Agreement by giving not less than six calendar months' prior notice in writing to the other party. The Company shall also be entitled to terminate the incumbent's appointment at any time by payment of six months' salary in lieu of notice. Non-Executive Directors are entitled to receive sitting fees for attending meetings of the Board of Directors.

Messrs. Sujit Dutta, B.N.Tripathi and Sudhamoy Chatterjee each received a sum of Rs.9000 and Mr.A.Y.Sudhakran received Rs.3000/- as sitting fees during the year ended 31<sup>st</sup> March, 2006

#### Investors/Shareholders' Grievance Committee

The Company has a Shareholders'/Investors' Grievance Committee of the Board of Directors under the Chairmanship of Mr.B.N.Tripathi, Non-Executive Director, to look into the redressal of investors' grievances with Messrs H.C.Mathur and Sujit Dutta as the other members. The Board of Directors has delegated power of approving transfer/transmission of shares to senior executives of the Company. During the year the Committee met 4 times with all the members attending the meetings.

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

During the year under review, the total number of grievances received was 8 and all of them have been resolved to the satisfaction of the shareholders. No share transfers/transmissions/issue of duplicate share certificates were pending as on 31<sup>st</sup> March, 2006..

#### Directors

Mr.Sujit Dutta, Director of the Company is retiring at the ensuing Annual General Meeting.

Mr. A.Y.Sudhakran was appointed as an Additional Director on the Board with effect from 15<sup>th</sup> December, 2005. He vacates his office at the ensuing Annual General Meeting and a proposal has been received from a member for his re-appointment at the said meeting.

Mr.Sujit Dutta is 45 years of age and has graduated in Commerce and law from Calcutta University. He has about 23 years experience in Accounts, Finance and corporate management.

Mr.Sudhakran is 45 years of age and has more than 20 years of corporate experience in the commercial and Accounting functions.

Messrs Sudhakran and Sujit Dutta are not on the Boards or Committees of any other Public Limited Company.

#### General Body Meetings

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

Year	Venue	Date	Time
2002-03	Mini Auditorium, Science City JBS Haldane Avenue Kolkata-700 046	17.09.2003	10.30 A.M.
2003-04	- Do -	27.09.2004	10.30 A.M.
2004-05	- Do -	22.09.2005	10.30 A.M.

## CFL CAPITAL FINANCIAL SERVICES LTD.

All the three special resolutions at the Annual General Meeting held on 17<sup>th</sup> September, 2003 and a special resolution proposed at the Annual General Meeting held on 22<sup>nd</sup> September, 2005 were passed by the shareholders.

No special resolution was put through postal ballot last year. Postal Ballot rules will be complied with when required.

All resolutions placed before the Members at the last Annual General Meeting were passed by the requisite majority.

### Code of Conduct

The Board of Directors has laid down a code of conduct for the Company which is applicable to all its Board Members and Senior Management Personnel. This code has been posted on the Company's website. For the year under review, all directors and senior management personnel have confirmed their adherence to the provisions of the said code.

### Disclosures

- (a) 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.
- (b) 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. The matter is still pending. Except as aforesaid there were no non-compliance, penalties, strictures by Stock Exchanges, SEBI or any statutory authority on any matter related to capital markets during the last three years.
- (c) There was no pecuniary relationship or transactions with Non-Executive Directors.

### Means of Communication

Quarterly and annual results are published in renowned daily publications such as Financial Express (English) and Kalantar and Arthik Lipi (Vernacular). Such results were posted on SEBI's Electronic Data Information Filing and Retrieval System (EDIFAR) website.

The Company has a website www.cfltd.in. Individual communication of the half yearly results is not made to the shareholders. The Company has not made any presentation to institutional investors or analysts.

### General Shareholder Information

- a. Annual General Meeting:
 

Date and Time	5th September, 2006 (Tuesday) at 10.30 A.M
Venue	Mini Auditorium, Science City JBS Haldane Avenue Kolkata-700046
- b. Financial Calendar (tentative and subject to change)
 

Financial results for quarter ending 30th June, 2006	End of July, 2006
Financial results for quarter ending 30th September, 2006	End of October, 2006
Financial results for quarter ending 31st December, 2006	End of January, 2007
Financial results for the year ending 31st March, 2007	End of June, 2007
Annual General Meeting for the year ending 31 <sup>st</sup> March, 2007	End of September, 2007
- c. Book Closure Date
 

	29th August, 2006 to 5th September, 2006 (both days inclusive)
--	---
- d. List of Stock Exchanges where shares are listed
 

The Calcutta Stock Exchange Association Ltd.	7, Lyons Range, Kolkata-700 001
The Stock Exchange, Mumbai.	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 023
The National Stock Exchange of India Ltd.	Exchange Plaza, Plot C-1, IFB Center, G Block, Bandra Kurla Complex (BKC), Bandra (East), Mumbai-400 051

Listing fee has been paid to the Stock Exchange, Mumbai for the year 2006-2007

The Company has applied to the Calcutta Stock Exchange Association Limited and the National Stock Exchange for delisting its Equity Shares from these Exchanges pursuant to Special Resolution passed by the shareholders at the Annual General Meeting of the Company held on 17<sup>th</sup> September, 2003 and is waiting for their approval. As such the Company has not paid the listing fees to these exchanges upto the year 2006-07
- e. Stock Code
 

Calcutta Stock Exchange	13042
The Stock Exchange, Mumbai	511272
National Stock Exchange	CEATFIN





- f. Market Price Data  
Monthly High and Low of Company's Equity Shares (Rs.10 per share) for the year ended March 2006 at the Stock Exchange, Mumbai

Months	Company's Share		BSE Sensex	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
April, 2005	5.07	3.96	6649.42	6118.42
May, 2005	5.16	3.45	6772.74	6140.97
June, 2005	7.10	4.20	7228.21	6647.36
July, 2005	7.56	4.60	7708.59	7123.11
August, 2005	9.51	5.72	7921.39	7537.50
September, 2005	11.40	5.19	8722.17	7818.90
October, 2005	4.94	3.20	8821.84	7656.15
November, 2005	4.11	3.25	9033.99	7891.23
December, 2005	4.12	2.96	9442.98	8769.56
January, 2006	3.43	2.86	9945.19	9158.44
February, 2006	2.98	2.12	10422.65	8713.51
March, 2006	2.60	1.86	11356.95	10344.26

- g. Share Transfer System  
All physical shares lodged with the Company or Share Transfer Agent Messrs. Intime Spectrum Registry Limited for transfer accompanied by valid transfer deeds are processed and returned to the shareholders within the stipulated period. In case of bad deliveries, the relevant documents are returned promptly.
- h. Dematerialisation of shares  
51.84 % of total Equity Share Capital is held in dematerialised form with NSDL and CDSL as at 31<sup>st</sup> March 2006..  
Members can hold shares in electronic form and trade the same in Depository system. However, they may hold the same in physical form also.

International Securities Identification Number INE 481A01014

- i. Shareholding Pattern (at 31<sup>st</sup> March, 2006)

Category	No. of Equity Shares held	Percentage of Shareholding
Promoters	128331384	92.54
Mutual Funds & UTI	Nil	0.00
Banks, Financial Institutions & Insurance Companies	Nil	0.00
Private Corporate Bodies	1992995	1.44
Indian Public	8334539	6.01
NRIs/OCBs	16082	0.01
Total	13,86,75,000	100.00

- j. Distribution of shareholding (as at 31<sup>st</sup> March, 2006)

Shareholding of nominal value of Rs.	No. of Holders	%	No. of Shares	%
Upto 5000	30840	94.404	4656156	3.36
5001 to 10000	1024	3.135	852342	0.61
10001 to 20000	404	1.237	632348	0.46
20001 to 30000	153	0.468	395844	0.29
30001 to 40000	51	0.156	184147	0.13
40001 to 50000	56	0.171	267993	0.19
50001 to 100000	60	0.184	433386	0.31
100001 and above	80	0.245	131252784	94.65
Total	32,668	100.00	13,86,75,000	100.00

- k. Plant location-Not applicable

- l. Address for correspondence

- i) Registrars and Share Transfer Agents:  
(For shares and dividend related queries)  
Intime Spectrum Registry Limited  
59C Chowringhee Road, 3<sup>rd</sup> Floor, Kolkata-700 020

## CFL CAPITAL FINANCIAL SERVICES LTD.

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Phone : (033) 2289-0540 Telefax: (033) 2289 0539 E-mail:kolkata@intimespectrum.com

- 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 cfl@rpgnet.com  
n. Phone No: 2243-9332, 2243- 9334 (STD - 033)  
o. Fax No. 2243-9340 (STD - 033)  
p. Website : www.cfltd.in

For and on behalf of the Board

(H.C.Mathur)  
Chairman

Kolkatta  
Dated: 30<sup>th</sup> June, 2006

### 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 31<sup>st</sup> March, 2006.

H.C.Mathur  
Managing Director

Kolkatta, 30<sup>th</sup> June, 2006

### 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 for the year ended on 31<sup>st</sup> March 2006 with the relevant records and documents maintained by the Company, furnished to us for our review and the Report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination 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 on the financial statements of the Company.

We further state 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.

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 Clause 49 of the Listing Agreement(s) with the stock exchanges and no investor grievance(s) are pending for a period exceeding one month against the Company as per the records maintained by the Investor Grievance Committee.

For Tarmaster & Co.  
Chartered Accountants

Place : Kolkata  
Dated: 30<sup>th</sup> June, 2006

R.P.Nandy  
Partner  
Membership No. 51027