

EASY FINCORP LIMITED

**27th ANNUAL REPORT
FOR THE YEAR ENDED
31st MARCH 2012**

BOARD OF DIRECTORS

Shri Harish Toshniwal

Shri S. Chakrabarti

Shri Manab Chaudhuri

BANKERS

Vijaya Bank

American Express Bank Ltd

AUDITORS

U. B. Sura & Co.

Chartered Accountants

REGISTERED OFFICE

Saregama India Ltd, 2nd Floor, Universal Insurance Building, P.M Road, Fort,

Mumbai – 400 001

EASY FINCORP LIMITED

Regd. Off: c/o: SAREGAMA INDIA LTD, 2nd Floor, Universal Insurance Building, P.M Road, Fort,
Mumbai – 400 001
Tel: 022-61802400 Email: harish@rp-sg.in

NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of **EASY FINCORP LIMITED** will be held on Friday the 28th day of September 2012 at 11.30 a.m. at the Registered Office of the Company at Saregama India Ltd, 2nd Floor, Universal Insurance Building, P.M Road, Fort, Mumbai – 400 001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March 2012 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri S. Chakrabarti, who retires by rotation and, being eligible, offers himself for re- appointment.
3. To appoint Auditors and to fix their remuneration.

For and on behalf of the Board

Place : Mumbai

Date : 30th May, 2012

sd/
Harish Toshniwal
Director

Registered Office :

FGP Centre, 3 rd floor,
Commercial Union House,
9, Wallace street,
Fort, Mumbai – 400 001.

NOTES :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE ANNUAL GENERAL MEETING.
- b) Register of Members and Share Transfer Books of the Company will remain closed from September 26, 2012 to September 28, 2012 (both days inclusive).
- c) Shareholders are requested to notify immediately any change in their address to the Registered Office of the Company quoting their Folio Number and if the shares are held in dematerialized form, this information should be sent to their respective Depository Participants.

For and on behalf of the Board

Place : Mumbai

Date : 30th May, 2012

sd/-
Harsih Toshniwal
Director

EASY FINCORP LIMITED

Regd. Off: c/o: SAREGAMA INDIA LTD, 2nd Floor, Universal Insurance Building, P.M Road, Fort,
Mumbai – 400 001
Tel: 022-61802400 Email: harish@rp-sg.in

DIRECTORS' REPORT

TO THE MEMBERS OF EASY FINCORP LTD.

The Directors present the Twenty Seventh Annual Report together with Audited Accounts for the year ended 31st March 2012.

1. FINANCIAL RESULT:

(Amount in Rs.)

| | Year ended 31 st March 2012 | Year ended 31 st March 2011 |
|--|---|---|
| Total Income | 13,12,527 | 11,79,206 |
| Profit / (Loss) before tax | 10,90,272 | 10,00,413 |
| Prior Year Adjustment | - | 1,794 |
| Provision for Taxation | 2,07,751 | 1,85,476 |
| Profit / (Loss) after tax | 8,82,521 | 8,13,143 |
| Profit / (Loss) brought forward | (3,26,31,808) | (3,34,44,951) |
| Profit / (Loss) Carried to Balance Sheet | (3,17,49,287) | (3,26,31,808) |

2. DIVIDEND :

In view of inadequate profits, your directors do not recommend any dividend for the year ended 31st March 2012.

3. OPERATIONAL REVIEW :

The Company registered a total income of Rs.13,12,527 as compared to Rs.11,79,206 in the previous year. The Company registered a profit after tax of Rs.8,82,521 as compared to Rs.8,13,143 in the previous year.

4. CORPORATE GOVERNANCE :

Since the listed paid up equity share capital of the Company is less than Rs.3.00crores, the norms setup by the stock exchange for corporate governance is not applicable to the Company.

5. DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri S. Chakrabarti retires by rotation and being eligible, offers himself for reappointment.

6. DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm:-

i) that in the preparation of the Annual Accounts the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

ii) that the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended March,31 2012 and of the loss of the Company for that year;

iii) that Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv) that the Directors have prepared the Annual Accounts on a going concern basis.

7 AUDITORS:

M/s. U. B. Sura & Co., Chartered Accountants of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment. Members are requested to appoint Auditors and to fix their remuneration.

8 CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION:

Since the Company is not a manufacturing Company, the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, research and development and technology absorption are not applicable. There were no foreign exchange earnings or outgo during the year under review.

9. PARTICULARS OF EMPLOYEES:

The Company does not have any employee whose particulars are required to be given under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (particulars of Employees) Rules, 1975, as amended up to date.

10. ACKNOWLEDGEMENT:

Your Directors place on record their appreciation of the support received from banks, shareholders and employees for their continued support.

For and on behalf of the Board

Sd/-

Place : Mumbai
Date : 30th May, 2012

Harsih Toshniwal
Director

U.B.SURA & CO

CHARTERED ACCOUNTANTS
14, KRISHNA KUNJ, 144/45, M. G. ROAD
GHATKOPAR (EAST), MUMBAI-400 077
Tel. 22012735, 22012095

AUDITORS' REPORT

TO THE MEMBERS OF EASY FINCORP LIMITED MUMBAI

1. We have audited the attached Balance Sheet of **EASY FINCORP LIMITED** as at March 31, 2012, the Statement of Profit and Loss and also the Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India and as amended by notification dated 25th November 2004, in terms of Section 227 (4A) of the Companies Act, 1956 we set out in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to above we report that:
 - i. We have obtained all the information and explanation, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - ii. In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examination of such books.
 - iii. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow are in agreement with the books of accounts as submitted to us;

EASY FINCORP LIMITED

- iv. In our opinion, and to the best of our information the Balance Sheet and Statement of Profit & Loss comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956.
- v. Based on the written representations made by the Directors, of the company, none of the Directors are disqualified as on March 31, 2012 from being appointed as a Director under section 274 (1) (g) of the Companies Act, 1956.
- vi. In our opinion, and to the best of our information and according to the explanations submitted to us, the said accounts and read together with the notes thereon gives information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
 - a. In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2012 and
 - b. In the case of the Statement of Profit and Loss of the Profit of the Company for the year ended on that date.
 - c. In the case of the Cash Flow statement of the Cash Flows for the year ended on that date.

**FOR U.B.SURA & CO.,
CHARTERED ACCOUNTANTS
FIRM REG NO 110620 W**

Sd/-

**PLACE: MUMBAI
DATED: 30th May, 2012**

**U.B.SURA
PROPRIETOR
MEMBERSHIP NO: 32026**

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of the Auditors' Report of even date to the Shareholders of **EASY FINCORP LIMITED**) on the accounts for the year ended on March 31, 2012)

- (i) The company does not have any fixed assets and therefore, the provisions of clause (i) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (ii) The company does not have any inventories and therefore, the provisions of clause (ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (iii) (a) The company has not granted unsecured loans to any parties covered in the register maintained under section 301 of the Act and therefore sub-clause (a) to (d) of clause (iii) of the order is not applicable to the company.

(b) The company has not taken unsecured loans from any parties covered in the register maintained under section 301 of the Act any and therefore sub-clause (e) to (g) of clause (iii) of the order is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods.
- (v) There were no transactions that need to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 and therefore clause (v) of the order is not applicable to the company.
- (vi) The company has not accepted deposits from the public as envisaged in the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) The company has an in-house internal audit system, commensurate with the size and nature of its business.
- (viii) As per the information and explanation provided to us, the maintenance of Cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956.

EASY FINCORP LIMITED

- (ix) (a) As per the records produced before us, the company was regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

(b) On the basis of the books and records and according to the information and explanations given to us, there were no disputed amounts payable in respect of income tax, sales tax, cess etc. that needed to be deposited with the appropriate authorities
- (x) The company has accumulated losses at the end of the financial year in excess of fifty percentage of its net-worth. The company has incurred cash profit during the financial year covered by our audit and in the immediate preceding financial year.
- (xi) The company has not taken any loans from banks, financial institutions or on debentures. Therefore, the provisions of clause 4 (xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) The company is not trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) As per the information furnished to us, the company has not given guarantees for loans taken by others from banks and financial institutions. Accordingly, the provisions of clause 4(XV) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xvi) The company has not taken any term loan during the year. Accordingly, the provisions of clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.

EASY FINCORP LIMITED

- (xviii) The company has not made any preferential allotment of shares to parties and companies covered under section 301 of the Act. Accordingly clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xix) The company has not issued debentures against the security. Therefore, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xx) The company has not raised any additional capital during the year under review. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**FOR U. B. SURA & CO
CHARTERED ACCOUNTANTS
FIRM REG NO 110620 W**

Sd/-

**PLACE: MUMBAI
DATED: 30th May, 2012**

**U.B.SURA
PROPRIETOR
MEMBERSHIP NO: 32026**

EASY FINCORP LIMITED
BALANCE SHEET AS AT 31st MARCH, 2012

In Rupees

| | | Note No. | 31th March, 2012 | 31th March, 2011 |
|-----------|--|----------|--------------------|--------------------|
| I | EQUITY AND LIABILITIES | | | |
| | Shareholder's Funds | | | |
| | Share Capital | 1 | 4,99,50,000 | 4,99,50,000 |
| | Reserves and Surplus | 2 | (3,17,49,287) | (3,26,31,808) |
| | Money received against share warrants | | - | - |
| | | | 1,82,00,713 | 1,73,18,192 |
| | Share application money pending allotment | | - | - |
| | Non-Current Liabilities | | | |
| | Long- term borrowings | | - | - |
| | Deferred tax liabilities(Net) | | - | - |
| | Other Long term Liabilities | | - | - |
| | Long term Provisions | | - | - |
| | Current Liabilities | | | |
| | Short-term borrowings | 3 | 1,00,000 | 1,00,000 |
| | Trade payables | 4 | 1,14,705 | 75,136 |
| | Other current liabilities | 5 | 6,297 | 1,000 |
| | Short-term provisions | 6 | 2,07,751 | 1,85,476 |
| | | | 4,28,753 | 3,61,612 |
| | TOTAL | | 1,86,29,466 | 1,76,79,804 |
| II | ASSETS | | | |
| | Non-current assets | | | |
| | Fixed Assets | | | |
| | Tangible assets | | - | - |
| | Intangible assets | | - | - |
| | Capital work in-progress | | - | - |
| | Intangible assets under development | | - | - |
| | Fixed assets held for sale | | - | - |
| | Non-current investments | | - | - |
| | Deferred tax assets(net) | | - | - |
| | Long-term loans and advances | | - | - |
| | Other non-current assets | | - | - |
| | Current assets | | | |
| | Current investments | | - | - |
| | Inventories | | - | - |
| | Trade receivables | | - | - |
| | Cash and cash equivalents | 7 | 1,59,677 | 2,04,753 |
| | Short-term loans and advances | 8 | 1,84,69,789 | 1,74,75,051 |
| | Other current assets | | - | - |
| | | | 1,86,29,466 | 1,76,79,804 |
| | TOTAL | | 1,86,29,466 | 1,76,79,804 |

See accompanying notes to the financial statements 13

As per our report of even date attached

For U. B. Sura & Co.,
Chartered Accountants

For and on Behalf of the Board

Sd/-

Sd/-

Sd/-

U. B. Sura

Director

Director

Proprietor

Membership No. 32026

Firm Regn. No. 110620W

Mumbai. Dated: 30/05/2012

EASY FINCORP LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

In Rupees

| | Note No. | 31th March, 2012 | 31th March, 2011 |
|---|----------|------------------|------------------|
| I. Revenue from operations | | - | - |
| II. other income | 9 | 13,12,527 | 11,79,206 |
| III. Total Revenue (I + II) | | 13,12,527 | 11,79,206 |
| IV. Expenses | | | |
| Cost of materials consumed | | - | - |
| Purchases of Stock in trade | | - | - |
| Changes in inventories of stock in trade | | - | - |
| Employee benefits expense | 10 | 2,237 | 120 |
| Finance costs | 11 | 7,534 | 4,181 |
| Depreciation and amortization expense | | - | - |
| Other expenses | 12 | 2,12,484 | 1,74,492 |
| Total Expenses | | 2,22,255 | 1,78,793 |
| V. Profit/(loss) before exceptional and extraordinary items and tax (III - IV) | | 10,90,272 | 10,00,413 |
| VI. Exceptional items | | - | - |
| VII. Profit/ (Loss) before extraordinary items and tax (V - VI) | | 10,90,272 | 10,00,413 |
| VIII. Extraordinary items | | - | - |
| IX. Profit/(Loss) before Tax (VII - VIII) | | 10,90,272 | 10,00,413 |
| X. Tax Expense | | | |
| (1) Current tax | | 2,07,751 | 1,85,476 |
| (2) Last year tax | | - | 1,794 |
| (3) Mat credit entitlement | | - | - |
| XI. Profit (Loss) for the period from continuing operations (IX - X) | | 8,82,521 | 8,13,143 |
| XII. Profit/(Loss) from discontinuing operations (Refer Note No.24.8) | | - | - |
| XIII. Tax Expense of discontinuing operations | | - | - |
| XIV. Profit / (Loss) from discontinuing operations (after tax) (XII - XIII) | | - | - |
| XV Profit / (loss) for the year (XI + XIV) | | 8,82,521 | 8,13,143 |
| XVI Earnings per equity share: | | | |
| 1. Basic | | 3.60 | 3.32 |
| 2. Diluted | | 3.60 | 3.32 |

See accompanying notes to the financial statements 13

As per our report of even date attached
For U. B. Sura & Co.,
Chartered Accountants

For and on Behalf of the Board

Sd/-

Sd/-

Sd/-

U. B. Sura
Proprietor
Membership No. 32026
Firm Regn. No. 110620W
Mumbai. Dated: 30/05/2012

Director

Director

EASY FINCORP LIMITED

Cash Flow Statement as at 31st March,2012

In Rupees

| Particular | 31/03/2012 | 31/03/2012 | 31/03/2011 | 31/03/2011 |
|---|--------------|--------------------|--------------|--------------------|
| | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) |
| Cash Flow From Operating Activities | | | | |
| Net Profit /(Loss) before tax | | 10,90,272 | | 10,00,413 |
| Interest income | (13,11,938) | (13,11,938) | (11,72,000) | (11,72,000) |
| Operating Profit/(loss) before Working Capital Changes | | (2,21,666) | | (1,71,587) |
| <u>Changes in working capital:</u> | | | | |
| <i>Adjustments for (increase) / decrease in operating assets:</i> | | | | |
| Short-term loans and advances | (9,80,744) | (9,80,744) | (10,54,800) | (10,54,800) |
| <i>Adjustments for increase / (decrease) in operating liabilities:</i> | | | | |
| Trade payables | 39,569 | | 32,760 | |
| Other current liabilities | 5,297 | 44,866 | (2,329) | 30,431 |
| Cash flow from extraordinary items | | - | | - |
| Cash generated from operations | | (11,57,544) | | (11,95,956) |
| Net income tax (paid) / refunds | | (1,99,470) | | (1,35,360) |
| Net cash flow from / (used in) operating activities (A) | | (13,57,014) | | (13,31,316) |
| Cash Flow From Investing Activities | | | | |
| Purchases of fixed asset | - | - | - | - |
| Net cash flow from Investing activities (B) | | - | | - |
| Cash Flow From Financing Activities | | | | |
| Interest income | 13,11,938 | 13,11,938 | 11,72,000 | 11,72,000 |
| Net Cash flow from Financing activities (C) | | 13,11,938 | | 11,72,000 |
| Increase/ (Decrease) in Cash & Cash Equivalents [A+B+C] | | (45,076) | | (1,59,316) |
| Cash and Cash Equivalent at the Beginning of the year | | 2,04,753 | | 3,64,069 |
| Cash and Cash Equivalent at the End of the year | | 1,59,677 | | 2,04,753 |
| | | (45,076) | | (1,59,316) |

As per our report of even date attached

For U.B. SURA & CO.
Chartered Accountants
Firm Regn. No. 110620 W

Sd/-

U.B. SURA
Proprietor
Membership No. 32026
Place : Mumbai
Date : 30/05/2012

For and on behalf of Board

Sd/-

Director

Sd/-

Director

EASY FINCORP LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | As at 31th March, 2012 | As at 31th March, 2011 |
|---|---------------------------|---------------------------|
| | In Rupees | In Rupees |
| NOTE [1] | | |
| SHARE CAPITAL | | |
| AUTHORISED | | |
| 4,750,000 Equity shares of `10/- each | 4,75,00,000 | 4,75,00,000 |
| 525,000 1% Cumulative redeemable Preference shares of `100/- each | 5,25,00,000 | 5,25,00,000 |
| | 10,00,00,000 | 10,00,00,000 |
| ISSUED AND SUBSCRIBED | | |
| 245,000 (previous year 245,000) Equity shares of `10/- each | 24,50,000 | 24,50,000 |
| 475,000 (previous year 475,000) 1% Cumulative redeemable Preference shares of `100/- each | 4,75,00,000 | 4,75,00,000 |
| Total | 4,99,50,000 | 4,99,50,000 |

NOTE [1.1]

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

| | As at 31.03.2012 | | As at 31.03.2011 | |
|-------------------------------------|------------------|--------------------|------------------|--------------------|
| | In Nos. | Rs. | In Nos. | Rs. |
| Equity Shares | | | | |
| At the beginning of the Year | 2,45,000 | 24,50,000 | 2,45,000 | 24,50,000 |
| Issued during the Year | - | - | - | - |
| Outstanding at the end of the Year | 2,45,000 | 24,50,000 | 2,45,000 | 24,50,000 |
| Redeemable Preference Shares | | | | |
| At the beginning of the Year | 4,75,000 | 4,75,00,000 | 4,75,000 | 4,75,00,000 |
| Issued during the Year | - | - | - | - |
| Outstanding at the end of the Year | 4,75,000 | 4,75,00,000 | 4,75,000 | 4,75,00,000 |
| | 7,20,000 | 4,99,50,000 | 7,20,000 | 4,99,50,000 |

NOTE [1.2]

Terms / rights attached to equity shares

(a) The Company has Two class of shares:

(i) Equity shares having a par Value of `10/- per Share. Each holder of equity shares is entitled to one Vote per share.

(ii) 1% Redemable Preference shares having a par Value of `100/- per Share redeemable on 22nd November, 2012.

(b) The dividend on equity shares proposed by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.

(c) In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

(d) The company has not issued any bonus shares or bought back the equity shares in the last 5 years immediately preceding the balance sheet date.

NOTE [1.3]

Details of shares held by each shareholder holding more than 5% shares:

| | As at 31.03.2012 | | As at 31.03.2011 | |
|--|------------------|-------------|------------------|-------------|
| | In Nos | Holding (%) | In Nos | Holding (%) |
| Equity shares of `10/- fully paid up | | | | |
| Trade Apartments Ltd. | 109451 | 44.67% | 109451 | 44.67% |
| Mavi Investment Fund Ltd. | 15000 | 6.12% | 15000 | 6.12% |
| 1% Redeemable preference shares of `100/- fully paid up | | | | |
| Trade Apartments Ltd. | 475000 | 100.00% | 475000 | 100.00% |

EASY FINCORP LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | As at 31th March, 2012 | As at 31th March, 2011 |
|--|---------------------------|---------------------------|
| NOTE [2] | | |
| RESERVES AND SURPLUS | | |
| Surplus / (Deficit) in the Statement of Profit & Loss | | |
| Opening Balance | (3,26,31,808) | (3,34,44,951) |
| Add : Profit / (Loss) for the Year | 8,82,521 | 8,13,143 |
| Closing Balance | <u>(3,17,49,287)</u> | <u>(3,26,31,808)</u> |
| NOTE [3] | | |
| SHORT TERM BORROWINGS | | |
| Loans payable on demand | | |
| Unsecured | | |
| From Corporates | 1,00,000 | 1,00,000 |
| | <u>1,00,000</u> | <u>1,00,000</u> |
| NOTE [4] | | |
| TRADE PAYABLE | | |
| Due to Micro,small and medium enterprises | - | - |
| Others | 1,14,705 | 75,136 |
| | <u>1,14,705</u> | <u>75,136</u> |
| NOTE [5] | | |
| OTHER CURRENT LIABILITIES | | |
| Other Payables: | | |
| Statutory Obligations | 6,297 | 1,000 |
| | <u>6,297</u> | <u>1,000</u> |
| NOTE [6] | | |
| SHORT TERM PROVISIONS | | |
| Provision for tax | 2,07,751 | 1,85,476 |
| | <u>2,07,751</u> | <u>1,85,476</u> |

EASY FINCORP LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | As at 31st March, 2012 | As at 31th March, 2011 |
|--------------------------------------|---------------------------|---------------------------|
| NOTE [7] | | |
| CASH AND CASH EQUIVALENTS | | |
| Cash on hand | 724 | 1,105 |
| Balance with banks : | | |
| - In current accounts | 1,58,953 | 2,03,648 |
| - In deposit accounts | - | - |
| | <u>1,59,677</u> | <u>2,04,753</u> |
| NOTE [8] | | |
| SHORT TERM LOANS AND ADVANCES | | |
| (Unsecured, considered good) | | |
| Inter corporate deposits | 1,74,41,771 | 1,64,61,027 |
| Balance with Government Authorities | 10,28,018 | 10,14,024 |
| | <u>1,84,69,789</u> | <u>1,74,75,051</u> |

EASY FINCORP LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | 31st March, 2012 | 31st March, 2011 |
|--|------------------|------------------|
| NOTE [9] | | |
| OTHER INCOME | | |
| Interest income on: | | |
| - Inter corporate deposits | 13,11,938 | 11,72,000 |
| Miscellaneous income | 589 | 7,206 |
| Total | 13,12,527 | 11,79,206 |
| NOTE [10] | | |
| EMPLOYEE BENEFITS | | |
| Salaries, wages and bonus | | |
| Contributions to provident and other funds | 2,237 | 120 |
| Total | 2,237 | 120 |
| NOTE [11] | | |
| FINANCE COSTS | | |
| Bank charges | - | 4,181 |
| Interest on Income tax u/s 234B & 234C | 7,534 | - |
| Total | 7,534 | 4,181 |
| NOTE [12] | | |
| OTHER EXPENSES | | |
| Payment to Auditors | 56,180 | 44,120 |
| Advertisement | 46,024 | 36,454 |
| Printing & Stationery | 1,767 | 1,673 |
| Demat charges | 13,236 | 13,236 |
| Listing fees | 17,845 | 11,030 |
| Conveyance & travelling | 4,830 | 3,150 |
| Legal & Professional charges | 69,528 | 64,358 |
| Postage & courier | 3,064 | 441 |
| Miscellaneous expenses | 10 | 30 |
| Total | 2,12,484 | 1,74,492 |
| NOTE [12.1] | | |
| Remuneration of Auditors | | |
| Audit Fees | 56,180 | 44,120 |
| Others | - | - |
| Total | 56,180 | 44,120 |

Easy Fincorp Limited

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note No. 13

1. SIGNIFICANT ACCOUNTING POLICIES

a) Income:

- i) The Accounts have been prepared on the principle of going concern, under the historical cost convention and on accrual basis
- ii) Income on Inter Corporate Deposits is accounted on time accrual basis.

b) Expenditure

It is the policy of the Company to provide for all expenses on accrual basis.

c) Taxation

- i) Provision for current income tax is made on the basis of taxable income for the year as determined as per the provisions of the Income Tax Act, 1961.
- ii) Deferred Income Tax is accounted for by computing the tax effect on timing differences, which arise during the year, and is capable of reversal in the subsequent periods.

d) Amortization of Miscellaneous Expenditure:

Preliminary and share issue expenses are amortized in the year of incurrence of expenditure.

e) Impairment Of Assets

If the carrying amount of Fixed Assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determine

2. Contingent Liabilities

| | As At 31.03.2012 | As At 31.03.2011 |
|--|-----------------------------|-----------------------------|
| i) Income Tax Matter | Rs.7,88,600 | Rs.7,88,600 |
| ii) Dividend Arrears of 1% Redeemable Cumulative Preference Shares | Rs.61,75,000 | Rs.57,00,000 |

3. Deferred Tax :

The Company has not recorded cumulative net deferred tax assets as of 31.03.2012 in view of uncertainty of reversal of the same in immediate future.

4. Earning Per Share (EPS)

| | Year Ended 31.03.2012 | Year Ended 31.03.2011 |
|--|----------------------------------|----------------------------------|
| | Rs. | Rs. |
| a Net Profit / (Loss) after Tax | 8,82,521 | 8,13,143 |
| b Weighted Average Number of Equity Shares | 2,45,000 | 2,45,000 |
| c Nominal Value Per Ordinary Share | 10 | 10 |
| Preference Share Dividend | - | - |
| d Basic and Diluted Earning Per Share | 3.60 | 3.32 |

Easy Fincorp Limited

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note No. 13

5. Related Party Disclosure

In accordance with the "Accounting Standard 18 - Related Party Disclosure", the Company has compiled and certified the required information as stated below:

(a) Related Party and their Relationship

| Associates |
|----------------------|
| Trade Apartments Ltd |

(b) Transactions with the related parties

| Nature of Transaction | Associates |
|------------------------------|-------------------|
| OUTSTANDINGS | |
| Amount Payable | |
| Short term Borrowings | 1,00,000 |

6. Segment Reporting

As the Company has only one reportable segment, segment reporting as per Accounting Standard - 17 is not applicable.

7. Previous year figures have been regrouped and / or reclassified wherever necessary to correspond with current year's classification / disclosure in consonance with the revised schedule VI of the Companies Act, 1956.

Signatures to the Notes 1 to 13 forming part of the Balance Sheet as at 31.03.2012 and Profit and Loss Account for the year ended 31.03.2012

As per our report of even date attached

For U. B. Sura & Co
Chartered Accountants

For Easy Fincorp Limited

U. B. Sura
(Proprietor)
Membership No. : 32026
Place : Mumbai
Date :30/05/2012

S. Chakrabarty
Director

Harish Toshniwal
Director

