

**18th
ANNUAL REPORT
2008-2009**



PRO FIN CAPITAL SERVICES LTD.



Board of Directors

Rajan Sehgal
Anita Sehgal
Manju Dhaliwal
R. K. Aggarwal

Auditors

GSA & Associates

Chartered Accountants

Bankers :

Punjab National Bank
HDFC Bank Ltd.

Registered Office :

202, Nidhi House,
B-2/1B, Safdarjung Enclave
New Delhi - 110 029

Branch Office

4 & 4A, Bilques Building,
261-263, D. N. Road,
Fort, Mumbai - 400 001

C-2/65, Sushant Lok, Phase - I,
Gurgaon, Haryana - 122 001

Registrar and Transfer Agent

Beetal Financial & Computer Services Pvt. Ltd.
BEETAL House, 3rd Floor, 99 Madangir,
BH-Local Shopping Complex, Near Dada
Harsukhdas Mandir, New Delhi - 110062

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NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Company will be held on Tuesday the 29th day of September, 2009 at 10.00 A. M. at JVTs Gardens, Chattarpur, 'C' Block, Tehsil Mehrauli, New Delhi- 110 030 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2009, the Profit & Loss Account for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Anita Sehgal who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Mrs. Manju Dhaliwal who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Statutory Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s GSA & Associates, Chartered Accountants, are the retiring Auditors and being eligible, have offered themselves for re-appointment.

**By order of the Board
For Pro Fin Capital Services Ltd.**

**RAJAN SEHGAL
MANAGING DIRECTOR**

**Place : Gurgaon
Dated : 08.07.2009**

NOTES

1. Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. The Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer of the Company will remain closed from Friday, 25th September, 2009 to Tuesday, 29th September, 2009 (both days inclusive).
3. Members are requested to notify immediately any change of address to the Company at its Registered Office.
4. Members are requested to produce at the entrance the enclosed attendance slip duly completed and signed for admission to meeting place.
5. Company's equity shares are listed on the following Stock Exchanges:
 - a) The Delhi Stock Exchange Association Limited,
DSE House, 3/1, Asaf Ali Road, New Delhi-110 002
 - b) The Bombay Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
 - c) The Calcutta Stock Exchange Association Limited
7, Lyons Range, Calcutta-700 001
6. No Gift/Gifts Coupons shall be provided to the members.

**By order of the Board
For Pro Fin Capital Services Ltd.**

**RAJAN SEHGAL
MANAGING DIRECTOR**

**Place : Gurgaon
Dated : 08.07.2009**

**DIRECTORS REPORT**

To,
The Member of
PROFIN CAPITAL SERVICES LTD

Your Directors hereby present the 18th Annual Report together with Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS:

(Rupees in Lakhs)

Particulars	Current year 31.03.2009	Previous year 31.03.2008
Gross Income	3.56	27.79
Profit(Loss) for the year	(26.39)	(3.33)
Profit / (Loss) brought forward from previous year	(186.80)	(183.47)
Profit / (Loss) carried to next year	(213.19)	(186.80)

During the year under review your company has incurred a loss of Rs.26.39 lacs as compared to loss of Rs.3.33 lacs during the previous year.

The loss is mainly attributed to a sudden collapse of the equity markets leading to the depletion in the value of securities held by the company. The company continues to rely on its own proprietary investment and trading in securities as the changing business environment has made the industry highly capital intensive and has marginalized small brokers. Therefore the company decided to surrender the Membership of The National Stock Exchange of India Ltd. to free the capital blocked therein. The company shall now explore new businesses by forming synergistic associations in the area of financial services.

Your Company had taken necessary steps to appoint a whole time Company Secretary in terms of the provisions of section 383A of the Companies Act, 1956. However, your Company is complying with all the statutory requirements with the assistance of whole time Company Secretary in Practice.

DIVIDEND

In view of accumulated carry forward losses of the company, your Directors do not recommend any dividend for the year under review

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mrs. Anita Sehgal and Mrs. Manju Dhaliwal retire by rotation at the forthcoming Annual General Meeting, being eligible offer themselves for reappointment. Mr. Sudhir Chandra resigned from the Board of Directors of the Company and his resignation was accepted with effect from 25.10.2008. No director has been appointed in his place.

AUDITORS

M/s GSA & Associates, Chartered Accountants, Delhi, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received a letter from M/s GSA & Associates, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956. The Board of Directors recommends the appointment of M/s GSA & Associates, Chartered Accountants as Auditors of the Company.

AUDITOR'S REPORT

The Auditor's reports are self-explanatory and do not require any comments from the Board of Directors.

PARTICULARS OF EMPLOYEES

During the year under review no employee whether employed for the whole year or part of the year, was drawing remuneration exceeding the limits as laid down under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975. Hence information required under section 217 (2A) of the Companies Act, 1956 is not given.

PUBLIC DEPOSITS

The Company has neither invited nor accepted any public deposits from the public, within the meaning of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 during the year under review.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed.

- a) That in preparation of the Balance sheet and the Profit and Loss account of the Company, the applicable accounting standards have been followed along with the proper explanation relating to material departures:
- b) That the Directors have selected such Accounting Policies and applied them consistently and made judgments 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 profit/loss of the Company for that period:
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities:
- d) That the Directors have prepared the accounts for the year ended 31st March, 2009 on a "going concern" basis.

REPORT ON CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a separate section titled 'Report on Corporate Governance' has been included in this Annual Report along with the required certificate on its compliance.

Management Discussion and Analysis Report forms a part of the Corporate Governance Report.

LISTING

The Equity Shares of the Company are presently listed on the Bombay, Delhi and Calcutta Stock Exchanges. The Delhi Stock Exchange which has been dormant for many years is in the process of revival of its operation. It has revoked the suspension of the company's equity shares listed on the Exchange w.e.f. 25.04.2009.

The company has complied with all the statutory compliances of all stock exchanges. However, the company is following up with Mumbai Stock Exchange for revoking the suspension of securities so that the trading in the securities can take place.

CONSERVATION OF ENERGY

The particulars as required under section 217 (1) (e) of the Companies Act, 1956 in respect of the conservation of energy and technology absorption have not been furnished considering the nature of business undertaken by the Company during the year under report.

FOREIGN EXCHANGE EARNING AND OUTGO

There was no foreign exchange earning and outgo during the financial year under review.

ACKNOWLEDGEMENTS

Your Directors wish to express their grateful appreciation for the assistance and co-operation received from the shareholders, banks and customers during the year under review.

For and on behalf of the Board of Directors

Place : Gurgaon
Date : 08.07.2009

RAJAN SEHGAL
MANAGING DIRECTOR

ANITA SEHGAL
DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Trends

The Indian capital market has witnessed structural changes in terms of regulatory measures, profile of participants and new technology. The Indian Market being integrated with the global market mirrors the global trends in its behavior.

The year 2008-09 witnessed unprecedented slowdown in the financial sector owing to the global recession which started in the US and soon engulfed the entire world. Thus participants predominantly engaged in Capital Market are thus affected directly by the change in the economic environment in India and globally.

Opportunities and Threats

The market followed the general global sentiments. On account of major upheaval in the US, India witnessed capital flow reversals during 2008-09 thus affecting the primary and secondary market adversely. There was sharp erosion in the prices of all asset classes with equity markets witnessing large declines.

Government and Central Banks across the world announced bold stimulus packages to prevent the Global economy to slip in to serious recession. Though with the aggressive and unconventional measures adopted by the authorities the financial markets have shown the first sign of revival. However, the process of recovery being slow the medium term outlook remains uncertain with negative bias. Small and marginal players have greater challenge to bear this onslaught as there are fewer opportunities for smaller players.

Segment wise or product wise performance

The Company being a member of National Stock Exchange of India Ltd. was dealing in only the cash segment. In view of the change in the market scenario of brokerage business which is dominated by large institutional players, the company decided to surrender the Membership of The National Stock Exchange of India Ltd. to free the capital blocked therein. The company shall now explore new businesses by forming synergistic associations in the area of financial services with large and established players. The company was only operating in one segment which has been dealt in directors' report.

Outlook

Major changes are in the offing on the regulatory front relating to the capital adequacy and which shall put pressure on the smaller and marginal players. However the general outlook remains conducive for investments.

Risks & Concerns

The volatility in stock market, economic situation of the country, market risk are high in this business. Your company proposes to manage these risks by adopting effective risk management practices.

Internal Control System

There is an effective system of monitoring internal control in the company and these Policies and Procedures are reviewed from time to time. The Audit Committee of the Board of Directors reviews the governance of the Internal controls.

Financial Performance

The Financial Performance of the Company has been covered in the Director's Report.

For and on behalf of the Board of Directors

**Place : Gurgaon
Date : 08.07.2009**

**Rajan Sehgal
Managing Director**

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2008 - 2009

(As required under Clause 49 of the listing agreement entered into with the Stock Exchanges)

1. Philosophy and code of governance

The company firmly believes in good Corporate Governance. The Company has been following the regulatory compliances with strong emphasis on Corporate Governance to protect investor's interests in letter and spirit.

PCSL's main objective is to follow practices of good corporate governance in order to safeguard the interest of the Company and its stakeholders.

The Company has established a Code of Conduct, which will ensure a standard of professionalism and transparency into the company

2. Board of Directors

The Board comprises of Managing Director, Joint Managing Director and two Non Executive Directors.

Composition and category of Directors is as follows:

S. No.	Name of Directors	Designation	Category of Directorship	Committee Membership	Committee Chairmanship
1.	Mr. Rajan Sehgal	Managing Director	Managing Director (Promoter-Executive)	Audit Committee, Shareholder Transfer and Shareholders'/ Investors Grievance Committee	
2.	Mrs. Anita Sehgal	Joint Managing Director	Joint Managing Director (Promoter-Executive)	Shareholder Transfer and Shareholders'/Investors Grievance Committee, Remuneration Committee	Shareholder transfer/Investor Grievance Committee
3.	Mr. Sudhir Chandra*	Director	Non Executive Director	Shareholder Transfer and Shareholders'/Investors Grievance Committee	
4.	Mrs. Manju Dhaliwal	Director	Non Executive Director (Independent Director)	Remuneration Committee Audit Committee	Remuneration Committee
5.	Mr. R. K. Aggarwal	Director	Non Executive Director (Independent Director)	Audit Committee, Remuneration Committee/ Shareholder Transfer and Shareholders'/Investors Grievance Committee	Audit Committee

*The resignation of Mr. Sudhir Chandra has been accepted by the Board w.e.f.25.10.2008.

During the year seven Board Meetings were held on 14th April, 2008, 27th June 2008, 28th June 2008, 19th July 2008, 25th October 2008, 20th December, 2008 and 24th January, 2009.

Attendance of each Director at the Board Meetings, Last Annual General Meeting and Number of other Directorship and Membership/Chairmanship of the Committee of each Director in various companies is:

Name of Directors	Attendance Particulars		No. of Directorship and Committee Membership/Chairmanship(1)(2)		
	Board Meeting	Last AGM on 29.09.2007	Other Directorship (1)	Committee Membership (2)	Committee Chairmanship (2)
Mr. Rajan Sehgal	7	Present	2	2	—
Mrs Anita Sehgal	7	Present	2	2	1
Mr. Sudhir Chandra*	2	Absent	1	1	—
Mrs. Manju Dhaliwal	7	Present	2	2	1
Mr. R.K. Aggarwal	7	Present	1	3	1

*The resignation of Mr. Sudhir Chandra has been accepted by the Board w.e.f.25.10.2008.

- (1) Directorship in companies registered under the Companies Act, 1956.
- (2) Only covers Membership/Chairmanship of Audit Committee, Shareholders/Investors Grievance Committee and Remuneration Committee.

3. Code of Conduct

Details of code of conduct is available in the Company's website www.profincapital.com

4. Audit Committee

A: Composition of Audit Committee

The Audit Committee comprises of three directors out of which two are non-executive independent directors. The constitution of the Audit Committee is as follows:-

1.	Mr. R.K. Aggarwal	Chairman	Non Executive Independent
2.	Mr. Rajan Sehgal	Director	Executive
3.	Mrs. Manju Dhaliwal	Director	Non Executive Independent

Mr. R. K. Aggarwal is a Chartered Accountant and possesses expert knowledge in Finance and Accounts. The constitution of Audit Committee also meets with the requirements under section 292A of the Companies Act, 1956.

B: Terms of Reference

The terms of reference stipulated by the Board to the Audit committee are, as contained under Clause 49 of the Listing Agreement, as follows:

- A. Oversight of the company's financial reporting process and the disclosure of its financial information.
- B. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- C. Reviewing with management the annual financial statements before submission to the Board focussing primarily on (i) any changes in accounting policies and practices (ii) major accounting entries based on exercise of judgment by management, (iii) qualifications in draft audit report, (iv) significant adjustments arising out of audit, (v) the going concern assumption, (vi) compliance with accounting standards, (vii) any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc, that may have potential conflict with the interest of Company at large.
- D. Discussion with external auditors before the audit commences, nature and scope of audit as well as has post audit discussion to ascertain any area of concern.

C: Audit Committee Meetings and Attendance

During the year the Audit Committee met four times on 27th June 2008, 19th July 2008, 25th October, 2008 and 24th January, 2009.

Name of Director	No. of Audit Committee Meetings attended
Sh. R. K. Aggarwal	4
Sh. Rajan Sehgal	4
Mrs Manju Dhaliwal	4

5. Remuneration Committee

The Remuneration Committee comprises of three directors out of which two are non-executive independent directors. The constitution of the Remuneration Committee is as follows:-

1.	Mrs. Manju Dhaliwal	Chairperson	Non Executive Independent
2.	Mrs. Anita Sehgal	Member	Promoter Executive
3.	Mr. R. K. Aggarwal	Director	Non Executive Independent

The Committee meets as and when required. During the year and in the year under review remuneration committee meeting was held on 28.06.2008

6. Share Transfer and Shareholders'/ Investors' Grievance Committee

The Board of the Company has constituted a Shareholders'/ Investors' Grievance Committee in the chairpersonship of Mrs. Anita Sehgal, Joint Managing Director. Shri Rajan Sehgal, Managing Director and Mr. R. K. Aggarwal, Director are its members. The Committee also looks into redressal of shareholders' complaints like transfer of shares, non-receipt of balance sheet etc. The Committee recommends measures for overall improvement in the quality of investor services.

During the year the Committee met three times on 10th June, 2008, 20th October, 2008 and 30th December, 2008.

7. Investor complaints/pending share transfer

There was no complaint received from the shareholders which was not addressed promptly. There was no complaint pending as on date of the report.

8. General Body Meeting

Details of last three Annual General Meetings.

Year	Location	Date & Time
2005-2006	JVTS Gardens, Chattarpur, 'C' Block, Tehsil Mehrauli, Delhi	30th September, 2006 At 09:30 a.m.
2006-2007	JVTS Gardens, Chattarpur, 'C' Block, Tehsil Mehrauli, Delhi	29th September, 2007 At 10.00 a.m.
2007-2008	JVTS Gardens, Chattarpur, 'C' Block, Tehsil Mehrauli, Delhi	29th September, 2008 At 10.00 a.m.

There was no Extra Ordinary General Body Meeting held in the last three years

9. Postal Ballot

For the financial year ended 31st March 2009, there has been no resolution passed by the Company's shareholders through postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

10. Disclosure

Disclosures on materially significant related party transaction

None of the transactions with any of the related parties were in conflict with the interest of the company.

11. Dematerialisation of Shares and Liquidity

The Company has appointed M/s Beetal Financial & Computer Services Pvt. Ltd. as its Registrar and Share Transfer Agent, however the company is yet to enter into the tripartite agreement among Company, RTA and Depositories. The matter has been referred to CDSL and NSDL.

12. CEO/CFO Certification:

Mr. Rajan Sehgal, Managing Director (CEO) has certified to the Board that :-

- He has reviewed financial statements and the cash flow statement for the year and that to the best of his knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable law and regulations.
- There are, to the best of his knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- He accepts responsibility for establishing and maintaining internal control for financial reporting and that he has evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and he has disclosed to be auditors and the Audit Committee, deficiencies in the design or operation of such internal control, if any, of which he was aware and the steps he has taken or propose to take to rectify these deficiencies.

13. Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

The Company had received a notice regarding non compliance of Regulation 6(2), 6(4) and 8(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 from SEBI under Section 15A of SEBI Act, 1992 dated 24.09.2004. In consequent, the Company had submitted its reply on 02.11.2004.

14. Means of Communication

The company has been disclosing corporate financial performance i.e. the quarterly, half yearly and annual audited financial results well within the stipulated period to the Stock Exchanges where the shares of the company are listed by means of

facsimile transmission and also by sending the copy of results by courier/post immediately after the Board has taken them on record.

The results are published in the newspapers in accordance with the listing Agreement entered into by the company with the stock exchanges where the shares of the Company are listed.

15. Details of the Directors seeking re-appointment in forth coming Annual General Meeting (in pursuance of clause 49 of the Listing Agreement)

Name of Director	Mrs. Anita Sehgal	Mrs. Manju Dhaliwal
Date of appointment	03.11.1992 Reappointed in the Annual General Meeting held on 29.09.2008	28.10.2002 Reappointed in the Annual General Meeting on 29.09.2007
Expertise in specific functional Areas	Business and Management	Business and Commerce
Qualification	MSW and postgraduate diploma in Personnel Management and Industrial Relations	Graduate
List of Companies in which directorship held on 31.03.2009	Profin Money Markets Ltd Profin Lease and Investments (P) Ltd.	Blaze Furnishers Pvt. Ltd. Sonjas Interiors Pvt. Ltd.
Chairman/ members of the Committee of the Board as on 31.03.2009	Shareholder Transfer and Shareholders'/Investors Grievance Committee / Remuneration Committee	Remuneration Committee Audit Committee

16. General Shareholders' Information

1. 18th Annual General Meeting

- Date and Time : 29th day of September, 2009 at 10:00 a.m.
 Venue : JVTs Gardens, Chattarpur,
 'C' Block, Tehsil Mehrauli, Delhi
 Financial Calendar : 01.04.2008 to 31.03.2009
 Date of Book Closure : 25th September, 2009 to
 29th September, 2009
 Dividend Payment Date : NIL

- 2. Listing on Stock Exchange** : The Delhi Stock Exchange Association Ltd.
 DSE House, 3/1 Asaf Ali Road,
 New Delhi-110002
 The Bombay Stock Exchange Mumbai
 Phiroze Jeejeebhoy Towers,
 Dalal Street, Mumbai 400001
 The Calcutta Stock Exchange
 7, Lyons Range, Calcutta-700 001
 Stock Code : 511557

3. Market Price Data : High/Low in each month in last financial year

The Shares of the Company were not traded during the year in any stock exchange.

4. Registrar and Transfer Agent

The Share transfer work has been handled by M/s Beetal Financial & Computer Services Pvt. Limited having its office at BEETAL House, 3rd Floor, 99 Madangir, BH-Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi - 110 062.



5. Distribution of Shareholding as on 31st March, 2009

No. of equity shares held	Shareholders		Share Amount	
	Numbers	% of total	Rs.	% age
Up to 500	3965	82.54	9678000	22.16
501 to 1000	537	11.18	4263000	9.76
1001 to 2000	208	4.33	3027000	6.93
2001 to 3000	43	0.90	1062000	2.43
3001 to 4000	15	0.31	528000	1.21
4001 to 5000	9	0.19	427000	0.98
5001 to 10000	11	0.23	707000	1.62
10001 & above	16	0.33	23977000	54.91
TOTAL	4804	100.00	43669000	100.00

6. Shareholding pattern as on 31st March, 2009

S.No.	Category	No. of Shares Held	% of Holding
1.	Promoters Shareholders		
a.	Indian Promoters	18,70,300	42.83
b.	Foreign Promoters	NIL	NIL
2.	Persons acting of concert	59,700	1.37
	Sub – Total	19,30,000	44.20
3.	NON – PROMOTERS HOLDING:		
	Institutional Investors		
a.	Mutual funds & UTI	NIL	NIL
b.	Banks, Financial Institutions		
	Insurance Companies	NIL	NIL
	(Central / State Govt. Insts.		
	Non-Govt. Institutions		
c.	FII's	NIL	NIL
	Sub-Total	NIL	NIL
4.	Others		
a.	Private Corporate Bodies	5,46,100	12.50
b.	Indian Public	18,71,700	42.86
c.	NRI/OCBs	19,100	0.44
d.	Any Others	NIL	NIL
	Sub – Total	24,36,900	55.80
	TOTAL	43,66,900	100.00

17. Address of Correspondence:

Pro Fin Capital Services Ltd.
C-2/65, Sushant Lok, Phase-I, Gurgaon, Haryana – 122001
Contact Person : Anita Sehgal, 9312265718, 95124-4058814
profincapital@yahoo.com, www.profincapital.com

DECLARATION

This is to confirm that the Company has adopted a Code of Conduct for its Directors and its senior management and employees. The code is available on the Company's web site.

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all the directors and the designated personnel in the senior management of the Company have confirmed compliance with their respective Codes for the financial year ended 31st March, 2009.

For Profin Capital Services Limited

Place : Gurgaon
Date : 08.07.2009

Rajan Sehgal
Managing Director



CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of
PRO FIN CAPITAL SERVICES LTD.

We have examined the compliance of conditions of Corporate Governance by PRO FIN CAPITAL SERVICES LTD. for the year ended on 31st March 2009, as stipulated in Clause 49 of the listing Agreement of the Company with the Stock Exchanges.

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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

On the basis of our review and according to the information and explanations given to us, we state that no Investor Grievances are pending against the Company as per the records maintained by the Company.

We further 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 Monika Kohli & Associates
Company Secretaries**

**Place : New Delhi
Date : 01.07.2009**

**MONIKA KOHLI
Prop.
C.P. NO. 4936**

**AUDITORS' REPORT**

To the Members of

PROFIN CAPITAL SERVICES LTD.

We have audited the attached Balance Sheet of PROFIN CAPITAL SERVICES LTD. as at 31st March 2009, the Profit and Loss Account and Cash Flow Statements 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.

1. 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 misstatements. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in term of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
3. Attention is drawn to
 - a) Note no. 10 of Schedule 10 of Notes on Accounts regarding Deposit of Rs. 20 Lakh given to OTCEI and
 - b) Note no 11 of Schedule 11 of Notes on Accounts regarding surrender of NSE ticket.
4. Further to our comments in the Annexure referred to in paragraph 2 and 3 above, 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, Profit Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956
 - e) On the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the Board of directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in the terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2009.
 - (ii) In the case of Profit and Loss Account, of the Loss of the Company for the year ended on that date; and
 - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For GSA & Associates
Chartered Accountants

(Sunil Aggarwal)
Partner
M.No. 083899

Place : New Delhi
Dated : 27th June 2009

ANNEXURE TO AUDITORS' REPORT**(referred to in Paragraph 2 of our report of even date)**

1. In respect of its fixed assets:
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) During the year, the Company has not disposed of a substantial part of its fixed assets. However, during the year ticket of NSE has been surrendered by the Management.
2. In respect of its inventories of shares and securities :
 - a) The inventories have been physically verified at the year end by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. As explained to us, the Company has neither taken nor given any loan secured or unsecured from/to parties listed under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5.
 - a. The particulars of contracts or arrangements or arrangements referred to Section 301 of the Companies Act 1956, that needed to be entered into the register, maintained under said section have been so entered.
 - b. In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act 1956 aggregating during the year to Rs.5 Lacs or more in respect of any party. Therefore, the provision of clause v (b) are not applicable.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. Therefore, the provisions of Clause (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
7. As explained to us, the company has its own in-house internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of Cost Records under section 209(1) (d) of the Companies Act 1956 for the company.
9. According to the information and explanations given to us in respect of statutory and other dues: -
 - a. The undisputed statutory dues including Provident Fund, Employees' State Insurance and other statutory dues have been generally deposited in time with the appropriate authorities.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2009 for a period of more than six months from the date of becoming payable.
 - c. According to the information and explanations given to us, the Company has no pending disputed statutory dues as at 31st March 2009 on account of any matters pending before appropriate authorities.

10. Accumulated losses of the Company as at 31st March 2009 are not more than fifty percent of its net worth. In current year as well as previous year, company has incurred losses.
11. According to the information and explanation given to us, no financial assistance from any financial institutions or Banks or Debenture holders have been taken by the Company. Hence, the provision of clause 4(xi) of the Companies (Auditor's Report) Order 2003, with regard to default in payment of repayment of dues to any financial institution, is not applicable.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debenture and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. Based on our examination of the records and evaluation of related internal controls, the Company has maintained proper records of transactions and contracts in respects of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities, in general, have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the Company has not obtained any term loans. Hence, provision of clause 4(xvi) of the Companies (Auditor's Report) order, 2003, in respect of proper utilization of funds, is not applicable to the Company.
17. According to the information and explanations given to us and as at 31st March 2009, on an overall examination of the Balance Sheet of the Company, no funds on short-term basis were obtained. Hence, provision of clause 4(xvii) of the Companies (Auditor's Report) order, 2003, in respect of utilization of funds, is not applicable to the Company.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act 1956.
19. The company has issued no debentures and hence clause 4(xix) of the Companies (Auditor's Report) order, 2003, in respect of creation of charge, is not applicable to the Company.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the financial year.

**For GSA & Associates
Chartered Accountants**

**(Sunil Aggarwal)
Partner
M.No. 083899**

**Place : New Delhi
Dated : 27th June 2009**



BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	Schedule No.	As At 31.03.2009 (Rs.)	As At 31.03.2008 (Rs.)
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	1	43,669,000.00	43,669,000.00
Reserve & Surplus	2	500,000.00	500,000.00
		<u>44,169,000.00</u>	<u>44,169,000.00</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	3	2,559,173.39	2,573,750.00
Less : Depreciation		2,323,219.18	2,267,396.93
Net Block		<u>235,954.21</u>	<u>306,353.07</u>
INVESTMENTS			
CURRENT ASSETS, LOANS & ADVANCES	4	9,655,816.22	11,557,010.34
Inventories	5	2,106,212.16	2,494,851.31
Sundry Debtors		1,126,297.55	1,126,297.55
Cash & Bank Balances		4,625,385.83	580,361.61
Loans & Advances		5,339,977.69	9,910,149.29
		<u>13,197,873.23</u>	<u>14,111,659.76</u>
LESS : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities & Provisions	6	239,460.00	485,853.63
		<u>239,460.00</u>	<u>485,853.63</u>
NET CURRENT ASSETS		<u>12,958,413.23</u>	<u>13,625,806.13</u>
PROFIT & LOSS ACCOUNT		<u>(21,318,816.34)</u>	<u>(18,679,830.46)</u>
		<u>44,169,000.00</u>	<u>44,169,000.00</u>

**NOTES TO THE ACCOUNTS AND
SIGNIFICANT ACCOUNTING POLICIES**

10

Schedules 1 to 6 and 10 referred to above form an integral part of the Balance Sheet

As per our report of even date
For **GSA & Associates**
Chartered Accountants

(Sunil Aggarwal)
Partner
Membership No. : 83899

Place : New Delhi
Date : 27.06.2009

For and on behalf of the Board

PRO FIN CAPITAL SERVICES LTD.

(Rajan Sehgal)
Managing Director

(Anita Sehgal)
Jt. Managing Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	Schedule No.	As At 31.03.2009 (Rs.)	As At 31.03.2008 (Rs.)
<u>INCOME</u>			
Income from Operations			
Profit on Dealing in Securities (Net)	7	0.00	2,201,533.19
Profit on sale of ShortTerm Investment		0.00	249,452.87
Profit on sale of Asset		29,423.39	—
Brokerage Income		25,834.91	136,402.52
Other Income	8	301,023.26	191,649.27
		<u>356,281.56</u>	<u>2,779,037.85</u>
<u>EXPENDITURE</u>			
Personnel Expenses	9	766,774.00	975,059.00
Administrative & General Exp.	9	961,956.57	2,042,227.06
Depreciation		55,822.25	79,737.75
Loss on Dealing in Securities (Net)		815,545.36	0.00
Loss on Dealing in F&O		27,009.84	0.00
Dimunition in the value of Investment		119,945.00	0.00
Loss on Sale of Long Term Investment		227,931.42	0.00
		<u>2,974,984.44</u>	<u>3,097,023.81</u>
Profit/ (Loss) Before Tax		(2,618,702.88)	(317,985.96)
Income Tax Paid		(9,483.00)	0.00
Provision for Fringe Benefit Tax		(10,800.00)	(15,217.00)
Profit / (Loss) After tax		(2,638,985.88)	(333,202.96)
Loss brought forward from Previous year		(18,679,830.46)	(18,346,627.50)
Balance of Loss carried to Balance Sheet		(21,318,816.34)	(18,679,830.46)
Earning Per Equity Share (Face value of Rs. 10 each)			
— Basic & Diluted		(0.60)	(0.08)

NOTES TO THE ACCOUNTS AND SIGNIFICANT ACCOUNTING POLCIES

10

Schedules 7 to 10 referred to above form an integral part of the Profit & Loss Account

As per our report of even date
For **GSA & Associates**
Chartered Accountants

For and on behalf of the Board

PRO FIN CAPITAL SERVICES LTD.

(Sunil Aggarwal)
Partner
Membership No. : 83899

(Rajan Sehgal)
Managing Director

(Anita Sehgal)
Jt. Managing Director

Place : New Delhi
Date : 27.06.2009

SCHEDULE FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2009

PARTICULARS	As At 31.03.2009 (Rs.)	As At 31.03.2008 (Rs.)
-------------	------------------------------	------------------------------

SCHEDULE - 1 :**SHARE CAPITAL****AUTHORISED SHARE CAPITAL**

60,00,000 Equity Shares of Rs.10/- each

60,000,000.0060,000,000.00**ISSUED, SUBSCRIBED & PAID UP**

43,66,900 Equity Shares of Rs. 10/- each (*)

43,669,000.0043,669,000.00

(Prev Year 43,66,900 Equity Shares of Rs. 10/- each)

43,669,000.0043,669,000.00

* Of above 1,00,000 Equity Shares were allotted as fully paid bonus shares by Capitalisation of General Reserve in earliear years.

SCHEDULE - 2 :**RESERVE AND SURPLUS**

General Reserves - As per last Balance Sheet

500,000.00500,000.00500,000.00500,000.00**SCHEDULE - 3 :****FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2008	Addition during the year	Sale/Adjust- ment during the year	Total As on 31.03.2009	Upto 01.04.2008	Provided during the period	Sale/ Adjustment	Total upto 31.03.2009	As on 31.03.2009	As on 31.03.2008
Furniture & Fixture	641,937.00	0.00	0.00	641,937.00	595741.99	8,361.30	0.00	604,103.29	37,833.71	46195.01
Office Equipments	532,010.00	31,000.00	0.00	563,010.00	374786.37	22,662.72	0.00	397,449.10	165,560.90	157223.63
Computers	986,320.00	0.00	0.00	986,320.00	932303.05	21,606.78	0.00	953,909.83	32,410.17	54016.95
Car	409,959.00	0.00	45,576.61	364,382.39	361228.30	3,154.09	0.00	364,382.39	0.00	48730.70
Cycle	3,524.00	0.00	0.00	3,524.00	3337.22	37.36	0.00	3,374.58	149.42	186.78
Total (Rs.)	2,573,750.00	31,000.00	45,576.61	2,559,173.39	2,267,396.93	55,822.25	0.00	2,323,219.18	235,954.21	306,353.07
Previous Year Figures	2,547,012.00	26,738.00	0.00	2,573,750.00	2,187,659.18	79,737.75	0.00	2,267,396.93	306,353.07	359,352.82

SCHEDULE - 4 :**INVESTMENTS****(LONG TERM INVESTMENT)****TRADE**

— Quoted

8,755,815.2210,657,009.34

— Unquoted

900,001.00900,001.009,655,816.2211,557,010.34

Market Value of Quoted Investments

33,042,08.408,061,562.70

PARTICULARS	As At 31.03.2009 (Rs.)	As At 31.03.2008 (Rs.)
SCHEDULE - 5 :		
CURRENT ASSETS, LOANS AND ADVANCES		
A) CURRENT ASSETS		
INVENTORIES		
(At lower of cost or Market value, taken, valued and certified by the Management)	2,106,212.16	2,494,851.31
	<u>2,106,212.16</u>	<u>2,494,851.31</u>
SUNDRY DEBTORS		
(Unsecured, Considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six Months	1,126,297.55	1,126,297.55
Other Debts	0.00	0.00
	<u>1,126,297.55</u>	<u>1,126,297.55</u>
CASH & BANK BALANCES		
Cash in hand/Stamp/Imprest	41,579.02	42,890.18
Balance with banks in Current Account	65,922.98	537,471.43
Balance with banks in FDR Account	4,517,883.83	0.00
	<u>4,625,385.83</u>	<u>580,361.61</u>
Total (A)	<u>7,857,895.54</u>	<u>4,201,510.47</u>
B) LOANS AND ADVANCES		
(Unsecured, Considered good, unless otherwise stated)		
Recoverable in cash or in kind or for the value to be received	296,131.30	366,302.90
Security Deposit		
— With NSE	3,043,846.39	7,543,846.39
— With OTCEI	2,000,000.00	2,000,000.00
	<u>5,339,977.69</u>	<u>9,910,149.29</u>
Total (B)	<u>5,339,977.69</u>	<u>9,910,149.29</u>
Grand Total	<u>13,197,873.23</u>	<u>14,111,659.76</u>

PARTICULARS	As At 31.03.2009 (Rs.)	As At 31.03.2008 (Rs.)
SCHEDULE - 6 :		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors/ Other Liabilities	25,940.00	359,985.63
Expenses Payable	213,520.00	125,868.00
	<u>239,460.00</u>	<u>485,853.63</u>
PROVISIONS		
Provision for Income Tax for current year	0.00	0.00
TOTAL	<u>239,460.00</u>	<u>485,853.63</u>
SCHEDULE - 7 :		
SCHEDULE FORMING PART OF PROFIT & LOSS A/C		
Profit / (Loss) on Dealing in Shares		
Opening Stock	2,494,851.31	3,850,523.73
Purchases	49,683,441.36	2,225,882,111.05
	<u>52,178,292.67</u>	<u>2,229,732,634.78</u>
Less:- Sold	49,256,535.15	2,229,439,315.75
	<u>2,921,757.52</u>	<u>293,319.03</u>
Less:- Closing Stock	2,106,212.16	2,494,851.31
	<u>(815,545.36)*</u>	<u>2,201,532.28</u>
(* including Diminution in value of Inventory of Rs. 105,673.92 (Previous Year Figure Rs.472,669.02)		
SCHEDULE - 8 :		
OTHER INCOME		
Dividend on Shares	108,434.60	166,145.91
Bad Debts Recovered	0.00	25,500.00
Miscellaneous Income	170,377.69	3.36
Interest Income	22,210.97	—
	<u>301,023.26</u>	<u>191,649.27</u>

PARTICULARS	As At 31.03.2009 (Rs.)	As At 31.03.2008 (Rs.)
SCHEDULE - 9 ADMINISTRATIVE AND GENERAL EXPENSES		
Personnel Expenses		
Salaries & Establishment	226,774.00	465,059.00
Directors remuneration	540,000.00	510,000.00
	766,774.00	975,059.00
Administrative Expenses		
Charges Paid to NSE /VSAT Charges	65,060.96	258,032.14
Membership & Subscription	110,000.00	128,090.00
Electricity & Water Charges	42,078.00	54,657.00
Professional charges	55,940.00	69,225.00
Staff Welfare Expenses	5,950.00	44,308.00
Telephone & Communiacion Expenses	79,503.46	83,815.00
Travelling & Conveyance	55,134.05	75,408.00
Bank Charges/ Interest	262.36	1,197.11
Listing Fees	30,253.00	50,250.00
Insurance	36,356.00	36,566.00
Annual Maintenance Expenses	0.00	56,601.37
Miscellaneous Exp.	3,001.00	2,500.00
Newspaper, books & periodicals	2,120.00	14,113.00
Office upkeep & Maintenance	45,550.00	43,745.00
Postage & Courier Charges	36,877.00	30,727.00
Stationery & Computer exp.	133,500.40	101,339.20
Vehicle Maintenance	24,310.00	51,809.00
Business Promotion	3,300.00	16,830.00
Demat Charges	32,707.21	67,586.24
Registrar Expenses	15,224.00	16,970.00
Rent	69,257.38	65,000.00
Security Transaction Tax	18,356.00	722,716.00
Audit Fee	27,575.00	28,090.00
Prior Period Adjustment	68,140.75	0.00
Legal fees	1,500.00	22,652.00
Short & Excess	0.00	0.00
	1,728,730.57	3,017,286.06

Schedules to Balance Sheet And Profit And Loss Account For the Year ended 31st March 2009.

SCHEDULE -10

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting and preparation of Financial Statements.

The Financial Statements have been prepared under the historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles (GAAP) and the provisions of the Companies Act, 1956. All Income and Expenditure, having a material bearing on the Financial Statements, are recognized on accrual basis.

2. Use of Estimates

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in which the results are known / materialized.

3. Fixed Assets

Fixed Assets of the Company are valued at cost which include allocation / apportionment of direct and indirect expenses incurred in relation to such Fixed Assets.

4. Depreciation

Depreciation on fixed assets is provided on Written Down Method at the rates and in the manner prescribed in Schedule XIV to the Companies' Act 1956. Fixed assets whose cost individually is Rs. 5,000/- or less are depreciated at 100% in the year purchase. Depreciation on addition / deletion is worked out on pro rata basis.

5. Investment (Long Term)

- Quoted Investment: Long term investments are valued scrip wise at cost unless there is a permanent diminution in the value of securities, in which event, the same has been valued at nominal value of Rs.1/- per company
- Unquoted investment has been valued at lower of cost or break up value. Where the break value is negative or where the annual accounts are not available, the same has been valued at a nominal value of Re. 1/- per company.

6. Stock in Trade (Inventories)

Shares:

Quoted shares are valued scrip wise at lower of carrying cost or market value.

7. Revenue Recognition

- Brokerage income on secondary market transactions is recognized on the basis of the date of contract note.
- Transactions in respect of Investment / Dealing in Securities are recognised on trade dates
- Dividend/interest on debenture, income is accounted for on cash basis.
- Profit / Loss on sale of securities is accounted for on weighted average method and is recognized on settlement date. Profit on sale of securities is netted with the loss on sale of securities, if any.

8. Expenditure

Expenses are in general accounted on accrual basis. Adequate provisions have been made in the accounts for all known losses and liabilities.

9. Retirement benefit of Employees

- Gratuity - In accordance with the Indian laws, the Company provides for gratuity, a defined benefit plan covering all employees, who have completed more than 5 years.
- Leave Encashment - Encashment of unavailed leaves credit is being done at the year-end.

10. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

11. Leases

Operating Lease:- Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained

by the lessor are classified as operating lease. Lease rental are charged to the profit & loss account on accrual basis.

Finance lease:- Assets acquired on lease where the company has substantially all the risk and awards of ownership are classified as finance lease. Such assets are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant rate of interest on the outstanding liability for each period.

12. Tax on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses.

Fringe Benefit Tax has been calculated in accordance with the Provisions of Income Tax Act, 1961.

13. Earning Per Share

The Company reports basic and diluted Earning Per Share (EPS) in accordance with Accounting Standard-20 on Earning Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of shares outstanding during the year.

14. Impairment of Assets

An asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment loss recognized in prior year is recorded when there is an indication that impairment loss recognized earlier for the assets no longer exists or has decreased.

15. Miscellaneous Expenditure

Preliminary/ pre-operative/ Share Issue Expenses have been amortized equally over a period of ten years.

B. Notes on account

1) a) Contingent liabilities not provided for, in respect of

- | | |
|--|-----------------------------|
| i) Income Tax matter disputed by the Company | - NIL (Prev. Year- NIL) |
| ii) Guarantees given by the Company on behalf of others | - NIL (Prev. Year- NIL) |
| iii) In respect of a penalty claim of Rs.1,75,000/- from SEBI u/s 15A of SEBI ACT. | - Rs.1.75 Lacs (Prev. Year) |
| b) Claim against the Company not acknowledged as Debts Nil (Prev Year-Nil) | |
| c) Estimated amount of contracts remaining to be executed i.e. capital commitment (of advances) not provided for – NIL (Prev Year- Rs.NIL) | |

2) Disclosure in terms of Accounting Standards (AS) issued by the institute of Chartered Accountants of India

a. Related Party Disclosures (AS-18)

- List of related parties

Srl.	Name of the Related Party	Relationship
1	R. Sehgal & Co.	Associate Companies
2	Profin Lease & Investments Pvt. Ltd.	
3	Profin Money Markets Ltd.	
4	Mr. Rajan Sehgal	Key Managerial Personnel
5	Mrs. Anita Sehgal	
6	Ms. Bhavna Sehgal	Others
7	Ms. Salone Sehgal	
8	Mrs. Shivani Chandra	
9	Mrs. Shakuntla Chandra	

- Transaction during the year with related parties:

Nature of Transactions (Excluding reimbursements)	Associate Companies	Key Managerial Personnel (Rs.)	Others	Current Year Total (Rs.)	Previous Year Total (Rs.)
Others (Brokerage)	Nil	6286.82	2600.46	8887.58	71183
Expenditure - Salary	Nil	540000	Nil	540000	510000
Rent	Nil	60000	Nil	60000	55000

b. Segment reporting (AS-17)

In the opinion of the Management, the company operates in one segment i.e. dealing in purchase and sales of securities and also rendering related services. As such, there are no other reportable segments.

c. Tax on Income (AS-22)

The Company has substantial unabsorbed depreciation and carried forward losses under Tax laws. However, in view of the uncertainty future taxable income and prudent method, the tax effect of timing difference as per AS 22 of ICAI has not been assessed and accordingly deferred tax assets (net of the deferred tax liabilities) has not been recognized in the books as on 31st March 2009.

d. Leases

The company has taken certain properties on operating lease for office. These leasing arrangements are usually renewable on agreed terms but are not non-cancelable. The company has paid Rs.0.60 Lacs (Prev Year Rs.0.55 Lacs) towards these leased property and are shown as rent in schedule.

e. Earning Per Share (AS-20)

Basic earnings per share are calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has not issued any potential equity shares, and accordingly, the basic earnings per share and diluted earnings per share are the same.

The disclosure in respect of the earning per share as per AS-20 is as under:-

Class of shares	Basic & Diluted Earning Per Share (Rs.)	
	31.03.2009	31.03.2008
Profit attributable to the Shareholders	(2,638,985.88)	(333,202.96)
Basic / Weighted Avg. No. of Equity shares outstanding during the year. (used as denominator)	4,366,900	4,366,900
Nominal value of Equity Shares	10	10
Basic / Diluted Earning Per Share (Rs.)	(0.60)	(0.08)
Nominal Value of the shares (Rs.)	10	10

3). Additional information required by Part II of Schedule VI of the Companies Act 1956

a) Quantitative details of principle items

i) Purchase and Sale of Equity Shares held as Stock in Trade

Particulars	31.03.2009		31.03.2008	
	Qty	Value (Rs.)	Qty	Value (Rs.)
Opening Stock	222,641	2,494,851.31	237,225	3,850,523.73
Purchases	66,463	49,683,441.36	2,167,044	2,225,882,11.05
Sales	62,600	49,256,535.15	2181628	2,229,4393,15.75
Closing Stock	226,504	2,106,212.16	222,641	2,494,851.31

ii) Details of Purchase and sale of investments during the year ended March 31, 2009

Name of the investment	Purchased during the year		Sold during the Year	
	Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
Hind Unilever	0	0.00	1750	437190.30
Prajind	0	0.00	250	43937.50
Satyam Computers	0	0.00	1250	632429.90
Suzlon	0	0.00	500	83970.00
Tata Tea	0	0.00	50	44550.00
Uco Bank	0	0.00	2000	104500.00
Infosystch	0	0.00	100	129400.00
Union bank	0	0.00	500	77340.00

iii) Details of Investment in Hand

Long Term Investment (Quoted)				
SCRIPS	No. of Shares	AS AT 31.03.2009 (Rs.)	No. of Shares	AS AT 31.03.2008 (Rs.)
Agritech Hatcheries Ltd.	3000	1.00	3000	6000.00
Aplab Ltd.	3500	49000.00	3500	49000.00
DFM Foods Ltd.	6000	42000.00	6000	42000.00
ICICI Bank Ltd.	1056	140448.00	1056	140448.00
Innovative Techpack Ltd.	39000	165750.00	39000	165750.00
Kinze India Samal Ltd.	60000	1.00	60000	1.00
Laurel Organics Ltd.	7000	1.00	7000	10500.00
Mukerian Papers Ltd.	3750	42188.00	3750	42188.00
Nova Magnetics Ltd.	3900	1.00	3900	23400.00
Nuchem Ltd.	9800	41650.00	9800	41650.00
Organic Chem Oil Ltd.	3300	1.00	3300	7425.00
Paam Pharmaceuticals Ltd.	3500	1.00	3500	72625.00
Pearl Engineering Polymers Ltd.	1280	40800.00	1280	40800.00
Profin Money Markets Ltd.	103400	1034000.00	103400	1034000.00
Shree Adhikari Brothers Ltd.	1000	110890.00	1000	110890.00
UTI Master share	816	9710.37	816	9710.37
Parasavnath Developers Ltd.	3506	1774048.40	3506	1774048.40
TATA Motors Ltd.	1192	981900.73	1192	981900.73
TATA Tea Ltd.	0	0.00	50	38046.22
Hindunilever Ltd.	0	0.00	1750	440864.59
IDBI Bank Ltd.	4150	509427.02	4150	509427.02
BATA India Ltd.	750	208825.00	750	208825.00
BILT Ltd.	6750	240700.00	6750	240700.00
Chambal Fertilizer Ltd.	500	41600.00	500	41600.00
Financial Technologies of India Ltd.	100	254500.00	100	254500.00
Ginni Filament Ltd.	2500	34125.00	2500	34125.00
GTL Infrastructures Ltd.	1250	99000.00	1250	99000.00
Infosys Technologies Ltd.	0	0.00	100	167100.00
Jai Corp Ltd.	200	286480.00	200	286480.00
Moser Baer of India Ltd.	750	235275.00	750	235275.00
PATNI Computers Ltd.	250	108750.00	250	108750.00

Long Term Investment (Quoted)				
SCRIPS	No. of Shares	AS AT 31.03.2009 (Rs.)	No. of Shares	AS AT 31.03.2008 (Rs.)
Praj Industries Ltd.	750	188062.50	1000	250750.00
Power Grid Corporation Ltd.	750	115762.50	750	115762.50
ROLTA India Ltd.	1100	391700.00	1100	391700.00
REL Infrastructures Ltd.	548	913467.50	548	913467.50
SASKEN Technologies Ltd.	250	86725.00	250	86725.00
Satyam Computers Ltd.	0	0.00	1250	627375.00
Suzlon Energy Ltd.	50	17375.00	550	191125.00
Union Bank of India Ltd.	0	0.00	500	115200.00
Uco Bank Ltd.	5750	449149.20	7750	605375.00
Wire & Wireless India Ltd.	1500	142500.00	1500	142500.00
Total	282898	8755815.22	289228	10657009.34

Un Quoted Investment				
Asian Diet Products Ltd.	90,000	900,000.00	90,000	900,000.00
Apex Multitech Ltd.	40,000	1.00	40,000	1.00
Total	130,000	900,001.00	130,000	900,001.00

Total Investment				
Quoted Investment		8755815.22		10,657,009.34
Un Quoted Investment		900,001.00		900,001.00
Total		9,655,816.22		11,557,010.34
Market Value of Quoted Investment		3,304,208.40		8,061,562.70

b) Sundry debtors include Rs. Nil (Previous Year Rs. Nil) due from companies in which directors are interested as directors.

b) Managerial Remuneration

Managerial Remuneration under Section 198 of the Companies Act, 1956 (included under Personnel Expenditure in Schedule 9)

Particulars	2008-2009 (Rs.)	2007-08 (Rs.)
Salaries	540000	510000

As no commission is payable to Directors, the computation of net profits in accordance with section 309(5) read with section 349 of the companies Act, 1956, has not been given.

- d) Expenditure in Foreign Currency Rs. NIL (Prev Year NIL)
- e) Earning in Foreign Currency Rs. Nil (Prev Year NIL)
- f) Remittance in Foreign Currency Rs. Nil (Prev Year NIL)

4. The income Tax Assessment of the company have been completed up to the Assessment Year 2007-08

5. Auditors Remuneration includes:

Particulars	2008-2009 (Rs.)	2007-08 (Rs.)
Paid to the Statutory Auditors		
a) As Audit Fees	27575	28,090
b) Out of Pocket Expenses	Nil	Nil

6. Disclosure as required under section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is nil in respect of all the items specified therein.

7. In the opinion of the management, fall in the market value of Investment is temporary in nature .Therefore no provision for diminution in value of Securities has been considered by the company.
8. Gratuity In accordance with the Indian laws, the Company provides for gratuity, a defined benefit plan covering all employees, who have completed more than 5 years. There is no employee in the company who have completed 5 years of services. In view thereof, no provision has been created. Leave Encashment - Encashment of un-availed leaves credit, if any, is being done at the year-end. Accordingly, no provision is created at the year-end.
9. Debtors are subject to confirmation and reconciliation. In certain cases, the company has filed the civil cases against defaulted parties for recovery of old dues.which have been decided in the favour of the company. However, in the opinion of the Management, all the debts and advances, including suit filed cases and deposit with OTCEI, are considered good for recovery. Further, balances of Sundry parties, debit or credit, are subject to confirmation / reconciliation. In the opinion of the Management, the Current Assets, Loans and Advances have a value of realization in the ordinary course of the business at least equal to the amount at which they were stated in the Balance Sheet.
10. In earlier years, the Company has given a deposit of Rs. 20 lakh to OTCEI. Membership of OTCEI were not allotted to the Company. Company is following with OTCEI for refund of deposit given at the time of apply for membership. Management is confident that said deposit is recoverable.
11. During the year, Company had surrendered the membership of NSE.
12. Efforts have been made to employ full time Company Secretary. However, suitable person could not be found.
13. Previous year's figures have been rearranged / regrouped wherever necessary.

Schedule 1 to 10 forms an integral part of Balance Sheet and Profit & Loss Account

For and on behalf of the Board

For **GSA & Associates**
Chartered Accountants

(**Sunil Aggarwal**)
Partner
Membership No. : 83899

PRO FIN CAPITAL SERVICES LTD.

(**Rajan Sehgal**)
Managing Director

(**Anita Sehgal**)
Jt. Managing Director

Place : New Delhi
Date : 27th June, 2009



CASH FLOW STATEMENT AS ON 31ST MARCH, 2009

Particulars	AS AT 31.03.2009	AS AT 31.03.2008
A) Cash flow from operating Activities		
Net Profit/(Loss) before tax and extra ordinary items	(2,618,702.88)	(317,985.96)
Add: Depreciation	55,822.25	79,737.75
(Profit)/Loss on sale of Fixed Assets	(29,423.39)	0.00
Diminution in the value of Investment	119,945.00	0.00
Add:(Profit)/Loss on sale of Investment (net)	227,931.42	((249,452.87)
Operating profit/(Loss) before working capital Change	(2,244,427.60)	(487,701.08)
Decrease/ (Increase) in Trade and Other receivables	4,570,171.60	(130.43)
Decrease(Increase) in Inventory	388,639.15	1,355,672.42
Increase/ (Decrease) in Trade Payables	(246,393.63)	(812,194.17)
Cash Generated from operations	2,467,989.52	55,646.74
Direct Tax/ FBT Paid (net of refund)	(20,283.00)	(15,217.00)
	<u>2,447,706.52</u>	<u>40,429.74</u>
B) Cash flow from Investing Activities etc		
(Increase)/ Decrease in Fixed Assets	44,000.00	(26,738.00)
(Increase)/ Decrease of Investments	1,553,317.70	86,642.61
Net cash used in investing activities	<u>1,597,317.70</u>	<u>59,904.61</u>
C) Cash Flow from Financing Activities		
Proceeds from issue of shares capital	0.00	0.00
Call in arrears received	0.00	0.00
Net Cash outflow from Financing Activities	<u>0.00</u>	<u>0.00</u>
Net Increase in cash and cash equivalents	4,045,024.22	100,334.35
Cash & Cash Equivalents		
— Opening	580,361.61	480,027.26
Cash & Cash Equivalents		
— Closing	4,625,385.83	580,361.61

As per our report of even date

For and on behalf of the Board

For **GSA & Associates**

Chartered Accountants

For **PRO FIN CAPITAL SERVICES LTD.****(Sunil Aggarwal)**

Partner

Membership No. : 83899

(Rajan Sehgal)

Managing Director

(Anita Sehgal)

Jt. Managing Director

Place : New Delhi

Date : 27th JUNE, 2009

AUDITORS CERTIFICATE

We have examined the aforesaid Cash Flow Statement of M/s Pro Fin Capital Services Ltd. for the year ended 31st March 2009. The statement has been prepared in accordance with the requirement of the Clause 32 of the listing agreements with Stock Exchanges and Accounting Standard 3 issued by the Institute of Chartered Accountant of India and also is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report of 27th June, 2009 to the Members of the Company.

For **GSA & Associates**
Chartered Accountants

Place : New Delhi

Date : 27th JUNE, 2009

(Sunil Aggarwal)
Partner
Membership No. : 83899



**ABSTRACT OF BALANCE SHEET COMPANY'S GENERAL BUSINESS PROFILE FOR THE YEAR ENDED 31st MARCH, 2009
AND ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956**

i) Registration Details

Registration No.	45045	45045
State Code	55	55
Balance Sheet Date	31.03.2009	31.03.2008

ii) Capital Raised during the year ('000)

Public Issue	NIL	NIL
Right Issue	NIL	NIL
Bonus Issue	NIL	NIL
Private Placement	NIL	NIL

iii) Position of Mobilization and Deployment of Funds ('000)

Total Liabilities	44169	44169
Total Assets	44169	44169

SOURCES OF FUNDS

Paid up Capital	43669	43669
Reserve & Surplus	500	500
Secured Loan	0	0
Unsecured Loan	0	0

APPLICATION OF FUNDS

Net Fixed Assets	236	306
Investment	9655	11557
Net Current Assets	12958	13626
Misc Expenditure	0	0
Accumulated Losses	21319	18680

iv) Performance of the Company

Turnover	356	2876
Total Expenditure	2975	3194
Profit / (Loss) before Tax	(2619)	(318)
Profit / (Loss) after Tax	(2639)	(333)
Earning per share	(0.60)	0.08
Dividend Rate %	Nil	Nil

v) Generic Names of Three Principal Products/Services of Company

(as per monetary terms)

Item Code No. (ITC Code)	Not Allotted	Not Allotted
Products Description	Stock and Shares Brokers and dealing in Securities	

As per our report of even date

For and on behalf of the Board

For **GSA & Associates**

Chartered Accountants

PRO FIN CAPITAL SERVICES LTD.

(Sunil Aggarwal)

Partner

Membership No. : 83899

(Rajan Sehgal)

Managing Director

(Anita Sehgal)

Jt. Managing Director

Place : New Delhi

Date : 27th June, 2009

PRO FIN CAPITAL SERVICES LTD.

Regd. Office : 202, Nidhi House, B-2/1B, Safdarjung Enclave, New Delhi - 110 029

Folio No.

(To be filled in by the shareholders)

PROXY FORM

I/We.....
of.....
being a member/members of Pro Fin Capital Services Limited, hereby appoint Miss/Mrs./Mr.....
of.....in district of.....of failing him/her
.....as my/our proxy to vote for me/us, one my/our behalf at the 18th Annual
General Meeting of the Company to be held on the 29th day of September, 2009 and at any adjournment thereof.

Signed this.....day of.....2009.

- Note :
1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy so appointed need not be a member of the company.
 2. The proxy form duly executed and properly stamped should reach the Company's Regd. Office at least 48 hours before the time of the meeting.

NO GIFTS, TEA OR SNACK BE SERVED

PRO FIN CAPITAL SERVICES LTD.

Regd. Office : 202, Nidhi House, B-2/1B, Safdarjung Enclave, New Delhi - 110 029

18TH ANNUAL GENERAL MEETING

ATTENDANCE SLIP

To be handed over the entrance of the Meeting Hall.....

Name of the Attending Member (In Block Letters).....

Member's Registered Folio Number.....

Name of Proxy (In Block Letters).....

(To be filled in if the proxy attends instead of the member).....

No. of Shares held.....

I hereby record my presence of the 18th Annual General Meeting held at J.V.T.S. Gardens, Chattarpur, C-Block Tehsil, Mehrauli, New Delhi - 110 030.

(Shareholders/Representative/Proxies are requested to bring the signed attendance slip to the meeting and hand it over the gate).

Kindly bring your copy of Annual Report at the Annual General Meeting as copies of the report will not be distributed at Meeting

Member's/Proxy's Signature

BOOK POST

If Undelivered please return to :

PRO FIN CAPITAL SERVICES LTD.

202, Nidhi House,
B-2/1B, Safdarjung Enclave,
New Delhi - 110 029