

**22<sup>nd</sup>**  
**ANNUAL REPORT**  
**2012-2013**



**PRO FIN CAPITAL SERVICES LTD.**

## **Board of Directors**

**Anupam Narain Gupta**  
Managing Director

**Abhay Narain Gupta**  
Joint Managing Director

**Sandesh Madhusudan Sawant**

**Ashish Nandkishore Taparia** (up to 30.5.2013)

**Neeraj Kunal Arora** (From 30.5.2013)

## **Auditors**

**Mahesh Tejwani,**  
Chartered Accountant

## **Bankers**

HDFC Bank Limited

## **Registered Office**

503, Western Edge II, Western Express Highway,  
Borivali East, Mumbai - 400 066

## **Registrar and Transfer Agents:**

Beetal Financial & Computer Services Pvt. Ltd.,  
Beetal House, 3rd Floor,  
99, Madangir, Near Dada Harsukhdas Mandir,  
New Delhi 110062

<b>Contents</b>	<b>Page No.</b>
Notice .....	1
Director's Report .....	3
Management Discussion and Analysis Report ..	5
Auditors Report .....	13
Balance Sheet .....	16
Profit and loss account .....	17
Cash flow statement .....	18
Schedules .....	19



## **NOTICE**

### **PRO FIN CAPITAL SERVICES LIMITED**

NOTICE is hereby given that the 22nd Annual General meeting of the Company will be held on Monday, 15th July 2013 at 503, Western Edge II, Western Express Highway, Boriv ali East, Mumbai 400066 at 10.00 am to transact the following business:

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited balance sheet as at 31st March 2013 and the profit and loss account for the year ended on that date and the report of the Directors and Auditors thereon.
2. To appoint Shri Abhay Narain Gupta, who retires by rotation, as a Director of the Company
3. To appoint auditors and fix their remuneration.

#### **SPECIAL BUSINESS**

4. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

RESOLVED THAT Shri Neeraj Kumar Arora, who was appointed as the additional director and who holds the office till the date of this annual general meeting and in respect of whom the Company has received a notice with requisite deposit proposing his candidature for the office of director of the Company, be and is hereby appointed as director liable to retire by rotation.

5. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to section 94 and other applicable provisions, if any, of the Companies Act 1956, the nominal value of equity shares of Rs. 10 each be subdivided into nominal value of Rs. 1 each.

RESOLVED FURTHER THAT the Managing Director and the Joint Managing Director of the Company be and are hereby authorized, severally, to give notice of subdivision of shares to the Registrar of Companies and do such acts, deeds and things as are necessary to give effect to this resolution

6. To consider and if thought fit to pass with or without modification the following resolution as a special resolution:

RESOLVED THAT the existing clause V of the Memorandum of Association of the Company be amended by substituting the following new clause in its place and stead:

The authorized share capital of the Company is Rs. 6,00,00,000 (Rupees six crores) divided into 6,00,00,000 equity shares of Re.1 (Rupee one) each.

7. To consider and if thought fit to pass with or without modification the following resolution as a special resolution:

RESOLVED THAT the existing article 3 of the Articles of Association of the Company be amended by substituting the following new article in its place and stead:

The authorized share capital of the Company is Rs. 6,00,00,000 (Rupees six crores) divided into 6,00,00,000 equity shares of Re.1 (Rupee one) each with power to subdivide, consolidate, increase and reduce from time to time and to issue shares with preferential, qualified or special rights and to modify or vary the rights attached thereto.

By order of the Board  
Managing Director

Mumbai

30<sup>st</sup> May 2013

Registered office:

503, Western Edge II

Western Express High Way

Borivali East

Mumbai 400066



**Notes:**

**A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY**

1. The Explanatory statement pursuant to section 173 of the Companies Act 1956 in respect of items No.4 to 7 is annexed hereto.
2. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. Members/proxies should bring duly filled attendance slip and the printed annual accounts sent herewith.
4. For the purpose of the annual general meeting the register of members and the share transfer books of the Company will be closed from Friday, 5th July 2013 to Monday 15th July 2013, both days inclusive.

The Explanatory pursuant to section 173 of the Companies Act 1956 in respect of items Nos. 4 to 7 in the notice

Item No 4: The Board at the meeting held on 30th May 2013, appointed Shri Neeraj Kumar Arora as additional Director. As additional director, Shri Arora holds office up to date of the annual general meeting. The personal details of Shri Arora are separately given in the annexure. The Company has received notice from a member with deposit of Rs. 500 proposing the name of Shri Neeraj Kumar Arora as candidate for the office of director.

The Directors recommend the resolution for the approval of members.

Except Shri Neeraj Kumar Arora, none of the directors is concerned or interested in the resolution.

Item No5,6 and 7: The nominal value of the equity shares of the Company is Rs. 10 each. The Board of Directors at the meeting held on 30th May 2013, has approved subdivision of the nominal value of each equity share of Rs. 10 each into 10 shares of Re. 1 each. Such sub division, it is hoped, may broaden the market for Company's equity shares and attract retail investors. Hence the proposal for subdivision.

Consequential amendments in the relevant capital clauses of the Memorandum of Association and the Articles of Association are required to be made.

Directors and their relatives, who hold the shares in the Company, may be deemed to be interested.

The directors recommend the resolution for the approval of the members.

The Memorandum of Association and the Articles of Association with the proposed amendment is available for inspection of members during week days (Monday through Friday) between 11.00 am to 1.00 pm at the registered office of the Company.

By order of the Board  
Managing Director

Mumbai  
30th May 2013  
Registered office:  
503, Western Edge  
Western Express High Way  
Borivali East  
Mumbai 400066

**Details of Director seeking appointment at the forthcoming Annual General Meeting  
(In pursuance of Clause 49 of the listing agreement)**

Details	Abhay Narain Gupta	Neeraj Kumar Arora
Date of birth	30/08/1981	26th January 1969
Nationality	Indian	Indian
Date of appointment	16/02/2011	30/05/2013
Qualification	H.Sc	B Com
Experience	10 years	20 years
Number of shares held in the Company	Nil	Nil
Other Directorships	Ambe Securities Pvt. Ltd., Triyamb Securities Pvt. Ltd Pro Fin Commodities Pvt. Ltd Asian Fintrade Services Private Ltd Asian Commtrade Pvt. Ltd	Hans Financial Consultancy Pvt. Ltd.,
DIN	02294699	00177569



## Director's Report

To

The Members of Pro Fin Capital Services Limited

Your directors present the 22nd Annual report with audited accounts for the year ended 31st March 2013.

### **Business operations**

The Company has approval from RBI to conduct the business of non-banking financial company. The Directors are considering various business activities as NBFC within the scope of RBI directions as applicable to the Company.

As reported in the last report, the Company has obtained certificate of registration from SEBI for Trading Member of NSE and BSE. The Company has also obtained certificate of registration from SEBI as a Stock Broker.

### **Change of registered office from New Delhi to Mumbai**

The Company has completed all formalities for shifting its registered office from New Delhi to Mumbai. Hence the annual general meeting is being held in Mumbai.

### **Financial Results**

(Rupees in lacs)

Details	<b>Financial year ended 31st March 2013</b>	Financial year ended 31st March 2012
Gross Income	<b>22.96</b>	5.24
Profit/(loss) for the year	<b>0.16</b>	(8.67)
Profit/(loss) brought forward from previous year	<b>(289.15)</b>	(280.48)
Profit/(loss) carried forward	<b>(288.99)</b>	(289.15)

### **Dividend**

In view of accumulated losses, the Directors do not recommend any dividend for the financial year ended 31st March 2013

### **Directors**

Shri Ashish Nandkishore Taparia has resigned as director. The directors place on record its appreciation of the services rendered by Shri Taparia during his tenure.

The Board has appointed Shri Neeraj Kumar Arora as additional director. As additional director, he holds office upto the date of the ensuing annual general meeting. The Company has received notice with requisite fee from a member proposing the candidature of Shri Neeraj Kumar Arora as director at the forthcoming annual general meeting.

Shri Abhay Narain Gupta retires by rotation at the ensuing annual general meeting and being eligible offers himself for re appointment.

### **Conversion of warrants into shares**

During the year under report, the Company allotted and issued 7,00,000 equity shares of Rs. 10 each at a premium of Rs. 12.43 per share (Total price Rs. 22.43 per share) to those warrant holders who converted the warrants into equity shares after paying the balance 75% amount of application money.

### **Auditors**

Members are requested to appoint auditors and fix their remuneration. The present auditors M/s. Mahesh Tejwani, Chartered Accountants are eligible for re appointment. They have furnished the certificate of eligibility



under section 224 (1B) of the Companies Act 1956.

**Auditor's observation**

With reference to the observation in para 3 of the auditors report, it is clarified that Note No. 14(9) provides adequate explanation and clarification. It is therefore, not dealt with in the Report.

**Public Deposits**

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

**Particulars of Employees**

During the year under review, as no employee was in receipt of remuneration in excess of the limits stipulated under section 217(2A) of the Companies Act 1956 and the relevant rules, the required details are not given.

**Directors' Responsibility statement**

Pursuant to section 217 (2AA) of the Companies Act 1956, the directors hereby confirm that:

- 1 In preparation of the balance sheet and the profit and loss account of the Company, the applicable accounting standards have been followed along with proper explanation relating to material departure
- 2 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 of the Company for that period
- 3 The Directors have taken proper and sufficient care for the maintenance of accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4 The Directors prepared the accounts for the year ended 31st March 2013 on a going concern basis.

**Report on Corporate Governance**

Pursuant to clause 49 of the listing agreement with the stock exchanges, a separate section under Corporate Governance has been included in this report along with required certificate of compliance. Management Discussion and Analysis Report forms part of the Corporate Governance Report.

**Listing**

The Company's shares continue to be listed in the Bombay, Delhi and Calcutta stock exchanges. The Company has paid the listing fees for the financial year ended 2012-13.

**Conservation of energy**

Considering the nature of business undertaken by the Company, the particulars under section 217 (1)(e) of the Companies Act 1956 in respect of energy conservation and technology absorption are not given.

**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 appreciation for the assistance and cooperation received from the shareholders, banks and customers during the year under review.

By order of the Board

Mumbai  
30<sup>th</sup> May 2013

Managing Director



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Industry Structure and Trends:**

The Indian economy grew by only 5% in FY 2013 and this was much below expectation. The developed economies, such as US and EU also did not do well. The global economy had sluggish growth due to budgetary cuts, austerity measures, leading to high level of unemployment in EU countries.

This has also impacted domestic economy due to slow growth in exports. The growth was affected by increasing inflationary tendencies leading to tight monetary policies. Although, RBI reviewed the monetary situation from time to time and reduced the interest rate, this did not translate into easing of domestic interest rates. Domestic credit continues to be tight.

At macro level, the economy has to face fiscal deficit, high fuel costs in import of petroleum products, inflation, high interest rates, high volatility in rupee vis a vis US Dollar. Such adverse factors have also impacted the sensex and other indices leading to high level of volatility. .

In the context of these developments, the Company's business operations which mainly consist of dealing in securities remained at low key during the year ended 31st March 2013.

### **Opportunities and Threats**

The management of the Company has been evaluating various business strategies to improve the top and bottom line of the operations. The Company obtained certificate of registration from SEBI as Trading Member and Stock Broker both for NSE and BSE. The Company is registered as NBFC with RBI. The Directors are evaluating various business activities which the Company can profitably undertake.

Whatever be the strategy adopted by the Company in the current financial year, the volatility of the capital market would impact the operations of the Company. Such volatility is caused at macro level by various factors which are beyond the control of the Company.

### **Segment wise or product wise performance**

The company is presently operating in the financial markets segment only.

### **Outlook**

The Indian economy has strong fundamentals and despite various adverse factors listed above, the GDP is estimated to be higher in FY 2014. Thus India provides opportunities for appreciation in the investments.

### **Risks & Concerns**

The risks of volatility in stock market, global economic situation, prices of oil at unprecedented high levels, RBI measures to increase the interest rates to check the inflation are high in this kind of business which the Company proposes to undertake. Your company proposes to address 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: Mumbai  
Date: 30th May 2013.

Anupam Narain Gupta  
Managing Director



## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2012 -2013

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

### 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 investors interests in letter and spirit. The Company's 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

### Board of Directors

#### Composition

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

#### Category of Directors

S. No.	Name of Directors	Designation	Category of Directorship	Committee Membership	Committee chairmanship
1.	Anupam Narain Gupta	Managing Director	Promoter - Executive	Remuneration Committee	Nil
2.	Abhay Narain Gupta	Joint Managing Director	-do-	1 Audit Committee 2 Share transfer and Shareholders/Investor Grievance Committee	Nil
3.	Sandesh Madhukar Sawant	Director	Non Executive Director (Independent Director)	1 Audit Committee 2 Remuneration Committee 3 Share Transfer and Shareholders/Investor Grievance Committee	Chairman Chairman Chairman
4. \$	Ashish Nandkishore Taparia	Director	-do-	1 Remuneration Committee 2 Share Transfer and Shareholders/Investors Grievance Committee 3 Audit Committee	
5.	& Neeraj Kumar Arora	Director Director	-do-	-do-	

\$ Ceased to be director with effect from 30th May 2013

& Appointed as director with effect from 30th May 2013

During the financial year 2012-13, seven board meetings were held on the following dates:

16th May 2012, 31st May 2012, 6th July 2012, 6th August 2012, 31st October 2012, 31st January 2013 and 27th March 2013.

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 public companies is given below:





Name of Directors	Attendance Particulars		No. of Directorship and Committee Membership/Chairmanship in other Public Companies		
	Board Meeting	Last AGM on 26 <sup>th</sup> September 2012	Other Director - ship	Committee Membership (2)	Committee Chairmanship (2)
Anupam Narain Gupta	7	Present	--	--	--
Abhay Narain Gupta	7	Present	-	-	-
Sandesh Madhukar Sawant	7	Present	-	-	-
Ashish Nandkishore Taparia	7	Present	-	-	-

#### **Board Procedure**

The agenda is circulated well in advance to the Board members. The Board is also kept informed of the major events/items.

#### **Code of Conduct**

The Board has approved Code of Conduct for all the directors and senior management personnel. The Board members have affirmed the compliance with the Code of Conduct. A declaration to this effect signed by the Managing Director forms part of this report.

#### **Details of directors seeking re appointment**

Details of directors seeking appointment are given in the notice convening the annual general meeting.

#### **Details of shareholding by non-executive directors**

Non executive directors do not hold any shares in the Company.

#### **Audit Committee**

##### **Composition**

The Audit Committee comprised the following members:

1. Mr. Sandesh Madhukar Sawant Chairman, Non executive Independent
2. Mr. Ashish Nandkishore Taparia Member, Non Executive, Independent
3. Mr. Abhay Narain Gupta Member, Executive, Non independent

The Managing Director attends all audit committee meetings.

##### **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, focusing 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.

#### **Audit Committee Meetings and Attendance**

During the financial year ended 31st March 2013 the Audit Committee met four times on 31st May 2012, 6th August 2012, 31st October 2012 and 31st January 2013

Name of Director	No. of Audit Committee Meetings attended
Abhay Narain Gupta	four
Sandesh Madhukar Sawant	four
Asish Nandkishore Taparia	four

#### **Remuneration Committee**

The Committee comprised the following members:

Sandesh Madhukar Sawant Non Executive Independent

Anupam Narain Gupta Executive - Promoter

Ashish Nandkishore Taparia Non Executive Independent

During financial year ended 31st March 2013, no director was paid any remuneration either by way of salary or commission or sitting fees. Hence no meeting was held.

#### **Shareholders'/ Investors' Grievance Committee**

The Board has authorized the Managing Director to approve share transfers in physical form and issue of duplicate share certificates. The details of share transfers and duplicate issues are furnished to the Company once a fortnight by the Registrar and Share Transfer Agents. The share certificates after approval are delivered within a period of 30 days.

The Shareholders/Investors Grievance Committee at its meeting takes note of the transfers approved by the Managing Director. The Committee also monitors the complaints received from the shareholders and the redressal of such complaints.

During the financial year 2012-13 four meetings were held on 31st May 2012, 6th August 2012, 31st October 2012 and 31st January 2013. The details of attendance are given below:

Name of the Member	Number of meetings attended
Sandesh Madhukar Sawant, Chairman	four
Ashish Nandkishore Taparia	four
Abhay Narain Gupta	four

#### **Terms of reference**

To look into redressal of investors' complaints and requests such as transfer of shares, non receipt of annual reports, etc.

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.

Financial Year ended on	Location	Date & Time
31st March 2013	503, Western Edge II, Western Express Highway, Borivali East, Mumbai 400066	15th July 2013 10.00 am 26th September 2012 at 10.00 am
31st March 2012	S-4, JVTs Garden Chattarpur Extension, New Delhi 11074	
31st March 2011	-Do-	27th September 2011 at 10.00 am

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



#### **Postal Ballot**

During the financial year ended 31st March 2013, a postal ballot was taken for obtaining the approval of the members through special resolution under section 17 of the Companies Act 1956 for shifting of registered office from New Delhi to State of Maharashtra. The resolution was passed with requisite majority.

#### **Disclosures**

##### **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.

##### **Statutory compliances, penalties and strictures**

The Company has complied with the requirements of the listing agreements with the Stock Exchanges, SEBI and statutory authority on all matters related to capital markets during the last three financial years. No penalties or strictures have been imposed on the Company by these authorities.

##### **Dematerialisation of Shares and Liquidity**

The Company has appointed M/s Beetal Financial & Computer Services Pvt. Ltd. as its Registrar and Share Transfer Agent. The Company has entered the tripartite agreement with NSDL and RTA and the Company's application with CDSL is under progress.

As of 31st March 2013, 54.06% of the total shares remain dematerialized.

##### **CEO/CFO Certification:**

The Managing Director (CEO) has certified to the Board in accordance with clause 49(V) of the listing agreement pertaining to CEO/CFO certification for the financial year ended 31st March 2013. There is no CFO as on 31st March 2013. The certification has been annexed and forms part of this report.

##### **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.

##### **General Shareholders' Information**

22nd Annual General Meeting

Date and Time : Monday, 15th July 2013 at 10.00 am

Venue : 503, Western Edge II, Western Highway, Borivali East, Mumbai 400066

Tentative financial calendar : 01.04.2013 to 31.03.2014

First quarter results : in the last week of July 2013

Second quarter results : in the last week of October 2013

Third quarter results : in the last week of January 2014

Year end financial results : in the last week of May 2014

Annual general meeting : in the middle of July 2014

Date of Book Closure : From the first week of July till the date of AGM

Dividend Payment Date : Not applicable

**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 in BSE : 511557  
INE732K01019

### 3 Market Price Data : High/Low in each month in financial year 2012-13

Month	Share Price High Rs.	Low Rs.	BSE Sensex Close	Number of shares traded	Total Turnover Rs.
April 12	30.35	25.70	17318.81	34	7,15,905
May	37.00	26.40	16218.53	45	7,01,075
June	45.85	33.45	17429.98	37	1,43,846
July	47.80	33.45	17236.18	48	1,67,550
August	37.30	29.50	17429.56	35	12,99,818
September	47.20	37.90	18762.74	45	9,90,240
October	50.35	38.00	18505.38	54	2,53,652
November	44.10	38.00	19339.90	59	3,08,220
December	51.00	43.00	19426.71	60	14,39,361
January 2013	54.90	48.05	19894.98	88	13,35,386
February	57.00	49.25	18861.54	127	33,57,185
March	95.90	53.00	18835.77	594	1,02,75,350

### 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, 2013

No. of equity shares held	Shareholders		Share Amount	
	Numbers	% of total	Rs.	% age
Up to 5000	3526	82.60	83,90,010	16.56
5001 to 10000	451	10.56	35,73,990	7.05
10001 to 20000	165	3.87	23,51,330	4.64
20001 to 30000	33	0.77	8,22,000	1.62
30001 to 40000	19	0.45	6,61,000	1.30
40001 to 50000	12	0.28	5,73,120	1.13
50001 to 100000	22	0.52	15,89,060	3.13
100001 and above	41	0.95	327,08,490	64.55
<b>TOTAL</b>	<b>4508</b>	<b>100.00</b>	<b>5,06,69,000</b>	<b>100.00</b>



#### 6. Shareholding pattern as on 31st March, 2013

Category	No. of Shares Held	% of Holding
<b>1. Promoters Shareholders</b>		
a. Indian Promoter - Corporate	12,18,800	24.05
b. Indian Promoter - Individual	6,74,952	13.32
Foreign Promoters	Nil	Nil
<b>Sub - Total</b>	<b>18,93,752</b>	<b>37.37</b>
<b>2 NON - PROMOTERS HOLDING:</b>		
<b>Promoters Shareholders</b>		
a. Mutual funds & UTI	NIL	NIL
b. Banks, Financial Institutions Insurance Companies (Central / State Govt. Insts. Non-Govt. Institutions	NIL	NIL
c. FIIs	NIL	NIL
<b>Sub - Total</b>	<b>NIL</b>	<b>NIL</b>
<b>3 Others</b>		
a. Corporate Bodies	4,15,380	8.20
b. Indian Public - Individuals	27,46,668	54.21
c. NRI	11,100	0.22
<b>Sub - Total</b>	<b>25,19,900</b>	<b>62.63</b>
<b>TOTAL</b>	<b>50,66,900</b>	<b>100.00</b>

**Address of Correspondence:** 503. Western Edge II, Western Express Highway,  
Borivali East, Mumbai 400066

Telephone: 022-32670651

Fax 022-28702072

Email : profin.capital1@gmail.com



## DECLARATION

This is to confirm that Pro Fin Capital Services Limited ('the Company') has adopted a Code of Conduct for its Directors and its senior management personnel.

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all directors and senior management personnel of the Company have confirmed compliance with their respective Codes for the financial year ended 31st March, 2013

Place : Mumbai

Date : 30th May 2013

**Anupam Narain Gupta**  
**Managing Director**  
**Pro Fin Capital Services Limited**

## CEO CERTIFICATION

As required under sub clause V of Clause 49 of the listing agreement with the stock exchanges, we have certified to the Board that for the financial year ended 31st March 2013, the Company has complied with the requirements of the said sub clause.

Anupam Gupta  
Managing Director  
30th May 2013

## 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 2013 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.

L Krishnamoorthy  
Practising Company Secretary  
C P No 6885

Mumbai  
30<sup>th</sup> May 2013



### **Auditors' Report**

To the Members of  
PRO FIN CAPITAL SERVICES LTD.

We have audited the attached Balance Sheet of PRO FIN CAPITAL SERVICES LTD. as at 31st March 2013, 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) Point No. 9 of Note 14 of Notes on Accounts regarding Deposit of Rs. 20 Lakh given to OTCEI and
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 2013 and taken on record by the Board of directors, we report that none of the directors is disqualified as on 31st March 2013 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 2013.
    - (ii) In the case of Profit and Loss Account, of the profit 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 Mahesh Tejwani**

Chartered Accountants

Mahesh Tejwani

Proprietor

M.No. 037194

Place-Mumbai

Date: - 30-05-2013



### **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.

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 was 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) is 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. There are no employees who are governed by the Employees Provident Scheme 1952 and ESI act.
- 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'2013 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 2013 on account of any matters pending before appropriate authorities.
10. Accumulated losses of the Company as at 31st March 2013 are more than fifty per-cent of its net worth. In current year as well as previous year.
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 respect 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 2013, 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. The company has made preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
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 Mahesh Tejwani**  
For Mahesh Tejwani  
**(Mahesh Tejwani)**  
Proprietor

Place : Mumbai  
Dated : May 30, 2013



## BALANCE SHEET AS AT 31 MARCH, 2013

Particulars	Note	As at 31 March, 2013	As at 31 March, 2012
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	50,669,000	43,669,000
(b) Reserves and surplus	2	(19,698,891)	(28,415,830)
(c) Money received against share warrants		9,075,500	9,311,063
<b>2 Current liabilities</b>			
(a) Trade Payables	3	705,909	316,831
(b) Other current liabilities	4	32,975	209
<b>TOTAL</b>		<b>40,784,493</b>	<b>24,881,273</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	5		
(i) Tangible assets		120,436	147,192
(ii) Intangible assets		231,630	231,630
(b) Long term Loans & Advances	6	3,792,628	3,982,968
<b>2 Current assets</b>			
(a) Non Current investments	7	7,209,398	7,209,398
(b) Inventories	8	927,000	927,000
(c) Trade receivables	9	1,063,424	1,063,424
(d) Cash and cash equivalents	10	459,727	841,541
(e) Short-term loans and advances	11	26,980,250	10,478,120
<b>TOTAL</b>		<b>40,784,493</b>	<b>24,881,273</b>
Accompanying notes forming part of the financial statements	14		

In terms of our report attached.

For MAHESH TEJWANI  
Chartered Accountants

**MAHESH TEJWANI**  
PROPRIETOR  
MNO :-37194  
Place : Mumbai  
Date : 30-05-2013

For and on behalf of the Board of Directors

**Managing Director**

**Jt Managing Director**

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

Particulars	Note	For the year ended 31 March, 2013 Rs.	For the year ended 31 March, 2012 Rs.
1 Revenue from operations		0	0
2 Other income		2296126	523579
<b>3 Total revenue (1+2)</b>		<b>2296126</b>	<b>523579</b>
<b>4 Expenses</b>			
(d) Employee benefits expense	12	1280000	290000
(f) Depreciation and amortisation expense		26756	35476
(g) Other expenses	13	973432	1065559
<b>Total expenses</b>		<b>2280188</b>	<b>1391035</b>
<b>5 Profit / (Loss) before tax (3 - 4)</b>		<b>15,938</b>	<b>(867,456)</b>
6 Tax expense:		-	-
<b>7 Profit / (Loss) for the year (5 - 6)</b>		<b>15,938</b>	<b>(867,456)</b>
<b>8 Earnings per share (of `10/- each):</b>			
(a) Basic & diluted		0.004	(1.26)
<b>Accompanying notes forming part of the financial statements</b>	14		

In terms of our report attached.

For MAHESH TEJWANI  
Chartered Accountants

For and on behalf of the Board of Directors

**MAHESH TEJWANI**  
PROPRIETOR  
MNO :-37194  
Place : Mumbai  
Date : 30-05-2013

**Managing Director**

**Jt Managing Director**

**CASH FLOW STATEMENT AS ON 31ST MARCH, 2013**

PARTICULARS	AS AT	AS AT
	31.03-2013	31.03-2012
<b>A) Cash flow from operating Activities</b>		
Net Profit/(Loss) before tax and extra ordinary items	15,938.00	(867,455.00)
Add: Depreciation	26,756.00	35,476.00
Add: Loss/(profit) on sale of Investment (net)	0.00	0.00
Dimunation in value of Investment	0.00	0.00
Add: Profit/(Loss) on sale of Fixed Asset	0.00	0.00
Operating profit/(Loss) before working capital Change	<u>42,694.00</u>	<u>(831,979.00)</u>
Decrease/ (Increase) in Trade and Other receivables	0.00	62,874.00
Decrease/ (Increase) in Long Term Loans & Advances	190,340.00	(1,645,209.00)
Decrease/ (Increase) in Short Term Loans & Advances	(16,502,130.00)	(10,124,669.00)
Decrease(Increase) in Inventory	0.00	125,593.00
Increase/ (Decrease) in Other Current Liabilities	32,766.00	
Increase/ (Decrease) in Trade Payables	389,078.00	6,694.00
Cash Generate from operations	<u>(15,847,252.00)</u>	<u>(12,406,696.00)</u>
Direct Tax/FBT Paid (net of refund)	<u>0.00</u>	<u>0.00</u>
<b>B) Cash flow from Investing Activities etc</b>	<b><u>(15,847,252.00)</u></b>	<b><u>(12,406,696.00)</u></b>
(Increase)/ Decrease in Fixed Assets		(231,630.00)
(Increase)/ Decrease of Investments		2,131,360.00
Net cash used in investing activities	<u>0.00</u>	<u>1,899,730.00</u>
<b>C) Cash Flow from Financing Activities</b>		
Proceeds from issue of share warrants		9,311,062.50
Increase in Share Premium	8,701,001	
Increase in Share capital( Net of share warrants conversion)	6,764,437.00	0.00
<b>Net Cash outflow from Financing Activities</b>	<b><u>15,465,438.00</u></b>	<b><u>9,311,062.50</u></b>
Net Increase in cash and cash equilents	(381814)	(1,195,904)
Cash & Cash Equivalentents		
- Opening	841,541	2,037,445
Cash & Cash Equivalentents		
- Closing	459,727	841,541

In terms of our report attached,  
For MAHESH TEJWANI  
Chartered Accountants

For and on behalf of the Board of Directors

Managing Director

Jt Managing Director

**MAHESH TEJWANI**

**PROPRIETOR**

MNO :-37194

Place : Mumbai

Date : 30-05-2013



## NOTES FORMING PART OF FINANCIAL STATEMENT AS ON 31 MARCH, 2013

The Previous Year Figures Have been regrouped / reclassified wherever necessary to confirm to the current year presentation

	As at 31.3. 2013 Rs.	As at 31.3.2012 Rs.
<b>Note 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
60,00,000 Equity Shares of Rs.10/- each	<u>60,000,000</u>	<u>60,000,000</u>
<b>ISSUED</b>		
5066900 Equity Shares of Rs. 10/- each fully paid	<u>50,669,000</u>	<u>43,669,000</u>
<b>SUBSCRIBED &amp; PAID UP</b>		
5066900 Equity Shares of Rs. 10/- each fully paid	50,669,000	43,669,000
<b>TOTAL</b>	<u>50,669,000</u>	<u>43,669,000</u>
	<b>As at 31.3. 2013 Rs.</b>	<b>As at 31.3.2012 Rs.</b>

	Number	Amount	Number	Amount
<b>EQUITY SHARE WARRANTS</b>				
Share warrants exercisable on or before 09th April 2013 for one equity share of Rs 10/- each fully paid -up @ Rs 22.43/- per share	800,000.00	9,075,500	1,500,000	9,311,063

### Note 1 (a) Reconciliation of number of shares

Particulars	As at 31st March 2013		As at 31st March 2012	
	No. of Shares Held	Rs	No. of Shares Held	Rs
<b>Equity Shares:</b>				
Shares At the Beginning of the year	4,366,900	43,669,000	4,366,900	43,669,000
Add: Shares Issued during the year	700,000	7,000,000		
Shares At the End of the year	5,066,900	50,669,000.00	4,366,900	43,669,000.00

### Note 1 (b)

#### Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Name of the shareholder	As at 31st March 2013		As at 31st March 2012	
	No. of Shares Held	% of holding	No. of Shares Held	% of holding
ANUPAM NARAIN GUPTA	549,952	10.85		
TRIYAMB SECURITIES PVT LTD	1,218,800	24.05	1,218,800	27.91

1.1 1,00,000 Equity Shares out of the issued, subscribed & paid up share capital were allotted as fully paid bonus shares by Capitalisation of General Reserve in earlier years

1.2 7,00,000 Equity shares were issued on 6-8-2012 on conversion of share warrants issued on 10th Oct 2011 on Preferential Allotment basis



**Note 2**

RESERVE AND SURPLUS	AS AT	
	31-03-2013	31-03-2012
General Reserves - As per last Balance Sheet	500,000	500,000
Share Premium		
Opening Balance	-	
Add: Additions During the year	8,701,001	
Closing Balance	<u>8,701,001</u>	-
Profit & Loss Account		
Opening balance	(28,915,830)	(28,048,375)
Add: Profit / (Loss) for the year	15,938 (28,899,892)	(867,455) (28,915,830)
<b>TOTAL</b>	<b><u>(19,698,891)</u></b>	<b><u>(28,415,830)</u></b>

**Note 2 a**

**Preferential Allotment application**

A sum of 9075500 is the amount received on share warrants issued on preferential allotment basis on 10th October 2011 & not yet converted into equity shares

**Note 3**

**TRADE PAYABLES**

**Acceptances**

**Other than Related Parties**

292159

246331

**Related Parties**

Rashi Gupta

343250

Anupam Gupta

70500

413750

70500

**TOTAL**

**705909**

**316831**

**Note 4**

**OTHER CURRENT LIABILITIES**

Statutory Liabilities

32975

209

**TOTAL**

**32975**

**209**

**Note 5**

**Fixed Assets**

i) Tangible Assets

Particulars	DATE OF ACQUISITION	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		ACQ. VALUE	ADDN. VALUE	DIS. VALUE	TOTAL VALUE	WTD. AMOUNT	Provision Made During the year	Accum. Depn.	Total Depn.	ACQ. VALUE	ADDN. VALUE	DIS. VALUE
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Land and Bldgs	10.0%	84,837	0	0	84,837	62,142	3,794	0	65,948	17,889	20,784	
Office Equipments	13.3%	50,210	0	0	50,210	45,371	1,698	0	43,673	6,537	16,637	
Computers	40.0%	1,02,000	0	0	1,02,000	107,428	6,200	0	1,08,628	0	2,094	
Cycle	20.0%	2,500	0	0	2,500	347	61	0	2,153	347	347	
<b>Total (Rs.)</b>		<b>2,40,547</b>	<b>0</b>	<b>0</b>	<b>2,40,547</b>	<b>2,16,288</b>	<b>10,753</b>	<b>0</b>	<b>2,27,041</b>	<b>13,426</b>	<b>16,765</b>	
Previous Year Figures		2,40,547	0	0	2,40,547	2,16,162	10,491	0	2,26,653	14,112	16,269	
ii) Intangible assets												
ICE Membership Card/Processing Fee		20,800	0	0	20,800	0	0	0	0	20,800	20,800	
Previous year Total		20,800	0	0	20,800	0	0	0	0	20,800	20,800	

No Depreciation has been charged on intangible assets as the asset is not put to use



<b>Note 6</b>				
<b>LONG TERM LOANS &amp; ADVANCES</b>		<b>AS AT</b>		<b>AS AT</b>
		31-3-2013		31-3-2012
a) Security Deposit (unsecured considered Good)		2103000		2103000
<b>Other Than Related Parties</b>				
<b>Related Parties</b>				
Rashi Gupta		1200000		1500000
b) TDS & income tax		409934		315274
c) Balances with Government authorities				
i) Service Tax Credit Receivable		42494		42494
d) Other Loans & Advances (unsecured considered Good)		37200		22200
<b>TOTAL</b>		<b>3792628</b>		<b>3982968</b>
<b>Note 7</b>				
<b>NON CURRENT INVESTMENTS</b>		<b>AS AT</b>		<b>AS AT</b>
		31-03-2013		31-03-2012
<b>TRADE</b>				
- Quoted		6,309,397		6,309,397
- Unquoted		900,001		900,001
<b>TOTAL</b>		<b>7,209,398</b>		<b>7,209,398</b>
Market Value of Quoted Investments		2,252,696		4,931,873
Quoted Trade	No of Equity shares	<b>AS AT</b> 31.03.2013	No of Equity shares	<b>AS AT</b> 31.03.2012
Agritech Hatcheries Ltd.	3000	1	3,000	1
ICICI Bank Ltd.(Deposit in LSE)	1056	140,448	1,056	140,448
Innovative Techpack Ltd.	500	21,250	500	21,250
Kinzle India Samal Ltd.	60000	1	60,000	1
Laurel Organics	7000	1	7,000	1
Mukerian Papers Ltd.	3750	42,188	3,750	42,188
Nova Magnetics Ltd.	3900	1	3,900	1
Organic Chem Oil Ltd.	3300	1	3,300	1
PaamPharmaceuticalsLtd.	3500	1	3500	1



P M M L	103400	1034000	103400	1034000
ShreeAdhikariBrothersLtd.	0	0	0	0
UTI Masteshare	816	9710.37	816	9710.37
CHROMATIC INDIA	38000	5061794	38000	5061794.16
		<u>6,309,397</u>		<u>6,309,397</u>
Unquoted Trade				
Asian Diet Products Ltd.	90000	900,000	90000	900,000
Apex Multitech Ltd.	40000	1	40000	1
		<u>900,001</u>		<u>900,001</u>
<b>Note8</b>				
<b>INVENTORIES</b>		<b>AS AT</b>		<b>AS AT</b>
		<b>31-03-2013</b>		<b>31-03-2012</b>
INVENTORIES				
(At lower of cost or Market value, taken, valued and certified by the Management)		927,000		927,000
<b>TOTAL</b>		<u><b>927,000</b></u>		<u><b>927,000</b></u>
<b>Note9</b>				
<b>TRADE RECEIVABLES</b>		<b>AS AT</b>		<b>AS AT</b>
		<b>31-03-2013</b>		<b>31-03-2012</b>
Debtors exceeding Six Month (unsecured considered Good)		1,063,424		1,063,424
<b>TOTAL</b>		<u><b>1,063,424</b></u>		<u><b>1,063,424</b></u>
<b>Note10</b>				
<b>CASH &amp; CASH EQUIVALENTS</b>		<b>AS AT</b>		<b>AS AT</b>
		<b>31-03-2013</b>		<b>31-03-2012</b>
CASH IN HAND		357,824		204,309
BALANCE WITH BANKS		101,903		637,232
<b>TOTAL</b>		<u><b>459,727</b></u>		<u><b>841,541</b></u>
<b>Note11</b>				
<b>SHORT TERM LOANS &amp; ADVANCES</b>		<b>AS AT</b>		<b>AS AT</b>
		<b>31-03-2013</b>		<b>31-03-2012</b>
(Unsecured, Considered Good)		26980250		10478120
<b>TOTAL</b>		<u><b>26980250</b></u>		<u><b>10478120</b></u>





<b>Note12</b>		
<b>EMPLOYEE BENEFIT EXPENSE</b>	<b>AS AT</b>	<b>AS AT</b>
	<b>31-3-2013</b>	<b>31-3-2012</b>
Salaries & Establishment	1,280,000	290,000
<b>TOTAL</b>	<b>1280000</b>	<b>290000</b>
<b>Note13</b>		
<b>OTHER EXPENSES</b>	<b>AS AT</b>	<b>AS AT</b>
<b>Other than Related Party</b>	<b>31-03-2013</b>	<b>31-03-2012</b>
Membership & Subscription	40,910	15,736
Electricity & Water Charges	78,730	-
Professional charges	129,447	152,027
Telephone & Communiacion Expenses	34,453	-
Travelling & Conveyance	-	-
Bank Charges/ Interest	306	2,190
Listing Fees	-	31,170
Filing Fees	3,000	9,560
Accounting Charg.	30,000	30,000
Cable charges	23,370	-
Advertisment Exp.	209,446	199,348
Office upkeep & Maintenance	-	-
Postage & Courier Charges	26,687	20,197
Stationery & Computer exp.	45,102	55,284
Business Promotion	-	-
Demat Charges	-	6,000
Registrar Expenses	-	3,135
Audit Fee	28,090	28,090
BROKERAGE+other charges	-	5,011
AGM Expenses	18,500	15,000
Website Exp.	5,391	19,010
Loss on Sale of Long Term Investment	-	467,717
Dimunication in the value of inventory	-	-
Loss on dealiing of F&O contracts	-	-
Loss in Dealing in securities (net)	-	6,084
<b>Related Party</b>		
Rent - Rashi Gupta	300000	-
<b>TOTAL</b>	<b>973,432</b>	<b>1,065,559</b>



**Notes forming part of financial statement  
for the Year ended 31st March 2013.**

Note 14

**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 includes 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)**

- a) **Quoted Investment:** Long term investments are valued scrip wise at cost (including expenses & STT incurred there on) 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.
- b) **Unquoted investment** has been valued at lower of cost or breakup 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 (includes the expenses & STT incurred there on).

**7. Revenue Recognition**

- a) Transactions in respect of Investment / Dealing in Securities are recognised on trade dates
- b) Dividend/interest on debenture, income is accounted for on cash basis.
- c) Profit / Loss on sale of securities are 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 except for exgratia, leave encashment. Adequate provisions have been made in the accounts for all known losses and liabilities.

**9. Retirement benefit of Employees.**

- i) **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.
- ii) **Leave Encashment** - Encashment of un-availed 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. 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.

#### 12. Earning Per Share

The Company reports basic and diluted Earnings 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.

#### 13. 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.

#### 14. Miscellaneous Expenditure

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

#### 15. Money received against share warrants

The amount of Rs 9075500 is the amount received on share warrants issued on preferential allotment basis on 10th October 2011, yet to be converted into equity shares. The said warrants Pursuant to Section 81(1A) of the Companies Act, 1956, were issued at a conversion price of 22.43/- per equity share of the Company, arrived at in accordance with the SEBI Regulations in this regard. These warrants were allotted on 10th October, 2011 to non promoters. The warrants may be converted into equivalent number of shares on payment of the balance amount at any time on or before 9th April 2013. The Company had allotted and issued 7,00,000 equity shares of Rs 10 each to warrant holders who converted the warrants into Equity Shares after payment of balance 75% of the amount In respect of the remaining warrant folders, in the event the warrants are not converted into shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants.

#### B. Notes on account

- 1) a) Contingent liabilities not provided for, in respect of
  - i) In respect of a penalty claim of Rs.1.75 Lacs from SEBI u/s 15A of SEBI ACT.( Prev Year Rs 1.75 Lacs)
  - b) Claim against the Company not acknowledged as Debts 6.35 Lacs (Prev. Year-6.35 Lacs)

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

- a. Related Party Disclosures (AS-18)

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:-

Srl.	Name of the Related Party	Relationship
1	Mr. Anupam Narain Gupta	Key Managerial Personnel & Relative
2	Mr. Narain Kumar Gupta	Relative of Key Managerial Personnel
3	Mrs. Rashi Anand Kedia	Relative of Key Managerial Personnel
4	Mr. Abhay Narain Gupta	Key Managerial Personnel & Relative
5	Triyamb Securities Private Ltd.	Associate Companies

- 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	Nil	Nil	Nil	Nil	Nil
Expenditure - Salary	Nil	Nil	Nil	Nil	Nil
Rent	Nil	Nil	3,00,000/-	Nil	Nil

**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 2013

**d. Earnings 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 Earnings Per Share (Rs.)	
	31.03.2013	31.03.2012
Profit attributable to the Shareholders	15939	(867455)
Basic / Weighted Avg. No. of Equity shares outstanding during the year. (used as denominator)	5,066,900	4,366,900
Nominal value of Equity Shares	10	10
Basic / Diluted Earning Per Share (Rs.)	(0.003)	(0.20)
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	31.03.2013		31.03.2012	
	Qty	Value (Rs.)	Qty	Value (Rs.)
Opening Stock	NIL	NIL	177152	1052593.00
Purchases	NIL	NIL	21100	979983.00
Sales	NIL	NIL	94888	1099493.00
Closing Stock	NIL	NIL	103000	927000.00



**ii) Details of Purchase and sale of investments during the year ended March 31, 2013**

Name of the investment	Purchased during the year		Sold during the Year	
	Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
CHROMATIC INDIA			16000	1663643.00

**iii) Details of Investment in Hand**

SCRIPS	NO.OF	AS AT	NO.OF	AS AT
	SHARES	31.03.2013	SHARES	31.03.2012
Agritech Hatcheries Ltd.	3000	1.00	3000	1.00
ICICI Bank Ltd.(DEPOSIT IN LSE)	1056	140448.00	1056	140448.00
Innovative Techpack Ltd.	500	21250.00	500	21250.00
Kinzle India Samal Ltd.	60000	1.00	60000	1.00
Laurel Organics	7000	1.00	7000	1.00
Mukerian Papers Ltd.	3750	42188.00	3750	42188.00
Nova Magnetics Ltd.	3900	1.00	3900	1.00
Organic Chem Oil Ltd.	3300	1.00	3300	1.00
Paam Pharmaceuticals Ltd.	3500	1.00	3500	1.00
P M M L	103400	1034000.00	103400	1034000.00
Shree Adhikari Brothers Ltd.	0	0.00	0	0.00
UTI Masteshare	816	9710.37	816	9710.37
CHROMATIC INDIA	38000	5061794.16	38000	5061794.16
<b>Total</b>	<b>228222</b>	<b>6309396.53</b>	<b>228222</b>	<b>6309396.53</b>
<b>UNQUOTED :</b>				
Asian Diet Products Ltd.	90000	900000.00	90000	900000.00
Apex Multitech Ltd.	40000	1.00	40000	1.00
<b>Total (b)</b>	<b>130000</b>	<b>900001</b>	<b>130000</b>	<b>900001</b>
<b>TOTAL INVESTMENT</b>				
QUOTED INVESTMENT		6309396.53		6309396.53
UNQUOTED INVESTMENT		900001.00		900001.00
<b>Grand Total</b>		<b>7209397.53</b>		<b>7209397.53</b>
<b>Market Value of Quoted Investment</b>		<b>2252696.00</b>		<b>4931873.40</b>

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	2012-2013 (Rs.)	2011-2012 (Rs.)
Salaries	NIL	NIL

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

- a) Expenditure in Foreign Currency Rs. NIL (Prev Year NIL)  
 b) Earning in Foreign Currency Rs. Nil (Prev Year NIL)  
 c) 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 2009-10.  
 5. Auditors Remuneration includes



Particulars	2012-2013 (Rs.)	2011-2012 (Rs.)
Paid to the Statutory Auditors		
a) As Audit Fees	28090	28090
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 has 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. The company has made a petition with SEBI for the refund of deposit lying with OTCEI which is under process. However, the exchange has demanded due of Rs. 6,85 lakh which has been contested and has not been provided for in the accounts.
10. 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.
11. Efforts have been made to employ full time Company Secretary. However, suitable person could not be found.

**Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for preferential issues, SEBI (Disclosure and Investor Protection) Guidelines, 2000**

Particulars	During the year ended 31 March, 2013	
	Total amount received from issue of warrants	15465438
Purpose for which the money received has been utilized :		
a. Capital expenditure	Nil	
b. Working capital	15465438	9311062

**12. Status of the Investor Complaint**

Complaints received and disposed off during the year ended March 31, 2013	03
Pending as on March 31, 2013	Nil

13. Previous year's figures have been rearranged / regrouped wherever necessary.

Notes 1 to 13 forms an integral part of Balance Sheet and Profit & Loss Account

For **Mahesh Tejwani**  
Chartered Accountants

For and behalf of the Board  
**Pro Fin Capital Services Ltd.**

**Mahesh Tejwani**  
Proprietor  
Membership No. 37194  
Place : Mumbai  
Dated : 30-05-2013

Mg. Director

Jt Mg. Director



**PRO FIN CAPITAL SERVICES LIMITED**

**Regd office: 503, Western Edge II, Western Express High way, Borivali East, Mumbai - 400 066**

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting)

Name of the attending member (in block letters).....

Register folio No.....

Name of proxy.....(to be filled in if proxy attends meeting)

Number of shares held.....

I hereby record my presence at the 22nd Annual General Meeting held on 15th July 2013 at 10.00 am at 503, Western Edge II, Western Express High way, Borivali East, Mumbai - 400 066.

.....

Signature of member/proxy

Please bring your copy of the annual report for the meeting. Copies of the report will not be distributed at the meeting.

.....

**PRO FIN CAPITAL SERVICES LIMITED**

**Regd office: 503, Western Edge II, Western Express High way, Borivali East, Mumbai - 400 066**

**PROXY FORM**

**Folio No.....**

I/we.....of.....

.....being a member/members of Pro Fin Capital Services Limited

hereby appoint Mr/Miss/Ms.....of.....

In district of.....or failing him/her,

Mr/Ms.....as my/our proxy to attend and vote on my/our behalf at

the 22nd Annual General Meeting to be held on 15th July 2013 and at any adjournment thereof.

( Affix here one rupee revenue stamp)

Signature of member/members.....

The proxy form duly filled in and signed and properly stamped should be deposited at the registered office of the Company 48 hours before the time for the 22nd annual general meeting

**Book Post**

*If undelivered, please return to :*

**Pro Fin Capital Services Limited**

503, Western Edge II

Western Express Highway,

Borivali East

Mumbai 400066





**FORM A**

Format of covering letter of the annual audit report

1	Name of the Company	PRO FIN CAPITAL SERVICES LIMITED Scrip code: 511557
2	Annual financial statement for the year ended	31 <sup>st</sup> March 2013
3	Type of audit observation	Un-qualified
4	Frequency of observation	Not applicable
5	To be signed by the Managing Director	<i>[Signature]</i>