



06.09. 2019

To,
Listing Compliances
BSE Ltd,
P. J. Towers,
Fort,
Mumbai – 400 001.

Ref: Scrip Code: 511557; Scrip Name: PROFINC

Sub: Submission of Annual Report for the financial year 2018-19.

Dear Sir/Madam,

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith a copy of Annual Report for the financial year ended 31st March, 2019 together with the Notice convening the Annual General Meeting of the Company to be held on 30th September, 2019.

We hereby request you to take the same on your record.

Thanking You,

For PRO FIN CAPITAL SERVICES LTD


Anupam N. Gupta
Managing Director
DIN: 02294687



Encl: As above

**PRO FIN CAPITAL
SERVICES LTD.**



28th Annual Report 2018-2019

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

Corporate Information

Board Of Directors:
Mr. Anupam Narain Gupta
02294687
Managing Director

Mr. ABHAY NARAIN GUPTA
02294699
Jt. Managing Director

Mr. NEERAJ ARORA (Upto - 04/02/2019)
00177569
Independent Director

Mr. ATUL KUMAR (From - 05/09/2018)
07271915
Independent Director

Mr. MANAV KUMAR (From - 04/02/2019)
08309105
Independent Director

Mr. ANANT PALAN (Upto - 05/09/2018)
02294699
Independent Director

Mrs. NEHA ANUPAM GUPTA
07145514
Women Director

Auditors

M/s. Harjani and Associates
Parishram Co-op-Hsg. Soc.
Bldg. No.4 Flat No. A/604,
Agripada, Vakola Highway,
Santacruz (E), Mumbai – 400 055

Registered Office :

B/503, Western Edge II,
Western Express Highway,
Borivali (East), Mumbai- 400 066
Tel: 022 – 28702070 Fax: 022- 28702072

CIN: L51909MH1991PLC250695

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Bankers

HDFC Bank Limited
Punjab National Bank
ICICI Bank Limited

Registrar and Transfer Agents:

Beetal Financial & Computer Services (P) Ltd
Beetal House, 3rd Floor, 99, Madangir,
Behind Local Shopping Centre,
Nr. Dada Harsukhdas Mandir, New Delhi- 110062
Tel: .011 29961281/83 Fax: 011 29961284

Email: profin.capital1@gmail.com

Website: www.profincapital.com

28th Annual General Meeting on

Monday, 30th September, 2019 at 11.00 AM

at the Registered Office of the Company at 503, Western Edge II,
Western Express Highway, Borivali (East), Mumbai – 400 066.

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of Pro Fin Capital Services Limited will be held on Monday, 30th September 2019, at the registered office of the Company at 503, Western Edge II, Western Express Highway, Borivali East, Mumbai - 400066 at 11.00 to transact the following business:

Ordinary business

- 1) To receive, consider and adopt the Standalone & Consolidated audited Financial Statements of the Company for the Financial year ended 31st March 2019, the report of the Directors and the Auditors thereon.
- 2) To appoint a director in place of Mr. Anupam Gupta (Din- 02294687) who retires by rotation and being eligible offers herself for re appointment.
- 3) To declare a final dividend of Rs. 0.10 per share (1%) on the equity shares for the Financial year 2018-19.

Special business

4: Appointment of Mr. Atul Kumar as independent director

To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to provisions of sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act 2013(The Act) and the relevant rules made thereunder, Mr. Atul Kumar,(DIN 07271915) who is appointed as Additional and Independent Director by the Board of Directors of the Company and who has submitted a declaration that he meets with the criteria of independence as provided in section 149(6)of the Companies Act 2013, and in respect of whom the Company has received the notice from a members proposing his candidature pursuant to section 160 of the Act, be and is hereby appointed as an independent director for a period of five years from 05.09.2018

5 Appointment of Mr. Manav Kumar as Independent Director

To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution

RESOLVED THAT pursuant ro provisions of sections 149, 152 read with SceduleIV andother applicable provisions, if any, of the Companies Act 2013(the Act) and the relevant rules made thereunder, Mr. Manav Kumar ,(DIN: 08309105) who is appointed as Additional and Independent Director by the Board of Directors of the Company and who has submitted a declaration that he meets with the criteria of independence as provided in section 149(6)of the Companies Act 2013 and in respect of whom the Company has received notice from a member pursuant to section 160 of the Act, be and is hereby appointed as an independent director for a period of five years from 04/04/2019

Date : 29/05/2019
Place: Mumbai

By order of the Board of Directors
(Anupam Narain Gupta)
Managing Director

IMPORTANT NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be valid must be received by the company not less than 48 hours before the meeting.

A person can act as proxy for only 50 members and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. A Member Holding more than 10% of the total Share Capital May appoint a singal person as a proxy & such person shall not act Proxy for any other member.

2. SEBI has made it compulsory for the members who hold shares in the company to inform the Company their PAN and Bank details, such as Name of Bank IFSC code etc in the following format. Members are requested to furnish the same immediately. Members holding the shares may furnish the details to the Company's RTA M/S. Beetal Financial & Computer Services (P) Ltd New Delhi. Members holding the shares in demat may furnish the details to their Depository Participant.

Format for furnishing the details:

Name of the Member:

Name of Joint member:

Folio /DP Id:

No of shares held:

PAN of the first holder:

PAN of the second holder:

Aadhar no. of First holder:

Aadhar no. of Second holder:

Bank A/c No:

Name of Bank:

Address of the Bank:

IFSC code:

E-mail id of the share holder:

Signature of first holder

Signature of second holder

3. Corporate members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from 24.09.2019 to 30.09.2019 (both days inclusive) for the purpose of Annual General Meeting and Payment of dividend.

6. SEBI and the ministry of Corporate Affairs encourage paperless communication as a contribution to greener environment. Members holding shares in physical mode are requested to register their e-mail ID's with Beetal Financial & Computer Services (P) Ltd., the Registrar & Share Transfer Agents of the Company and members holding shares in demat mode are requested to register their e-mail id's with their respective Depository Participants (DPs) in case the same is still not registered. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrar & Share Transfer Agents of the Company in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
7. In terms of Section 101 and 136 of the Companies Act, 2013 read together with rules made there under, the copy of the Annual Report including Financial Statements, Board's Report ect. And this notice is being sent by electronic mode, to those members who have registered their e-mail IDs with their respective Depository participants or with the registrar & Share Transfer Agents of the Company, unless any member has requested for physical copy of the same. In case you wish to get physical copy of Annual Report, you may send your request to profin.capital1@gmail.com mentioning your Folio/DP ID & Client ID. Members are requested to bring copies of the Annual Report to the Annual General Meeting. For members who have not registered their email address, physical copies of aforesaid documents are being sent by the permitted mode.
8. Pursuant to section 72 of the Companies Act, 2013 members holding shares in physical form are advised to file nomination in the prescribed form SH-13 with the Company's Registrar & Share Transfer Agents. In respect of shares in electronic/demat form, the member may please contact their respective Depository Participant.
9. Members are requested to send all communications relating to share, changes of address etc to the Registrar & Share Transfer Agents at the following address:
 Beetal Financial & Computer Services (P) Ltd
 Beetal House, 3rd Floor, 99 Madangir
 Behind Local Shopping Centre,
 Nr. Dada Harsukhdas Mandir, New Delhi- 110062
 Tel; 011- 29961281/83 Fax: 011-29961284
 If the shares are held in electronic form, then changes of address and change in Bank Accounts etc. should be furnished to the respective Depository Participants (Dps.) Voting options:
10. Voting through electronic means
 - A. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management & Administration) Rules, 2014 as amended by the Companies (Management & Administration) Rules, 2015 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting votes by members using a electronic voting system from a place other than venue of the AGM (remote E-voting) will be provided by National Securities Depositories Limited (NSDL).

- B. The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
- C. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- D. The remote e – voting period commences on Friday , 27.09.2019 (9.00 am) and ends on Sunday , 29.09.2019 (5.00 pm) during this period the members of the company holding shares either in physical form or dematerialized form, as on cut –off date of 23.09.2019 may cast their vote on resolution is cast by the member, the member shall not be allowed to change it subsequently.
- E. The instruction for shareholders voting electronically are as under:

Step 1 : Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details will be as per details given below :
 - a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
 - c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
5. Your password details are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf

file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a. Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. “Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2 : Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
 - F. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - G. The voting rights shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23.09.2019
 - H. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall be not allowed to vote again at the AGM

- I. A person whose name is recorded in the register of members or in the register of the beneficial owners maintained by the depositories as on the cut off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
- J. Mr. L. Krishnamoorthy Practising Company Secretary, FCS 2358 COP No: 6885 has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- K. The Chairman shall, at the AGM, at the end of discussions on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of polling paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- L. The Scrutinizer shall after the conclusion of the voting at the AGM, will first count the votes cast at the meeting by polling papers and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- M. The result declared alongwith the result of the Scrutinizer shall be placed on the website of the Company viz. www.profincapital.com and on the website of the NSDL immediately after the declaration of the result by the chairman or a person authorized by him in writing. The results shall be immediately forwarded to the BSE Limited, Mumbai.

Date: 29.05.2019

Place: Mumbai

By order of the Board of Director

Anupam Narain Gupta

Managing Director

Explanatory Statement (Pursuant to section 102 of the Companies Act, 2013)

Item No. 4 and 5

Pursuant to section 149 of the Companies Act 2013 and the relevant rules, The Board of Directors in their meeting held on 5th September, 2018 had appointed Mr. Atul Kumar as additional independent Director of the Company and in their meeting held on 4th February, 2019 had appointed Mr. Manav Kumar as additional independent Director of the Company.

At the board meeting held on 5th September, 2018 Mr. Atul Kumar was appointed as additional independent director in the casual vacancy caused by the resignation of Mr. Anant Haridas Palan, an independent director and at the board meeting held on 4th February, 2019 Mr. Manav Kumar was appointed as additional independent director in the casual vacancy caused by the resignation of Mr. Neeraj Arora, an independent director.

The Nomination and Remuneration Committee on the basis of report of performance evaluation of independent directors has recommended the names of Mr. Atul Kumar and Mr. Manav Kumar as independent directors. In the opinion of the Board, the above independent directors proposed to be appointed fulfil the conditions specified in the Act.

Accordingly, the Board recommends the passing of the resolution as mentioned in items 4 and 5 of this notice. The details of the directors along with brief resume is given in the annexure to the notice.

None of the key managerial persons or their relatives are concerned or interested in the resolution.

Mr. Atul Kumar aged 40 has done Master of Business Administration [MBA] in finance and has a decade experience in the financial market.

Brief Profile of Director being appointed / Re-appointed

Name	Atul Kumar
DIN	07271915
Age	40
Date Appointment	05/09/2018
Qualification	MBA
Other Directorship	Jump Networks Limited Apindia Biotech Limited
Chairman / Member of Committee of the Board of the Companies on Which he / She is a Director	-
Shareholding in the Company	N.A.
Relationship with any Director (s) of the Company	N.A.

Mr. Manav Kumar has over two years of experience in the field of finance.

Name	MANAV KUMAR
DIN	08309105
Age	32
Date Appointment	04/04/2019
Qualification	Graduate
Other Directorship	NIL
Chairman / Member of Committee of the Board of the Companies on Which he / She is a Director	NIL
Shareholding in the Company	N.A.
Relationship with any Director (s) of the Company	N.A.

Name	Anupam Gupta
DIN	02294687
Age	43
Date of Appointment	16/02/2011
Qualification	B.Com
Other Directorship	1. Tera Natural Resources and Pellets Private Limited 2. Asian Commtrade Private Limited 3. Ambe Securities Private Limited 4. Triyamb Securities Private Limited 5. Asian Fintrade Services Private Limited
Chairman/member of committee of the Board of the Companies on which he /she is a Director	NIL
Shareholding in the Company	5,06,189
Relationship with any Director (s) of the Company	He is related to mr. Abhay Gupta and Mrs. Neha Gupta Directors of the Company

Date : 29/05/2019
Place: Mumbai

By order of the Board of Directors
(Anupam Narain Gupta)
Managing Director

DIRECTORS' REPORT

To:

The Members of Pro Fin Capital Services Limited

Your Directors have pleasure in presenting their 28th Annual Report and the audited financial statements for the financial year ended 31st March 2019

1 Financial Results

The summarized financial results for the financial year ended 31st March 2019 are presented below:

Rs. In Lakhs

Details	Financial year ended 31 st March 2019 (stand alone)	Financial year ended 31 st March 2018 (stand alone)
Income	6169.11	3129.76
Profit before tax	299.62	222.78
Taxation	83.38	61.35
Minority Interest	----	----
Transfer to statutory reserve & provision for standard assets	90.84	61.15
Profit for the year	118.32	100.28
Balance brought forward previous year (loss)	1.05	(99.23)
Less: Dividend proposed including dividend distributioin tax	7.06	----
Balance carried to balance sheet (loss)	112.31	1.05

- Performance Highlights**

The Income during the financial year ended 31st March 2019 is Rs. 6169.11 Lakhs compared to Rs. 3129.76. Lakhs The Profit for the year for the financial year ended 31st March 2019 is Rs 118.32 lakhs compared to Rs. 100.28 lakhs in the previous year.

- Dividend and Reserves**

The Board of Directors has recommended a dividend of Rs. 0.10 per share (1%) on the equity shares (subject to tax) for the financial year ended 31st March 2019.

- Share Capital**

During the year under review, there was no change in the share Capital structure and the paid up capital of the Company remains at Rs. 70,669,000 during the year the company had not issued any securities carrying convertible in to Equity Shares or carrying differential voting rights.

2. Finance & Accounts

The Company prepares its financial statements in accordance with the requirements of the Companies Act 2013 and the Generally Accepted Accounting Principles (GAPP) as applicable in India. The financial statements have been prepared on historical cost basis. The estimates and judgments relating to the financial statements are made on a prudent basis so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the company's state of affairs, profits and cash flows for the financial year ended 31st March 2019.

3. NBFC registration with RBI

During the year under report, the Company continues to be registered with RBI as an NBFC.

4. Subsidiaries

The company has a subsidiary Tera Natural Resources and Pellets Private Limited. Necessary details in form AOC-1 are annexed to this report. The annual accounts of the subsidiary and the related detailed information shall be made available to the shareholders of the Company, seeking such information at any point of time. The annual accounts of the subsidiary company shall also be kept open for inspection by any shareholder at the Registered Office at B/ 503, Western Edge II, Western Express Highway, Borivali (E), Mumbai- 400 066.

5. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and provisions of Regulations of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Stakeholder Relationship and Nomination & Remuneration Committees. A separate exercise was carried out to evaluate the performance of individual Directors who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of Non-Independent Directors was carried out by Independent Directors. The Directors expressed their satisfaction with the evaluation process

6. Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Remuneration Policy is available on company's website www.profincapital.co.in

7. Board of Directors

The Board of Directors of the Company is duly constituted. During the year under report, Mr. Atul Kumar was appointed as an Independent Director in place of Mr. Anant Palan, who has resigned from the post of Director from 5th September 2018 and Mr. Manav Kumar was appointed as an Independent Director in place of Mr. Neeraj Arora who has resigned from 4th April 2019.

Both Mr. Atul Kumar and Mr. Manav Kumar, being additional directors, are to be appointed at the ensuing annual general meeting as independent directors.

Mr. Anupam Gupta retires by rotation and being eligible offers himself for reappointment.

8. Meetings of Board of Directors

The Meetings of the Board of Directors are scheduled well in advance and held at the Registered Office of the Company at Borivali. The notice confirming the meeting and the detailed agenda is sent well in advance to all the Directors.

During the year under report, the Board met 9 (Nine) times on 30.05.2018, 06.08.2018 , 14.08.2018, 05.09.2018, 26.09.2018, 14.11.2018, 23.01.2019, 30.01.2019 and 13.02.2019

9. Audit Committee

The Audit Committee consists of two independent directors and the CFO, namely:

- 1) Mr. Neeraj Arora
- 2) Mr. Anant Palan (till 5th September 2018)
- 3) Mr. Atul Kumar (from 5th September 2018)
- 4) Mr. Abhay Gupta – CFO

During the year, the Audit Committee met 4 times on 30th May 2018, 14th August 2018, 14 November, 2018 and 13 February 2019,.

10. Listing of shares on BSE

During the financial year under report, the equity shares issued by the company continue to be listed on BSE. The Listed Capital of the Company is 70,66,900 at the face value of Rs. 10/- each.

11. Extract of Annual Return

The extract of Annual Return in Form MGT 9, as required in section 92 of the Companies Act, 2013, as at 31st March 2020, can be accessed by clicking at the following link www.profincapital.co.in/downloads.php

12. Vigil Mechanism / Whistle Blower Policy

The Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Company has established a vigil mechanism to be known as the 'Whistle Blower Policy' for its Directors and employees to report instances of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The aim of the policy is to provide adequate safeguards against victimization of whistle blower who avails of the mechanism and also provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases. Accordingly, 'Whistle Blower Policy' has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach Chairman of the Audit Committee of the Company. The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees willing to raise concerns about serious irregularities within the Company.

13. Prevention of Insider Trading

The Company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code. The Companies Code of Conduct is available on companies Website.

14. Particulars of loans, guarantees or investments by the Company

The Company has not given any Loans or provided Guarantee and Security within the meaning of section 186 of Companies Act, 2013.

15. Significant and material orders passed by the Regulators or Courts

There are no significant and material orders passed by the regulators or courts against the Company during the year.

16. Directors responsibility statement

To the best of knowledge and belief and according to the information and explanation obtained by them, your directors make the following statement in terms of section 134 (3) (c) read with section 134(5) of the Companies Act, 2013 in preparation of the Annual Accounts for the year ended on March 31, 2019 and state that:

- (i) That in preparation of annual accounts for the year ended 31st March 2019 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) 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 as at 31st March 2019 and of the profit of the Company for the year ended on that date;
- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the annual accounts have been prepared on a going concern basis
- (v) That the directors have devised proper systems to ensure compliance with the provisions of all applicable law and that such systems were adequate and operating effectively

17. Statutory auditors

M/s. Mukesh Harjani, Chartered Accountants who are statutory auditors of the Company are appointed until the conclusion of 31st Annual General Meeting. As per the amended Companies Act no ratification of appointment of Auditors by members is required.

18. Cost Audit

The provisions of the Companies (Cost Records and Audit) Rules 2014 are not applicable to the company's operations.

19. Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made there under, the Company has appointed Mr. L. Krishnamoorthy, Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the financial year 2018-2019. The Secretarial Audit Report for the financial year 2018-19 has been annexed to this Report.

20. Internal control system and their adequacy

The Company has an effective internal control system commensurate with its size and scale of its operations. The Audit Committee reviews the adequacy and effectiveness of the internal control systems and suggests improvements, wherever required.

21. Environment and safety

The Company's operations do not pose any environmental hazards.

22. Statutory Information

- (A) **Conservation of energy:** Not applicable
- (B) **Technology Absorption:** Not applicable
- (c) **Foreign exchange earnings and expenses:** Not applicable

24. Corporate Social Responsibility

The provisions of Section 135 are not applicable to the Company.

25. Related party transactions

All transactions entered with related parties for the financial year ended 31st March 2019 were on arm's length basis and in the ordinary course of business. Hence provisions of Section 188 of the Companies Act, 2013 are not attracted and disclosure in Form AOC 2 is not required. All related party transactions are placed before the Audit Committee and the Board of Directors for approval. The related party transactions during the year are disclosed in the Notes to the Accounts at appropriate place.

26. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place a Policy with respect to Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and has framed a Committee for implementation and periodical review of such policy.

27. The required disclosures under the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 are given in annexure 1 which forms part of Report.**28. In Terms of Regulation 15 (2) of SEBI (LODR) Regulation Relating to Corporate Governance are not applicable to the company and hence the details are not given.****29. Disclosure under Regulation 3483 Read with Schedule V Part C Clause (10) (I) of SEBI (LODR)**

The Company has received a certificate from a company secretary in practice that none of the Directors on the Board of the Company has been De barred or disqualified from being appointed or continuing as Directors of the Company by SEBI Board / MCA Or any Such Statutory authority.

30. Acknowledgement

Your Directors would like to place on record their sincere appreciation to Shareholders, Bankers, Institutions and Employees for their co-operation and support.

Place: Mumbai
Date: 29/05/2019

For and on behalf of Board of Directors
(Anupam N. Gupta)
Managing Director

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March 2018

Pursuant to section 204(1) of the Companies Act 2013 and rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules 2014

To

The Members of **PRO FIN CAPITAL SERVICES LIMITED**

- 1 I have conducted secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PRO FIN CAPITAL SERVICES LIMITED (CIN: L51909MH1991PLC250695)** (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.
- 2 Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
- 3 I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Pro Fin Capital Services Limited** for the financial year ended 31st March 2019 according to the provisions of:
 - i) The Companies Act 2013(the Act) and the rules made thereunder.
 - ii) The Securities Contracts(Regulation) Act 1956 (SCRA) and the rules made there under
 - iii) The Depositories Act 1996 and the Regulations and Bye-laws framed there under
 - iv) The following Regulations and Guidelines prescribed under the Securities And Exchange Board of India Act 1992(SEBI Act)
 - a) The Securities And Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011
 - b) The Securities & Exchange Board of India(Prohibition of Insider Trading) Regulations 1992
 - c) The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations 2009
 - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 to the extent applicable to the Company
 - e) The Securities and Exchange Board of India(Registrars to an Issue and Share Transfer Agents) Regulations 1993
 - f) * Securities And Exchange Board of India(Share Based Employee Benefits)Regulations 2014
 - g) *The Securities And Exchange Board of India (Issue and Listing of Debt Securities)Regulations 2008,
 - h) *The Securities And Exchange Board of India(Delisting of Equity Shares)Regulations 2009
 - i) The Securities And Exchange Board of India (buyback of Securities) Regulations 1998

The SEBI Regulations marked with (*) were not applicable as there were no activities during the audit period requiring compliance with these guidelines and regulations.

(vi) Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013.

(vii) The Reserve Bank of India Act 1934 and the Directions issued by RBI applicable to Non Banking Finance Companies.

- 4 As per Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (SEBI LODR) Regulations 17 to 27 and clauses (b) to (i) of sub regulation(2) of Regulation 46 and paras C, D and E of Schedule V are not applicable to the Company. The Company has complied with the other applicable regulations under SEBI LODR.
- 5 I further report that based on the examination of the books of the Company, the Company has not carried out any activities which would invite compliance with the provisions of Foreign Exchange Management Act 1999 and the rules made thereunder.
- 6 The Secretarial Standards issued by the Institute of Company Secretaries of India are generally followed with regard to board meetings and general meetings.
- 7 During the period under review, the Company has complied with the provisions of the Companies Act 2013 and the rules made thereunder.

I further report that:

- 8 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- 9 Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- 10 There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Mumbai

Date: 29th May 2019

L Krishnamoorthy

FCS 2358: CPNo. 6885

Note: This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A to the Secretarial Audit Report

To:

The members of **Pro Fin Capital Services Limited**

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

- 1 The compliance of provisions of all laws, rules, regulations, standards applicable to **Pro Fin Capital Services Limited** (the Company) is the responsibility of the management of the Company. My examination was limited to the verification of records and procedures on test check basis for the purpose of issue of Secretarial Audit Report.
- 2 Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. My responsibility is to issue Secretarial Audit Report based on the audit of the relevant records maintained and furnished to me by the Company along with explanations where so required.
- 3 I have followed audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on check test basis to ensure that correct facts as reflected in secretarial and other records were produced to me. I believe that the processes and practices I followed provide a reasonable basis for my opinion for the purpose of issue of Secretarial Audit Report.
- 4 I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 5 Wherever required, I have obtained the management representation about the compliance of laws, rules, and regulations and major events during the audit period.
- 6 The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai

Date: 29th May 2019

L Krishnamoorthy

FCS 2358: CPNo. 6885

PRO FIN CAPITAL SERVICES LIMITED

(A)The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of 197(12) of the Companies Act 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules 2014 .

Sr. No.	Requirements	Disclosure												
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended 31 st March 2019.	Anupam Gupta, M.D. 53.00% Abhay Gupta , Jt. M. D 53.00%												
2	Percentage increase in remuneration of each director and CEO in the financial year ended 31 st March 2019.	Anupam Gupta Nil Abhay Gupta Nil												
3	The percentage increase of in the median remuneration of employees in the financial year.	Nil Increase in total remuneration of all employees for the financial year ended 31 st March 2019 over the previous year: 16.11%												
4	The number of permanent employees on the roll of the Company.	12												
5	The explanation on the relationship between average increase in remuneration and the Company performance.	The average increase in remuneration was in line with the increase in the profitability of the Company												
6	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Having regard to the factors such as size of the operations of the Company, its profitability and the managerial remuneration paid by similar companies in the same group of industry, the Nomination & Remuneration Committee recommended the increase in remuneration of the Managing Director and Joint Managing Director which was approved by the Board of Directors of the Company at Rs. 75,000 per managerial personnel per month. However, the two managerial personnel continue to draw the remuneration of Rs. 50,000 per month each.												
7	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	For the financial year ended 31 st March 2018 <table> <tr> <td>KMP</td><td>against PBT</td><td>Against operations</td></tr> <tr> <td>MD</td><td>5.02 %</td><td>0.19%</td></tr> <tr> <td>Jt MD & CFO</td><td>5.02 %</td><td>0.19%</td></tr> <tr> <td>CS</td><td>3.30 %</td><td>0.06%</td></tr> </table>	KMP	against PBT	Against operations	MD	5.02 %	0.19%	Jt MD & CFO	5.02 %	0.19%	CS	3.30 %	0.06%
KMP	against PBT	Against operations												
MD	5.02 %	0.19%												
Jt MD & CFO	5.02 %	0.19%												
CS	3.30 %	0.06%												

8	The key parameters for any variable component of remuneration availed by the directors	There are no variable components in the remuneration of directors								
9	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	0.72								
10	Variations in the market capitalization of the Company, price earning ratio as the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.	Capitalisation: (Rupees in lakhs) <table><tr><td>31/3/2019</td><td>31/03/2018</td></tr><tr><td>7611.05</td><td>15896.66</td></tr></table> Price earning ratio: <table><tr><td>31/03/2019</td><td>31/03/2018</td></tr><tr><td>64.49</td><td>1.42</td></tr></table>	31/3/2019	31/03/2018	7611.05	15896.66	31/03/2019	31/03/2018	64.49	1.42
31/3/2019	31/03/2018									
7611.05	15896.66									
31/03/2019	31/03/2018									
64.49	1.42									
11	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes. The remuneration paid is as per the remuneration policy of the Company								

(A) There were no employees who were In receipt of the remuneration which in the aggregate was not less than Rs. 1,02,00,000 per annum or in part of year who were in receipt of remuneration which in aggregate was not less than Rs. 8,50,000 p.m. Hence no details are shown as required under section 197(12) of the Act and the relevant rules made thereunder.

Form AOC 1

Pursuant to first proviso to sub section (3) of section 129 of the companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014

Part "A" Subsidiaries

1. Serial No. :	01
2. Name of Subsidiary:	Tera Natural Resources & Pellets Pvt. Ltd.
3. Reporting period for the subsidiary:	1 st April 2018 to 31 st March 2019
4. Reporting Currency:	Indian Rupees
5. Share Capital:	27,31,120
6. Reserve & Surplus:	104,779,706
7. Total Assets:	17,46,73,882
8. Total Liabilities:	6,94,51,958
9. Investments:	22,80,000
10. Turnover	0.00
11. Profit/Loss	(62,544)
12. Proposed Dividend	Not Applicable
13. Percentage of shareholding:	46.92

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC OVERVIEW

The global economy grew 3.7% in 2018 compared to 3.8% in 2017. During the year under review, the global economy gained traction with synchronizes expansion across both, developed and emerging markets. Global financial markets were mostly buoyant with few bouts of volatility triggered by specific events.

INDIAN ECONOMIC OVERVIEW

India emerged as the sixth-largest and retained its position as the fastest-growing trillion-dollar economy. However, after growing 7.2% in 2017-18, the Indian economy slowed down to 7% in FY2018-19. The commencement of the US-China trade war opened a new opportunity for India. Inflation (including food and energy prices) was pegged at 2.6% on an annual basis, one of the lowest in years and below the RBI's medium-term target of 4%. The rupee rebounded after touching a low of H74.45 to a dollar to close the financial year at H69.44.

OVERVIEW OF THE FINANCIAL SERVICES INDUSTRY

India's financial services sector consists of the capital market, insurance sector, Banking Sector, Co-operative Banks and Non-Banking Financial Companies (NBFCs). Further, the RBI has given license to various companies to set-up of payments bank that is expected to revolutionize the financial sector in India as it focuses to conduct banking activities primarily through mobile phones. As a step forward for the financial inclusion, the Reserve Bank has also given license to various micro-finance companies to setup Small Finance Bank. Banks with a small finance bank license can provide basic banking service of acceptance of deposits and lending.

BUSINESS & OPERATIONAL OVERVIEW

Your Company follows a customer –centric business philosophy, with its growth strategy centered on transparency in term of offerings, suitability of products and variety of choices to meet a range of needs of its customers.

A key strength of your company is the variety of its funding sources, which helps it optimize funding costs, protect interest margins, and retain its diversified funding portfolio. At the same time, this also enables the Company to achieve funding stability and liquidity, facilitating reduction in average borrowing costs.

OPPORTUNITIES AND THREATS

The demand for credit picks up with the growth in economic activities. The economic policies and various economic reforms pursued by the government will spur the economic growth of the country in the years to come. This will naturally lead to credit demand. However, at macro level the trade policies followed by U.S.A may impact the growth in international trade. Although India is one of the largest growing emerging markets, it is very difficult to foresee how such policies will impact the country's economic growth.

Segment – Wise performance

The Company is engaged in financial services during the year under review, hence the requirement of segment-wise reporting is considered irrelevant.

OUTLOOK

The Non-Banking Financial companies (NBFCs) sector forms an integral part of the Indian financial system. The sector plays a vital role in India's economic growth and development. It aids in boosting 'Financial Inclusion' initiative by lending services to the unbanked population in rural/ semi-rural or few urban areas, also provide services to the Micro, Small and Medium Enterprises (MSMEs) segment.

NBFCs are rapidly gaining importance as financial intermediary in the retail finance. Their contribution to the economy has significantly improved standing at 15% as on FY17.

HUMAN RESOURCES

Your company remains focused on attracting the best talent in the industry, nurturing them through robust learning and development mechanisms, and retaining them through progressive employee centric policies and practices. This is successfully done through effective amalgamation of the organizational objectives with individual aspirations.

INTERNAL CONTROL SYSTEMS

Your Company has an adequate system of internal controls for business processes, operations, financial reporting, fraud control, and compliance with applicable laws and regulations, among others. Your company's Management Assurance and Audit function is headed by a senior management personnel with reporting lines to the Audit Committee of the Board and a dotted line reporting to the Managing Director.

COMPLIANCE

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance department of the Company is continued to play a pivotal role in ensuring implementation of Compliance functions in accordance with the directives issued by regulators, the Company's Board of Director's and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New instructions / guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and the functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in their course of their activities and processes. New products and process launched during the year were subjected to scrutiny from compliance standpoint and proposals of financial services were screened from risk control prospective.

The company has complied with all requirement of regulatory authorities. No penalties / strictures were imposed on the Company by the stock exchanges or SEBI or any statutory authority on any matter related to capital market during the year.

CAUTIONARY STATEMENT

Certain statements under "Management Discussion & Analysis " describing the Company's objectives, projects, estimates, expectations and predictions may forward looking statement within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

Mumbai
Date: 29.05.2019

For and on behalf of the Board of Directors
(Anupam N Gupta)
Managing Director

INDEPENDENT AUDITORS' REPORT

TO,

THE MEMBERS OF PRO FIN CAPITAL SERVICES LTD

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **PRO FIN CAPITAL SERVICES LTD** ("the Company"), which comprise the Balance Sheet as at **31/03/2019**, the Statement of Profit and Loss, **the cash flow statement** for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31/03/2019**, and its **Profit and it's cash flows** for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We give in the Annexure A statements on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- © The Balance Sheet, the Statement of Profit and Loss, and **the cash flow statement** dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on **31/03/2019** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2019** from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Date : 29/05/2019

Place : Mumbai

FOR HARJANI & ASSOCIATES
(Chartered Accountants) Reg No. :00041899

MUKESH HARJANI (Proprietor)
M.No. : 041899

“Annexure B” to the Independent Auditor's Report of even date on the Standalone Financial Statements of PRO FIN CAPITAL SERVICES LTD Company limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of PRO FIN CAPITAL SERVICES LTD Company Limited

(“The Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies

and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issues by the Institute of Chartered Accountants of India.

Date : 29/05/2019

Place : Mumbai

FOR HARJANI & ASSOCIATES

(Chartered Accountants)

Reg No. :00041899

MUKESH HARJANI

Proprietor

M.No. : 041899

ANNEXURE - A**Reports under The Companies (Auditor's Report) Order, 2016 (CARO 2016)
for the year ended on 31st March 2019**

To,

The Members of PRO FIN CAPITAL SERVICES LTD

We report that:-

Sl. No.	Comment Required on	Auditor's Opinion on Following Matter	Auditor's Remark
1)	Fixed Assets	a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets?	The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
		b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of accounts?	Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
		c) Whether the title deeds of immovable properties are held in the name of the company? If not, provide the details thereof.	The company has no immovable property. Hence this clause is not applicable.
ii)	Inventory	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account?	Physical verification of inventory has been conducted at reasonable intervals by the management.
iii)	Loans Secured or Unsecured Granted	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of The Companies Act, 2013? if so,	The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the companies Act-2013.
		a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest?	The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the companies Act-2013.
		b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular?	The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the companies Act-2013.
		c) If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest?	The company has not granted any loan to parties covered in registered maintained under section 189 of the companies Act, hence the question of overdue amount and step to be taken for recovery does not arise.

iv)	Loan to director and investment by the company	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	While doing transaction for loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
v)	Public Deposits	In case, the company has accepted deposits, whether the directives Issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	To the best of our knowledge and belief and according to the information and explanation given to us the company has not accepted any deposit as per provision of section 73 to 76 or any other relevant provision of the Companies Act and the rules framed there under. Further as informed to us the company has not received any order from Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
vi)	Cost Accounting Records	Whether maintenance of cost records has been specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained?	To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the products of the company.
vii)	Statutory Compliance	a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated?	According to the records of the Company, there are no dues of Income tax, sales tax, customs duty, wealth tax, service tax, excise duty, sales tax and cess that have been not been deposited on amount of any dispute.
		b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute)	There is no dispute with the revenue authorities regarding any duty or tax payable.

viii)	Loan form Banks / Financial Installation	Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and government, lender wise details to be provided)	The company has not defaulted in repayment of dues to financial institution, bank or debenture holders.
	Application of Money Received from Equity or Loan	Whether money ^(ix) raised by way of initial public offer or further public offer {including debt instruments} and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification? if any, as may be applicable, be reported.	The Company has not applied term loans for the purposes other than for which those are raised
x)	Fraud Reporting	Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year? If yes, the nature and the amount involved is to be indicated;	Based on our audit procedures and the information and explanation made available to us no such fraud noticed or reported during the year.
xi	Managerial Remuneration	whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same.	Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
xii)	Nidhi Company - Compliance with Deposits	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability?	As per information and records available with us The company is not Nidhi Company.
xiii)	Related Party Transaction	Whether all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting	Yes , All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

xiv)	Issue of Share Capital and use of Amount Raised	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non compliance?	Based on our audit procedures and as per the information and explanations given by the management, there is no Preferential allotment or Private placement of shares made during the year.
xv)	Transaction with Director	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with?	The company has not entered into any non-cash transactions with directors or persons connected with him.
xvi)	Registration from RBI	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained?	The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and registration has been obtained by the company

Place : Mumbai
Date : 29/05/2019

FOR HARJANI & ASSOCIATES
(Chartered Accountants)
Reg No. :00041899

MUKESH HARJANI
(Proprietor)
Membership No : 041899

ProFin Capital Services Ltd.
Standalone Balancesheet at 31st March, 2019

ASSETS	Note	As at 31st March 2019 Rupees	As at 31st March 2018 Rupees
Non-current assets			
(a) Property, Plant and Equipment	2	60,041,184	4,241,256
(b) Financial Assets			
i) Investments	3	44,194,186	44,026,959
ii) Other financial assets	4	16,098,179	15,630,261
© Deferred tax assets (Net)		35,030	455,808
(d) Advance tax assets (net)			
(e) Other non-current assets			
Total Non-Current Assets		120,368,579	64,354,284
Current assets			
(a) Inventories		35,099,674	4,494,464
(b) Financial Assets			
i) Trade receivables	6	-	317,349
ii) Cash and cash equivalents	7	10,294,519	15,434,751
iii) Loans			
iv) Other financial assets			
© Other current assets	8	2,053,680,278	1,360,348,525
Total Current Assets		2,099,074,471	1,380,595,089
TOTAL ASSETS		2,219,443,050	1,444,949,373

For **HARJANI AND ASSOCIATES**

Chartered Accountants

MUKESH HARJANI

PROPRIETOR

MNO :-041899

Place : Mumbai

Date : 29-05-2019

For and on behalf of the Board of Directors

Managing Director

Jt Managing Director

Independent Director

Company Secretary

ProFin Capital Services Ltd.
Standalone Balance Sheet at 31st March, 2019

EQUITY AND LIABILITY	Note	As at 31st March 2019 Rupees	As at 31st March 2018 Rupees
Equity			
(a)Equity Share capital	9	70,669,000	70,669,000
(b)Other Equity	10	201,559,919	185,402,470
Total Equity		272,228,919	256,071,470
Liability			
Non-current liabilities			
(a)Financial liabilities			
1) Borrowings	11	193,060,423	136,490,234
(b)Long term provisions			
(c)Deferred Tax Liabilities (Net)			
(d)Other Non-Current liabilities			
Total Non-Current Liabilities		193,060,423	136,490,234
Current liabilities			
(a)Financial liabilities			
i) Borrowings	12	1,739,429,844	1,043,468,856
ii) Trade payables			
iii) Other financial liabilities			
(b)Provisions	13	14,723,865	8,918,813
(c)Other current liabilities			
(d)Current Tax Liabilities (Net)			
Total Current Liabilities		1,754,153,709	1,052,387,669
TOTAL EQUITY AND LIABILITIES		2,219,443,050	1,444,949,373
Notes forming part of financial statements	.1-22		
In terms of our report attached			

For HARJANI AND ASSOCIATES

Chartered Accountants

MUKESH HARJANI

PROPRIETOR

MNO :-041899

Place : Mumbai

Date : 29-05-2019

For and on behalf of the Board of Directors

Managing Director

Jt Managing Director

Independent Director

Company Secretary

Pro Fin Capital Services Ltd.
Standalone Statement of Profit and Loss for the year ended 31 March, 2019

	Particulars	Note	For the year ended 31 March, 2019	For the year ended 31 March, 2018
1	Revenue from operations	14	616911542	312975920
2	Other income	15	2578680	138548
3	Total revenue (1+2)		619490222	313114468
4	Expenses			
	(a) Purchase of Stock In Trade (Shares)	16	592644816	267152658
	(b) Change In Inventories of finished Goods, Stock in Trade and Work in Progress	17	-	306052100
	(c) Employee benefits expense	18	5605437	4775500
	(d) Finance Expense	19	4308953	4524985
	(d) Depreciation and amortisation expense	20	2569286	1926682
	(e) Other expenses	21	15004176	12456037
	Total expenses		589527458	290835862
5	Profit / (Loss) before tax (3 - 4)		299627642	2278606
6	Tax expense: Current Tax		7917568	6359110
	Deferred Tax		420778	-224383
	Provision For Standard Assets		4,760,280	2,886,930
	Statutory reserve		4324884	3,228,776
	Proposed Dividend		706690	
7	Profit / (Loss) for the year (5 - 6)		11832565	100281738
	Earnings per share (of `10/- each):			
	(a) Basic & diluted	22	1.67	1.42
	Accompanying notes forming part of the financial statements	1		

In terms of our report attached.
For HARJANI AND ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors

MUKESH HARJANI
PROPRIETOR
MNO :-041899
Place : Mumbai
Date : 29-05-2019

Managing Director Jt Managing Director

Independent Director Company Secretary

PRO FIN CAPITAL SERVICES LIMITED
STANDALONE CASH FLOW STATEMENT AS ON 31ST MARCH, 2019

PARTICULARS	AS AT 31.03-2019	AS AT 31.03-2018
A) Cash flow from operating Activities		
Net Profit/(Loss) before tax and extra ordinary items	29,962,764.00	22,278,606.00
Add: Depreciation	2,569,286.00	1,926,682.00
Less:- Interest income	(2,578,680.00)	(138,548.00)
Add:- Interest Exps	4,308,953.00	4,524,985.00
Operating profit/(Loss) before working capital Change	34,262,323.00	28,591,725.00
Decrease/(Increase) in Trade Recivables	317,349.00	(317,349.00)
Decrease/(Increase) in Long Term Loans & Advances	(102,000.00)	2,009,485.00
Decrease/ (Increase) in Short Term Loans & Advances	(693,331,753.00)	(535,417,754.00)
Decrease(Increase) in Inventory	(30,605,210.00)	0.00
Increase/ (Decrease) in Other Current Liabilities	338,072.00	472,710.00
Increase/ (Decrease) in Trade Payables	695,960,988.00	505,655,833.00
Cash Generate from operations	6,839,769.00	994,650.00
Direct Tax/ FBT Paid (net of refund)	(8,284,095.00)	(8,589,687.00)
B) Cash flow from Investing Activities etc	(1,444,326.00)	(7,595,037.00)
Purchase in Fixed Assets	(58,369,214.00)	(17,900.00)
(Increase)/ Decrease of Investments	(167,227)	(2,531,028)
Net cash used in investing activities	(58,536,441.00)	(2,548,928.00)
C) Cash Flow from Financing Activities		
Repayments of Long Term Secured Loans	(3,615,348)	(1,162,837)
Interest Received	2,578,680	138,548
Proceeds Received in Long Term Borrowings	60,806,897	21,732,147
Interest Paid	(4,929,694.00)	(4,524,985.00)
Increase in Share capital(Net of share warrants conversion)		
Net Cash outflow from Financing Activities	54,840,535.00	16,182,873.00
Net Increase in cash and cash equilents	(5,140,232)	6,038,908
Cash & Cash Equivalent		
- Opening	15,434,751	9,395,843
Cash & Cash Equivalent		
- Closing	10,294,519	15,434,751
In terms of our report attached.	For and on behalf of the Board of Directors	
For HARJANI AND ASSOCIATES		
Chartered Accountants		
MUKESH HARJANI	Managing Director	
PROPRIETOR		
MNO :-41899	Independent Director	
Place : Mumbai		
Date : 29-05-2019	Jt Managing Director	Company Secretary

Notes Forming part of the financial statements

The Previous year figures have been regrouped /reclassified,
wherever necessary to confirm to the current year presentation

Note 9

	AS AT 31-03-2019	AS AT 31-03-2018
SHARE CAPITAL		
<u>AUTHORISED SHARE CAPITAL</u>		
85,00,000 Equity Shares of Rs.10/- each	85,000,000	85,000,000
ISSUED		
70,66,900 Equity Shares of Rs. 10/- each fully paid	70,669,000	70,669,000
SUBSCRIBED & PAID UP		
70,66,900 Equity Shares of Rs. 10/- each fully paid	70,669,000	70,669,000
TOTAL	70,669,000	70,669,000

Note 2 (a) Reconciliation of number of shares

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of Shares Held	Rs	No. of Shares Held	Rs
Equity Shares:				
Shares At the Beginning of the year	7,066,900	70,669,000	7,066,900	70,669,000
Add: Shares Issued during the year				
Shares At the End of the year	7,066,900	70,669,000	7,066,900	70,669,000

Note 2 (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 2019		As at 31st March 2018	
	No. of Shares Held	% of holding	No. of Shares Held	% of holding
ANUPAM NARAIN GUPTA	598,392	8.47	598,392	8.47
SUNDESH M SAWANT	1,280,000	18.11	1,280,000	18.11

Note 10
RESERVE AND SURPLUS

	AS AT	AS AT
	31-03-2019	31-03-2018
General Reserves - As per last Balance Sheet	500,000	500,000
Share Premium		
Opening Balance	178,953,001	178,953,001
Add: Additions During the year	-	
Closing Balance	178,953,001	178,953,001
Statutory Reserve		
Opening Balance	5,844,788	2,616,012
Add: Additions During the year	4,324,884	3,228,776
Closing Balance	10,169,672	5,844,788
Profit & Loss Account		
Opening balance	104,681	(9,923,492)
Add: Preferential Share Warrants Deffered		
Add: Profit / (Loss) for the year	11,832,565	11,937,246 10,028,173
TOTAL	201,559,919	185,402,470

Note 11
LONG TERM BORROWINGS

	AS AT 31-03-2019	AS AT 31-03-2018
Secured Loans		
Term Loans		
From Banks		
LOAN FROM HDFC BANK	244,793.00	582,113.00
(Repayble in 60 installments)		
(Secured against Vehicle)		
LOAN FROM ICICI BANK	2,327,154.00	3,305,693.00
(Repayble in 60 installments)		
(Secured against Vehicle)		
LOAN FROM HDFC BANK	2,746,575.00	-
(Repayble in 60 installments)		
(Secured against Vehicle)		
LOAN FROM ICICI BANK	47,390,684.00	-
(Repayble in 240 installments)		
(Secured against Bangalore Property)		
ICICI OVERDRAFT	1,130.00	2,255,444.00

SECURED AGAINST FIXED DEPOSIT OF RS 2500000
UNSECURED LOANS
From Subsidiaries

Tera Natural Resource & Pellets Pvt LTD	105,434,473.00	92926102	105,479,648.00
From Related Parties			
Abhay Gupta	2651018	205101	
Anupam Gupta	10346298	2446298	

	12,997,316.00	4,497,316.00
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From Others

	21,918,298.00	20,370,020.00
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TOTAL	193,060,423.00	136,490,234.00
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Note 12
TRADE PAYABLE

	AS AT 31-03-2019	AS AT 31-03-2018
Acceptances		
Other than Related Parties	1,739,429,844	1,043,468,856
TOTAL	1,739,429,844	1,043,468,856

Note 13
OTHER CURRENT LIABILITIES

Other Payble	253,802	711,239
Statutory Liabilities	970,189	174,670
Provision for Standard Asset (as per RBI Guidelines)	12,793,184	8,032,904
Proposed Dividend	706,690.00	
TOTAL	14,723,865	8,918,813

Note 3

NON CURRENT INVESTMENTS

	AS AT 31-03-2019	AS AT 31-03-2018
Unquoted		
Trade Investments		
Shares in Subsidiary		
Tera Natural Resource & Pellets Pvt Ltd	41,495,931.00	41,495,931.00
128150 Equity Shares of Rs10/- per share for Rs.323/-each		
Fixed Deposit	2,666,699.00	2,500,000.00
Acc int	31,556.00	31,028.00
	44,194,186.00	44,026,959.00

Note 4

LONG TERM LOANS & ADVANCES

	AS AT 31-03-2019	AS AT 31-03-2018
a) Security Deposit	3,000.00	3,000.00
(unsecured considered Good)		
Other Than Related Parties		
Related Parties		
Rashi Gupta	2,200,000.00	2,200,000.00
b) TDS & income tax	12,233,543.00	11,867,625.00
(Net of Provisions)		
c) Balances with Government authorities		
I) Service Tax Credit Receivable	42,494.00	42,494.00
d) Other Loans & Advances		
(unsecured considered Good)	1,619,142.00	1,517,142.00
	16,098,179.00	15,630,261.00

Note 5

INVENTORIES

	AS AT 31-03-2019	AS AT 31-03-2018
INVENTORIES -SHARES		
(At lower of cost or Market value, taken, valued and certified by the Management)	35,099,674.00	4,494,464.00
TOTAL	35,099,674.00	4,494,464.00

Note 6
TRADE RECEIVABLES

	AS AT 31-03-2019	AS AT 31-03-2018
TRADE RECEIVABLES	-	317,349.00
TOTAL	-	317,349.00

Note 7
CASH & CASH EQUIVALENTS

	AS AT 31-03-2019	AS AT 31-03-2018
CASH IN HAND	1,607,172.00	95,110.00
BALANCE WITH BANKS	8,687,347.00	15,339,641.00
TOTAL	10,294,519.00	15,434,751.00

Note 8
SHORT TERM LOANS & ADVANCES

	AS AT 31-03-2019	AS AT 31-03-2018
Advances(Unsecured,Considered Good)	2053609128	1,360,277,375.00
Loans & Advance to Related Party		
Rashi Gupta	71,150	71,150.00
TOTAL	2,053,680,278	1,360,348,525.00

Note 14
REVENUE FROM OPERATIONS

	AS AT 31-03-2019	AS AT 31-03-2018
Sale (Trading of Shares)	463,911,165.00	195,856,107.00
Sale of services	2,862,513.00	
Sales of Exempt items	3,705,000.00	
Interest Received	153,000,377.00	110,552,300.00
TOTAL	616,911,542.00	312,975,920.00

Note 15
INDIRECT INCOME

	AS AT 31-03-2019	AS AT 31-03-2018
Dividend	5,617.00	-
Int on It refund	2,718.00	138,548.00
Rent received	1,166,666.00	
Processing Charges	1,400,000.00	
Exchange Fluctuation	3,679.00	
TOTAL	2,578,680.00	138,548.00

Note 16

PURCHASE OF STOCK IN TRADE

	AS AT 31-03-2019	AS AT 31-03-2018
Purchase of Shares	592,644,816.00	264,907,158.00
Purchase of exempt items	2,245,500.00	
TOTAL	592,644,816.00	267,152,658.00

Note 17

CHANGES IN INVENTORIES OF FINISHED GOODS

STOCK IN TRADE

	AS AT 31-03-2019	AS AT 31-03-2018
Opening Stock of Shares	4,494,464.00	4,494,464.00
Closing Stock of Shares	35,099,674.00	4,494,464.00
TOTAL	(30,605,210.00)	-

Note 18

EMPLOYEE BENEFIT EXPENSE

	AS AT 31-03-2019	AS AT 31-03-2018
Salaries & Establishment		
Other Than Related Party	4,330,437.00	3,478,000.00
Related Party	-	
Mangerial Remuneration	1,200,000.00	1,200,000.00
Director Sitting Fee	75,000.00	97,500.00
TOTAL	5,605,437.00	4,775,500.00

Note 19

Finance Expense

	AS AT 31-03-2019	AS AT 31-03-2018
Interest on Car Loan	471,496.00	445,456.00
Interest on Private Parties	2,662,555.00	4,051,692.00
Interest on Property loan	548,311.00	-
Loan processing fee	488,520.00	-
Bank Interest and chgs	138,071.00	25,809.00
Other Interest	0.00	2,028.00
TOTAL	4,308,953.00	4,524,985.00

Note 20

DEPRICATION & AMORTISATION EXPENSE

	AS AT 31-03-2019	AS AT 31-03-2018
Deprication	2,569,286	1,926,682.00
TOTAL	2,569,286	1,926,682.00

Note 21

OTHER EXPENSES

Other than Related Party

	AS AT 31-03-2019	AS AT 31-03-2018
Membership & Subscription	76,400.00	87,435.00
Electricity & Water Charges	214,670.00	253,810.00
Professional charges	656,127.00	1,052,271.00
Telephone & Communication Expenses	31,251.00	56,835.00
Business Promotion	4,379,348.00	5,348,729.00
AGM Expense	-	-
Roc Filing Fees	26,300.00	2,300.00
Accounting Charges	30,000.00	30,000.00
Cable charges	43,944.00	66,348.00
Advertisement Exp.	70,425.00	49,067.00
Postage & Courier Charges	12,213.00	8,617.00
Printing & stationery expense	-	6,665.00
Demat Charges	-	2,000.00
Audit Fee	30,000.00	118,000.00
Insurance	-	-
Travelling Expenses	358,357.00	998,010.00
Repair & Maintenance	15,076.00	58,776.00
Staff Welfare	203,486.00	114,442.00
Office Expense	66,113.00	98,431.00
Donation	-	273,000.00
Website Charges	6,000.00	-
Car Expense	332,106.00	306,537.00
Commission	7,000,000.00	2,370,555.00
Mis Expense	7,000.00	64,005.00
Taxes & Brokerage	845,360.00	490,204.00
Related Part		
Rent - Rashi Gupta	600,000.00	600,000.00
	15,004,176.00	12,456,037

Note 22

EARNING PER SHARE

	AS AT 31-03-2019	AS AT 31-03-2018
Net Profit after Tax used as numerator	11,832,565	10,028,173
Weighted Average number of Equity Shares used as denominator	7,069,900	7,069,900
Earning per Share (Rs.)		
(Basic & Diluted)	1.67	1.42
Face Value per Share (Rs.)	10	10

Note 2
Fixed Assets
1) Tangible assets

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As On 01-04-2018	ADDITION DURING THE YEAR	SALE DURING THE YEAR	TOTAL AS ON 31-03-2019	UPTO 01-04-2018	Provided During the Year	SALE / ADJUSTME NTS	Total upto 31-03-2019	AS ON 31-03-2019
Motar Car	9,461,523	3,932,616		31,394,139	5,234,034	2,068,475	0	7,302,509	4,227,489
Mobile	17,900	42,098		59,998	4,133	7,296	0	11,429	13,767
Property		54,394,500		54,394,500	-	-	0	493,515	0
Total	9,479,423	58,369,214	0	67,848,637	5,238,167	2,569,286	0	7,807,453	4,241,256
Previous Yr	9,461,523	17,900	0	9,479,423	3,311,485	1,926,682	0	5,238,167	6,150,038

Pro Fin Capital Services Ltd.**NOTE -1****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 in accordance with the provisions of Section 123(2) of The companies Act 2013 which was made effective from 01-04 2014.

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 ex-gratia, 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.

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
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
5	Triyamb Securities Private Ltd.	Associate Companies
6	Asian Fintrade Services Pvt Ltd	Associate Companies
7	Ambe Securities Pvt Ltd	Associate Companies
8	Profin Commodities Pvt Ltd	Associate Companies
9	Mrs Neha Gupta.	Key Managerial Personnel
10	Tera Natural Resources And Pellets Private Limited	Subsidiary Company

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	12,00,000/-	Nil	12,00,000/-	12,00,000/
Rent	Nil	Nil	6,00,000/-	6,00,000/-	6,00,000/
Purchase of inventories (Shares)	320881213.00	-	-	320881213.00	264907158.00
Sale of inventories (Shares)	244537116.50	-	-	244537116.50	195856107.00

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)

Income Tax Expense comprises current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for current accounting period in accordance with the applicable rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred Tax reflects the impact of timing difference between according income and taxable income during the current year and reversal of timing differences for the earlier years. Deferred tax charge or credit and corresponding deferred tax liabilities or assets are measured using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is reasonable certainty, except for carried forward losses and unabsorbed depreciation and items relating to capital losses which is recognized based on virtual certainty, supported by continuing evidence that there will be sufficient future taxable income available to realize the assets.

c. 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.)	
	31.03.2019	31.03.2018
Profit attributable to the Shareholders	1,18,32,565	1,00,28,173
Basic / Weighted Avg. No. of Equity shares outstanding during the year. (used as denominator)	70,66,900	70,66,900
Nominal value of Equity Shares	10	10
Basic / Diluted Earning Per Share (Rs.)	(1.67)	(1.42)
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 Equity Share	31.03.2019		31.03.2018	
	Qty	Value (Rs.)	Qty	Value (Rs.)
Opening Stock	332700	4494464	332700	4494464
Purchases	7869061	590073298	1085000	64907158
Sales	7325932	563215061	1085000	195856107
Closing Stock	875829	26858237	332700	4494464

- 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	2018-2019 (Rs.)	2017-2018 (Rs.)
Salaries	12,00,000	12,00,000

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. Auditors Remuneration includes:

Particulars	2018-19 (Rs.)	2017-18 (Rs.)
Paid to the Statutory Auditors		
a) As Audit Fees	30000	118000
b) For other Services	-	-

5. 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.
6. 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.
7. **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.
8. 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.
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. Efforts have been made to employ full time Company Secretary. However, suitable person could not be found.
11. Status of the Investor Complaint

Complaints received and disposed off during the year ended March 31, 2019	Nil
Pending as on March 31, 2019	Nil
12. Cash Flow Statement :
The Cash Flow Statement is prepared by the "Indirect Method " set out un Accounting Standard on " Cash Flow Statement " and presents the Cash Flow by operating , investing and financing Activities.
13. Previous year's figures have been rearranged / regrouped wherever necessary.

Notes 1 to 12 forms an integral part of Balance Sheet and Profit & Loss Account

For **Harjani & Associates**

Chartered Accountants

Mukesh Harjani

Proprietor

Membership No. 41899

Place : Mumbai

Dated : 29-05-2019

For and behalf of the Board

Pro Fin Capital Services Ltd.

Mg. Director

Jt Mg. Director

Independent Director

Company Secretary

INDEPENDENT AUDITORS' REPORT

TO,

THE MEMBERS OF PRO FIN CAPITAL SERVICES LTD

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **PRO FIN CAPITAL SERVICES LTD** ("the Company"), which comprise the Balance Sheet as at **31/03/2019**, the Statement of Profit and Loss, **the cash flow statement** for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31/03/2019**, and its **Profit and it's cash flows** for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We give in the Annexure A statements on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and **the cash flow statement** dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on **31/03/2019** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2019** from being appointed as a director in terms of Section 164 (2) of the Act
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Date : 29/05/2019

Place : Mumbai

MUKESH HARJANI

Proprietor

M.No. : 041899

FOR HARJANI & ASSOCIATES

(Chartered Accountants)

Reg No. :00041899

“Annexure B” to the Independent Auditor's Report of even date on the Consolidated Financial Statements of PRO FIN CAPITAL SERVICES LTD Company limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of PRO FIN CAPITAL SERVICES LTD Company Limited (“The Company”) as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence amount the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issues by the Institute of Chartered Accountants of India.

Date : 29/05/2019

Place : Mumbai

FOR HARJANI & ASSOCIATES

(Chartered Accountants)

Reg No. :00041899

MUKESH HARJANI

Proprietor

M.No. : 041899

ANNEXURE - A**Reports under The Companies (Auditor's Report) Order, 2016 (CARO 2016)
for the year ended on 31st March 2019**

To,

The Members of PRO FIN CAPITAL SERVICES LTD

We report that:-

Sl. No.	Comment Required on	Auditor's Opinion on Following Matter	Auditor's Remark
1)	Fixed Assets	a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets?	The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
		b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of accounts?	Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
		c) Whether the title deeds of immovable properties are held in the name of the company? If not, provide the details thereof.	The company has no immovable property. Hence this clause is not applicable.
ii)	Inventory	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account?	Physical verification of inventory has been conducted at reasonable intervals by the management.
iii)	Loans Secured or Unsecured Granted	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of The Companies Act, 2013? if so,	The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the companies Act-2013.
		a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest?	The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the companies Act-2013.
		b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular?	The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the companies Act-2013.
		c) If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest?	The company has not granted any loan to parties covered in registered maintained under section 189 of the companies Act, hence the question of overdue amount and step to be taken for recovery does not arise.

iv)	Loan to director and investment by the company	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	While doing transaction for loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
v)	Public Deposits	In case, the company has accepted deposits, whether the directives Issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	To the best of our knowledge and belief and according to the information and explanation given to us the company has not accepted any deposit as per provision of section 73 to 76 or any other relevant provision of the Companies Act and the rules framed there under. Further as informed to us the company has not received any order from Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
vi)	Cost Accounting Records	Whether maintenance of cost records has been specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained?	To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the products of the company.
vii)	Statutory Compliance	a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated?	According to the records of the Company, there are no dues of Income tax, sales tax, customs duty, wealth tax, service tax, excise duty, sales tax and cess that have been not been deposited on amount of any dispute.
		b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute)	There is no dispute with the revenue authorities regarding any duty or tax payable.

viii)	Loan form Banks / Financial Installation	Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and government, lender wise details to be provided)	The company has not defaulted in repayment of dues to financial institution, bank or debenture holders.
	Application of Money Received from Equity or Loan	Whether money ^(ix) raised by way of initial public offer or further public offer {including debt instruments} and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification? if any, as may be applicable, be reported.	The Company has not applied term loans for the purposes other than for which those are raised
x)	Fraud Reporting	Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year? If yes, the nature and the amount involved is to be indicated;	Based on our audit procedures and the information and explanation made available to us no such fraud noticed or reported during the year.
xi	Managerial Remuneration	whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same.	Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
xii)	Nidhi Company - Compliance with Deposits	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability?	As per information and records available with us The company is not Nidhi Company.
xiii)	Related Party Transaction	Whether all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting	Yes , All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

xiv)	Issue of Share Capital and use of Amount Raised	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non compliance?	Based on our audit procedures and as per the information and explanations given by the management, there is no Preferential allotment or Private placement of shares made during the year.
xv)	Transaction with Director	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with?	The company has not entered into any non-cash transactions with directors or persons connected with him.
xvi)	Registration from RBI	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained?	The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and registration has been obtained by the company

Place : Mumbai
Date : 29/05/2019

FOR HARJANI & ASSOCIATES
(Chartered Accountants)
Reg No. :00041899

MUKESH HARJANI
(Proprietor)
Membership No : 041899

ProFin Capital Services Ltd.
Consolidated Balance Sheet at 31st March, 2019

ASSETS	Note	As at 31st March 2019 Rupees	As at 31st March 2018 Rupees
Non-current assets			
(a) Property, Plant and Equipment	2	6,00,53,778	42,57,889
(b) Financial Assets			
i) Investments	3	49,78,255	48,11,028
ii) Other financial assets	4	16,562,215	16,094,297
© Deferred tax assets (Net)		31,338	460,537
(d) Advance tax assets (net)			
(e) Other non-current assets			
Total Non-Current Assets		8,16,25,586	2,56,23,751
Current assets			
(a) Inventories		35,099,674	4,494,464
(b) Financial Assets			
i) Trade receivables	6	-	317,349
ii) Cash and cash equivalents	7	1,03,71,499	1,55,01,062
iii) Loans			
iv) Other financial assets			
© Other current assets	8	21,22,378,671	14,29,031,919
Total Current Assets		21,67,849,844	14,49,344,794
TOTAL ASSETS		22,49,475,430	14,74,968,545

For **HARJANI AND ASSOCIATES**

Chartered Accountants

MUKESH HARJANI

PROPRIETOR

MNO :-041899

Place : Mumbai

Date : 29-05-2019

For and on behalf of the Board of Directors

Managing Director

Jt Managing Director

Independent Director

Company Secretary

ProFin Capital Services Ltd.

Consolidate Balance Sheet at 31st March, 2019

EQUITY AND LIABILITY	Note	As at 31st March 2019 Rupees	As at 31st March 2018 Rupees
Equity			
(a)Equity Share capital	9	70,669,000	70,669,000
(b)Other Equity	10	210,553,862	194,430,188
Total Equity		281,222,862	265,099,188
Liability			
Non-current liabilities			
(a)Financial liabilities			
1) Borrowings	11	127,148,979	70,749,351
(b)Long term provisions			
(c)Deferred Tax Liabilities (Net)			
(d)Other Non-Current liabilities			
Total Non-Current Liabilities		184,169,930	127,799,072
Current liabilities			
(a)Financial liabilities			
i) Borrowings			
ii) Trade payables	12	17,69,164,149	10,72,963,152
iii) Other financial liabilities			
(b)Provisions	13	14,918,219	91,071,333
(c)Other current liabilities			
(d)Current Tax Liabilities (Net)			
Total Current Liabilities		1,784,082,638	1,082,070,285
TOTAL EQUITY AND LIABILITIES		2,249,475,430	1,474,968,545
Notes forming part of financial statements	.1-22		
In terms of our report attached			

For **HARJANI AND ASSOCIATES**

Chartered Accountants

MUKESH HARJANI

PROPRIETOR

MNO :-041899

Place : Mumbai

Date : 29-05-2019

For and on behalf of the Board of Directors

Managing Director

Jt Managing Director

Independent Director

Company Secretary

Pro Fin Capital Services Ltd.
Consolidated Statement of Profit and Loss for the year ended 31 March, 2019

	Particulars	Note	For the year ended 31 March, 2019	For the year ended 31 March, 2018
1	Revenue from operations	14	616911542	32213069
2	Other income	15	2578680	138548
3	Total revenue (1+2)		619490222	313114468
4	Expenses			
	(a) Purchase of Stock In Trade Shares		592644816	274919358
	(b) Change In Inventories of finished Goods, Stock in Trade and Work in Progress	17	306052100	-
	(c) Employee benefits expense	18	5808923	5446927
	(d) Finance Expense	19	4308953	4557043
	(d) Depreciation and amortisation expense	20	2573325	1932016
	(e) Other expenses	21	14860232	13029382
	Total expenses		589591039	29988472
5	Profit / (Loss) before tax (3 - 4)		29899183	22384518
6	Tax expense: Current Tax		7917568	6359110
	Deferred Tax		419741	-225693
	Provision For Standard Assets		4,760,280	2,886,930
	Statutory reserve		4324884	3,228,776
	Proposed Dividend		706690	-
7	Profit / (Loss) for the year (5 - 6)		11798790	10063126
	Earnings per share (of `10/- each):			
	(a) Basic & diluted	22	1.67	1.42
	Accompanying notes forming part of the financial statements	1		

In terms of our report attached.
For HARJANI AND ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors

MUKESH HARJANI
PROPRIETOR
MNO :-041899
Place : Mumbai
Date : 29-05-2019

Managing Director Jt Managing Director

Independent Director Company Secretary

PRO FIN CAPITAL SERVICES LIMITED
CONSOLIDATED CASH FLOW STATEMENT AS ON 31ST MARCH, 2019

PARTICULARS	AS AT 31.03-2019	AS AT 31.03-2018
A) Cash flow from operating Activities		
Net Profit/(Loss) before tax and extra ordinary items	29,899,183.00	22,384,514.00
Add: Depreciation	25,73,325.00	19,32,016.00
Less:- Interest income	(25,78,680.00)	(1,38,548.00)
Operating profit/(Loss) before working capital Change	29,893,828.00	24,177,986.00
Decrease/(Increase) in Trade Recivables	3,17,349.00	(3,17,349.00)
Decrease/(Increase) in Long Term Loans & Advances	(102,000.00)	(2,23,851.00)
Decrease/ (Increase) in Short Term Loans & Advances	(6,93,346,752.00)	(5,35,731,652.00)
Decrease(Increase) in Inventory	(30,605,210.00)	0.00
Increase/ (Decrease) in Other Current Liabilities	3,44,116.00	3,408,606.00
Increase/ (Decrease) in Trade Payables	6,96,201,267.00	5,12,478,852.00
Cash Generate from operations	27,02,598.00	37,92,592.00
Direct Tax/ FBT Paid (net of refund)	(8,284,095.00)	(8,624,365.00)
B) Cash flow from Investing Activities etc	(55,81,497.00)	(48,31,773.00)
(Increase) / Decrease in Fixed Assets	(58,369,214.00)	(17,900.00)
(Increase)/ Decrease of Investments	(167,227)	(2,531,028)
Net cash used in investing activities	(58,536,441.00)	(2,548,928.00)
C) Cash Flow from Financing Activities		
Interest Received	2,578,680	138,548.00
Proceeds of Long Term Borrowings	56,438,465.00	13,232,108.00
Increase in Share Premium	-	-
REDUCTION IN CAPITAL RESERVE	-	-
Increase in Reserves (Shares warrant deferred)	-	-
Increase in Minority Interest	(28,770.00)	39,542.00
Increase in Share Capital	0.00	0.00
Net Cash outflow from Financing Activities	58,988,375.00	13,410,198.00
Net Increase in cash and cash equilents	(51,29,563)	60,29,497
Cash & Cash Equivalent		
- Opening	15,501,062	9,471,565
Cash & Cash Equivalent		
- Closing	10,371,499	15,501,062

In terms of our report attached. For and on behalf of the Board of Directors

For HARJANI AND ASSOCIATES

Chartered Accountants

Managing Director

MUKESH HARJANI

PROPRIETOR

MNO :-41899

Place : Mumbai

Date : 29-05-2019

Independent Director

Jt Managing Director

Company Secretary

Notes Forming part of the financial statements

The Previous year figures have been regrouped /reclassified,
wherever necessary to confirm to the current year presentation

Note 9

	AS AT 31-03-2019	AS AT 31-03-2018
SHARE CAPITAL		
<u>AUTHORISED SHARE CAPITAL</u>		
85,00,000 Equity Shares of Rs.10/- each	85,000,000	85,000,000
ISSUED		
70,66,900 Equity Shares of Rs. 10/- each fully paid	70,669,000	70,669,000
SUBSCRIBED & PAID UP		
70,66,900 Equity Shares of Rs. 10/- each fully paid	70,669,000	70,669,000
TOTAL	70,669,000	70,669,000

Note 2 (a) Reconciliation of number of shares

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of Shares Held	Rs	No. of Shares Held	Rs
Equity Shares:				
Shares At the Beginning of the year	7,066,900	70,669,000	7,066,900	70,669,000
Add: Shares Issued during the year				
Shares At the End of the year	7,066,900	70,669,000	7,066,900	70,669,000

Note 2 (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 2019		As at 31st March 2018	
	No. of Shares Held	% of holding	No. of Shares Held	% of holding
ANUPAM NARAIN GUPTA	598,392	8.47	598,392	8.47
SUNDESH M SAWANT	1,280,000	18.11	1,280,000	18.11

Note 10
RESERVE AND SURPLUS

		AS AT	AS AT
		31-03-2019	31-03-2018
General Reserves - As per last Balance Sheet		500,000	500,000
Share Premium			
Opening Balance		178,953,001	178,953,001
Add: Additions During the year		-	
Closing Balance		178,953,001	178,953,001
Statutory Reserve			
Opening Balance		5,844,788	2,616,012
Add: Additions During the year		4,324,884	3,228,776
Closing Balance		10,169,672	5,844,788
Profit & Loss Account			
Opening balance	177,267	(9885859)	
Add: Preferential Share Warrants Deffered			
Add: Profit / (Loss) for the year	11,798,790	11,976,057	10,063,126
TOTAL		2,10,553,862	1,94,430,188

Note 11
LONG TERM BORROWINGS

	AS AT 31-03-2019	AS AT 31-03-2018
Secured Loans		
Term Loans		
From Banks		
LOAN FROM HDFC BANK	244,793.00	582,113.00
(Repayable in 60 installments)		
(Secured against Vehicle)		
LOAN FROM ICICI BANK	2,327,154.00	3,305,693.00
(Repayable in 60 installments)		
(Secured against Vehicle)		
LOAN FROM HDFC BANK	2,746,575.00	-
(Repayable in 60 installments)		
(Secured against Vehicle)		
LOAN FROM ICICI BANK	47,390,684.00	-
(Repayable in 240 installments)		
(Secured against Bangalore Property)		
ICICI OVERDRAFT	1,130.00	2,255,444.00

SECURED AGAINST FIXED DEPOSIT OF RS 2500000
UNSECURED LOANS
From Subsidiaries

Tera Natural Resource & Pellets Pvt LTD	105,434,473.00	92926102	105,479,648.00
From Related Parties			
Abhay Gupta	2651018	205101	
Anupam Gupta	10346298	2446298	
Sumit Sharma	61,000.00	61,000.00	
Ambe Security Pvt. Ltd.	5,00,000.00	5,00,000.00	
	1,35,58,316		50,58,316

From Others

	60,880,327	59,547,785
TOTAL	127,148,979	70,749,351

Note 12
TRADE PAYABLE

	AS AT 31-03-2019	AS AT 31-03-2018
Acceptances		
Other than Related Parties	17,69,164,419	10,72,963,152
TOTAL	17,69,164,419	10,72,963,152

Note 13
OTHER CURRENT LIABILITIES

Other Payble	448,156	875,593
Statutory Liabilities	970,189	198,636
Provision for Standard Asset (as per RBI Guidelines)	12,793,184	80,32,904
Proposed Dividend	706,690.00	
TOTAL	14,918,219	91,07,133

Note 3
NON CURRENT INVESTMENTS

	AS AT 31-03-2019	AS AT 31-03-2018
Unquoted		
Trade Investments		
Shares in Subsidiary		
Tera Natural Resource & Pellets Pvt Ltd	41,495,931.00	41,495,931.00
128150 Equity Shares of Rs 10/- per share for Rs 323/- each		
Fixed Deposit	2,666,699.00	2,500,000.00
Acc int	31,556.00	31,028.00
	44,194,186.00	44,026,959.00

Note 4
LONG TERM LOANS & ADVANCES

	AS AT 31-03-2019	AS AT 31-03-2018
a) Security Deposit	3,000.00	3,000.00
(unsecured considered Good)		
Other Than Related Parties		
Related Parties		
Rashi Gupta	2,200,000.00	2,200,000.00
b) TDS & income tax	12,672,579.00	12,306,661.00
(Net of Provisions)		
c) Balances with Government authorities		
I) Service Tax Credit Receivable	42,494.00	42,494.00
d) Other Loans & Advances		
(unsecured considered Good)	1,619,142.00	1,517,142.00
	16,562,215.00	16,094,297.00

Note 5
INVENTORIES

	AS AT 31-03-2019	AS AT 31-03-2018
INVENTORIES -SHARES		
(At lower of cost or Market value, taken, valued and certified by the Management)	35,099,674.00	4,494,464.00
TOTAL	35,099,674.00	4,494,464.00

Note 6
TRADE RECEIVABLES

	AS AT 31-03-2019	AS AT 31-03-2018
TRADE RECEIVABLES	-	317,349.00
TOTAL	-	317,349.00

Note 7
CASH & CASH EQUIVALENTS

	AS AT 31-03-2019	AS AT 31-03-2018
CASH IN HAND	16,49,006.00	1,26,554.00
BALANCE WITH BANKS	87,22,493.00	15,374,508.00
TOTAL	10,371,499.00	1,55,011,067.00

Note 8
SHORT TERM LOANS & ADVANCES

	AS AT 31-03-2019	AS AT 31-03-2018
Advances(Unsecured,Considered Good)	2053609128	1,360,277,375.00
Loans & Advance to Related Party		
Rashi Gupta	71,150	71,150.00
TOTAL	2,053,680,278	1,360,348,525.00

Note 14
REVENUE FROM OPERATIONS

	AS AT 31-03-2019	AS AT 31-03-2018
Sale (Trading of Shares)	463,911,165.00	195,856,107.00
Sale of services	2,862,513.00	
Sales of Exempt items	3,705,000.00	
Interest Received	153,000,377.00	110,552,300.00
TOTAL	616,911,542.00	312,975,920.00

Note 15
INDIRECT INCOME

	AS AT 31-03-2019	AS AT 31-03-2018
Dividend	5,617.00	-
Int on It refund	2,718.00	138,548.00
Rent received	1,166,666.00	
Processing Charges	1,400,000.00	
Exchange Fluctuation	3,679.00	
TOTAL	2,578,680.00	138,548.00

Note 16

PURCHASE OF STOCK IN TRADE

	AS AT 31-03-2019	AS AT 31-03-2018
Purchase of Shares	592,644,816.00	264,907,158.00
Purchase of exempt items	2,245,500.00	
TOTAL	592,644,816.00	267,152,658.00

Note 17

CHANGES IN INVENTORIES OF FINISHED GOODS

STOCK IN TRADE

	AS AT 31-03-2019	AS AT 31-03-2018
Opening Stock of Shares	4,494,464.00	4,494,464.00
Closing Stock of Shares	35,099,674.00	4,494,464.00
TOTAL	(30,605,210.00)	-

Note 18

EMPLOYEE BENEFIT EXPENSE

	AS AT 31-03-2019	AS AT 31-03-2018
Salaries & Establishment		
Other Than Related Party	4,330,437.00	3,478,000.00
Related Party	-	
Mangerial Remuneration	1,200,000.00	1,200,000.00
Director Sitting Fee	75,000.00	97,500.00
TOTAL	5,605,437.00	4,775,500.00

Note 19

Finance Expense

	AS AT 31-03-2019	AS AT 31-03-2018
Interest on Car Loan	471,496.00	445,456.00
Interest on Private Parties	2,662,555.00	4,051,692.00
Interest on Property loan	548,311.00	-
Loan processing fee	488,520.00	-
Bank Interest and chgs	138,071.00	25,809.00
Other Interest	0.00	2,028.00
TOTAL	4,308,953.00	4,524,985.00

Note 20

DEPRICATION & AMORTISATION EXPENSE

	AS AT 31-03-2019	AS AT 31-03-2018
Deprication	2,573,325.00	1,932,016.00
TOTAL	2,573,325.00	1,932,016.00

Note 21

OTHER EXPENSES

Other than Related Party

	AS AT 31-03-2019	AS AT 31-03-2018
Membership & Subscription	76,400.00	87,435.00
Electricity & Water Charges	214,670.00	253,810.00
Professional charges	656,127.00	1,052,271.00
Telephone & Communication Expenses	31,251.00	56,835.00
Business Promotion	4,379,348.00	5,348,729.00
AGM Expense	-	-
Roc Filing Fees	26,300.00	2,300.00
Accounting Charges	30,000.00	30,000.00
Cable charges	43,944.00	66,348.00
Advertisement Exp.	70,425.00	49,067.00
Postage & Courier Charges	12,213.00	8,617.00
Printing & stationery expense	-	6,665.00
Demat Charges	-	2,000.00
Audit Fee	30,000.00	118,000.00
Insurance	-	-
Travelling Expenses	358,357.00	998,010.00
Repair & Maintenance	15,076.00	58,776.00
Staff Welfare	203,486.00	114,442.00
Office Expense	66,113.00	98,431.00
Donation	-	273,000.00
Website Charges	6,000.00	-
Car Expense	332,106.00	306,537.00
Commission	7,000,000.00	2,370,555.00
Mis Expense	7,000.00	64,005.00
Taxes & Brokerage	845,360.00	490,204.00
Related Part		
Rent - Rashi Gupta	600,000.00	600,000.00
	15,004,176.00	12,456,037

Note 22

EARNING PER SHARE

	AS AT 31-03-2019	AS AT 31-03-2018
Net Profit after Tax used as numerator	11,832,565	10,028,173
Weighted Average number of Equity Shares used as denominator	7,069,900	7,069,900
Earning per Share (Rs.)		
(Basic & Diluted)	1.67	1.42
Face Value per Share (Rs.)	10	10

Note 2
Fixed Assets
1) Tangible assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As On 01-04-2018	ADDITION DURING THE YEAR	SALE DURING THE YEAR	TOTAL AS ON 31-03-2019	UPTO 01-04-2018	Provided During the Year	SALE / ADJUSTME NTS	Total upto 31-03-2019	AS ON 31-03-2019	AS ON 31-03-2019
Motar Car	9,461,523	3,932,616		31,394,139	5,234,034	2,068,475	0	7,302,509	6,091,630	4,227,489
Mobile	17,900	42,098		59,998	4,133	7,296	0	11,429	48,569	13,767
Property		54,394,500		54,394,500	-	-	0	493,515	53,900,985	0
Total	9,479,423	58,369,214	0	67,848,637	5,238,167	2,569,286	0	7,807,453	60,041,184	4,241,256
Previous Yr	9,461,523	17,900	0	9,479,423	3,311,485	1,926,682	0	5,238,167	4,241,256	6,150,038

Pro Fin Capital Services Ltd.**NOTE -1****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 in accordance with the provisions of Section 123(2) of The companies Act 2013 which was made effective from 01-04 2014.

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 ex-gratia, 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.

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
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
5	Triyamb Securities Private Ltd.	Associate Companies
6	Asian Fintrade Services Pvt Ltd	Associate Companies
7	Ambe Securities Pvt Ltd	Associate Companies
8	Profin Commodities Pvt Ltd	Associate Companies
9	Mrs Neha Gupta.	Key Managerial Personnel
10	Tera Natural Resources And Pellets Private Limited	Subsidiary Company

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	12,00,000/-	Nil	12,00,000/-	12,00,000/
Rent	Nil	Nil	6,00,000/-	6,00,000/-	6,00,000/
Purchase of inventories (Shares)	320881213.00	-	-	320881213.00	264907158.00
Sale of inventories (Shares)	244537116.50	-	-	244537116.50	195856107.00

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)

Income Tax Expense comprises current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for current accounting period in accordance with the applicable rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred Tax reflects the impact of timing difference between according income and taxable income during the current year and reversal of timing differences for the earlier years. Deferred tax charge or credit and corresponding deferred tax liabilities or assets are measured using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is reasonable certainty, except for carried forward losses and unabsorbed depreciation and items relating to capital losses which is recognized based on virtual certainty, supported by continuing evidence that there will be sufficient future taxable income available to realize the assets.

c. 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.)	
	31.03.2019	31.03.2018
Profit attributable to the Shareholders	1,18,32,565	1,00,28,173
Basic / Weighted Avg. No. of Equity shares outstanding during the year. (used as denominator)	70,66,900	70,66,900
Nominal value of Equity Shares	10	10
Basic / Diluted Earning Per Share (Rs.)	(1.67)	(1.42)
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 Equity Share	31.03.2019		31.03.2018	
	Qty	Value (Rs.)	Qty	Value (Rs.)
Opening Stock	332700	4494464	332700	4494464
Purchases	7869061	590073298	1085000	64907158
Sales	7325932	563215061	1085000	195856107
Closing Stock	875829	26858237	332700	4494464

- 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	2018-2019 (Rs.)	2017-2018 (Rs.)
Salaries	12,00,000	12,00,000

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. Auditors Remuneration includes:

Particulars	2018-19 (Rs.)	2017-18 (Rs.)
Paid to the Statutory Auditors		
a) As Audit Fees	45000	-
b) For other Services	143000	-

5. 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.
6. 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.
7. **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.
8. 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.
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. Efforts have been made to employ full time Company Secretary. However, suitable person could not be found.
11. Status of the Investor Complaint

Complaints received and disposed off during the year ended March 31, 2019	Nil
Pending as on March 31, 2019	Nil
12. Cash Flow Statement :
The Cash Flow Statement is prepared by the "Indirect Method " set out un Accounting Standard on " Cash Flow Statement " and presents the Cash Flow by operating , investing and financing Activities.
13. Previous year's figures have been rearranged / regrouped wherever necessary.

Notes 1 to 12 forms an integral part of Balance Sheet and Profit & Loss Account

For **Harjani & Associates**

Chartered Accountants

Mukesh Harjani

Proprietor

Membership No. 41899

Place : Mumbai

Dated : 29-05-2019

For and behalf of the Board

Pro Fin Capital Services Ltd.

Mg. Director

Jt Mg. Director

Independent Director

Company Secretary

Pro FIN CAPITAL SERVICES LIMITED

CIN: L51909MH1991PLC250695

Registered Office: 503, Western Edge II, Western Express Highway, Borivali (East), Mumbai – 400 066

Tel No. 022 -28702070, website: www.profincapital.com Email: profin.capital1@gmail.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (management & Administration) Rules, 2014)

28th Annual General Meeting on Monday, 30th September, 2019

CIN	L51909MH1991PLC250695		
Name of the Company	Pro Fin Capital Services Limited		
Registered Office:	503, Western Edge II, Western Express Highway, Borivali (E), Mumbai – 400066		
Name of the Member(s)			
Registered Address:			
E-mail id:			
Folio No./Client Id		DP ID:	

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

1. Name		
Address		
Email Id	Signature	
Or failing him		
2. Name		
Address		
Email Id	Signature	
Or failing him		
3. Name		
Address		
Email Id	Signature	
Or failing him		

As my/our proxy to attend or vote for me /us and on my/our behalf at the Twenty-Eighth Annual General Meeting of the Company, to be held on Monday, September 30, 2019 at 11.00 am at the Registered Office of the Company at B/503, Western Edge II, Western Express Highway, Borivali (East), Mumbai-400066 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (option) (See Note No. 4) For Against	
Ordinary Business			
1.	Adoption of-		
2.	a. The Standalone Financial Statement of the Company for the year ended 31 st March, 2019 and the report of Directors and Auditors thereon.		
3.	b. The Consolidated Financial Statement of the Company for the year ended March 31, 2019, and the report of the Auditors thereon		
4.	c. To appoint a director in place of Mr. Anupam Gupta (Din- 02294687) who retires by rotation and being eligible offers herself for re appointment		
5.	d. To declare a final dividend of Rs. 0.10 per share (1%) on the equity shares for the Financial year 2017-18		
Special Business			
6.	e. Appointment of Mr. Atul Kumar as independent director		
7.	f. Appointment of Mr. Manav Kumar as Independent Director		

Signed this Day of2018.

Signature of the shareholder: _____

Signature of 1st Proxy holder: _____

Signature of 2nd Proxy holder: _____

Signature of 3rd Proxy holder: _____

Affix Revenue
Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. If Appointed for more than fifty Members, the proxy shall choose any of the fifty members and confirm the same to the Company before the commencement of specified period for inspection.

In case the proxy fails to do so, the Company shall consider only the first fifty proxies received as valid

3. Any alteration or correction made to this proxy form must be initialed by the signatory / signatories.
4. If you wish to vote for a resolution, place a tick in the corresponding box under the column marked for.

If you wish to vote against a resolution, place a tick in the corresponding box under the column marked against. If no direction is give, your proxy may vote or abstain as he / she thinks fit.

Instructions

1. Unsigned. Incomplete or incorrectly ticked forms are liable to be rejected and the decision of the scrutinizer on the validity of the forms will be final.
2. A shareholder can opt for only one mode of voting i.e either through e-voting or by ballot. If a shareholder casts votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
3. The right of voting by ballot form shall not be exercised by a proxy.
4. To avoid fraudulent transactions, the identity/signature of the shareholders holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of shareholders holding shares in physical form is verified as per the records of the share transfer agent of the Company i.e. Beetal Financial & Computer Services (P) Ltd. Shareholders are requested to keep the same updated.
5. There will be only one ballot form for every folio /DP ID/ Client ID irrespective of the number of joint holders.
6. In case of joint holders, the ballot form should b signed by the first named shareholder and in his /her absence by the next named shareholder. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot form from other joint holders.
7. Where the ballot form has been singed by an authorized representative of the body corporate/trust/society, etc a certified copy of the relevant authorization /board resolution to vote should accompany the ballot form.

PRO FIN CAOPITAL SERVICES LIMITED

CIN: L51909MH1991PLC250695

Registered Office: 503, Western Edge II,
Western Express Highway, Borivali (East), Mumbai-400 066

Tel No. 022-28702070 Fax: 022-28702072

Website: www.profincapital.com Email: profin.capital1@gmail.com

ATTENDANCE SLIP

(To be handed over at the Registration Counter)

Regd. Folio No. / DP ID* / Client ID*:	Sl. No.
Name :	
Address :	

Note:

Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.

ELECTRONIC VOTING PARTICULARS

EVEN		
Electronic Voting Event Number	USER ID	PASSWORD

The Remote e-voting facility will be available during the following period:

Commencement of Remote e-voting	End of Remote e-voting
From	Up to

The cut off date for the purpose of remote e-voting & voting at the AGM is _____

Signature of the Member/Proxy**Note:**

- Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.

Updating of Shareholder information

To:

Pro Fin Capital Services Limited
B/503, Western Edge II,
Western Express Highway,
Borivali East, Mumbai – 400 066

I/We request you to record the following information in respect of equity shares held by me /us in your Company, as per details given below:

General Information

Folio Number
Name of the first shareholder
PAN
CIN/Registration No.
(Applicable to Corporate Shareholders)
Telephone with STD
Mobile No.
Email ID

Bank Details

Name of the Ban
Bank Branch Address
Bank Account No.*
IFSC (11 digit)
MICR (9 digit)

A blank cancelled cheque is enclosed for verification of bank details

I/we hereby declare that the particulars given above are correct and complete. If the transaction is delayed due to incomplete or incorrect information. I/we would not hold the Company responsible. I/we undertake to inform any subsequent changes in the above particulars as and when changes take place. I/we understand that the above details shall be maintained by you till I/we hold the shares under the above folio number.

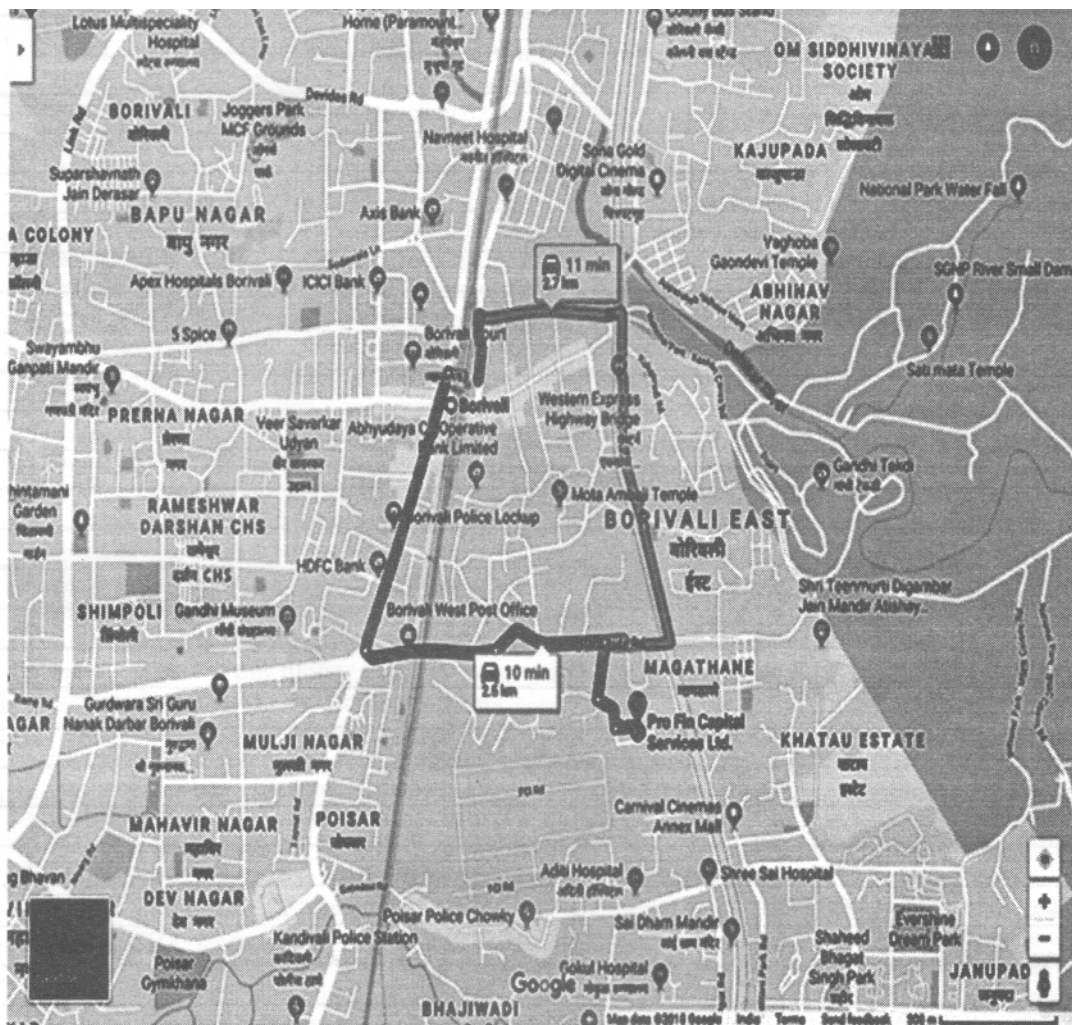
Date:

Place: Mumbai

Signature of the sole/first holder

ROAD MAP TO THE VENUE OF THE 28th ANNUAL GENERAL MEETING

**PRO FIN CAPITAL SERVICES LIMITED
B/503, WESTERN EDGE II,
WESTERN EXPRESS HIGHWAY,
BORIVALI 9EAST), MUMBAI - 400 066.**



Note

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Regd. Book Post / Courier

if not delivered, please return to :

ProFin Capital Services Ltd

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