

15TH
ANNUAL REPORT
2008 - 2009

PASUPATI FINCAP LIMITED

Regd. Office : Village Kapriwas (Dharuhera) Distt. Rewari, Haryana
Head Office : 1501 Nirmal Tower, 26 Barakhamba Road, New Delhi

PASUPATI FINCAP LTD

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of the **PASUPATI FINCAP LIMITED** will be held at the Registered Office and Works of the Company at Village Kapriwas (Dharuhera), Distt. Rewari, Haryana on Friday the 18th September, 2009 at 12.00 Noon to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint Auditors to hold office from conclusion of this meeting until the conclusion of next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Sh. Anand Kumar Aggarwal be and is hereby appointed as Director of the Company."

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Ms. Rekha Sharma be and is hereby appointed as Director of the Company."

REGISTERED OFFICE

Village Kapriwas
(Dharuhera), Distt. Rewari,
HARYANA

DATED : August 22, 2009

**BY ORDER OF THE BOARD
For PASUPATI FINCAP LIMITED**

**VIDIT JAIN
DIRECTOR**

NOTES

- i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself. Such proxy need not be a member of the Company.
- ii) Proxies may be in the form annexed hereto and to be effective must be lodged at the Registered Office of the Company or at its Head Office at 127-128, Tribhuvan Complex, Ishwar Nagar, New Delhi 110 065 not later than 48 hours before the commencement of the meeting.
- iii) The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 14th September, 2009 to Friday the 18th September, 2009 (both days inclusive).
- iv) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least ten days before the date of meeting, so that the information required may be made available at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

- 1) Mr. Anand Kumar Aggarwal was co-opted as Additional Director on the Board of the Company with effect from 15.04.2009. He holds office up to the conclusion of this Annual General Meeting. A notice proposing his name as Directors has been received from a shareholder.

Mr. Anand Kumar Aggarwal is interested in the resolution to the extent of his appointment as it concerns him. Apart from him, no other Director is interested in the resolution.

- 2) Ms. Rekha Sharma was co-opted as Additional Directors on the Board of the Company with effect from 22.05.2009. She holds office upto the conclusion of this Annual General Meeting. A notice proposing her name as Director has been received from a shareholder.

Ms. Rekha Sharma is interested in the resolution to the extent of her appointment as it concerns her. Apart from her, no other Director is interested in the resolution.

PASUPATI FINCAP LIMITED

DIRECTORS' REPORT AND MANAGEMENT DISCUSSIONS & ANALYSIS

Dear Shareholders,

Your Directors are pleased to present the Annual Report and the Audited Accounts of the Company for the year ended March 31, 2009.

FINANCIAL RESULTS

	(Rs.)
Profit After Tax	3,27,479.00
Add: Brought forward Loss from earlier year	(51,99,009.00)
Balance carried to Balance Sheet	(48,71,530.00)

DIVIDEND

The Board of Directors do not recommend any dividend for the year.

AUDITORS

M/s. M.C. Jam & Co., Chartered Accountants are to retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment as auditors of the Company.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Shri A.K. Aggarwal and Ms. Rekha Sharma retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- (ii) appropriate accounting policies have been selected and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the period and of the profit and loss of the company for that period;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

DEPOSITS

Your Company has not accepted any deposits with in the meaning of Section 58A, of the Companies Act, 1956 and the rules made thereunder.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The Statement containing the necessary information as required u/s. 217(1)(e) read with Companies (Disclosures of particulars in the Report of Board of Board of Directors) Rules, 1998 is given as under:

A. ENERGY CONSERVATION

Your Company has not consumed energy of any significant level and accordingly no measures were taken for energy conservation and no investment has been made for reducing energy conservation.

B. TECHNOLOGY ABSORPTION

The Company has not adopted any foreign technology.

C. FOREIGN EXCHANGE EARNING & OUTGO

Year Ended As at 31.03.2009

Expenditure in foreign currency	NIL
Earning in foreign currency	NIL

HUMAN RESOURCE

Your Directors would like to place on record their deep appreciation of all employees for dedicated and sincere services rendered by them.

As required under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, there was no employee in receipt of a remuneration exceeding Rs. 2,00,000/- per month if employed for part of the year or Rs. 24,00,000/- if throughout the year.

ACKNOWLEDGEMENT

Your Directors appreciate the dedication and efforts being made by the employees, shareholders and others during the year under review.

By Order of the Board of Directors

Place : New Delhi

DIRECTOR

DIRECTOR

Date : 22 August 2009

PASUPATI FINCAP LIMITED

CORPORATE GOVERNANCE

INTRODUCTION

The Securities and Exchange Board of India has introduced a Code of Corporate Governance (Code) by way of amendment to the listing agreements with the Stock Exchanges. The Company has complied with the mandatory requirements of the Code.

(I) Company's Philosophy on Corporate Governance :

The philosophy of the Company is to enhance the long-term economic value of the Company, its stake holders and the society at large by adopting better corporate practices in fair and transparent manner by aligning interest of the Company with its shareholders and other key stake holders.

(II) Board of Directors :

- a) The total strength of the Board as on 01.04.2008 was 3 Directors comprising of 2 (two) Executive Directors and 1 (one) Non-executive Director. During the year 01.04.2008 to 31.03.2009, there was no change in directorship.
- b) During the year ended 31.03.2009, 5 (five) Board Meetings were held with at least one meeting in every quarter on 21.04.2008, 30.07.2008, 06.09.2008, 16.10.2008 & 30.01.2009.

Statement of Attendance of each Director at the Board Meetings held during the Year and Last AGM:

Name of the Director	Executive/ Independent/Non executive/ Nominee	No. of meetings held	No. of meetings Attended	Attendance at last AGM on 29.09.2008
1. Sh. Anil Kumar Jain	Director	5	4	Present
2. Sh. Vidit Jain	Director	5	5	Not present
3. Sh. Tushar Jain	Director	5	5	Not Present

Details of Board Meetings held during the year:

S.No.	Date	Board Strength	No. of Directors present
1	21.04.2008	3	3
2	30.07.2008	3	3
3	06.09.2008	3	3
4	16.10.2008	3	3
5	30.01.2009	3	2

Number of Directorship on other Boards & Membership/ Chairmanship of Committees of other Boards:

S.No.	Name of Director	No. of directorship in other Boards	Membership of Committees of Other Boards	Chairmanship of Committees of other Boards
1.	Sh. Anil Kumar Jain	3	NIL	NIL
2.	Sh. Vidit Jain	4	NIL	NIL
3.	Sh. Tushar Jain	1	NIL	NIL

(III) Audit Committee

The strength of the Audit Committee as on 01.04.2007 was three members i.e. Sh. Anil Kumar Jain, Sh. Vidit Jain and Sh. Tushar Jain as Members. The role, terms of reference, authority and powers of the Audit Committee are in conformity with the listing agreement and as prescribed under Section 292 A of the Companies Act, 1956.

Composition and Attendance at the Audit Committee Meetings

Date of the Meetings	Composition	Attendance (Yes/ No)	Chairman
21.04.2008	1. Sh. Anil Kumar Jain, Member 2. Sh. Vidit Jain, Member 3. Sh. Tushar, Member	YES YES YES	Sh. Anil Kumar Jain
30.07.2008	1. Sh. Anil Kumar Jain, Member 2. Sh. Vidit Jain, Member 3. Sh. Tushar, Member	YES YES YES	Sh. Anil Kumar Jain
06.09.2008	1. Sh. Anil Kumar Jain, Member 2. Sh. Vidit Jain, Member	YES YES	Sh. Anil Kumar Jain

	3. Sh. Tushar, Member	YES	1
16.10.2008	1. Sh. Anil Kumar Jain, Member		
	2. Sh. Vidit Jain, Member	YES	
	5. Sh. Tushar, Member	YES	
30.01.2009		YES	Sh. Anil Kumar Jain
	1. Sh. Anil Kumar Jain, Member	NO	
	2. Sh. Vidit Jain, Member	YES	
	3. Sh. Tushar, Member	YES	
			Sh. Vidit Jain

- Details of remuneration/sitting fees paid to the directors:

Amount (Rs.)

Sl. No.	Name of the Director	Description of Transaction	Basic	Perquisites	Sitting Fee	Total
1	Sh. Anil Kumar Jain Director	Remuneration & perquisites	NIL	NIL	Nil	NIL
2	Sh. Vidit Jain, Director	Remuneration & perquisites	NIL	NIL	Nil	NIL
3	Sh. Tushar Jain, Director	Remuneration & perquisites	NIL	NIL	NIL	NIL

(V) Share/ Debenture Transfer-cum-Shareholders'/ Investors' Grievance Committee

As on 01.04.2007 the Share/Debenture Transfer-cum-Shareholders' Investors' Grievance Committee consisted of three members - Sh. Ramesh Kumar Jain, Sh. S.K. Chhajjar and Sh. H.P. Mathur. The Committee was vested with the requisite power and authority to specifically look into the redressal of the shareholders'/ Investors' Grievance. The Board designated Sh. Anil Kumar Jain, Company Secretary as Compliance Officer. During the year ending 31.03.2008, 29 Meetings of Share/ Debenture Transfer-cum Shareholders'/ Investors' Grievance Committee were held. The Details of attendance of Members are as under:

Name of Member	No. of Meetings Held	No of Meetings attended
1. Sh. Anil Kumar Jain	36	27
2. Sh. Vidit Jain	36	30
3. Sh. Tushar Jain	36	30

No complaint was received during the year ended on 31st March, 2009.

(VI) ANNUAL GENERAL MEETINGS :

Location and time for the last three AGM's

Year	Date	Venue	Time
2006	30.09.2006	Village Kapriwas (Dharuhera) Distt. Rewari, Haryana	12.00 Noon
2007	29.09.2007	-do-	12.00 Noon
2008	29.09.2008	-do-	12.00 Noon

NO postal ballots resolutions were passed.

(VII) Disclosures

(a) Related Party Transactions:

There was no transactions of material nature with Directors/ Promoters/ their relatives during the year ended 31.03.2009.

(b) Compliance by the Company:

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other Statutory Authority relating to the above.

(VIII) Means of Communication:

Half Yearly Report to each household of shareholders:

The Company has not yet started sending the half-yearly reports to each household of Shareholders. But if any shareholder seeks any information, then the same is provided by the Company.

Quarterly Results

Quarterly results are published in English and Hindi Newspapers as per the requirement of listing agreement with the Stock Exchanges. The same are also faxed to the Stock Exchanges where the company is listed.

Distribution of Shareholding as on 31.03.2009:

	<u>Shareholding</u>	<u>%age</u>
A. Promoters' holding including their relatives Associate Companies	2506500	53.33
B. Non-Promoters Holding		
- Directors	Nil	Nil
- Institutional Investors – Financial Institutions Banks, Mutual Funds etc.	Nil	Nil
- Private Corporate Bodies	1711800	36.42
- Public	481700	10.25
	<u>4700000</u>	<u>100.00</u>

(IX) Shareholders information :**A. Annual General Meeting**

Date & Time : Friday the 18th September, 2009 at 12.00 Noon

Venue : Registered Office of the Company at Village Kapriwas (Dharuhera) Distt. Rewari, Haryana

B. Book Closure : 14th September, 2009 to 18th September, 2009 (both days inclusive)

C. Registrar & Transfer Agents :

M/s. Skyline Financial Services Pvt. Ltd., 123, Vinoba Puri, Lajpat Nagar-II, New Delhi are the Registrar and Transfer Agents of the Company for physical and demat segments.

D. Dematerialisation of shares and liquidity

10.09% of the total share holdings of equity shares have been dematerialized up to 31.03.2009. Trading in Company's shares is permitted only in demat form w.e.f. 06.09.2000 as per notification issued by the Securities & Exchange Board of India.

E. Listing at Stock Exchanges

The details regarding payment of listing fee to Stock Exchange are given below:

Sl. No.	Name of Stock Exchanges	Listing Fee Paid up to	Stock Code No.
1.	Delhi Stock Exchange Association Ltd.	2004-05	A-2
2.	The Stock Exchange, Mumbai	2009-10	A-1

Market Price data : High/Low during the year

In view of the suspension of trading in the scrips by Bombay Stock Exchange and no trading in Delhi Stock Exchange, market data has not been provided.

However, requisite steps have been taken to get revoked the suspension of trading by Bombay Stock Exchange.

CEO/CFO Certificate

The requisite certificate has been obtained from the CEO/ CFO of the Company.

For and on behalf of
The Board of Directors

PLACE : NEW DELHI
DATED : AUGUST 22, 2009

VIDIT JAIN
DIRECTOR

AUDITOR'S REPORT

To the Members

1. We have audited the attached Balance Sheet of **M/S PASUPATI FINCAP LTD.** as at 31st March, 2009 and also the Profit and Loss Account for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosure in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides us a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) order 2003, issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable to the company.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanation which, to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (iii) The Balance Sheet and the Profit and Loss Account dealt with by the report are in agreement with the Books of Account of the company.
 - (iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards as referred to in Sub-Section (3c) of the Section 211 of the Companies Act, 1956 except liabilities for Gratuity and Leave Encashment on retirement and no reporting of related party disclosure as required by AS-18.
 - (v) On the basis of written representations received from the Directors as on 31.03.2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of Sub-section (i) of Section 274 of the Companies Act, 1956.

5. In our opinion and to the best of our information and according to the explanations given to us, the said financial statement with the notes thereon, given the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India.

(a) In case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2009 and;

(b) In case of the Profit and Loss Account, of the Profit for the year ended on that date.

For M. C. JAIN & CO.
Chartered Accountants

(Manoj K. Palawan)
Partner

**4701/21A, Ansari Road,
Darya Ganj, New Delhi-2**

Date :- 22nd August, 2009.

**ANNEXURE REFERRED TO IN PARAGRAH 1 & 2 OF THE AUDITORS REPORT
OF EVEN DATE TO THE MEMBERS OF M/S PASUPATI FINCAP LTD. ON THE
ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009**

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, Fixed assets have been physically verified by the management of the company during the year which is in our opinion is reasonable having regards to the size of the company and nature of its fixed assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the company has not disposed off substantial part of fixed assets, hence reporting on the going concern status in this regard does not rise.
2. (a) Physical verification of the inventory excluding materials in transit has been conducted at reasonable intervals by the management during the year.

(b) In our opinion and according to information and explanations given to us, the physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion, the Company is maintaining proper records of inventory, and there no material discrepancies were noticed on physical verification by the management as inform to us.
3. (a) As informed to us, the Company has not granted interest free loans, secured or unsecured to companies, firms or other parties covered in the register maintained U/S 301 of the companies Act 1956 and the Company has not taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained U/S 301 of the companies Act 1956. Consequently, the report requirements of paragraph (iii) (a) to (g) are not applicable and hence not reported accordingly.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets & sale of goods.
5. According to the information and explanations given to us, the Company has entered the transactions that need to be entered into the register in pursuance of Section 301 of the Act. Consequently, the report requirements of paragraph 4 v (a) & (b) are not applicable and hence not reported accordingly.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any Deposits from the public within the meaning of section 58A of the Companies Act, 1956, and the Companies (Acceptance of Deposit) Rules, 1975.

7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. We are informed that the Central Government under Section 209(1) (d) of the Companies Act, 1956, has not prescribed the **maintenance** of cost records.
9. (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues with the appropriate authorities. According to the information and explanation given to us, there are no arrears of outstanding statutory dues as mentioned above as at 31st March, 2009 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues outstanding of sales tax, income tax, custom tax, wealth tax, excise duty and cess on account of any dispute.
10. According to the information and explanations given to us there are accumulated losses of the company at the end of the financial year.
11. According to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, and bank.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of **pledge** of shares, debentures and other securities.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares securities, **debenture** and other investment.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or **financial** institutions.
16. In our opinion and according to the information and explanations given to us. the company not obtained any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, **there** are no funds raised on a short term basis which have been used for long term investment and vice versa.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
19. According to the information and explanations given to us The Company has not issued any debentures during the year.

20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations given to us, during the year, no fraud on or by the company has been noticed or reported during the year.

**4701/21-A, Ansari Road
Darya Ganj, New Delhi-02**

**For M. C. JAIN & CO.
Chartered Accountants**

**(Manoj K. Patawari)
Partner**

**Place: New Delhi
Date : 22nd August 2009.**

PANUPATI FINCAP LIMITED
BALANCE SHEET AS AT 31ST MARCH 2009

	SCHEDULES	(RS.)	Figure as at 31.03.2009 Y.F.A.R (R.s.)	(RS.)	Figure as at 31.03.2008 YEAR (Us.)
SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
(a) Share Capital	1	47,000,000		47,000,000	
(b) Reserve & Surplus	2	575,000	47,575,000	575,000	47,575,000
2. SECURED LOAN	3		406,879		736,502
3. DEFERRED TAX LIABILITY	12		42,176		-
			<u>48,024,055</u>		<u>48,311,502</u>
APPLICATION OF FUNDS					
1. FINED ASSETS					
(a) Gross Block	1	49,864,797		49,864,797	
(b) Less: Depreciation		32,999,987		31,673,552	
(c) Net Block			16,864,810		18,191,245
2. INVESTMENTS	5		335,701		340,001
3. DEFERRED TAX ASSETS			-		64,771
4. CURRENT ASSETS, LOANS & ADVANCES					
(a) Inventory		17,341,468		17,546,875	
(b) Sundry Debtors		549,379		1,313,062	
(c) Cash & Bank Balances		35,788		44,055	
(d) Loans & Advances		49,673,763		49,914,878	
		<u>67,600,398</u>		<u>68,818,870</u>	
Less: CURRENT LIABILITIES & PROVISIONS	7				
(a) Current Liabilities		41,593,190		44,297,084	
(b) Provision for Income Tax		55,194		5,310	
		<u>41,648,384</u>		<u>44,302,394</u>	
Net Current Assets			25,952,014		24,516,476
5. PROFIT & LOSS ACCOUNT					
(1) (to the extent not written off or adjusted)					
Profit & Loss Account			1,871,530		5,199,009
			<u>48,024,055</u>		<u>48,311,502</u>

NOTES TO THE ACCOUNTS,
SIGNIFICANT ACCOUNTING POLICIES

13

As per our Report of even date

FOR M.C.JAIN & CO.
CHARTERED ACCOUNTANTS

VIDIT JAIN
DIRECTOR

REKHA SHARMA
DIRECTOR

(MANOJ K. PATAWARI)
PARTNER

Place: New Delhi
Dated : 22nd August, 2009

PASUPATI FINCAP LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

SCHEDULE 5		31.03.2009 YEAR (Rs.)	31.03.2008 YEAR (Rs.)
INCOME			
Sale of Shares		14,714,799	23,360,267
Rent		-	735,322
Oilier Income	8	9,050	389,024
Accretion/(Decretion) in Stock	0	(205,407)	(271,656)
Liabilities Written Back		2,376,393	-
Total-(A)		<u>16,894,835</u>	<u>24,212,957</u>
EXPENDITURE			
Purchase		14,721,741	23,386,757
Administrative & Establishment Expenses	10	361,721	602,913
Interest & Financial Charges	11	628	1,325
Depreciation		89,537	171,219
Assets Written off		1,236,898	-
Total-(B)		<u>16,410,525</u>	<u>24,162,214</u>
PROFIT/(LOSS) BEFORE TAX	(A)-(B)	484,310	50,743
Provision For Income Tax		49,884	(5,000)
Provision For Fringe Benefit Tax		-	(310)
Deferred Tax Liability	12	(106,947)	(5,374)
PROFIT AFTER TAX		<u>327,479</u>	<u>40,059</u>
Balance brought forward		(5,199,009)	(5,239,068)
Balance Carried to Balance Sheet		<u>(4,871,530)</u>	<u>(5,199,009)</u>

NOTES TO THE ACCOUNTS,

SIGNIFICANT ACCOUNTING POLICIES

13

As per our Report of even (lute

FOR M. C. JAIN & Co.
CHARTERED ACCOUNTANTS

VIDHI JAIN
DIRECTOR

REKHA SHARMA
DIRECTOR

(MANOJ K. PAIAWARI)
PARTNER

Place: New Delhi
Dated :22nd August, 2009

PASUPATI FINCAP LIMITED
SCHEDULES ANNEXED TO AM FORMING PART OF BALANCE SHEET AS AT 31.03.2009

	Figures As on 31.03.2009 (Its.)	Figures As on 31.03.2003 (Rs.)
SCHEDULE-1		
SHARE CAPITAL		
AUTHORISED		
50,00,000 Equity Shares of Rs. 10/- Each	50,00,000	50,00,000
ISSUED , SUBSCRIBED & PAID UP		
47,00,000 Equity Shares of Rs. 10/- each fully paid up in cash	47,00,000	47,00,000
SCHEDULE-2		
RESERVES & SURPLUS		
General Reserve	575,000	375,000
Special Reserve Fund	200,000	200,000
	<u>575,000</u>	<u>575,000</u>
SCHEDULE-3		
SECURED LOANS		
Vehicle loan from ICICI Bank		
(The Above Vehicle Loan is Secured Against Hypothecation Of Vehicle Financed)	406,879	736,502
	<u>406,879</u>	<u>736,502</u>
SCHEDULE -5		
INVESTMENTS		
LONG TERM :		
In Units-Quoted		
In 100 Bonds (US-64) of Rs.100/- each fully paid up in UTI (Previous year 432 units)	-	10,000
In Equity Shares		
280000 Equity Shares of Rs.10/- each fully paid-up in Pasupati Spinning & Weaving Mills Ltd.	300,000	2,800,000
Less: Diminution in Value	<u>-</u>	<u>2,500,000</u>
	300,000	300,000
In Equity Shares Un-Quoted		
In 30000 (30000) Equity Shares of Rs. 10/- each fully Paid up in Asian Diet Products Ltd.	30,000	300,000
Less: Diminution in Value	<u>-</u>	<u>270,000</u>
	30,000	30,000
In Equity Shares Un-Quoted		
In 5700 Equity Shares of Rs.10/- each fully Paid up in Standard Capital Markets Ltd.	5,700	-
In 300000 (300000) Equity Shares of Rs.10/- each fully Paid up in Pasupati Securities Ltd.	3,000,000	-
Less: Diminution in Value	<u>-</u>	<u>2,999,999</u>
	<u>335,701</u>	<u>340,001</u>

PASUPATI FINCAP LIMITED

SCHEDULE - 1 OK FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH 2009

SCHEDULE - 4

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	A SAT 1.4.2008	AUDITIONS	SALES	TOTAL	UPTO 31.3.2008	FOR THE YEAR	ADJUSTMENT	TOTAL	AS AT 31.3.2009	AS AT 31.3.2008
Land	15,759,884.00	-	-	15,759,884.00	-	-	-	-	15,759,884.00	15,759,884.00
Plant & Machinery	31,301,512.00	-	-	31,301,512.00	30,064,614.00	-	-	31,301,512.00	-	1,236,898.00
Furniture & Fixtures	1,362,574.00	-	-	1,362,574.00	189,706.00	86,251.00	-	275,957.00	1,086,617.00	1,172,868.00
Office Equipment	86,766.00	-	-	86,766.00	84,869.00	1,897.00	-	86,766.00	-	1,897.00
Vehicles	540,386.00	-	-	540,386.00	540,386.00	-	-	540,386.00	-	-
Computers	784,425.00	-	-	784,425.00	784,425.00	-	-	784,425.00	-	-
Air Conditioner	29,250.00	-	-	29,250.00	9,552.00	1,389.00	-	10,941.00	18,309.00	19,698.00
TOTAL	49,864,797.00	-	-	49,864,797.00	31,673,552.00	89,537.00	1,236,898.00	32,999,987.00	16,864,810.00	18,191,245.00
PREVIOUS YEAR	50,632,238.00	1,133,251.00	1,900,692.00	49,864,797.00	31,875,440.00	171,219.00	373,107.00	31,673,552.00	18,191,245.00	18,756,798.00

For M.C. IAIN & Co
Chartered Accountants

(MANOJ K. PATAWARI)
PARTNER

Dated : 22nd August, 2009

DIRECTOR

DIRECTOR

PASUPATI INCAP LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2009

	Figures AS ON 31.03.2009 (Rs.)		Figures AS ON 31.03.2008 (Rs.)	
SCHEDULE -6				
A. CURRINT ASSETS				
I. INVENTORY				
(i) Slock of Shares/Debentures	496,768	-	702,175	-
(ii) Stock (Property)	<u>16,844,700</u>	<u>17,341,468</u>	<u>16,844,700</u>	<u>17,546,875</u>
II. SUNDRY DEBTORS				
(Unsecured - considered good)				
Unity Fin-Cap Pvt. Ltd.(More than six months)		549,379	561,548	-
Pasupati Spinning & Weaving Mills Ltd.			<u>751,514</u>	<u>1,313,062</u>
III. CASH & HANK BALANCE				
i) Cash in hand(As certified)	-		26,596	
ii) In Current account with Scheduled Banks	<u>35,788</u>	<u>35,788</u>	<u>17,459</u>	<u>44,055</u>
IV. LOANS & ADVANCES				
I) (Secured- Considered Good)				
Loan to a company	3,089,150		3,089,150	
II) (Unsecured Considered Good)				
Advance Recoverable In Cash Or Kind or for value to be received	46,323,392		46,185,483	
III) Advance Payment Of Tax	<u>261,221</u>	<u>49,673,763</u>	<u>640,245</u>	<u>49,914,878</u>
		<u><u>67,600,398</u></u>		<u><u>68,067,356</u></u>
SCHEDULE -7				
CURRENT LIABILITIES & PROVISIONS				
A. CURRENT LIABILITIES				
Sundry Creditors				
Security/Lease Deposits	2,010,636		3,510,636	
Other Liabilities	<u>39,582,554</u>	<u>41,593,190</u>	<u>40,786,448</u>	<u>44,297,084</u>
A. PROVISIONS				
Provision for Fringe Benefit Tax	310		310	
Provision for Income Tax	<u>54,884</u>	<u>55,194</u>	<u>5,000</u>	<u>5,310</u>
		<u><u>41,648,384</u></u>		<u><u>44,302,394</u></u>

PASUPATI FINCAP LIMITED

SCHEDULES ANNEXED TO AM FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE PERIOD 2008-09

	For the Year Ended 31.03.2009 (Rs.)	For the Year Ended 31.03.2008 (Rs.)
SCHEDULE-8		
OTHER INCOME		
Interest (Others)	-	40.059
Interest (UTI 64)	-	(>75)
Dividend (Share)	9,050	17,680
Profit On Sale Of Investment	-	37,900
Sundry Balance Written off	-	292,710
	<u>9,050</u>	<u>389,024</u>

SCHEDULE-9

ACCRETION/(DECRETION) IN STOCK

Closing Stock	17,341,468	17,546,875
Less: Opening Stock	17,546,875	17,818,531
Accretion/(Decretion) in Stock	<u>(205,407)</u>	<u>(271,656)</u>

SCHEDULE-10

ADMINISTRATIVE & ESTABLISHMENT EXPENSES

Advertisement	21,417	29,437
AGM Expenses	-	3,975
Auditors Remuneration	27,790	22,472
Charity	5,000	-
Fringe Benefit Tax	3,391	456
Gratuity	-	2,877
Insurance	-	12,802
Legal & Professional Expenses	44,556	78,011
Loss on sale of car	-	121,000
Loss on Future Trading	-	14,159
Listing Fees	11,184	10,000
Municipal Tax	70,392	70,392
Misc. Expenses	-	1,600
Office Rent	44,040	44,040
Postage & Stamps	4,600	3,300
Rates & Taxes	9,327	9,989
Repair and Maintenance	-	59,196
Salary & Allowances	114,798	106,871
Security Tran. Tax	3,868	6,626
Service Tax	722	1,178
Stamp Duty	036	-
Travelling Expenses	-	4,532
TOTAL (RS.)	<u>361,721</u>	<u>602,943</u>

SCHEDULE-11

INTEREST & FINANCIAL CHARGES

Bank Charges	628	1,325
TOTAL (RS.)	<u>628</u>	<u>1,325</u>

SCHEDULE-12

DEFERRED TAX LIABILITY

Deferred Tax Assets	64,771	70,145
Deferred Tax Liability during the year	(106,947)	(5,374)
Deferred Tax Assets (Deferred Tax Liabilities)	<u>(42,176)</u>	<u>64,771</u>

PASUPATI INCAP LIMITED

DETAILS FOR BALANCE SHEET AS ON 31.03.2009

	figures ASON 31.03.2009 (Rs.)	Figures AS ON 31.03.2008 (Rs.)
BANK BALANCES		
Hank of Baroda C/A 1523	1,135	1,135
P.N.B. C/A 1773	34,409	16,080
Canara Hank	244	244
	<u>35,788</u>	<u>17,459</u>
LOANS & ADVANCES		
Pasupati Spinning & Weaving Mills Ltd.	41,435,000	41,435,000
Pasupati Spinning & Weaving Mills Ltd.	421,892	
Sulabh Impex	4,241,500	4,261,000
Shivani Textiles	-	70,000
TDS on Rent	-	154,386
Tushar Jain	-	40,097
Security Deposit with BSIS	225,000	225,000
	<u>46,323,392</u>	<u>46,185,483</u>
SECURITY DEPOSIT		
SMS Demag Pvt. Ltd. (Advance Kent i	2,010,636	2,010,638
Janta Gases Ltd. (Cylinders)	-	1,500,000
	<u>2,010,636</u>	<u>3,510,638</u>
OTHER LIABILITIES		
Jagdish Rai Jain Charitable Trust	4,500,000	4,500,000
Software Division	-	165,581
Rent Payable	-	3,670
Mrs Vrinda Jain	714,679	714,679
Pasupati Olefin Limited	810,000	800,000
India Spintex	1,524,778	1,524,778
Salary Payable	-	9,158
S.R.Dinodia & Co.	-	77,575
Mansoor Ahmed	-	10,000
Liability Payable	42,911	42,911
Audit Fee Payable	22,060	22,472
Skyline Fin. Services Pvt. Ltd.	-	17,821
SGS Associates	-	11,227
Pasupati Newtee Ltd	16,099,364	16,080,959
A.N. Enterprises	-	500,000
Charisma Engg	-	128,237
Niyati Communications Pvt. Ltd.	-	5,593
Expenses Payable	13,950	3,975
Shailja Investments Ltd.	15,854,812	16,169,812
	<u>39,582,554</u>	<u>40,786,448</u>
ADVANCE PAYMENT OF TAX		
Income Tax In Advance 2006-2007	-	640,245
Income Tax In Advance 2007-2008	106,835	-
Income Tax In Advance 2008-2009	154,386	-
	<u>261,221</u>	<u>640,245</u>
DEFERRED TAX LIABILITY		
WDT as per Companies Act	1,104,926	
WDT as per Income Tax Act	968,434	136,492
Deferred Tax liability to be made	<u>42,176</u>	

M/S PASUPATI FINCAP LIMITED

SCHEDULE - 13

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009.

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

2. Recognition of Income & Expenditure

All income and expenditures are accounted for on accrual basis.

3. Inventories

Stock in trade is valued at cost or market price whichever is lower. Unquoted shares and debenture held as stock in trade are valued at net asset value and in the case the net worth is fully eroded or the audited Balance sheet is not available, the value is taken at Rs 1/-.

4. Investments

- a. Long term term quoted Investments are valued at cost unless the diminution in the value is not temporary, which is being provided for unquoted investments are valued at net asset value and in the case the net worth is fully eroded or the audited Balance sheet is not available, the value is taken at Rs 1/-.
- b. Profit on sale of Investments is calculated by considering the cost of the specific investments sold.

5. Fixed Assets

Fixed Assets are taken at cost of acquisition and installation less sales & depreciation.

6. Depreciation

- a) The Company follows written down method of depreciation.
- b) Depreciation of Fixed Assets has been charged at rates specified in Schedule XIV of Companies Act, 1956.

3 **Sundry Debtors, Loan & Advances and Sundry Creditors**

- a. In the opinion of the Board of Directors the Current Assets, Loans & Advances are approximately of the value stated if realised in the course of business. The provisions for all known liabilities are adequate and not in excess of the amount reasonably required.
- b. Balance of Sundry Creditors. Sundry Debtors and Advances are subject to confirmation and reconciliation.

4 **Auditor Remuneration**

	<u>2008-2009</u>	<u>2007-2008</u>
Statutory Auditor's	27,790.00	22,472.00

5. Previous year figures have been re-grouped or recast whenever found necessary.
6. Paise have been rounded off to the nearest rupee.
7. In the opinion of Board of Director and to the best of their knowledge and belief, the value of realization of Current Assets, Loan and Advances in the ordinary course of business will not be less than the amount at which they are stated in Balance Sheet.

4701/21A, Ansari Road,
Darya ganj, New Delhi-110002.

For M. C. JAIN & CO.
Chartered Accountants

The 22nd day of August, 2009

(MANOJ K. PATAWARI)

FOR PASPUPATI FINCAP LIMITED

(DIRECTOR)

(DIRECTOR)

7. **Retirement Benefits**

The provisions of Provident Fund Act are not applicable to the Company. Leave encashment is not provided for in the service rules of the company.

S. **Related Party Disclosure:**

Key Management Personnel -
Shri Vidit Jain

Relatives
Sh. Ramesh Kr. Jain
Sh. Tushar Jain
Sh. Vrindra Jain

Transaction with related party during the year.

	Key Management Personnel	Relatives
(1) Outstanding Balance	—	7,14,679.00
(Previous Year)	—	7,14,679.00

9. The company under the lease agreement with Janta Gas Limited, had given them on lease, plant and machinery of the value of Rs.31,30,15,512/-. This lease agreement has been terminated during the year 31.03.2001 due to non payment of lease rentals and the assets have been shown as owned assets in schedule 4. The physical possession of these assets still remained with the lease. However, this year, this asset has been written off and the corresponding liability of Janta Gas Limited for Rs. 15,00,000 has also been written back.

10. **Deferred Tax:**

Deferred Tax being the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or subsequent periods

B. **NOTES ON ACCOUNTS**

1. Contingent Liability --NIL
2. Information pursuant to paragraphs 3, 4 and 4D of part 1! of Schedule VI of the Companies Act, 1956 are as follows:-
 - (a) Expenditure on employees in receipt of Remuneration of not less than Rs.24,00,000/- if employed for the whole year or 200,000/- per month if employed for part of the year.--
-NIL "