

# 15<sup>th</sup>

Annual Report  
2006-2007



*Financials (India) Limited*

Report  Junction.com



REGD. OFFICE : 414, MANAS BHAVAN, 11, R. N. T. MARG, INDORE, (M.P.)-452001  
TEL. : (0731) 4227471 / 89, E-mail : [goyalfin@yahoo.co.in](mailto:goyalfin@yahoo.co.in)

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**GOYAL FINANCIAL (INDIA) LTD.**

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**BOARD OF DIRECTORS**

|                     |   |                         |
|---------------------|---|-------------------------|
| Sanjay Savani       | : | Managing Director       |
| Arun Goyal          | : | Non Executive Chairman  |
| Devendra Bagdi      | : | Non. Exe. Ind. Director |
| Smt. Sandhya Bansal | : | Non. Exe. Ind. Director |
| Abhishek Shah       | : | Director                |
| Gagan Shukla        | : | Director                |

**REGISTERED OFFICE:**

414, Manas Bhavan Ext.  
11, R N T Marg,  
Indore (M.P) - 452001  
Ph. No. 0731-4247471 / 89

**ANNUAL GENERAL MEETING**

Day : Saturday  
Date : Sept. 29, 2007  
Time : 11.00 a.m.  
Venue : 414, Manas Bhavan  
Ext., 11, R N T Marg,  
Indore (M.P) - 452001

**AUDITORS**

Mehul & Associates  
47, 2<sup>nd</sup> Floor, Annapurna Indl. Estate,  
Tilak Road,  
Ghatkopar (E)  
Mumbai - 77

**ADMN OFFICE & SHARE DEPT.**

312, Sharda Chambers, 3rd Floor,  
Bhat Bazar, Mazid Bunder,  
Mumbai-400009

**BANKERS**

Canara Bank, Siyagunj, Indore  
Cosmos Co-op Bank Ltd., South Tukogunj,  
Indore.

**BOOK CLOSURE**

28.09-2007 to 29.09.2007  
(both days Inclusive)

**GOYAL FINANCIAL (INDIA) LTD.****NOTICE**

NOTICE is hereby given that the 15<sup>th</sup> Annual General Meeting of the members of Goyal Financial (India) Ltd. will be held at its Registered Office at Indore 452001, on Saturday 29<sup>th</sup> September 2007 at 11.00 a.m. to transact the following business:-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2007 and the P&L a/c. for the year ended that date together with the Reports of Auditor's and Director's thereon.
2. To appoint a Director in place of Smt. Sandhya Bansal, who retires by rotation and being eligible, offers for reappointment.
3. To appoint the Auditors to hold the office from the conclusion of AGM until the conclusion of next AGM of the Company and to fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and if thought fit, to pass the following resolution with or without modification(s), as an ordinary resolution.  
"Resolved that Mr. Abhishek Shah, who was appointed as an Additional Director of the Company on 11.05.2007 pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds such office up to the date of ensuing Annual General Meeting of the Company and in respect of whom the company has received a notice in writing from a member under section 257 of the companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."
5. To consider and if thought fit, to pass the following resolution with or without modification(s), as an ordinary resolution.  
"Resolved that Mr. Gagan Shukla, who was appointed as an Additional Director of the Company on 11.05.2007 pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds such office up to the date of ensuing Annual General ."

Meeting of the Company and in respect of whom the company has received a notice in writing from a member under section 257 of the companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

**NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The Proxy form should be deposited at the registered office of the Company not less than forty eight hours before the meeting.
3. Share Holders are requested to intimate change in their address, if any, immediately.
4. The Registered of Members and Share Transfer Book of the Company will remain closed from 28-09-2007 to 29-09-2007 (both days inclusive).
5. Details required under Listing Agreement with the Stock Exchanges in respect of Directors seeking re-appointment at this AGM, is stated hereinbelow :-

**Item No.2 of the Notice:**

|                     |                       |
|---------------------|-----------------------|
| Name                | : Smt. Sandhya Bansal |
| Age                 | : 43 Years            |
| Qualification       | : M.A.                |
| Expertise           | : Shares & Investment |
| Date of Appointment | : 01.07.2000          |

**Place : Indore**  
**Date : 01-09-2007**

**By order of the Board**  
**For, Goyal Financials (I) Ltd.**  
**sd/-**  
**(Arun Goyal)**  
**Chairman**

**GOYAL FINANCIAL (INDIA) LTD.****EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956****Item no. 4**

Mr. Abhishek Shah, was appointed by the Board of Directors of the Company as an additional Director w.e.f from 11.05.2007 pursuant to the relevant provisions of the Companies Act, 1956 and under the Articles of the Article of Association of the company and he holds such office only upto the date of this Annual General Meeting. Particulars about him are given in para 2 of the Corporate Governance Report. A notice in writing has been received u/s. 257 of the Companies Act, 1956 along with a deposit of Rs.500/- from a member signifying his intention to propose his appointment as Director of the Company liable to retire by rotation. Your Board of Directors are of the opinion that with the appointment, the company will be benefited a lot and hence commends the resolution for approval.

None of the Director of the company is concerned or interested in the resolution except Mr. Abhishek Shah himself.

**Item no. 5**

Mr. Gagan Shukla, was appointed by the Board of Directors of the Company as an additional Director w.e.f from 11.05.2007 pursuant to the relevant provisions of the Companies Act, 1956 and under the Articles of the Article of Association of the company and he holds such office only upto the date of this Annual General Meeting. Particulars about him are given in para 2 of the Corporate Governance Report. A notice in writing has been received u/s. 257 of the Companies Act, 1956 along with a deposit of Rs.500/- from a member signifying his intention to propose his appointment as Director of the Company liable to retire by rotation. Your Board of Directors are of the opinion that with the appointment, the company will be benefited a lot and hence commends the resolution for approval.

None of the Director of the company is concerned or interested in the resolution except Mr. Gagan Shukla himself.

**Place : Indore**

**Date : 01-09-2007**

**By order of the Board  
For, Goyal Financials (I) Ltd.**

**sd/-  
(Arun Goyal)  
Chairman**

**GOYAL FINANCIAL (INDIA) LTD.****Directors Report**

To,  
The Members,  
**Goyal Financials (I) India Ltd.**  
Indore (M.P.)

Your Directors have pleasure in presenting before you the 15<sup>th</sup> ANNUAL REPORT of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2007.

| <b>FINANCIAL RESULTS</b> | <b>2006-2007</b> | <b>2005-2006</b> |
|--------------------------|------------------|------------------|
| Turn Over                | 17806340         | 16682224         |
| Profit (Loss) Before Tax | 534330           | 785165           |
| Provision for Taxation   | 179855           | 158651           |
| Profit (Loss) After Tax  | 354475           | 626514           |

**OPERATIONAL HIGHLIGHTS**

Due to the depressed Capital & money market the performance of the Company during the year under review was not as projected, however Directors are confident of posting the higher of growth in the operation in the coming years, thereby recovering the losses incurred in the previous years.

**PUBLIC DEPOSITS**

During the period under review the Company did not accept deposits in terms of Section 58A of the Companies Act, 1956 and pursuant to the provision of the Non-Banking Financial Companies (Reserve Bank) Direction 1997.

**DIRECTORS**

Smt. Sandhya Bansal, Director of the company retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment. Mr. Abhishek Shah & Gagan Shukla appointed as additional Director on 11.05.2007.

**AUDITORS**

M/s. Mehul & Associates, Chartered Accountants, Mumbai, the Auditors of the Company retire at the conclusion of this Annual General Meeting. They are eligible for reappointment and indicated their willingness to act as an Auditor, if appointed and the appointment shall be in the limits prescribed under the provision of the Companies Act, 1956.

**PARTICULARS OF EMPLOYEES**

There was no employee in the Company whose particulars are required to be furnished as per section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended upto date.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING/OUTGO.**

The information under section 217(1) (e) of the Companies Act, 1956 on Conservation of Energy, Technology Absorption as required to be disclosed is not applicable to your company since it is engaged in the business of Financial & Investment Services. During the year under review the Company has no foreign exchange earnings and outgo.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors hereby report that :

- in the preparation of annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently and judgements and estimates made that are responsible and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March 2007;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the

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provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities:

- (d) annual accounts have been prepared on a going concern basis.

**CORPORATE GOVERNANCE AND COMPLIANCE**

A report on corporate governance along with Management Discussion and Analysis is annexed to this report. A certificate from Statutory Auditors with regards to the compliance of the corporate governance, as stipulated in Clause 49 of the Listing Agreement, by the company is annexed to this report.

**Place : Indore**

**Date : 01-09-2007**

The company has fully complied with all mandatory requirements prescribed under Clause 49 of the listing agreement. In addition, the company has also implemented some of the non mandatory provisions of Clause 49.

**ACKNOWLEDGEMENT**

The Board of Directors take the opportunity to thank the Bankers and Government for the Co-operations and support by them from time to time in the operation of the company during the year. The Board also place on record its deep appreciation for the contribution made by the employees at all levels.

**By order of the Board  
For, Goyal Financials (I) Ltd.**

**sd/-  
(Arun Goyal)  
Chairman**

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**ANNEXURE A to the Director's Report for the year ended 31<sup>st</sup> March, 2007.**

**REPORT ON CORPORATE GOVERNANCE**

**1. COMPANY'S PHILOSOPHY**

The Company firmly believes that corporate governance and compliance practices are of paramount importance in order to maintain the trust and confidence of the stakeholders, clients, the good reputation of the Company and the unquestioned integrity of all personnel involved in the Company. To ensure transparency, fairness and objectivity in an organisation's functioning, the Company has proactively adopted best practices with regard to corporate governance and compliance, which are ahead of regulatory requirements. The Company's policy on compliance with external regulatory requirements is backed by stringent internal policies and principles to ensure, inter alia, priority to clients' interest over proprietary interest, maintenance of confidentiality of client information and prevention of insider trading.

**2. BOARD OF DIRECTORS**

The Board of Directors of the Company consists of six Directors including the Non-Executive Chairman. Out of 6, 2 directors are non-executive independent directors. The Company does not have any pecuniary relation or transaction with Non-Executive Independent Directors during the year under review.

**Board procedure**

A detailed Agenda folder was sent to each Director in advance (generally before 7 to 10 days) of Board and committee meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director briefed the Board at every meeting on the financial performance of the Company up to last completed month as against the budget/revised budget of the year. Presentations are made by the Managing Director about the financial, operational performance and market scenario. The Board also reviewed:

- Strategy and business plans
- Annual operating and capital expenditure budgets
- Investment plans of the company
- Compliance with statutory/regulatory requirements and review of major legal issues.
- Adoption of quarterly / half yearly / annual results (after recommendation of Audit Committee where required).
- Adoption of quarterly / half yearly / annual results (after recommendation of Audit Committee where required).
- Significant labour problems
- Major accounting provisions and write-offs.
- Details of joint venture or Collaboration Agreement

**Composition, Category of Directors and their other directorship and Membership/ Chairmanship of Committees.**

| Sr. No. | Name of the Director | Category          | Number of other |                       |                         |
|---------|----------------------|-------------------|-----------------|-----------------------|-------------------------|
|         |                      |                   | Directorships   | Committee Memberships | Committee Chairmanships |
| 1       | SANJAY SAVANI        | MANAGING DIRECTOR | NIL             | 3                     | NIL                     |
| 2       | DEVENDRA BAGDI       | IND.DIR           | NIL             | 2                     | 2                       |
| 3       | SMT SANDHYA BANSAL   | IND.DIR           | NIL             | 2                     | 1                       |
| 4       | ARUN GOYAL           | NON-EXE. CHAIRMAN | NIL             | 1                     | NIL                     |
| 5       | ABHISHEK SHAH        | DIRECTOR          | NIL             | NIL                   | NIL                     |
| 6       | GAGAN SHUKLA         | DIRECTOR          | NIL             | NIL                   | NIL                     |

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During the year Six Board Meetings were held on 20<sup>th</sup> April, 2006, 22<sup>nd</sup> June, 2006, 21<sup>st</sup> August, 2006, 11<sup>th</sup> Oct, 2006, and 12<sup>th</sup> Dec, 2006, 23<sup>rd</sup> March 2007. The Board was present with the relevant and necessary information. None of the Director is a member of more than 10 committees or acting as Chairman of more than 5 committees across all companies in which he is a director. The attendance at the Board Meeting during the year and at the last Annual General Meeting was as follows:

| SR.NO | NAME OF DIRECTORS   | NO. OF BOARD MEETING ATTENDED | ATTENDANCE AT THE AGM HELD ON 30-09-2006 |
|-------|---------------------|-------------------------------|--|
| 1     | SANJAY SAVANI       | 6                             | YES                                      |
| 2     | DEVENDRA BAGDI      | 6                             | YES                                      |
| 3     | SMT. SANDHYA BANSAL | 6                             | YES                                      |
| 4     | ARUN GOYAL          | 6                             | YES                                      |
| 5     | ABHISHEK SHAH **    | NIL                           | NO                                       |
| 6     | GAGAN SHUKLA **     | NIL                           | NO                                       |

\*\* Appointed on 11-05-2007

**3. AUDIT COMMITTEE**

The Board constituted an Audit Committee consisting of 3 Directors. All members of Audit Committee are financially literate and 2 Directors out of 3 has financial management expertise as required for member of Audit Committee as stipulated in Clause 49 of the Listing Agreement. The Details of Audit Committee meetings held during the year April 2006 to March 2007 and the attendance of the Audit Committee Members are as under:

| SR.NO | DIRECTOR NAME  | CATEGORY                        | NO OF MEETING HELD | ATTENDED |
|-------|----------------|---------------------------------|--------------------|----------|
| 1     | SANJAY SAVANI  | MANAGING DIRECTOR               | 4                  | 4        |
| 2     | DEVENDRA BAGDI | INDEPENDENT DIRECTOR & CHAIRMAN | 4                  | 4        |
| 3     | SANDHYA BANSAL | INDEPENDENT DIRECTOR            | 4                  | 4        |

**Terms of Reference:-**

The terms of reference for the audit committee as laid down by the Board include the following:-

(i) Overseeing the Company's Financial reporting process and the disclosure of its

financial information to ensure that the financial statements are correct, sufficient and credible.

(ii) Recommending the appointment and removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.



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- (iii) Reviewing with management, the quarterly, half yearly and annual financial statements before submission to the Board, focusing primarily on any changes in accounting policies and practices; major accounting entries based on exercise of judgement by management; qualifications in draft audit report; significant adjustments arising out of audit; the going concern assumption; compliance with accounting standards; compliance with stock exchange and legal requirements' concerning financial statements; any related party transaction i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of Company at large.
- (iv) Reviewing with the management, statutory and internal auditors, the adequacy of internal control system and ensuring compliance therewith.
- (v) Discussions with statutory auditors before the commencement of the audit about the nature and scope of audit as well as have post-audit discussion to ascertain any areas of concern.
- (vi) Reviewing the Company's financial and risk management policies.
- (vii) To review the functioning of the Whistle Blower Policy adopted by the Company.
- (viii) To review report on Management Discussion & Analysis of Financial Condition and Results of operation, to be included in the Company's Annual Report to its Shareholders.

**4. REMUNERATION COMMITTEE**

This is a non-mandatory requirement. The company has constituted a Remuneration Committee to decide and fix payment of remuneration and sitting fees to the Directors of the Company.

The Remuneration Committee consists of Smt. Sandhya Bansal, Ind.Dir. & Chairman of the committee, Mr. Devendra Bagdi, Director, Mr. Sanjay Savani, Managing Director. Two meeting of the committee held during the year under review.

**5. SHARE HOLDER'S GRIEVANCE AND SHARE TRANSFER COMMITTEE****Composition:-**

The said committee comprises of Devendra Bagdi, Ind. Director & Chairman of the said committee, Arun Goyal, Director and Sanjay Savani, Managing Director. There are 4 meetings during the year.

The Committee has delegated the authority to an officer of the Company who attends to share transfer formalities at least once in a fortnight.

**Terms of reference:-**

To look into the redressal of the share holders complaints in respect of any matter including transfer of shares non receipt of annual report, non receipt of declared dividend etc.

**Compliance Officer:-**

The company has designated Mr. Arun Goyal as Compliance Officer.

**Summary of Investors' Complaints:-**

During the year no complaints were received from the share holders.

**GOYAL FINANCIAL (INDIA) LTD.****Annual General Meeting :-**

The Annual General Meeting (AGMs) of the company have been held at the following places in the last three years.

| YEAR    | DATE       | TIME      | VENUE  |
|---------|------------|-----------|--|
| 2003 04 | 30-09-2004 | 11.00 A.M | REGD. OFFICE Raj Talkies Complex, Chawani, Indore 452001 |
| 2004 05 | 30-09-2005 | 11.00 A.M | REGD. OFFICE Raj Talkies Complex, Chawani, Indore 452001 |
| 2005 06 | 30-09-2006 | 11.00 A.M | REGD. OFFICE Raj Talkies Complex, Chawani, Indore 452001 |

No special resolution passed through postal ballot during the year.

No special resolution on matters requiring postal ballot are placed for share holders approval at this meeting.

**6. DISCLOSURES :-**

There were no transaction by the company of material significance with related parties i.e. its Promoters, Directors of Companies or the Management or their relatives during the year which may have potential conflict with interest of the Company at large.

**(b) Date, Time, Venue of Annual General Meeting:-**

29<sup>th</sup> September, 2007 at 11.00 AM at the Regd. Office- 414, Manas Bhavan Extn, 11 RNT Marg Indore (M.P)- 452001

**(c) Financial Reporting for the quarter ending:-**

JUNE 30 : END JULY  
SEPT 30 : END OCTOBER  
DEC 31 : END JANUARY  
MARCH 31 : END APRIL

**(d) Date of Book Closure :**

28.09-2007 to 29.09.2007  
(both days inclusive)

**(e) Listing Details :**

(1) Jaipur Stock  
Exchange, Jaipur : No Stock Code  
(2) Bombay Stock  
Exchange Limited,  
Mumbai : Scrip Code 531055  
(3) M. P. Stock  
Exchange, Indore : No Stock Code

**7. MEANS OF COMMUNICATION:**

(i) The periodical unaudited / audited financial results are published in Free Press Journal (English) and Agni Ban (Hindi) as required under the Listing Agreement. All financial and other vital information is promptly communicated to the stock exchanges on which company's shares are listed.

(ii) The Management Discussion and Analysis report prepared by the management and forming part of the Annual Report is separately attached.

**8. GENERAL INFORMATION FOR SHAREHOLDERS:****(a) Regd. Office:-**

414, Manas Bhavan Extn, 11 RNT Marg  
Indore (M.P)- 452001

The Company has paid listing fees to all Stock Exchanges till March 2008.