



GFL

Financials (India) Limited
(Formerly known as
Goyal Financials India Limited)

Report  junction.com

17th Annual Report 2008-2009

17TH ANNUAL REPORT 2008-09

GFL FINANCIALS INDIA LTD

GFL FINANCIALS (INDIA) LTD.
(Formerly Known as Goyal Financials (India) Limited)

BOARD OF DIRECTORS

Sanjay Savani	:	Managing Director
Anish Shah	:	Non Executive Chairman
Devendra Bagdi	:	Non. Exe. Ind. Director
Abhishek Shah	:	Non. Exe. Ind. Director (Resigned on 10-01-09)
Gagan Shukla	:	Non. Exe. Ind. Director (Resigned on 20-05-09)
Rajendra Thakkar	:	Director (Appointed on 10-01-09)
Naresh Shah	:	Director (Appointed on 20-05-09)

REGISTERED OFFICE:

417, Chetak Centre Annex,
 4th Floor, RNT Marg,
 Nr. Shree Maya Hotel,
 Indore -(M.P) - 452001

ANNUAL GENERAL MEETING

Day : Wednesday
 Date : Sept. 30, 2009
 Time : 11.00 a.m.

AUDITORS

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

REGISTRAR

Purva Share Registry Pvt. Ltd.
 9, Shiv Shakti, Indl. Estate,
 J. R. Boricha Marg,
 Opp. Kasturba Hospital
 Lower Parel (E), Mumbai - 400011

BANKERS

HDFC Bank Ltd.

BOOK CLOSURE

29.09.2009 to 30.09.2009
 (both days Inclusive)

ADMN. OFFICE

1, HARIOM STUDIO BUILDING,
 1ST FLOOR, SOMNATH JUNCTION,
 VAPI-DAMAN ROAD,
 DAMAN - 396210

17TH ANNUAL REPORT 2008-09

GFL FINANCIALS INDIA LTD

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the members of GFL Financials (India) Ltd. will be held at its Registered Office, on Wednesday 30th September 2009 at 11.00 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2009 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 Sanjay Savani, who retires by rotation and being eligible, offers for re-appointment.
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. Rajendra Thakkar, who was appointed as an Additional Director of the Company on 10.01.2009 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. Naresh Shah, who was appointed as an Additional Director of the Company on 20.05.2009 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."
6. To consider and if thought fit, to pass the following resolution with or without modification(s), as a special resolution :-
"RESOLVED THAT pursuant to section 31 and all other applicable provisions, if any, of the Co. Act, 1956, and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bides, the Articles of Association of the company be and are hereby altered in the following manner :

(A) Following new definition be inserted after the definition of 'The Registrar' :

'BENEFICIAL OWNER' shall have the meaning assigned thereto by Section 2(1)(a) of the Depositories Act, 1996.

'SEBI' means Securities and Exchange Board of India established under section 3 of the SEBI Act, 1992.

'DEPOSITORY' shall have the meaning assigned thereto by Section 2(1)(e) of the Depositories Act, 1996.

'DEPOSITORIES ACT, 1996' shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.

'MEMBER' means the duly registered holder from time to time of the shares of the Co. of any class and includes the subscriber(s) of the Memorandum of the Co. and also every person whose name is entered as the beneficial owner of any shares in the records of the Depository.

(B) After Article 16, the following new Article as Article 16A be inserted under heading 'DEMATERIALIZATION OF SECURITIES'

16(a) The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.

(b) The company shall be entitled to dematerialize its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.

(c) Every holder of or subscriber to securities of the company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the

17TH ANNUAL REPORT 2008-09

GFL FINANCIALS INDIA LTD

beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities. If a person opts to hold its security with a depository, the company shall intimate such depository the details of allotment of the Security, if any.

(d) All securities of the company held by the depository shall be dematerialized and be in fungible form. And notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the regd. Owner for the purpose of effecting transfer of ownership of security of the company on behalf of the beneficial owner.

(e) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

(f) Notwithstanding anything contained in the Act to the contrary, where securities of the company are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or discs.

(g) Nothing contained in section 108 of the Act, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(h) Nothing contained in the Act regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a depository.

(i) The Company shall cause to be kept at the Regd. Office or at such other place as may be decided, Register and index of members in accordance with section 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with the details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of beneficial owners maintained by a depository u/s 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country.

(j) Every member including joint holder of the company shall have power to nominate any to get benefit in the event of member's death.

Place : Indore
Date : 01-09-2009

By order of the Board
For GFL Financials (INDIA) Ltd
SD/-
(Anish Shah)
Chairman

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 29-09-2009 to 30-09-2009 (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	: Sanjay Savani
Age	: 45 Years
Qualification	: M.Com.
Expertise	: Shares & Investment
Date of Appointment	: 15.04.2002

Place : Indore
Date : 01-09-2009

By order of the Board
For GFL Financials (INDIA) Ltd
SD/-
(Anish Shah)
Chairman

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

Mr. Rajendra Thakkar, was appointed by the Board of Directors of the Company as an additional Director w.e.f from 10-01-2009 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. Rajendra Thakkar himself.

Item no. 5

Mr. Naresh Shah, was appointed by the Board of Directors of the Company as an additional Director w.e.f from 20-058-2009 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. Naresh Shah himself.

Item no. 6

The Company proposes to enter into agreement with the National Securities Depository Ltd. (NSDL) and / or Central Depositories Services (India) Ltd. (CDSL) which would facilitate the holding and trading in securities of the company in electronic mode. The Company's shares will be dematerialized at the option of the members.

In order to bring the company's Articles of Association in line with the Depositories Act, 1996 and the amendments made to the Co. Act, 1956, upon introduction of the Depository System, certain changes are required to be made in the Articles of Association of the Company as specified in the proposed Resolution.

Further, by the Companies (Amendment) Act, 1999, the holders of security of the company have been given an option to nominate a person to whom the rights of security holders of the company will vest in the event of his death. It would be desirable if such a nomination clause is included in the Articles of Association of the Company. Hence amendments have to be made in the Articles of Association of the Company.

Place : Indore
Date : 01-09-2009

By order of the Board
For GFL Financials (INDIA) Ltd
SD/-
(Anish Shah)
Chairman

17TH ANNUAL REPORT 2008-09

GFL FINANCIALS INDIA LTD

Directors Report

To,
The Members,
GFL Financials (INDIA) India Ltd.
Indore (M.P.)

Your Directors have pleasure in presenting before you the 16th ANNUAL REPORT of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS	2008-2009		2007-2008	
	2008-2009		2007-2008	
Turn Over	17796032		20332316	
Profit (Loss) Before Tax	139633		149234	
Provision for Taxation	45052		36562	
Profit (Loss) After Tax	91836		112672	

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

Sanjay Savani, Director of the company retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment. Mr. Rajendra Thakkar and Naresh Shah appointed as additional Director on 10-01-09 and 20-05-09 respectively due to resignation of Abhishek Shah and Gagan Shukla from Board of Director of the Company because of pre-occupation.

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.

17TH ANNUAL REPORT 2008-09

GFL FINANCIALS INDIA LTD

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 :

- (a) in the preparation of annual accounts, the applicable accounting standards have been followed;
- (b) 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 31st March 2009;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (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.

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.

Place : Indore
Date : 01-09-2009

By order of the Board
For GFL Financials (INDIA) Ltd
SD/-
(Anish Shah)
Chairman

ANNEXURE -A to the Director's Report for the year ended 31st March, 2009.**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 Five Directors including the Non-Executive Chairman. Out of 5, 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).
- Significant labour problems
- Major accounting provisions and write-offs.
- Details of joint venture or Collaboration Agreement

17TH ANNUAL REPORT 2008-09

GFL FINANCIALS INDIA LTD

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

Sr. No.	Name of the Director	Category	Number of other		
			Director-ships	Committee Member-ships	Committee Chairman-ships
1	SANJAY SAVANI	M.D	3	3	NIL
2.	DEVENDRA BAGDI	IND.DIR	-	3	2
3.	RAJENDRA THAKKAR	DIRECTOR	3	NIL	NIL
4	NARESH SHAH	DIRECTOR	-	NIL	NIL
5	ABHISHEK SHAH	DIRECTOR	-	NIL	NIL
6	GAGAN SHUKLA	IND. DIR	-	2	1
7	ANISH SHAH	NON-EXE. CHAIRMAN	5	1	NIL

During the year 7 Board Meetings were held on 29-04-08, 15-05-08, 30-07-08, 01-09-08, 30-10-08, 10-01-09 & 30-01-09 . 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 30-09-2008
1	SANJAY SAVANI	7	YES
2	DEVENDRA BAGDI	7	YES
3	NARESH SHAH **	NIL	NO
4	RAJENDRA THAKKAR	2	NO
5	ABHISHEK SHAH	5	YES
6	GANGAN SHUKLA	7	YES
7	ANISH SHAH	6	YES

** Appointed on 20-05-2009

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 2008 to March 2009 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	GAGAN SHUKLA	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.
- (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.