

**BOARD OF DIRECTORS**

Sanjay Savani	:	Managing Director
Mukesh Shah	:	Non Executive Chairman
Naresh Shah	:	Non. Exe. Ind. Director
Naresh Rachchh	:	Director

**REGISTERED OFFICE:**

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

**ANNUAL GENERAL MEETING**

Day : Thursday  
Date : Sept. 30, 2010  
Time : 11.00 a.m.

**AUDITORS**

Mehul & Associates  
47, 2<sup>nd</sup> 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**

KOTAK MAHINDRA BANK LTD.  
HDFC BANK LTD  
AXIS BANK LIMITED

**BOOK CLOSURE**

28.09.2011 to 30.09.2011

**NOTICE**

NOTICE is hereby given that the 18th Annual General Meeting of the members of GFL Financials (India) Ltd. will be held at its Registered Office, on 30<sup>th</sup> September 2011 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, 2011 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 Naresh Shah, 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.

**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 28-09-2011 to 30-09-2011.
5. Details required under Listing Agreement with the Stock Exchanges in respect of Directors seeking re-appointment at this AGM, is stated hereinbelow :-

Place : Indore  
Date : 01-09-2011

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

**Directors Report**

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

Your Directors have pleasure in presenting before you the 19<sup>th</sup> ANNUAL REPORT of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2011.

<b>FINANCIAL RESULTS</b>	<b>2010-2011</b>	<b>2009-2010</b>
Turn Over	166097225	7013402
Profit (Loss) Before Tax	429431	500120
Provision for Taxation	NIL	149883
Profit (Loss) After Tax	429431	350237

**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**

Naresh Shah, Director of the company retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

**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 :

- (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 31<sup>st</sup> March 2011;
- (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 : 01-09-2011

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

**ANNEXURE –A to the Director’s Report for the year ended 31<sup>st</sup> March, 2011.****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

**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	M.D	3	3	-
2.	MUKESH SHAH	NON-EXE. CHAIRMAN	4	3	1
3.	NARESH RACHCHH	DIRECTOR	5	-	-
4	NARESH SHAH	NON-EXE. IND. DIR	3	3	2

During the year 6 Board Meetings were held on 25-04-2010, 29-06-2010, 25-07-2010, 01-09-2010, 25-10-2010 and 25-01-2011. 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	ATTENDENCE AT THE AGM HELD ON 30-09-2011
1	SANJAY SAVANI	6	YES
2	MUKESH SHAH	5	NO
3	NARESH RACHCHH	6	YES
4	NARESH SHAH	6	YES

**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 2010 to March 2011 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	5	5
2	NARESH SHAH	INDEPENDENT DIRECTOR & CHAIRMAN	5	5
3	MUKESH SHAH	INDEPENDENT DIRECTOR	5	5

**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.

**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 Naresh Shah, Ind.Dir. & Chairman of the committee, Mr. Mukesh Shah, 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 Mukesh Shah, Ind. Director & Chairman of the said committee, Naresh Shah, 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. Mukesh Shah as Compliance Officer.

**Summary of Investors' Complaints:-**

During the year 6 complaints were received from the share holders.

**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
2007 - 08	30-09-2008	11.00 A.M	<b>REGD. OFFICE</b> – 414, Manas Bhavan EXT., Indore – 452001
2008 - 09	30-09-2009	11.00 A.M	<b>REGD. OFFICE</b> – 417, Chetak Centre Annex, Opp. Hotel Shreemaya, Rnt Marg, Indore-452001
2009 - 10	30-09-2010	11.00 A.M	<b>REGD. OFFICE</b> – 417, Chetak Centre Annex, Opp. Hotel Shreemaya, Rnt Marg, 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 REGARDING RELATED PARTY TRANSACTIONS:-**

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.