



 **GOGIACAPITAL**

**Gogia Capital Services Limited**  
B-4/51 SafdarJung Enclave, New Delhi - 110029, India

**16th Annual Report**  
**2009-2010**

## **BOARD OF DIRECTORS**

Mr. Satish Gogia  
Mr. Ashwani Gogia  
Mrs. Jyoti Mehndiratta  
Mr. Sandeep Gupta

Chairman & Managing Director  
Whole Time Director  
Independent Director  
Independent Director

### **Bankers**

IndusInd Bank (Mumbai)

### **Auditors**

M/s. Sunil Kulshreshtha & Associates  
Chartered Accountants  
D-306, Anand Vihar  
Delhi - 110 092

### **Legal Advisors**

Luthra & Luthra  
103, Ashoka Estate  
Barakhamba Road,  
New Delhi - 110 001

### **Registered Office**

B4/51, Safdarjung Enclave,  
New Delhi - 110 029

### **Share Transfer Agent**

Mas Services Private Limited  
T-34, 2nd Floor, Okhla Industrial Area,  
Phase-II, New Delhi - 110 020  
Tel. : +91-11-26387281, 82, 83  
Fax : +91-11-26387384  
E-mail : info@masserv.com

## NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Company will be held on Thursday, the 30th day of September 2010 at 10.00 a.m. at the Registered Office of the Company at B-4/51, Safdarjung Enclave New Delhi - 110 029 to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit & Loss A/c for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ashwani Gogia, who retires by rotation and being eligible offers himself for reappointment as a Director.
3. To appoint auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

By Order of the Board

Place : New Delhi  
Dated : June 15, 2010

(CHAIRMAN)

### Notes :

1. A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member. Proxies, in order to be effective, must reach the Head Office of the Company not less than 48 hours before the time fixed for the meeting.
2. Members are requested to intimate the change, if any, in their addresses.
3. The Register of Members and the Share Transfer books of the Company will remain closed from 13th September 2010 to 30th September, 2010 (both days inclusive).
4. All the documents referred to in the accompanying notice are open for inspection by members at the registered office of the Company between 10.00 a.m. and 12.00 noon on any working day of the Company till 30th September, 2010
5. The details pertaining to the appointment/reappointment of Director/Managing Director are furnished in Statement of Corporate Governance in the Directors' Report.

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 16th Annual Report on the business and operations of the Company for the year ended March 31, 2010.

**Financial Highlights**

	31/03/2010 (INR)	31/03/2009 (INR)
Gross Income	36,064,764	27,404,503
Profit before depreciation and tax	11,781,423	5,467,047
Deprecation	1,768,553	1,337,307
Profit before tax	10,012,870	4,129,740
Current Income Tax	23,09,420	500,000
Fringe Benefit Tax	Nil	76,735
Deferred Tax	784,557	1,040,940
MAT Credit Adjustment	Nil	425,363
Profit after tax	6,918,893	2,937,428
Profit carried forward to the Balance Sheet	58,238,438	51,364,545
Earning per share on Equity Shares of Rs.10 each	2.45	0.93

**Dividend:**

The Board of Directors have not recommend any dividend during the year under review.

**Directors:**

Mr. Ashwani Gogia retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offer himself for re-appointment.

**Depository System:**

As the members are aware, your Company's shares are tradable compulsorily in electronic form and your Company has established connectivity with both the Depositories i.e., National Securities Depository Limited and Central Depository Services India Limited. In view of the numerous advantages offered by the Depository System, members are requested to avail of the facility of dematerialization of the Company's shares on either of the Depositories aforesaid.

**Insurance:**

The properties of the Company are adequately insured.

**Fixed Deposits:**

Your Company has not accepted any fixed deposits from the public. As such, no amount of principle or interest is outstanding as of the balance sheet date.

**Human Resource Management:**

Harmonious employee relations continued to prevail in the Company. The Company continued its focus on training and development of people through internal and external management development programmes.

**Particulars of Employees:**

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 and rules framed there under, are not applicable.

**Responsibility Statement:**

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm having:

- a) Followed in preparation of the Annual Accounts, the applicable standards with proper explanation relating to material departures, where applicable;
- b) Selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;
- c) Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- d) Prepared the Annual Accounts on a going concern basis.

**Conservation of energy, technology absorption, foreign exchange earnings and outgo:**

The Company has nothing to report in respect of information on conservation of energy and technology absorption as required under section 217(1) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 since the Company is not engaged in manufacturing or processing business. The details regarding foreign exchange earnings and outgo are given as Annexure III to this report.

**Foreign Exchange Earning and Outgo:**

	Current Year	Previous Year
Earning	NIL	(NIL)
Expenditure	NIL	(NIL)

**Corporate Governance:**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges. A detailed Report on Corporate Governance forms an integral part of this Report. A certificate of Statutory Auditor confirming compliance of the Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

**Management Discussion and Analysis Report:**

A detailed review of operations, performance and future outlook of the Company is given separately under the head Management Discussion and Analysis Report.

**Auditors:**

M/s. Sunil Kulshreshta & Associates, Chartered Accountants, Statutory Auditors of the Company retire and offer themselves for re-appointment as the Statutory Auditors of the Company pursuant to Section 224 of the Companies Act, 1956.

**Acknowledgements:**

Relationship with Stock Exchange and our bankers, Securities and Exchange Board of India & other Regulatory authorities, State Government and Central Government remained excellent during the year under review. Your Directors are grateful for the support extended by them and look forward to receiving their continued support and encouragement.

Your Directors take this opportunity to thank all employees, for their dedicated service and contribution made towards the growth of the Company and also for rendering impeccable service to every one of the Company's customers.

And to you, our shareholders, we are deeply grateful for the confidence and faith that you have always placed in us.

*For and behalf of the Board of Directors*

Place : New Delhi

Date : 15/06/2010

**SATISH GOGIA**  
Chairman & Managing Director

## ANNEXURE TO THE DIRECTORS' REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Overview:

After a year of melt down, your Company saw an increase in revenue growth and started the currency futures also.

#### Opportunities & Threats:

For the Indian Economy, the evolving economic and business environment exhibits a number of encouraging signs that suggest reinforcement of the robust economic growth exhibited in recent years. Domestic macroeconomic and financial conditions support prospects of sustained growth momentum with stability in India. Economic expansion will result in greater disposable incomes and larger number of investors. There is a significant growth opportunity for your Company in this scenario.

Newer financial investment products are being introduced in the country such as mutual funds for gold and property. This will provide opportunities for diversification for products and will attract new set of investors for the Company's products.

With Indian equities on the growth path there will be more opportunities for your Company to expand into other overseas destinations.

The stock broking industry has recently witnessed intense competition, falling brokerage rates and the entry of several big players. Increasing globalisation and the role of 'hot money' has increased the volatility of the markets. Your company continues to achieve cost efficiencies through the application of technology.

#### Risks and Concerns:

Apart from the regular operational and business risks, which are managed through a structured risk management system, your Company's performance largely depends on the performance of the Indian Stock Market as large part of its income is from stock broking. Over the medium term, the prospects for the Indian economy are by and large positive, but characterised by significant downside risks. The growth prospects are, however, vulnerable to the growing concerns relating to high oil prices and liquidity in the markets. Your Company has developed robust risk management capabilities to handle the market risk arising out of volatilities.

The capital market industry in which your Company is operating is subject to extensive regulation. The Company has a proper and adequate system of internal control designed to ensure meticulous regulatory compliances.

Changes in technology may render the Company's current technologies obsolete or require it to make substantial capital investments. The Company evaluates the technological obsolescence and the associated risk and makes investment accordingly.

#### Internal Control Systems:

The Company has an adequate system of internal controls to ensure accuracy of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the management. Post audit reviews are also carried out to ensure follow up on the observations made. The Audit Committee of the Board determines the scope of the internal audit and it is reviewed on a regular basis.

**Human Resources:**

The Company is making conscious efforts on the human resources front. The company has been improving the skill set of the employees through various training programs. The company believes in rewarding its employees based on performance & potential hence the company has been declaring incentives to its employees not only as a reward but also to ensure commitment through financial motivation. All the employees are encouraged in getting themselves certified in relevant industry standard certifications such as NCFM certification. Majority of the employees has obtained such certification.

**Cautionary Note:**

Statements in this Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. These statements are subject to certain risks and uncertainties. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The actual results may be different from those expressed or implied since the Company's operations are affected by many external and internal factors, which are beyond the control of the management. Hence the Company assumes no responsibility in respect of forward looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.



## REPORT ON CORPORATE GOVERNANCE

The information covered under Corporate Governance is given below in compliance with Clause 49 of Listing Agreement with Stock Exchanges:

### 1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Board of Directors and the Management of Gogia Capital Services Limited commit themselves to:

- strive towards enhancement of shareholders value through
  - o sound business decisions
  - o prudent financial management, and
  - o high standards of ethics throughout the organization
- ensure transparency and professionalism in all decisions and transactions of the Company
- achieve excellence in Corporate Governance by
  - o conforming to, and exceeding wherever possible, the prevalent mandatory guidelines on Corporate Governance.
  - o regularly reviewing the Board processes and the Management systems for further improvement.

In addition to compliance with regulatory requirements, Gogia Capital Services Limited endeavors to ensure that higher standards of ethical and responsible conduct are met throughout the organization.

### 2) BOARD OF DIRECTORS

(a) **Composition** : The Board of Directors of your company consisted of 4 Directors as on 31st March, 2010 and the number of Non-Executive Directors is equal to one half of the total strength of the Board. The Board is headed by Executive Chairman and the number of Independent Directors is equal to one half of the total strength of the Board. The Board of Directors of the Company consisted of the following Directors, as on March 31, 2010, categorized as indicated :

- |                                       |   |                        |
|---------------------------------------|---|------------------------|
| 1. Independent Non-Executive Director | - | Mr. Sandeep Gupta      |
| 2. Independent Non-Executive Director | - | Mrs. Jyoti Mehndiratta |
| 3. Independent Executive Director     | - | Mr. Ashwani Goiga      |
| 4. Non-Independent Executive Director | - | Mr. Satish Gogia       |

(b) **Attendance at Board Meetings and last Annual General Meeting and details of membership of Directors in other Boards and Board Committees.**

#### Details of Board meetings held during the year 2009-10

Date of Meeting	Board Strength	No. of Directors present
June 24, 2009	4	4
July 10, 2009	4	4
October 23, 2009	4	4
January 29, 2010	4	4

The time gap between any two meetings did not exceed four months.

#### Last Annual General Meeting

The last Annual General Meeting was held on September 30th, 2009.

**Details of membership of Directors in other Boards and Board Committees.**

<b>Name of Directors</b>	<b>No. of Board Meetings attended</b>	<b>Whether last AGM attended</b>	<b>Membership as on 31-3-10 in Other Boards (excluding the Company)</b>	<b>Other Board Committees (excluding the Company)</b>
Mr. Satish Goiga	4	Yes	2	Nil
Mr. Ashwani Gogia	4	Yes	Nil	Nil
Mr. Sandeep Gupta	4	Yes	1	Nil
Mrs. Jyoti Mehndiratta	4	Yes	1	Nil

Only two Committees viz. Audit Committee and Shareholders'/Investors' Grievance Committee are considered.

**(c) Brief Resume of the Directors proposed for appointment/re-appointment**

## 1. Mr Ashwani Gogia

Mr. Ashwani gogia is acting as a whole time Director since 1997 and has a vast experience in the Stock Broking Industry. He is looking into day to day affairs of the company and his reappointment is recommended for the smooth running of the operations of the company.

All the information required under Annexure-1 to Clause-49 of the Listing Agreements with Stock Exchanges are being placed before the Board at every meeting, with the current status duly updated.

**3) AUDIT COMMITTEE****(a) Constitution**

It consists of following members namely

- |                           |          |
|---------------------------|----------|
| 1. Mrs. Jyoti Mehndiratta | Chairman |
| 2. Mr Sandeep Gupta       | Member   |
| 3. Mr. Ashwani Gogia      | Member   |

**(b) Power, Role & Review of Information by Audit Committee**

The role and terms of reference of the Audit Committee cover the areas mentioned under Clause 49 of the Listing Agreement and Section 292-A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors. These interalia include review of Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible, reviewing annual and quarterly financial statement with the management before submission to the Board, reviewing the adequacy of internal control system with the management, external and internal auditors and reviewing the Company's financial risk and management policies.

**(c) Date & number of Committee meetings held**

The Audit Committee met four times during the year on 24th June 2009, 10th July 2009, 23rd October 2009 and 29th January 2010.