

19th Annual Report 2012-2013

True Copy



Gogia Capital Services Limited

B-4/51, SAFDARJUNG ENCLAVE NEW DELHI-110029

GOGIA CAPITAL SERVICES LIMITED
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BOARD OF DIRECTORS

Mr. Satish Gogia
Mr. Ashwani Gogia
Ms. 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- 110092

LEGAL ADVISORS

Luthra & Luthra
103, Ashoka Estate
Barakhamba Road,
New Delhi – 110001

REGISTERED OFFICE

B- 4/51 Safdarjung Enclave,
New Delhi -110029, India

SHARE TRANSFER AGENT

Mas Services Private Limited
T - 34, 2nd Floor, Okhla Industrial Area,
Phase - II, New Delhi - 110 020
Phone No.: +91- 11 - 2638 7281, 82, 83,
Fax no.: +91 - 11 - 2638 7384
E-mail: info@masserv.com

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NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of Gogia Capital Services Limited will be held on Monday, the 30th September, 2013 at 11:00 a.m. at the Registered Office of the Company at B - 4/51 Safdarjung Enclave, New Delhi -110029 to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 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 re-appointment.
3. To re-appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to section 224 and other applicable provisions of the Companies Act, 1956, M/s Sunil Kulshreshtha & Associates, Chartered Accountants, the retiring auditors of the Company, having offered themselves for re-appointment, be and are hereby re-appointed as auditors of the Company to hold office from the conclusion of 19th Annual General Meeting upto the conclusion of 20th Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors and reimbursement of out of pocket expenses incurred in connection with the audit."

By Order of the Board
For Gogia Capital Services Limited

(CHAIRMAN)

Place: New Delhi
Date: 22/05/2013

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Notes:

1. A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself/herself and a proxy need not be a member. A proxy to be effective should be deposited at the registered office of the Company, not less than 48 hours before the commencement of 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 Sunday, 15th September, 2013 to Monday, 30th September, 2013 (both days inclusive).
4. All the documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days between 10:00 a.m. to 12:00 noon upto the date of annual general meeting.

By Order of the Board
For Gogia Capital Services Limited

(CHAIRMAN)

Place: New Delhi
Date: 22/05/2013

Additional Information as per clause 49 of the listing agreement

A brief resume of the directors recommended for re-appointment at the annual general meeting is as under:

Mr. Ashwani Gogia

Mr. Ashwani Gogia has wide experience in Stock Broking Line. Due to his efforts Company has started Algo Trading and various strategies in Currency Derivatives Segment. The Board due to his experience recommends his re-appointment.

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DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present the 19th Annual Report and the audited statement of accounts of Company for the year ended March 31, 2013.

1. Financial Highlights:

Particulars	As on 31/03/2013 (INR)	As on 31/03/2012 (INR)
Income	40,339,289	37,881,367
Profit before depreciation and tax	19,243,655	15,144,010
Depreciation	2,250,142	1,863,949
Profit before tax	16,993,513	13,280,061
Current Income Tax	4,875,000	3,700,000
Deferred Tax	571,676	573,617
Provision for Wealth Tax	9201	0
Profit after tax	1,15,37,636	9,006,444
Profit carried forward to the Balance Sheet	NIL	74,517,247
Earning per share on Equity Shares of Rs. 10 each	3.67	2.86

2. Review of Performance:

During financial year 2012-13, EPS has increased from Rs. 2.86/- per share to Rs. 3.67/- per share and Profit before tax has increased by 21.85%

3. Dividend:

In order to utilize the profits for operations of the Company, your Directors do not recommend any dividend.

4. Directors:

Mr. Ashwani Gogia retires by rotation at the ensuing annual general meeting of the Company and being eligible, offer himself for re-appointment.

Your Directors recommends the re-appointment of Mr. Ashwani Gogia as director in the ensuing annual general meeting.

5. 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.

6. Insurance:

The properties of the Company are adequately insured.

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7. Fixed Deposits:

Your Company has not accepted any fixed deposits from the public under section 58(A) of the Companies Act, 1956 and as such, no amount of principle or interest is outstanding as of the balance sheet date.

8. 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 programs.

9. Particulars of Employees:

No employee of the Company was drawing salary as per limits of the provisions of Section 217 of the Companies Act, 1956 and rules framed there under.

10. 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
- c) prepared the annual accounts on a going concern basis.

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

Since the Company is not engaged in manufacturing or processing business, 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.

Foreign Exchange Earning and Outgo:

	<u>Current Year</u>	<u>Previous Year</u>
Earning	NIL	NIL
Expenditure	NIL	NIL

12. Corporate Governance:

The Company has complied with the Corporate Governance norms as stipulated under clause 49 of the Listing Agreement. Detailed Report on Corporate Governance forms an integral part of this Report. Certificate of Statutory Auditors confirming compliance of the Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

13. Management Discussions 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.

14. Auditors:

M/s Sunil Kulshreshta & Associates, Chartered Accountants, Statutory Auditors of the Company, holds office until the conclusion of the ensuing annual general meeting and are recommended for re-appointment. A certificate from the auditors has been received to the effect that their re-appointment, if made, would be in accordance with section 224 (1B) of the Companies Act, 1956.

Your Directors recommend the re-appointment of auditors at the ensuing annual general meeting.

15. Compliance Certificate:

Pursuant to the provisions of Section 383A of the Companies Act, 1956, a certificate from the Practicing Company Secretary has been obtained and annexed hereto and the same forms an integral part of the report.

16. Shifting of Registered Office of the Company:

Pursuant to Section 17 of the Companies Act, 1956, Company passed a special resolution through postal ballot pertaining to alteration of registered office clause of Memorandum of Association on 22nd January, 2013.

As required under the provisions of Companies Act, Company has filed a petition before the Regional Director, Ministry of Corporate Affairs, Northern Region for obtaining approval in respect of said purpose and order is pending to pass at the end of Regional Director.

17. 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 for receiving their continued support and encouragement.

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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 on behalf of the Board of Directors

(SATISH GOGIA)
Chairman & Managing Director

Place: New Delhi
Date: 22/05/2013

ANNEXURE TO THE DIRECTORS' REPORT

1. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

(i) Overview:

Your Chairman is very happy to announce that your Company has increased their business profitability by 21.85%. Company's Earning per share has increased to Rs. 3.67/- per share from Rs. 2.86/-.

(ii) Outlook 2013-2014

Your Company continues to focus on the different activities in order to generate broad based revenues for the financial year 2013-2014.

(iii) 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 macro economic 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 the Company to expand into other overseas destinations.

The stock broking industry has recently witnessed intense competition due to falling brokerage rates and the entry of several big players. Increasing globalization 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.

(iv) 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 characterized 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.

(v) 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 Company determines the scope of the internal audit and it is reviewed on a regular basis.

(vi) Human Resources:

The Company is making conscious efforts on the human resources front. The Company has continuously 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 them certified in relevant industry standard certifications such as NCFM certification. Majority of the employees has obtained such certification.

(vii) 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 realized. 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.