

# INTERFACE FINANCIAL SERVICES LIMITED

INTERFACE F.

Annual Report 2010-2011

# **INTERFACE FINANCIAL SERVICES LIMITED**

806/A, Saffron Building, Panchawati to Ambawadi Road, Near Bank of Baroda, Ambawadi, Ahmedabad - 380006

## **NOTICE**

**NOTICE** IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF THE **INTERFACE FINANCING SERVICES LTD** WILL BE HELD ON FRIDAY, 30<sup>TH</sup> SEPTEMBER, 2011 AT 3.00 P. M AT THE REGISTERED OFFICE OF THE COMPANY TO TRANSACT THE FOLLOWING BUSINESSES:

### **ORDINARY BUSINESS :**

1. To receive and adopt Audited profit and Loss Account for the year ended 31<sup>st</sup> March, 2011 and the balance Sheet as on that date along with Directors' and Auditors' Report thereon.
2. To Appoint a Director in place of Mr. Ananadbhai Pardeshi, who retires by rotation and, being eligible offers himself for re-appointment.
1. To reappoint M/s. Y. D. & Co., Chartered Accountants, Ludhiyana, Auditors of the company to hold office from the conclusion of this meeting until the conclusion of next annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

**Date:** 02.09.2011

**By order of the Board**

**Registered Office:**

**For INTERFACE FINANCING SERVICES LTD**

**806/A, Saffron Building,**

**Panchawati to Ambawadi Road,**

**Near Bank of Baroda,**

**Ambawadi,**

**Ahmedabad - 380006**

**Sd/-**

**Director**

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out material facts is annexed hereto
3. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from **September 23, 2011 to September 30, 2011 (both days inclusive)** for the purpose of **Annual General Meeting (AGM) of the Company to be held on September 30, 2011.**
4. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
  - (a) Members are requested to:
  - (b) Intimate, if Shares are held in the same name or in the order and names, but in more than one account to enable the Company to club the said accounts in to one account.
  - (c) Notify immediately the Change if any, in the registered address, to the Company.

# **INTERFACE FINANCIAL SERVICES LIMITED**

806/A, Saffron Building, Panchawati to Ambawadi Road, Near Bank of Baroda, Ambawadi, Ahmedabad - 380006

## **DIRECTORS' REPORT**

-To,

The Members,

### **INTERFACE FINANCING SERVICES LTD**

Your Directors present their Annual Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2011.

### **FINANCIAL RESULTS**

(Amt in Rupees)

PARTICULARS	2010-11	2009-10
Profit /(Loss) before Depreciation	(57,463)	(115,587)
Less : Depreciation	-----	-----
Profit / (Loss) before Tax	(57,463)	(1,15,587)
Less : Provisions for taxation	-----	-----
Profit / (Loss) After Tax	(57,463)	(1,15,587)
Excess/(Short) Provision for Tax	-----	-----
Add : Balance b/f from Previous Year	(166,909,354)	(166,793,767)
Balance carried forward	(166,966,817)	(166,909,354)

### **BUSINESS OPERATIONS**

The company has incurred Loss of Rs. (57463)/- after tax of the Company during the year.

### **DIVIDEND**

Your Directors do not recommend any Dividend.

### **APPOINTMENT OF AUDITORS:**

M/s. Y. D. & Co., Chartered Accountant, Ludhiyana appointed as auditor of the company for the financial year 2010-2011 and holds office from the conclusion of this meeting until the conclusion of next annual General Meeting of the Company in place

The Statutory Auditors of the Company have submitted auditor's report on the accounts of the Company for the accounting year ended 31<sup>st</sup> March, 2011 which is self-explanatory and needs no comments.

### **DIRECTORS:**

During the year Mr. Praful Shah resigned from the directorship of the company w.e.f 09.06.2010 due to their pre-occupation.

Mr. Anand J. Pardeshi and Nilesh T. kava were appointed as additional directors of the Company with effect from 07.06.2010.

Your directors recommend the resolution for approval of the members.

None of the directors of the company are in any way concerned or interested in the above resolution.

### **PUBLIC DEPOSIT**

Your Company has not accepted any deposit within the meaning of section 58-A of the Companies Act, 1956.

### **PARTICULARS OF EMPLOYEES:**

There are no employees of the Company whose particulars are required to be reported under Section 217 (2A) of the Companies Act, 1956 and the rules there under.

# INTERFACE FINANCIAL SERVICES LIMITED

806/A, Saffron Building, Panchawati to Ambawadi Road, Near Bank of Baroda, Ambawadi, Ahmedabad - 380006

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

In Compliance with the provisions of Section 217(2AA) of the Companies Act, 1956 the Directors of your Company confirm that:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and Loss of the Company for that year;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts on a going concern basis.

## **DISCLOSURE OF PARTICULARS WITH RESPECT:**

### **A) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information regarding Foreign Exchange Earnings and out go is as follows:

A) Earnings in Foreign Exchange: Nil

B) Outgo in Foreign Exchange: Nil

## **ACKNOWLEDGEMENTS:**

Your Directors take this opportunity to thanks all the shareholders of the Company for their continued support.

Date: 02.09.2011

By order of the Board

Registered Office:

806/A, Saffron Building,  
Panchawati to Ambawadi Road,  
Near Bank of Baroda,  
Ambawadi,  
Ahmedabad - 380006

For INTERFACE FINANCING SERVICES LTD

Sd/-

Director

# INTERFACE FINANCIAL SERVICES LIMITED

806/A, Saffron Building, Panchawati to Ambawadi Road, Near Bank of Baroda, Ambawadi, Ahmedabad - 380006

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of operations and in all inter-actions with its shareholders, employees, and the Government Company is committed to achieve the highest standards of corporate governance.

Company believes that all its operations and actions must serve the underlying goal of enhancing the overall shareholder value, over a sustained period of time.

### 2. BOARD OF DIRECTORS:

The Board of Directors of the company is comprised of optimum number of Executive, non-executives and independent directors. The Board met 11 times during the year on the following dates.

During the year, Board Meetings were held on, 07.06.2010, 09.06.2010, 23.06.2010, 31.07.2010, 02.09.2010, 19.10.2010, 24.11.2010, 27.11.2010, 05.01.2011, 07.02.2011, 12.02.2011, 29.03.2011,

S. No.	Name of Director	Category of Directorship	No. of Board Meetings Attended	Attendance at Last AGM	No. of Other Committee Membership
1	Himal Kanchanlal Parikh	Non- Executive Director and Independent Director.	11	Yes	3
2	Maheshkumar Chhotalal Shah#	Non- Executive Director and Professional Director	7	Yes	3
3	Anand Jivanlal Pardeshi (W.E.F 07.06.10)	Non- Executive Director and Independent Director	9	Yes	3
4	Nileshkumar Tribhovandas Kava(W.E.F 07.06.10)	Non- Executive Director and Independent Director	10	Yes	3
5	Prafullchandra Shantilal Shah *	Non- Executive Director and Independent Director	2	Yes	3
6.	Jasawant Panchal **	Non- Executive Director and Independent Director	3	Yes	3

\* resigned 09.06.2010

\*\* resigned w.e.f. 31.07.2010

# resigned w.e.f. 27.11.2010

### 3. AUDIT COMMITTEE:

The Audit committee was reconstituted by the board and the present members of the audit committee are Himal K. Parikh, Nilesh Kava and Anand Jivanlal Pardeshi.

The Committee has appointed HIMAL KANCHANLAL PARIKH as chairman.

The terms of reference and powers of Audit Committee are as per Clause 49 of the Listing Agreement. The functions of the Audit Committee are as per Listing Agreement with the Stock Exchanges. This includes review of accounting and financial policies and procedures, review of financial reporting system and internal control procedure. The Committee met four times during the year i.e. 12.02.2011, 13.11.2010, 31.07.2010, 30.04.2010

S. No.	Name of Audit committee member	No of meetings attended
1	Himal K. Parikh	4

# INTERFACE FINANCIAL SERVICES LIMITED

806/A, Saffron Building, Panchawati to Ambawadi Road, Near Bank of Baroda, Ambawadi, Ahmedabad - 380006

2	Maheshkumar Chhotalal Shah (resigned from 27.11.2010)	3
3	Anand Jivanlal Pardeshi (W.E.F 07.06.10)	3
4	Nilesh Kava (W.E.F 07.06.10)	3
5	Jasawant Panchal (Resigned from 31.07.2010)	2

## 4. REMUNERATION COMMITTEE:

No Remuneration Committee meeting was held during the year.

## 5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

The present members of Shareholders/Investors Grievance committee are Himat K. Parikh, Nilesh Kava and Anand Jivanlal Pardeshi.

The role and functions of the said Committee are the effective redressed of the complaints of the shareholders regarding dematerialization, transfers, non-receipt of balance-sheet etc, The Committee will also recommend the steps to be taken for further improvement in the quality of services to the Investors.

The company has received no complaints during the year

## 6. GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2009-10	30th September, 2010	03:00 p.m.	2 <sup>nd</sup> floor Agrawal Complex Nr.Municipal Market,C.G.Road,Navrangpura.Ahmedabad
2008-09	30th September, 2009	02:30 p.m	2 <sup>nd</sup> floor Agrawal Complex Nr.Municipal Market,C.G.Road,Navrangpura.Ahmedabad
2007-08	30th September, 2008	0 2:30 p.m.	2 <sup>nd</sup> floor Agrawal Complex Nr.Municipal Market, C.G.Road, Navrangpura.Ahmedabad

No special Resolutions were put through postal ballot as recommended under clause 49 of the Listing Agreement of the Stock Exchanges, are placed for shareholders' approval at the forthcoming Annual General Meeting. There is no non-compliance nor any penalty or stricture imposed on the company by stock Exchanges, SEBI or any other statutory authority on any matter relating to capital markets during the last three years.

## 7. MEANS OF COMMUNICATION:

### A. quarterly Results

the company has published quarterly results in The Western Times (English) and The Western Times (Gujarati), both at Ahmedabad.

### B. Management Discussion And Analysis

Appended to this Report.

# **INTERFACE FINANCIAL SERVICES LIMITED**

806/A, Saffron Building, Panchawati to Ambawadi Road, Near Bank of Baroda, Ambawadi, Ahmedabad - 380006

## **8. GENERAL SHAREHOLDER INFORMATION:**

1. Financial Calendar 2011 -12 (tentative)  
: Results for the quarter ended June 30, 2011:  
Last week of July 2011.  
  
Results for the quarter ended September 30, 2011.  
Last week of October 2011  
  
Results for the quarter ended December 31, 2011,  
Last week of January 2012  
  
Results for the quarter ended March 31, 2012,  
Last week of April 2012
2. Book closure date  
: 20<sup>th</sup> September, 2011 to 30<sup>th</sup> September, 2011  
(Both days inclusive)
3. Registered Office:  

806/A, Saffron Building, Panchawati to Ambawadi Road, Near Bank of Baroda,  
Ambawadi, Ahmedabad - 380006

  
**Tele: 079- 26462300 26406950 26406951**  
  
Email: [interfacefinancial@yahoo.com](mailto:interfacefinancial@yahoo.com)
4. Equity shares Listed on Stock Exchanges at  
(i) The Bombay Stock Exchange Ltd, Mumbai  
  
(ii) The Ahmedabad stock exchange Ltd, Ahmedabad
5. Disclosures:
  1. All related party transactions have been entered into the ordinary course of business and were placed periodically before the audit committee in summary form. There were no material individual transactions with related parties were not in the normal course of business to be placed before the audit committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on an arm's length basis.
  2. All Accounting standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
  3. Risk assessment and its minimizations procedures have been laid down by the Company and the same have been informed to Board Members. These procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.
  4. The company has not raised money through preferential allotment basis during the year.
  5. The Company duly complies with all mandatory requirements of clause 49 of Listing Agreement with the Stock Exchange. However, the company has not adopted the non - mandatory requirement defined therein.
  6. Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of Clause 49 of the listing agreement with Stock Exchanges.
  7. No Penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.



## INTERFACE FINANCIAL SERVICES LIMITED

806/A, Saffron Building, Panchawati to Ambawadi Road, Near Bank of Baroda, Ambawadi, Ahmedabad - 380006

### 7. Stock Code

- a. Trading Symbol at : The Bombay Stock Exchange Ltd, Mumbai  
Scrip Code 530519
- b. Demat ISIN Numbers : Equity Shares **INE778C01027** in NSDL & CDSL

### 9. Registrar and Transfer Agents

(Share transfer and Communication  
Regarding Share certificates Dividends  
And change of Address)

: M/s .Sharepro Services (India) Pvt. Ltd.  
13 AB Samhita Warehousing Complex,  
2nd Floor, Sakinaka Telephone Exchange Lane,  
Off Andheri-Kurla Road, Sakinaka,  
Andheri (E), Mumbai - 400 072.

Tele No. : 91-22-6772 0300/400

Fax No. : 91-22-6772 0300/400

E-mail: sharepro@shareproservices.com

### 10. SHARE TRANSFER SYSTEM:

Transfer of Shares in Physical form are registered and dispatched within 3 weeks from the date of their receipts, subject to the documents being valid and complete in all respects. Transfer of shares are processed by the Share Transfer Agents and approved by the Share Transfer Committee called as "Investor / Shareholders Grievance Committee", which meets at frequent intervals. Share transfers are registered and returned within 30 days from the date of receipt, if the relevant documents are complete in all respect.

#### a. Dematerialization of shares and liquidity

- b. The Equity Shares of your company are traded in compulsory dematerialization form by all investors. The company has entered into agreements with both existing Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) enabling the investors to hold shares of the company in electronic form through the depository of their choice. As on 31st March 2011 44,945,900 Equity Shares (95.37%) of the Company was held in dematerialized form

#### c. Distribution of Shareholding as on 31st March, 2011

Shareholding of nominal value as on 31st March, 2011	No. of Shareholders	% of No. of shares	No. of Share held	% of Shareholders
Up to 500	1492	18.48%	509497	1.08%
501-1000	2582	32.00%	2585675	5.49%
1001-2000	1190	14.74%	2214330	4.70%
2001-3000	540	6.69%	1510298	3.20%
3001-4000	238	2.95%	902778	1.92%
4001-5000	641	7.94%	3177441	6.74%
5001-10000	680	8.42%	5755359	12.21%
10001 and above	709	8.78%	30473622	64.65%
<b>Total</b>	<b>8072</b>	<b>100%</b>	<b>47129000</b>	<b>100%</b>



# INTERFACE FINANCIAL SERVICES LIMITED

806/A, Saffron Building, Panchawati to Ambawadi Road, Near Bank of Baroda, Ambawadi, Ahmedabad - 380006

## Category of shareholders as on 31st March 2011

Category	No. of Shareholders	% of Shareholding
Promoters	0	0
Mutual Funds and UTI	0	0
Public Shareholding		
• Institutions	-	-
• Non-Institutions	168	8.44
• individual(up to 1 Lacs)	7831	69.05
• individual (excess 1 Lacs)	38	21.59
• others(non residence/clearing members)	35	0.92
Total	8072	100.00

Impact on Equity: None

### Address for correspondence:

Shareholders correspondence should be addressed at registered office of the company at:

### REGISTERED OFFICE:

806/A, Saffron Building,  
Panchawati to Ambawadi Road,  
Near Bank of Baroda,  
Ambawadi,  
Ahmedabad - 380006

Compliance Officer: Mr. Nilesh Kava

### Declaration:

None of the Director of the Company is a Director of more than 15 companies and member of more than 10 committees or chairman of more than five committees across all companies in which he is a Director

### ANNEXURE TO REPORT

#### DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

The company has framed a specific code of conduct for the members of the Board of Directors of the Company pursuant to clause 49 of the listing agreement with Stock Exchanges to further strengthen corporate governance practices in the company.

All the members of the Board of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non compliance thereof during the year 31st March, 2011.

NILESH T. KAVA

Place : Ahmedabad

Date : 02.09.2011

Sd/-

Director

# **INTERFACE FINANCIAL SERVICES LIMITED**

806/A, Saffron Building, Panchawati to Ambawadi Road, Near Bank of Baroda, Ambawadi, Ahmedabad - 380006

## **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,

**INTERFACE FINANCIAL SERVICES LIMITED**  
**806/A, Saffron Building,**  
**Panchawati to Ambawadi Road,**  
**Near Bank of Baroda,**  
**Ambawadi,**  
**Ahmedabad - 380006**

We have examined the relevant records pertaining to compliance conditions of Corporate Governance by INTERFACE FINANCIAL SERVICE LIMITED the Company, for the year ended 31<sup>st</sup> March, 2011 as stipulated clause 49 of the Listing Agreement of the said Company which the stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. Our examination is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We have to state that no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Company which were presented to the Investor Grievance Committee.

We further state that such compliances is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**FOR, ARVIND A THAKKAR & CO.**  
**Chartered Accountant**

**Place : Ahmedabad**  
**Date : 02/09/2011**

**(Arvind Thakkar)**  
**Proprietor**  
**M. No. 014334**