

TWENTY SECOND ANNUAL REPORT 2012-2013 INTERFACE FINANCIAL SERVICES LIMITED

BOARD OF DIRECTOR

| | |
|-------------------------------|-----------|
| NILESHKUMAR TRIBHOVANDAS KAVA | -DIRECTOR |
| PUNEET BAGREE | -DIRECTOR |
| GOVIND RAI | -DIRECTOR |
| UMESHBHAI MAHASHANKAR PUROHIT | -DIRECTOR |

AUDITOR

M/S. Y. D. & CO.
Chartered Accountants
LUDHIANA

SHARE TRANSFER AGENT

SHAREPRO SERVICES INDIA PRIVATE LIMITED
13 AB Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri-Kurla Road, Sakinaka,
Andheri (E), Mumbai - 400 072
Ph No: 91-22-6772 0300/400
Fax No: 91-22-2859 1568

REGISTERED OFFICE

614, Front Gali, Opp. Old Railway Station Road,
Kalupur, Ahmedabad-380013,
Gujarat, India.
E mail: interfacefinancial@yahoo.com

INDEX

| Contents | Page No. |
|--|-----------------|
| Notice of Annual General Meeting | 1 to 2 |
| Report of the Directors & Management Discussion and Analysis | 3 to 9 |
| Corporate Governance Report | 10 |
| Auditors' Report | 11 to 14 |
| Balance Sheet | 15 |
| Profit and Loss Account | 16 |
| Cash Flow Statement | 17 |
| Notes forming part of the financial statements | 18 to 22 |



NOTICE

NOTICE is hereby given that the **TWENTY SECOND ANNUAL GENERAL MEETING** of the Members of **INTERFACE FINANCIAL SERVICES LIMITED** will be held at the Registered Office of the Company at **614, Front Gali, Opp. Railway Station, Kalupur, Ahmedabad-380001, Gujarat, INDIA** on **Monday 30th September, 2013 at 01:00 P.M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at **31st March, 2013** and the Profit & Loss Account for the year ended on that date and the reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of **MR. NILESHKUMAR TRIBHOVANDAS KAVA**, who retires by rotation and being eligible, offers him-self for re-appointment.
3. To appoint Auditor and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT **MR PUNEET BAGREE**, who was appointed as an Additional Director in the category of independent director of the Company w.e.f. 23rd March, 2013 being the date of appointment and who holds office as such up to the date of the ensuing Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose **MR PUNEET BAGREE** be and is hereby appointed as a Director, subject to retire by rotation.

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT **MR UMESHBHAI MAHASHANKAR PUROHIT**, who was appointed as an Additional Director in the category of independent director of the Company w.e.f. 2nd August, 2013 being the date of appointment and who holds office as such up to the date of the ensuing Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose **MR UMESHBHAI MAHASHANKAR PUROHIT**, be and is hereby appointed as a Director, subject to retire by rotation.

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT **MR GOVIND RAI**, who was appointed as an Additional Director in the category of independent director of the Company w.e.f. 1st May, 2013 being the date of appointment and who holds office as such up to the date of the ensuing Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose **MR GOVIND RAI**, be and is hereby appointed as a Director, subject to retire by rotation.

PLACE: AHMEDABAD

DATE: 20.08.2013

By Order of the Board
For INTERFACE FINANCIAL SERVICES LIMITED



N.T. Kava
(NILESHKUMAR TRIBHOVANDAS KAVA)
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 OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME SCHEDULED FOR HOLDING THE MEETING.
2. The Register of Members and Share Transfer Register of the Company will remain closed from 23rd September, 2013 to 30th September, 2013 (Both Days Inclusive).



3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. M/s Sharepro Services India Private Limited having its registered office at 13 AB Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (E), Mumbai - 400 072 Maharashtra, INDIA are Registrars and Share Transfer Agents for Company's shares in Demat and Physical Form. The members are requested to please ensure that their shares are converted into Demat Form.
5. The relevant Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 is annexed hereto.
6. Additional information as required in terms of paragraph 3 of the Clause 49 of the Listing Agreement on Director seeking re-appointment at the ensuing Annual General Meeting is as under:

MR NILESHKUMAR TRIBHOVANDAS KAVA is Director of the Company. He has been associated with the Company w.e.f. 7th June, 2010. He is Member of the Audit Committee and Share Transfer and Grievances Committee of the Company. MR NILESHKUMAR TRIBHOVANDAS KAVA retires by rotation and being eligible offers himself for re-appointment.

ANNEXURE TO NOTICE:

EXPLANATORY STATEMENT AS REQUIRED PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The Explanatory Statement sets out all the material facts relating to the Special Business mentioned under are accompanying this notice:

Item No.4

In terms of provisions of section 260 of Companies Act 1956 and provisions of Articles of Association of company MR PUNEET BAGREE, who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 23rd March 2013 Who holds the office of Directors up to the date of the ensuing Annual General Meeting.

In Pursuant to section 257 of the Companies Act 1956 together with requisite deposit fee signifying his intention to propose the name of MR PUNEET BAGREE, a director subject to retirement by rotation. None of the Directors except MR PUNEET BAGREE is concerned or interested in this resolution. Your Directors recommend this resolution for your approval.

Item No.5

In terms of provisions of section 260 of Companies Act 1956 and provisions of Articles of Association of company MR UMESHBHAI MAHASHANKAR PUROHIT, who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 2nd August 2013 Who holds the office of Directors up to the date of the ensuing Annual General Meeting.

In Pursuant to section 257 of the Companies Act 1956 together with requisite deposit fee signifying his intention to propose the name of MR UMESHBHAI MAHASHANKAR PUROHIT, a director subject to retirement by rotation. None of the Directors except MR UMESHBHAI MAHASHANKAR PUROHIT is concerned or interested in this resolution. Your Directors recommend this resolution for your approval.

Item No.6

In terms of provisions of section 260 of Companies Act 1956 and provisions of Articles of Association of company MR GOVIND RAI, who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 1st May 2013 Who holds the office of Directors up to the date of the ensuing Annual General Meeting.

In Pursuant to section 257 of the Companies Act 1956 together with requisite deposit fee signifying his intention to propose the name of MR GOVIND RAI, a director subject to retirement by rotation. None of the Directors except MR GOVIND RAI is concerned or interested in this resolution. Your Directors recommend this resolution for your approval.



DIRECTORS' REPORT

Dear Shareholders,

Your Directors here by present the 22nd Annual Report on business and operations of the Company together with the Audited statements of Accounts for the financial year ended on **31st March 2013**.

REVIEW OF OPERATIONS:

During the year under review due to sluggish market condition and financial crisis company faces huge set back so company not in position to generate any revenue from the operation but due to some fixed cost company posted Net Loss of Rs.377409.

The management has taken measures as part of its continuous improvements to strengthen operations and viability.

DIVIDEND:

Your Directors have not declared any dividend during the year under review due to loss incurred.

FIXED DEPOSIT:

The Company has not accepted any deposit from the public pursuant to the provisions of Section 58A of the Companies Act, 1956.

DIRECTORS:

MR NILESHKUMAR TRIBHOVANDAS KAVA Director of the Company is retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

MR PUNEET BAGREE, MR GOVIND RAI and MR UMESHBHAI MAHASHANKAR PUROHIT were appointed as additional directors of the Company with effect from 23.03.2013, 01.05.2013 and 02.08.2013 respectively and are eligible for re-appointment as directors of the Company at the forthcoming Annual General Meeting and whose period of office will be liable to retire by rotation.

MR AMITKUMAR RANA and MR KRUNAL RANA were ceased as a Director of the Company with effect from 01.05.2013 and 23.03.2013 respectively due to resignation. The management appreciated the services given by them during the tenure of the office as a Director.

CHANGE OF NAME OF COMPANY:

During the year under review, company in their Extra Ordinary General Meeting (EOGM) held on 25.08.2012 approved the name of the Company be changed from INTERFACE FINANCIAL SERVICES LIMITED to SURFACE FINCAP LIMITED but company failed to obtain Approval/NOC regarding change of name from Reserve Bank of India (RBI) so company do not make any petition and further proceeding for change of name of company.

SHIFTING OF REGISTERED OFFICE OF THE COMPANY:

During the year under review, company in their Extra Ordinary General Meeting (EOGM) held on 30.04.2013 approved shifting of Registered office from Ahmedabad in the State of Gujarat to Indore in the State of Madhya Pradesh but company failed to obtain Approval/NOC regarding change of registered office from Reserve Bank of India (RBI) so company do not make any petition and further proceeding for shifting of Registered office of the company.

AUDITORS AND AUDITORS' REPORT:

M/s. Y. D. & Co., Chartered Accountants, Ludhiana, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The observations made by the Auditors' in their Auditors' Report and the Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

MANAGEMENT DISCUSSION AND ANALYSIS:

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 forming part of this report is annexed herewith. The Audit Committee of the Company has regularly reviewed internal Control System of the company.



CORPORATE GOVERNANCE REPORT:

Your Company has complied with the requirements of Clause 49 of the Listing Agreement on Corporate Governance. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Report on Corporate Governance along with the Auditors' Certificate on its compliance is annexed separately to this Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of conservation of energy, technology absorption etc. as required to be given under Section 217(1) (e) of the Companies Act 1956, are not applicable to our Company, as our Company is not engaged in manufacturing activities. The foreign exchange earning on account of the operation of the Company during the year was Rs. Nil.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable 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 of the profit or loss of the Company for that period;
- iii) the Directors have 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 the company and for preventing and detecting fraud and other irregularities;
- iv) Directors have prepared the accounts on a "going concern basis".

ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Banks, Government Authorities, Customers, and Shareholders during the year. Your directors also wish to take on record their deep sense of appreciation for the committed services of the employees at all levels, which has made our Company successful in the business.

PLACE: AHMEDABAD

DATE: 30.08.2013

For and on Behalf of the Board
For, INTERFACE FINANCIAL SERVICES LIMITED



(NITESH K. KAVA)
(NITESH KUMAR TRIBHOVANDAS KAVA)
CHAIRMAN



Annexure to Director's Report:

MANAGEMENT DISCUSSION ANALYSIS REPORT

Outlook:

The company is confident in spite of the possible recessionary conditions in the industry it will perform better in view of the strong fundamentals of the Indian companies and hope to improve its Turnover.

Internal Controls Systems and their adequacy:

The company has adequate internal control systems to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance of law and regulations. The internal control system is supported by the internal audit process. The Internal Auditor reviews and ensures that the audit observations are acted upon. The Audit Committee of the Board reviews the Internal Audit reports and the adequacy and effectiveness of internal controls.

Human Resources

The relationship with the employees continues to be cordial. The Company recognizes the importance and contribution of its employees for its growth and development and constantly endeavors to train nurture and groom its people. The Company puts emphasis on attracting and retaining the right talent. The company places emphasis on training and development of employees at all levels and has introduced methods and practices for Human Resource Development.

Cautionary Statement:

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be forward looking statement within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.



REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31ST MARCH, 2013

1. THE CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance at the Company is by the need to "enhance shareholder value, keeping in view the interests of other stakeholders". This definition places emphasis on the need to strike a balance at all times between the need to enhance shareholders' wealth whilst not being detrimental to other stakeholders' interests. The imperative for Corporate Governance lies not merely in drafting a code of Corporate Governance, but in practicing it to achieve desired results.

2. BOARD OF DIRECTORS

The Board of Directors is having non-executive and independent directors as on 31st March, 2013. The Board of Directors is consisting of four Directors. The Directors manages the day to day affairs of the Company. Non-executive and independent directors did not have any pecuniary relationship of transactions with the company during the period under review. There are no material transactions where they have had personal interests that conflict with that of the Company.

Numbers of Board Meetings held and the dates on which such meetings were held:

During the financial year the Board met 7 (Seven) times on 17.04.2012, 26.05.2012, 31.07.2012, 03.08.2012, 03.11.2012, 29.01.2013 and 23.03.2013. The maximum gap between two meetings was not more than 4 months.

Attendance record of Directors attending the Board meetings and Annual General Meetings during the year:

| Name of the Director | Designation/ Category | No. of Board Meetings | | Last AGM attended |
|----------------------------------|-----------------------------|-----------------------|----------|-------------------|
| | | Held | Attended | |
| NILESHKUMAR TRIBHOVANDAS KAVA | Executive & Non-Independent | 7 | 7 | Yes |
| *AMITKUMAR RAMESHCHANDRA RANA | Non Executive & Independent | 7 | 7 | Yes |
| **KRUNAL GOPALDAS RANA | Non Executive & Independent | 7 | 7 | Yes |
| #PUNEET BAGREE | Non Executive & Independent | 7 | 1 | No |
| ## GOVIND RAI | Non Executive & Independent | 7 | -- | No |
| ###UMESHBHAI MAHASHANKAR PUROHIT | Non Executive & Independent | 7 | -- | No |

* Ceased as on 01.05.20.13 * * Ceased as on 23.03.2013 #Appointed as on 23.03.2013

Appointed as on 01.05.2013 ## Appointed as on 02.08.2013

None of the Director is a member in more than 10 Companies and Act as Chairman in more than 5 Companies across all Companies in which he is a Director.

3. AUDIT COMMITTEE

The Audit Committee of the Company presently comprises three Directors being MR NILESHKUMAR TRIBHOVANDAS KAVA, MR PUNEET BAGREE and MR UMESHBHAI MAHASHANKAR PUROHIT.

MR PUNEET BAGREE is Chairman of the Committee.

Attendance at the Audit Committee Meetings- 2013

During the year the Audit Committee met 4 times on 26.05.2012, 03.08.2012, 03.11.2012 and 29.01.2013 attendance of the members as under:

| Name | No. of Meeting attended | |
|----------------------------------|-------------------------|----------|
| | Held | Attended |
| NILESHKUMAR TRIBHOVANDAS KAVA | 4 | 4 |
| *AMITKUMAR RAMESHCHANDRA RANA | 4 | 4 |
| **KRUNAL GOPALDAS RANA | 4 | 4 |
| #PUNEET BAGREE | 4 | -- |
| ## GOVIND RAI | 4 | -- |
| ###UMESHBHAI MAHASHANKAR PUROHIT | 4 | -- |

* Ceased as on 01.05.20.13 * * Ceased as on 23.03.2013 #Appointed as on 23.03.2013

Appointed as on 01.05.2013 ## Appointed as on 02.08.2013

4. REMUNERATION COMMITTEE

As neither remuneration nor sitting fee paid to the director as no remuneration Committee has been set up.