



G O G I A

INTERNATIONAL SECURITIES LTD.

10th Annual Report
2003-2004

BOARD OF DIRECTORS

Mr. Satish Gogia
Mr. Ashwani Gogia
Mr. J.P. Sethi
Mr. Bhavuk Kr. Makkar
Mr. A.K. Kuchhal

Chairman & Managing Director
Whole Time Director
Director
Director
Director

Bankers

IndusInd Bank (Mumbai)
Canara Bank (N.S.E. Branch, New Delhi)
HDFC Bank (Mumbai)
HDFC Bank (New Delhi)

Auditors

M/s Sunil Kulshreshtha & Associates
Chartered Accountants
D-306, Anand Vihar
Delhi- 110092

Legal Advisor

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

Company Secretary

Rajesh Pathak

Registered Office

D-24, Green Park Main,
New Delhi- 110016

Share Transfer Agent

Mas Services Pvt. Ltd.
AB-4, Safdarjung Enclave,
New Delhi-110029

NOTICE

Notice is hereby given to the Members of the Company that the Tenth Annual General meeting of **GOGIA INTERNATIONAL SECURITIES LIMITED** will be held on Monday, 27th September, 2004 at 10.00 A.M. at D-24, Green Park Main, New Delhi - 110 016 to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2004 and the Balance Sheet as at end of the said year together with Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Mr. Ashwani Gogia, who retires by rotation and, being eligible, offers himself for reappointment.
3. To consider and, if thought fit, to pass, as a Ordinary Resolution:

"RESOLVED that M/s Sunil Kulshreshtha & Associates, Chartered Accountants, be and they are hereby appointed Auditors of the Company, from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General meeting, on a remuneration as may be determined by the Board of Directors in consultation with the Auditors.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s) the following as a Special Resolution.

"RESOLVED THAT Mr. Bhavuk Kumar Makkar, who was appointed by the Board as an Additional Director and holds office upto the date of this Annual General Meeting of the company, being eligible for re-appointment and in respect of whom the company has received a notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the company liable to retire by rotation."

5. To consider and if thought fit, to pass with or without modification(s) the following as a Special Resolution.

"RESOLVED THAT Mr. A.K. Kuchhal, who was appointed by the Board as an Additional Director and holds office upto the date of this Annual General Meeting of the company, being eligible for re-appointment and in respect of whom the company has received a notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the company liable to retire by rotation."

NOTES :

- (1) Explanatory Statement as required under 173 of the Companies Act, 1956 is annexed hereto and forms part of the notice.
- (2) MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

- (3) The Register of Members and Share Transfer Books of the Company shall remain closed from 23rd September 2004 to 27th September 2004 (both days inclusive)
- (4) Members are requested to intimate change in address, if any, to the Company at its registered office, quoting their Folio Nos./Client Ids No. & DP ID No. for updating of records.
- (5) Shareholders having any question on accounts are requested to send the same atleast 10 days in advance to the company to enable it to collect the relevant information.
- (6) Shareholders may please bring their copies of the Annual Report to the meeting.
- (7) Members / Proxies should bring the attendance slips duly filled in along with their Annual Report for attending the meeting.
- (8) Members are informed that no gifts / coupons shall be distributed at the Meeting.
- (9) The Company's equity shares are listed on
 - i) The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

The company has paid the annual listing fees for the year 2004-05 to the aforesaid Stock Exchange.

By Order of the Board

Place : New Delhi
Date : 23.08.2004

Sd/-
(Rajesh Pathak)
Company Secretary

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956

ITEM NO. 4

Mr. Bhavuk Kumar Makkar was appointed as an Additional Director of the Company on 31.03.2004 by the Board of Directors under Section 260 of the Companies Act, 1956. In terms of Section 260 of the Companies Act, 1956, Mr. Bhavuk Kumar Makkar holds office only upto the date of the ensuing Annual General Meeting but is eligible for appointment as a Director.

In terms of Section 257 of the Companies Act, 1956, the company has received Notice in writing from a member signifying his intention to propose the candidature of Mr. Bhavuk Kumar Makkar for the office of Director. The Board considers that it is in the interest of company to continue to have the benefit of rich experience and expertise of Mr. Bhavuk Kumar Makkar.

No other director except Mr. Bhavuk Kumar Makkar is concerned or interested in the passing of this resolution.

The Board recommends this resolution for your approval.

ITEM NO. 5

Mr. A. K. Kuchhal was appointed as an Additional Director of the Company on 31.03.2004 by the Board of Directors under Section 260 of the Companies Act, 1956. In terms of Section 260 of the Companies Act, 1956, Mr. A.K. Kuchhal holds office only upto the date of the ensuing Annual General Meeting but is eligible for appointment as a Director.

In terms of Section 257 of the Companies Act, 1956, the company has received Notice in writing from a member signifying his intention to propose the candidature of Mr. A.K. Kuchhal for the office of Director. The Board considers that it is in the interest of company to continue to have the benefit of rich experience and expertise of Mr. A.K. Kuchhal.

No other director except Mr. A.K. Kuchhal is concerned or interested in the passing of this resolution.

The Board recommends this resolution for your approval.

By Order of the Board

Place : New Delhi
Date : 23.08.2004

Sd/-
(Rajesh Pathak)
Company Secretary

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 given below :

Mr. Ashwani Gogia

Mr. Ashwani Gogia, aged about 45 years has the rich experience and expertise in the field of Share Broking Activities.

Mr. Bhavuk Kumar Makkar

Mr. Bhavuk Kumar Makkar, aged about 22 years has the experience and expertise in the field of Share Broking Activities and depository services.

Mr. A.K. Kuchhal

Mr. A.K. Kuchhal aged about 29 years, is a company secretary in practice and has the rich experience and expertise in the field of Finance, Corporate Laws and Accounting.

DIRECTORS' REPORT

The Board of Directors has pleasure in presenting the 10th Annual Report along with Audited Accounts for the year ended 31st March 2004.

1. Financial Highlights

(Rs. in Lakhs except per Share data)

	31st March 2004	31st March 2003
Gross Income	278.82	209.97
Profit before depreciation & tax	58.16	40.24
Depreciation	19.24	15.25
Profit before Tax	38.92	24.99
Provision for Tax	11.00	7.30
Profit after Tax	27.92	17.69
Profit Carried forward to the Balance Sheet	106.83	79.91
Earnings per Share on Equity Shares of Rs.10 each	0.55	0.35

2. Operation

Capital market was buoyant in the fiscal year 2003-04. The bench mark Nifty recorded one of its best performance year wise. During the year the company has recorded significantly higher growth by registering gross income of Rs. 278.82 Lakhs (previous year Rs.209.97), up 33%, through increased volume. The net profit grew by 58%.

During the year the Company further increased the presence in the retail segment. The Company leveraged in house expertise to share knowledge and strategies aiming to service and retain customer by providing new products and research ideas. The Company introduced varied new online products and features to make it self more customer friendly and customer oriented.

3. Future Outlook

Looking ahead, with the revival in the capital market the Company is keen to aggressively focus on augmenting its market share by targeting new client segments and delivering enhanced value to its customers through advanced technology and efficient services. High net worth individuals would continue to be the targeted customers. Along with the present operation the Company will focus on adding other value added services during the coming period and expending to other markets.

4. Directors

Mr. Ashwani Gogia, Director of the Company retires by rotation and offers himself for re-appointment.

Mr. Bhavuk Kumar Makkar and Mr. A.K. Kuchhal was appointed as Additional Director and holds office only upto the date of the ensuing Annual General Meeting. The Company has received notices from members under section 257 of the Companies Act, 1956 proposing their appointment as Directors liable to retire by rotation.

5. Auditors

M/s Sunil Kulshreshta & Associates, Retiring Auditor, have expressed their willingness to continue as Statutory Auditor.

6. Particulars of Employee

During the year under review there was no employee of the company whose particulars are required to be disclosed under sub-section (2A) of section 217 of the Company Act, 1956.

7. Subsidiary Company

Your company has no subsidiary company.

8. Public Deposits

The company has not accepted any deposit from the Public during the period under review as per provisions of Section 58-A of the Companies Act, 1956.

9. Directors, Responsibility Statement

Based on representations from the management, in pursuance of Section 217(2AA) of the Companies Act, 1956, that

1. The company has, in the preparation of the annual accounts for the year ended 31st March, 2004, followed the applicable accounting standards along with proper explanations relating to material departures, if any;
2. The Directors have 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 the company as at 31st March, 2004 and of the profit of the company for the financial year ended 31st March, 2004.
3. The directors have taken proper care and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting the fraud and other irregularities.
4. The directors have prepared the annual accounts on a going concern basis.

10. Conservation of Energy & Technology absorption

Since the company is not a manufacturing company, there is no activity relating to conservation of energy and technology absorption.

11. Foreign Exchange Earnings and outgo

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

12. Corporate Governance

The Company has complied with all the provisions of Corporate Governance as specified under clause 49 of the Listing Agreement. The following committees of Board of Directors are constituted:

- 1) Audit Committee: Mr. A.K. Kuchhal, Chairman, Mr. Bhavuk Kumar Makkar, Member, Mr. J.P. Sethi, Member.
- 2) Shareholders Grievance Committee: Mr. Bhavuk Makkar, Chairman, Mr. Satish Gogia, Member, Mr. J.P. Sethi, Member.
- 3) Remuneration Committee: Mr. Bhavuk Makkar, Chairman, Mr. Ashwani Gogia, Member, Mr. A.K. Kuchhal, Member.

12. Acknowledgement

The Directors wish to thank the Stock Exchanges, Securities & Exchange Board of India and the Company's bankers for their support. The directors commend the executives of the company for their dedicated efforts that made these results achievable.

For and behalf of the Board Directors

Place : New Delhi
Date : 23.08.2004

Sd/-
(Satish Gogia)
Chairman & Managing Director

AUDITORS' REPORT

To the Members of Gogia International Securities Limited

1. We have audited the attached Balance Sheet of Gogia International Securities Limited (the Company), as at 31st March 2004, the related Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by The Companies Act, 1956 of India (the Act), and give, a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2004;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date and
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.
4. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
5. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
6. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
7. In our opinion, the financial statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act.
8. On the basis of written representations received from the Directors of the Company, as on 31st March 2004, and taken on record by the Board of Directors of the Company, none of the Directors of the Company is disqualified as on 31st March 2004 from being appointed as a Director in terms of clause (g) of subsection (1) of Section 274 of the Act;
9. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:
 - (l) (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management at reasonable intervals. No material discrepancies between the book records and the physical inventory have been noticed.
 - (c) None of the Company's fixed assets has not been disposed of or revalued by the Company during the year.

- (II) (a) The securities held as stock in trade have been physically verified by the Management/confirmed with the statement of holdings provided by the National Securities Depository Limited (NSDL) at the financial year-end. In our opinion, the frequency of verification/ confirmation is reasonable.
- (b) In our opinion, the procedures of physical verification/confirmation of securities held as stock in trade followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of the Company relating to securities held as stock in trade, in our opinion the Company has maintained proper records of stock in trade and no material discrepancies between the book records and the physical inventory have been noticed.
- (III) (a) As per the information furnished by the management, the company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained pursuant to provisions of section 301 of the Companies Act, 1956. In terms of subsection (6) of Section 370 of the Act, provisions of the section are not applicable to a company on or after 31st October, 1998.
- (b) As per the information furnished by the management the company has not given any loans, secured or unsecured to companies, firms or other parties listed in the register maintained pursuant to provisions of section 301 of the companies Act, 1956. . In terms of subsection (6) of Section 370 of the Act, provisions of the section are not applicable to a company on or after 31st October, 1998..
- (c) During the year the Company has not granted short-term loans and advances, recoverable in cash or in kind.
- (IV) In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business in respect of purchase and sale of securities held as stock-in-trade and purchase of fixed assets. Further on the basis of our examination of the books of account and according to the information and explanations given to us, we have not come across nor have we been informed of any instance of weaknesses in internal control procedures.
- (V) (a) In our opinion and according to the information explanation given to us , the transactions that need to be entered in the register in pursuance of Section 301 of Act, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangement entered in the register in pursuance of Section 301 of the Act and exceeding the value of Rs. 500,000 in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time or are considered to be of special nature for which no comparison of prices could be made as explained by the Management of the Company.
- (VI) The Company has not accepted any deposits from the public under the provisions of Section 58A and 58AA of the Act and the rules framed there under.
- (VII) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (VIII) (a) According to the books of account and records as produced and examined by us, in accordance with generally accepted auditing practices in India and also Management representations, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities in India.

- (b) According to the information and explanations given to us as at 31st March 2004 there are no dues which have not been deposited on account of any dispute in respect of sales tax, income tax, customs duty, wealth tax, excise duty and cess.
- (IX) The Company has neither accumulated losses as at 31st March 2004 nor has it incurred any cash loss either during the financial year ended on that date or in the immediately preceding financial year.
- (X) According to the books of account and records of the Company, there has been no default in repayment of dues to any financial institution or bank or debenture holders during the year.
- (XI) The Company is dealing in securities for which proper records have been maintained of the transactions and timely entries have been made therein. Securities held as stock in trade by the Company are held in the name of the Company or in the name of its nominees except to the extent of the exemption granted under Section 49 of the Act. (xii) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they were obtained.
- (XII) According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with the generally accepted business practices.
- (XIII) The Company is not a sick industrial company within the meaning of clause (o) of Sub-Section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- (XIV) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities
- (XV) The Central Government has not prescribed the maintenance of costs records under section 209(1)(d) of the Companies Act, 1956 for any of the activities of the company.
- (XVI) According to the records of the company, Provident Fund have been regularly deposited during the year with the appropriate authorities and there are no arrears of Provident Fund as at 31st March, 2004
- (XVII) In respect of services rendered :
- (a) The nature of services rendered by the company is such that it does not involve consumption of materials.
 - (b) Considering the nature of services rendered and the basis of billing it is not considered necessary to have a system of allocation of man-hours utilized to the relative jobs.
- (XVIII) The company is not a chit fund, nidhi or mutual benefit society.
- (XIX) During the course of examination of the books of account and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have not come across any fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
- (XX) The other clauses of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the current year.

For **Sunil Kulshreshtha & Associates**
Chartered Accountants

Sunil Kumar
Prop.

Place : New Delhi
Date : 23.08.2004

BALANCE SHEET AS ON 31-03-2004

	Schedule	(Amount in Rs) 31st March 2004	(Amount in Rs) 31st March 2003
<u>SOURCES OF FUNDS</u>			
I) Shareholder's Funds			
Share Capital	1	37,210,538	37,210,538
Reserves and Surplus	2	10,913,845	8,222,479
Deferred tax Liability	3	1,870,000	1,739,000
II) Secured Loan	4	4,609,601	4,542,910
TOTAL		54,603,984	51,714,927
<u>APPLICATION OF FUNDS</u>			
I) Fixed Assets	5		
Gross Block		18,118,190	14,077,454
Less : Depreciation		8,321,532	6,397,323
Net Block (A)		9,796,657	7,680,131
II) Investments (B)	6	4,832,740	NIL
III) Current Assets, Loans and Advances			
Cash and Bank Balances	7	35,394,708	21,395,734
Sundry Debtors	8	18,778,058	22,262,578
Loans and Advances	9	11,531,657	13,314,329
Stock In Hand	10	NIL	3,882,740
TOTAL (C)		65,704,424	60,855,381
Less : Current Liabilities And Provisions [D]	11	27,335,005	18,541,196
Net Current Assets (C - D = E)		38,369,419	42,314,185
IV) Miscellaneous Expenditure (F) (To the extent not Written off or adjusted)	12	1,605,168	1,720,611
TOTAL (A+B+E+F)		54,603,984	51,714,927
Notes to the Financial Statements	18		

This is the Balance Sheet referred to in our report of even date.

For **Sunil Kulshreshtha & Associates**
Chartered Accountants

Sunil Kumar
(Prop.)

Place : New Delhi
Date : 23-08-2004

For and behalf of the Board

Satish Gogia
CMD

Ashwani Gogia
Whole time Director

Rajesh Pathak
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2004

	Schedule	(Amount in Rs) 31st March 2004	(Amount in Rs) 31st March 2003
Income			
Income From Operations	13	26,342,808	18,962,939
Other Incomes	14	1,538,816	2,034,292
Total		27,881,624	20,997,231
Expenditure			
Personnel Expenditure	15	2,984,129	2,436,148
Financial Charges	16	1,107,007	786,300
Administrative & Other Expenses	17	17,859,213	13,635,552
Depreciation		1,924,209	1,525,201
Miscellaneous Expenditure W/O		115,443	115,443
Loss On Sale Of Investment & Stock In Trade		—	—
Total		23,990,002	18,498,644
Profit Before Tax		3,891,622	2,498,588
Less : Taxation For The Year			
Current Tax		1,100,000	730,000
Deferred Tax		131,000	189,000
Excess Income Tax For Previous Year		3,160	—
Add : Refund Received		33,904	—
Net Profit During The Year		2,691,366	1,579,588
Add : Profit Brought Forward		7,991,423	6,411,835
Profit Available For Appropriation		10,682,789	7,991,423
Appropriations			
Amount Transferred To General Reserve		NIL	NIL
Balance Carried To Balance Sheet		10,682,789	7,991,423
Total		10,682,789	7,991,423

Notes to the Financial Statements 18

This is the Profit & Loss Account referred to in our report of even date.

For **Sunil Kulshreshtha & Associates**
Chartered Accountants

Sunil Kumar
(Prop.)

Place : New Delhi
Date : 23-08-2004

For and behalf of the Board

Satish Gogia
CMD

Ashwani Gogia
Whole time Director

Rajesh Pathak
Company Secretary

SCHEDULES FORMING PART OF BALANCE SHEET

	(Amount in Rs) 31st March 2004	(Amount in Rs) 31st March 2003
SCHEDULE 1 : SHARE CAPITAL		
Authorized Capital		
56,00,000 Equity Shares of Rs. 10/- each	5,60,00,000	5,60,00,000
Issued, Subscribed and Paid Up Capital		
50,70,800 Equity Shares of Rs. 10/- each fully paid up in Cash	50,708,000	50,708,000
Less : Calls in Arrears	(13,497,462)	(13,497,462)
TOTAL	37,210,538	37,210,538
SCHEDULE 2 : RESERVES AND SURPLUS		
General Reserve	231,056	231,056
Transfer From Profit And Loss Account	10,682,789	7,991,423
TOTAL	10,913,845	8,222,479
SCHEDULE 3 : DEFERRED TAX LIABILITY		
Prior Period Adjustment	1,739,000	1,000,000
Current Year	131,000	739,000
TOTAL	1,870,000	1,739,000
SCHEDULE 4 : SECURED LOAN		
From HDFC Bank	Nil	4,542,910
From IndusInd Bank	4,609,601	Nil
TOTAL	4,609,601	4,542,910

SCHEDULE 5 : FIXED ASSETS

(Amount in Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1-4-03	Addition During the Year	Sales During the Year	Total as on 1-4-03	As on 1-4-03	During the Year	Reversed on Sales	Total as on 31-3-04	As on 31-3-04	As on 31-3-03
Building	2,600,000	—	—	2,600,000	108,215	42,380	—	150,595	2,449,405	2,491,785
Computers & Printers	7,783,086	3,553,425	—	11,336,511	5,057,036	1,527,894	—	6,584,930	4,751,580	2,726,050
Furniture & Fixture	1,004,881	19,500	—	1,024,381	391,303	64,045	—	455,348	569,033	613,578
Air Conditioners	245,740	54,080	—	299,820	72,250	11,743	—	83,993	215,827	173,490
Office Equipment	679,697	46,331	—	726,028	139,270	94,818	—	234,088	491,940	540,427
Motor Vehicle	1,515,738	367,400	—	1,883,138	586,564	171,535	—	758,099	1,125,039	929,174
Water Cooler	22,512	—	—	22,512	7,454	1,069	—	8,523	13,989	15,058
Generator	225,800	—	—	225,800	35,231	10,725	—	45,956	179,844	190,569
TOTAL	14,077,454	4,040,736	—	18,118,190	6,397,323	1,924,209	—	8,321,532	9,796,657	7,680,131
PREVIOUS YEAR	13,214,044	914,410	51,000	14,077,454	4,872,122	1,525,201	—	6,397,323	7,680,131	8,341,922

SCHEDULES FORMING PART OF BALANCE SHEET (Contd.)

	(Amount in Rs) 31st March 2004	(Amount in Rs) 31st March 2003
SCHEDULE 6 : INVESTMENTS		
Investment in Gogia Commodity trading Pvt. Ltd. (unquoted)	950,000	Nil
Investment in Listed Companies (quoted)		
Details :		
Name of the Company	Quantity	Amount (Rs.)
ACC	16398	2363699
TISCO	14050	1465541
Mastek	100	53500
(Market Price of quoted investment is Rs. 95.70 lacs)		
TOTAL	4,832,740	Nil
SCHEDULE 7 : CASH AND BANK BALANCES		
Cash In Hand	4,930,447	1,095,799
Balance With Scheduled Banks on Current Accounts	(814,389)	1,449,269
Balance With Schedule Banks on Fixed Deposit Account	31,278,650	18,850,666
TOTAL	35,394,708	21,395,734
SCHEDULE 8 : SUNDRY DEBTORS		
Debts considered good for which company hold no other security than debtors personal security Debts Outstanding for a Period Exceeding		
(a) Six months	5,820,118	3,964,473
(b) Others	12,957,940	18,298,105
TOTAL	18,778,058	22,262,578
SCHEDULE 9 : LOANS AND ADVANCES		
(Unsecured But Considered Good)		
Advances recoverable in Cash or in Kind or for Value to be Received	494,157	2,252,922
Security Deposits	5,537,500	5,175,000
NSE Membership Fees	5,000,000	5,000,000
VSAT Deposits	Nil	884,038
Advance Income Tax	500,000	Nil
Accrued interest	Nil	2,369
TOTAL	11,531,657	13,314,329
SCHEDULE 10 : STOCK IN HAND		
Stock In Hand	Nil	3,882,740
(Valued at Cost as Certified by the Management)		
TOTAL	Nil	3,882,740

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	(Amount in Rs) 31st March 2004	(Amount in Rs) 31st March 2003
SCHEDULE 11 : CURRENT LIABILITIES AND PROVISIONS		
a) Current Liabilities		
Sundry Creditors	20,049,219	17,707,946
Other Liabilities	2,492,602	Nil
Statutory Liabilities	138,184	103,250
VSAT Security	1,670,000	Nil
Security from clients	1,885,000	Nil
TOTAL	26,235,005	17,811,196
b) Provisions		
For Income Tax	1,100,000	730,000
TOTAL	1,100,000	730,000
TOTAL (A) + (B)	27,335,005	18,541,196
SCHEDULE 12 : MISCELLANEOUS EXPENDITURE (ASSETS) (To the Extent not written off or adjusted)		
Preliminary Expenses	18,600	20,150
Public Issue Expenses	1,586,568	1,700,461
TOTAL	1,605,168	1,720,611
SCHEDULE 13 : INCOME FROM OPERATIONS		
Brokerage (Net)	22,246,198	17,312,973
Depository Service	4,096,611	1,649,966
TOTAL	26,342,808	18,962,939
SCHEDULE 14 : OTHER INCOME		
Interest	1,505,606	1,786,741
Miscellaneous Incomes	33,210	247,551
TOTAL	1,538,816	2,034,292
SCHEDULE 15 : PERSONNEL EXPENSES		
Salary	2,626,994	2,224,311
Staff welfare	96,318	65,321
Contribution towards PF and ESI	260,818	146,516
TOTAL	2,984,129	2,436,148

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT (Contd.)

	(Amount in Rs) 31st March 2004	(Amount in Rs) 31st March 2003
SCHEDULE 16 : FINANCIAL CHARGES		
Bank Charges	522,488	357,331
Bank Interest	434,244	226,443
Interest Paid	150,275	202,526
TOTAL	1,107,007	786,300
SCHEDULE 17 : ADMINISTRATIVE AND OTHER EXPENSES		
Advertisement	385,962	303,773
Audit Fees	37,760	25,000
Bad Debts	Nil	1,441,763
Band Width Charges	645,010	Nil
Brokerage Paid	519,058	283,333
Business Promotion	96,054	22,120
Commission	126,915	683,872
Computer Software	2,466,080	2,039,955
Depository Expenses	1,249,300	873,771
Electricity And Water Charges	206,018	220,910
Fees, Subscription And Periodicals	180,262	198,788
Insurance Premium	18,900	62,303
Internet Expenses	1,424,305	768,458
Legal And Consultancy Charges	1,114,482	157,876
Loss on Account of Trades Not Confirmed by Clients, Error Trades	580,816	Nil
Miscellaneous Expenses	715,078	279,971
Municipal Taxes	164,364	40,000
NSE Transaction Tax	2,095,122	1,225,582
Office Repairs And Maintenance	513,326	275,569
Option Premium Paid	Nil	931,425
Printing And Stationary	387,550	226,905
Rent	433,900	243,666
SEBI Registration Expenses	Nil	105,000
SEBI Turnover tax	Nil	1,135,000
Software Maintenances	110,100	Nil
Stamp Duty Paid	390,963	684,975
Telephone, Postage And Telegram	1,862,199	649,270
Traveling And Conveyance	324,938	721,067
VSAT Charges	1,810,750	35,200
TOTAL	17,859,213	13,635,552

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNTS**SCHEDULE 18 : NOTES TO THE FINANCIAL STATEMENTS****SIGNIFICANT ACCOUNTING POLICIES****1. ACCOUNTING CONVENTIONS**

The accounts and financial statement have been prepared on historical cost of accounting and on the basis of going concern concept. The cost is adjusted to reflect the changing value in purchasing power of money.

2. METHODS OF ACCOUNTING

The accounts are prepared in accordance with generally accepted accounting principles. The company follows accrual methods of accounting.

3. FIXED ASSETS

Fixed assets are valued at the cost of acquisitions including taxes, duties, and identifiable direct expenses are net of depreciation charges thereon.

4. DEPRECIATION

The company has charged depreciation on its fixed assets following the straight line methods on pro basis at the rate prescribed in schedule XIV of the Companies Act, 1956 as amended by notification number GSR/756 [E] dated 16/12/1994.

5. INVESTMENT AND STOCK IN TRADE

- i) The securities acquired with the intention of short term holding for the trading activities are considered as stock-in-trade and shown as current assets and other are considered as long term investment.
- ii) Investment other than stock-in-trade are valued at cost.

6. REVENUE RECOGNITION

- i) Brokerage on secondary market transactions is recognized as per Stock Exchange Guidelines.
- ii) Profit or loss on sale of investment and stock in trade are recognized on the contract dates.

7. PRELIMINARY AND PUBLIC ISSUE EXPENSES

The preliminary expenses and public issue expenses are being amortized over a period of twenty years in equal installments.

8. STOCK EXCHANGE MEMBERSHIP

The deposits made by the company with the National Stock Exchange of India (NSE) towards acquiring the membership of the exchange is considered as Loans & Advances.

9. NOTES TO THE ACCOUNTS**i) SOFTWARE EXPENSES**

The cost of software user licenses purchased is charged to revenue in the year the software is acquired.

ii) FOREIGN CURRENCY TRANSACTIONS

Earnings in Foreign Currency were Nil and expenditure in foreign currency on traveling was Nil

iii) RETIREMENT BENEFITS

No provision for gratuity has been made.

- iv) Since the company is not a manufacturing company, information required under clause 4C of Part-II of schedule VI of the Companies Act, 1956 has not been furnished.

v) **CONTINGENT LIABILITIES**

	As on 31.03.2004	As on 31.03.2003
Bank Guarantee	325 Lacs	275 Lacs
Underwriting commitment	6 Lacs	6 Lacs

vi) **AUDITOR'S REMUNERATION**

	As on 31.03.2004	As on 31.03.2003
Audit fees	Rs. 25,000	Rs. 19,000
Out of Pocket Expenses	Rs. 6,820	Rs. 6,000

vii) **QUANTITATIVE DETAILS**

Quantitative Details of securities held as stock in trade :

i) **Details of Opening & Closing Stock**

	Opening Stock		Closing Stock	
	Qty.	Value	Qty.	Value
	Nos.	Rs.	Nos.	Rs.
Equity Shares-Current Year*	30548	38,82,740	Nil	Nil
Equity Shares-Previous Year	Nil	Nil	30548	38,82,740

*Transferred to Investment Accounts on 1-4-2003

ii) **Details of Purchases and Sales during the year**

	Purchase		Sales	
	Qty.	Value	Qty.	Value
	Nos.	Rs.	Nos.	Rs.
Equity Shares-Current Year	5905302	1,268,219,051	5905302	1,266,308,831
Equity Shares-Previous Year	30548	38,82,740	Nil	Nil

viii) **REMUNERATION TO MANAGING DIRECTOR**

	As on 31.03.2004	As on 31.03.2003
Salary	5,50,000	6,00,000
Contribution to P. F.	66,000	72,000

ix) **DEFERRED TAXATION**

Deferred tax resulting from timing differences between book profits and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize.

x) **RELATED PARTY TRANSACTIONS**

- a) Subsidiary Nil
b) Associate/Joint Venture Nil
c) Key Management Personnel Satish Gogia - M.D.
Ashwani Gogia - W.T.D.
J.P. Sethi - Director
d) Companies Controlled by Directors / Relatives Nil

❖ There is no provision for doubtful debts or amounts written off/back during the year in respect of dues from or to related parties.

❖ No transactions were carried out with the related parties in the ordinary course of business except the following

Remuneration to Key Management Personnel - Rs. 6,16,000/-

xi) **BUSINESS SEGMENT**

The Operation of the company relates to only Stock Broking Services and Depository Services.

xii) Earning Per Share computed in accordance with Accounting Standard 20 issued by the institute of Chartered Accountants of India.

Particulars	As on 31.03.2004	As on 31.03.2003
Profit after Taxation	27,71,716	17,68,588
Number of Equity Shares during the year	50,70,800	50,70,800
Nominal Value of Equity Share (Rs.)	10/-	10/-
Basic Earning Per Share (Rs.)	0.55	0.35
Diluted Earning Per Share (Rs.)	0.55	0.35

xiii) Debit and credit balances of the various parties are subject to confirmation.

xiv) The figures for the previous year have been rearranged/regrouped wherever necessary so as make them comparable with current year.

Signatures to Schedule 1 to 18 forming part of the financial statements and to above notes.

For **Sunil Kulshreshtha & Associates**
Chartered Accountants

Sunil Kumar
(Prop.)

Place : New Delhi
Date : 23-08-2004

For and behalf of the Board

Satish Gogia
CMD

Ashwani Gogia
Whole time Director

Rajesh Pathak
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDING 31st MARCH, 2004

	(Year ended 31 / 03 / 2004) (Amount in Rs.)	(Year ended 31 / 03 / 2003) (Amount in Rs.)
A. Cash Flow From Operating Activities		
Net Profit before Tax and Extra-Ordinary Items	3,922,366	2,498,588
Adjustment for depreciation	1,924,209	1,525,201
Miscellaneous Expenditure Written-off	115,443	115,443
Operating Profit Before Working Capital Changes	5,962,018	4,139,232
Adjustment for Trade and other receivables	5,267,924	20,970,663
Inventories	Nil	-3,882,740
Trade and other payables	8,793,077	-21,232,631
Provision for taxation	-1,100,000	-730,000
Net Cash from Operating Activities (A)	18,923,018	-735,476
B. Cash Flows From Investing Activities		
Purchase of Fixed Assets	-4,040,736	-914,410
Proceeds from sale of Fixed Assets	Nil	51,000
Increase in Investments	-950,000	Nil
Net Cash from Investing Activities (B)	-4,990,736	-863,410
C. Cash From Financing Activities		
Proceeds from issuance of Share Capital	Nil	Nil
Proceeds from Secured Loans	66,691	4,542,910
Net Cash from Financing Activities (C)	66,691	4,542,910
Net Increase in cash or Cash Equivalents (A+B+C)	13,998,974	2,944,024
Cash and Cash Equivalents at beginning	21,395,734	18,451,710
Cash and Cash Equivalents at the end of the period	35,394,708	21,395,734

Auditors' Report

As per our separate report of even date attached

For Sunil Kulshreshtha & Associates
Chartered Accountants

Sunil Kumar
(Prop.)

For and behalf of the Board

Satish Gogia
CMD

Ashwani Gogia
Whole time Director

Place : New Delhi
Date : 23-08-2004

Rajesh Pathak
Company Secretary

AUDITOR'S CERTIFICATE

To

The Board of Directors
Gogia International Securities Limited
D-24, Green Park Main
New Delhi - 110016

We have verified the Cash Flow Statement of **GOGIA INTERNATIONAL SECURITIES LIMITED** derived from audited financial statements of the Company for the period ending 31.03.2004 covered by our Report of 23rd August, 2004 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreements with Stock Exchange.

For Sunil Kulshreshtha & Associates
Chartered Accountants

SUNIL KUMAR
Prop.

Place : New Delhi
Date : 23.08.2004

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I. Registration Details**

Registration No. 5 9 6 7 4

State Code 5 5

Balance Sheet Date 3 1 0 3 2 0 0 4

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

3 1 9 4 5

Total Assets

8 0 3 4 4

Source of Funds

Paid-up Capital

3 7 2 1 0

Reserve & Surplus

1 0 9 1 4

Secured Loans

4 6 1 0

Un-secured Loans

N I L

Application of Funds

Net Fixed Assets

9 7 9 7

Investments

4 8 3 3

Net Current Assets

3 8 3 6 9

Misc. Expenditure

1 6 0 5

Accumulated Losses

N I L

N I L

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

			2	6	3	4	3
--	--	--	---	---	---	---	---

Total Expenditure

			2	3	9	9	0
--	--	--	---	---	---	---	---

Profit Before Tax

			3	8	9	2
--	--	--	---	---	---	---

Profit / Loss after Tax

			2	7	9	2
--	--	--	---	---	---	---

(Please tick appropriate box + for profit, - for loss)

Earning Per share in Rs.

			0	5	5
--	--	--	---	---	---

Dividend rate %

				N	I	L
--	--	--	--	---	---	---

V. Generic Names of Three Principal Products / Services of Company (as per Monetary terms)

Item Code No.

(ITC Code)

Products Description

Brokerage on Stocks and Shares

(ITC Code)

Products Description

Depository Services

Auditors' Report

As per our separate report of even date attached.

For Sunil Kulshreshtha & Associates

Chartered Accountants

Sunil Kumar
(Prop.)

Place : New Delhi

Date : 23-08-2004

For and behalf of the Board

Satish Gogia
CMD**Ashwani Gogia**
Whole time Director**Rajesh Pathak**
Company Secretary

GOGIA INTERNATIONAL SECURITIES LIMITED

D-24, Green Park Main, New Delhi-110016

ATTENDANCE SLIP

No. of Shares.....

Folio No.....

I hereby record my presence at the Annual General Meeting of the Company on Monday, the 27th September, 2004 at 10.00 AM at D-24, Green Park Main, New Delhi-110016.

NAME OF MEMBER / PROXY

SIGNATURE OF MEMBER / PROXY

Note :

A member / proxy attending the meeting must complete this Attendance Slip and hand over it at the Registration Counter.

GOGIA INTERNATIONAL SECURITIES LIMITED

D-24, Green Park Main, New Delhi-110016

PROXY FORM

I / We.....S/o, W/o or D/o.....

Resident of.....

being a member(s) at the Gogia International Securities Limited hereby appoint.....of

Resident of.....or failing him / her.....of

or failing him / her.....of

.....resident for me / us and on my / our

proxy and to vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held at

Monday, the 27th September, 2004 at 10.00 AM and at any adjournment thereof. As witness my / our hand(s)

this.....day.....2004.

Signature of the said.....

Revenue
Stamp**NOTES :**

1. The form should be signed across the stamp as per specimen signature registered with the Company.
2. The Proxy Forms duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid Annual General Meeting.

G O G I A
INTERNATIONAL SECURITIES LTD.
D-24, GREEN PARK MAIN, NEW DELHI-110 016

