

BOARD OF DIRECTORS

Sanjay Savani	:	Managing Director
Mukesh Shah	:	Non Executive Chairman
Naresh Shah	:	Non. Exe. Ind. Director
Naresh Rachchh	:	Director

REGISTERED OFFICE:

417, Chetak Centre Annex,
4th Floor, RNT Marg,
Nr. Shree Maya Hotel,
Indore -(M.P) - 452001

ANNUAL GENERAL MEETING

Day : Thursday
Date : Sept. 30, 2010
Time : 11.00 a.m.

AUDITORS

Mehul & Associates
47, 2nd Floor, Annapurna Indl. Estate,
Tilak Road,
Ghatkopar (E)
Mumbai - 77

REGISTRAR

Purva Share Registry Pvt. Ltd.
9, Shiv Shakti, Indl. Estate,
J. R. Boricha Marg,
Opp. Kasturba Hospital
Lower Parel (E), Mumbai - 400011

BANKERS

KOTAK MAHINDRA BANK LTD.
HDFC BANK LTD
AXIS BANK LIMITED

BOOK CLOSURE

28.09.2011 to 30.09.2011

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the members of GFL Financials (India) Ltd. will be held at its Registered Office, on 30th September 2011 at 11.00 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and the P&L a/c. for the year ended that date together with the Reports of Auditor's and Director's thereon.
2. To appoint a Director in place of Naresh Shah, who retires by rotation and being eligible, offers for re-appointment.
3. To appoint the Auditors to hold the office from the conclusion of AGM until the conclusion of next AGM of the Company and to fix their remuneration.

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.
2. The Proxy form should be deposited at the registered office of the Company not less than forty eight hours before the meeting.
3. Share Holders are requested to intimate change in their address, if any, immediately.
4. The Registered of Members and Share Transfer Book of the Company will remain closed from 28-09-2011 to 30-09-2011.
5. Details required under Listing Agreement with the Stock Exchanges in respect of Directors seeking re-appointment at this AGM, is stated hereinbelow :-

Place : Indore
Date : 01-09-2011

By order of the Board
For GFL Financials (INDIA) Ltd
SD/-
(Mukesh Shah)
Chairman

Directors Report

To,
The Members,
GFL Financials (INDIA) India Ltd.
Indore (M.P.)

Your Directors have pleasure in presenting before you the 19th ANNUAL REPORT of the Company together with the Audited Statement of Accounts for the year ended 31st March,2011.

FINANCIAL RESULTS	2010-2011	2009-2010
Turn Over	166097225	7013402
Profit (Loss) Before Tax	429431	500120
Provision for Taxation	NIL	149883
Profit (Loss) After Tax	429431	350237

OPERATIONAL HIGHLIGHTS

Due to the depressed Capital & money market the performance of the Company during the year under review was not as projected, however Directors are confident of posting the higher of growth in the operation in the coming years, thereby recovering the losses incurred in the previous years.

PUBLIC DEPOSITS

During the period under review the Company did not accept deposits in terms of Section 58A of the Companies Act, 1956 and pursuant to the provision of the Non-Banking Financial Companies (Reserve Bank) Direction 1997.

DIRECTORS

Naresh Shah, Director of the company retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS

M/s. Mehul & Associates, Chartered Accountants, Mumbai, the Auditors of the Company retire at the conclusion of this Annual General Meeting. They are eligible for reappointment and indicated their willingness to act as an Auditor, if appointed and the appointment shall be in the limits prescribed under the provision of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

There was no employee in the Company whose particulars are required to be furnished as per section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended upto date.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING/OUTGO.

The information under section 217(1) (e) of the Companies Act, 1956 on Conservation of Energy, Technology Absorption as required to be disclosed is not applicable to your company since it is engaged in the business of Financial & Investment Services. During the year under review the Company has no foreign exchange earnings and outgo.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby report that :

- (a) in the preparation of annual accounts, the applicable accounting standards have been followed;
- (b) appropriate accounting policies have been selected and applied consistently and judgements and estimates made that are responsible and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2011;
- (c) Proper and sufficient care has been taken 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;
- (d) annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE AND COMPLIANCE

A report on corporate governance along with Management Discussion and Analysis is annexed to this report. A certificate from Statutory Auditors with regards to the compliance of the corporate governance, as stipulated in Clause 49 of the Listing Agreement, by the company is annexed to this report.

The company has fully complied with all mandatory requirements prescribed under Clause 49 of the listing agreement. In addition, the company has also implemented some of the non mandatory provisions of Clause 49.

ACKNOWLEDGEMENT

The Board of Directors take the opportunity to thank the Bankers and Government for the Co-operations and support by them from time to time in the operation of the company during the year. The Board also place on record its deep appreciation for the contribution made by the employees at all levels.

Place : Indore
Date : 01-09-2011

By order of the Board
For GFL Financials (INDIA) Ltd
SD/-
(Mukesh Shah)
Chairman

ANNEXURE –A to the Director’s Report for the year ended 31st March, 2011.**REPORT ON CORPORATE GOVERNANCE****1. COMPANY’S PHILOSOPHY**

The Company firmly believes that corporate governance and compliance practices are of paramount importance in order to maintain the trust and confidence of the stakeholders, clients, the good reputation of the Company and the unquestioned integrity of all personnel involved in the Company. To ensure transparency, fairness and objectivity in an organisation’s functioning, the Company has proactively adopted best practices with regard to corporate governance and compliance, which are ahead of regulatory requirements. The Company’s policy on compliance with external regulatory requirements is backed by stringent internal policies and principles to ensure, inter alia, priority to clients’ interest over proprietary interest, maintenance of confidentiality of client information and prevention of insider trading.

2. BOARD OF DIRECTORS

The Board of Directors of the Company consists of Five Directors including the Non-Executive Chairman. Out of 5, 2 directors are non-executive independent directors. The Company does not have any pecuniary relation or transaction with Non-Executive Independent Directors during the year under review.

Board procedure

A detailed Agenda folder was sent to each Director in advance (generally before 7 to 10 days) of Board and committee meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director briefed the Board at every meeting on the financial performance of the Company up to last completed month as against the budget/revised budget of the year. Presentations are made by the Managing Director about the financial, operational performance and market scenario. The Board also reviewed:

- Strategy and business plans
- Annual operating and capital expenditure budgets
- Investment plans of the company
- Compliance with statutory/regulatory requirements and review of major legal issues.
- Adoption of quarterly / half yearly / annual results (after recommendation of Audit Committee where required).
- Significant labour problems
- Major accounting provisions and write-offs.
- Details of joint venture or Collaboration Agreement

Composition, Category of Directors and their other directorship and Membership / Chairmanship of Committees.

Sr. No.	Name of the Director	Category	Number of other		
			Directorships	Committee Members	Committee Chairmanships
1	SANJAY SAVANI	M.D	3	3	-
2.	MUKESH SHAH	NON-EXE. CHAIRMAN	4	3	1
3.	NARESH RACHCHH	DIRECTOR	5	-	-
4	NARESH SHAH	NON-EXE. IND. DIR	3	3	2

During the year 6 Board Meetings were held on 25-04-2010, 29-06-2010, 25-07-2010, 01-09-2010, 25-10-2010 and 25-01-2011. The Board was present with the relevant and necessary information. None of the Director is a member of more than 10 committees or acting as Chairman of more than 5 committees across all companies in which he is a director. The attendance at the Board Meeting during the year and at the last Annual General Meeting was as follows:

SR.NO	NAME OF DIRECTORS	NO. OF BOARD MEETING ATTENDED	ATTENDENCE AT THE AGM HELD ON 30-09-2011
1	SANJAY SAVANI	6	YES
2	MUKESH SHAH	5	NO
3	NARESH RACHCHH	6	YES
4	NARESH SHAH	6	YES

3. AUDIT COMMITTEE

The Board constituted an Audit Committee consisting of 3 Directors. All members of Audit Committee are financially literate and 2 Directors out of 3 has financial management expertise as required for member of Audit Committee as stipulated in Clause 49 of the Listing Agreement. The Details of Audit Committee meetings held during the year April 2010 to March 2011 and the attendance of the Audit Committee Members are as under:

SR.NO	DIRECTOR NAME	CATEGORY	NO OF MEETING HELD ATTENDED	
1	SANJAY SAVANI	MANAGING DIRECTOR	5	5
2	NARESH SHAH	INDEPENDENT DIRECTOR & CHAIRMAN	5	5
3	MUKESH SHAH	INDEPENDENT DIRECTOR	5	5

Terms of Reference:-

The terms of reference for the audit committee as laid down by the Board include the following:-

- (i) Overseeing the Company's Financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (ii) Recommending the appointment and removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.
- (iii) Reviewing with management, the quarterly, half yearly and annual financial statements before submission to the Board, focusing primarily on any changes in accounting policies and practices; major accounting entries based on exercise of judgement by management; qualifications in draft audit report; significant adjustments arising out of audit; the going concern assumption; compliance with accounting standards; compliance with stock exchange and legal requirements' concerning financial statements; any related party transaction i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of Company at large.
- (iv) Reviewing with the management, statutory and internal auditors, the adequacy of internal control system and ensuring compliance therewith.
- (v) Discussions with statutory auditors before the commencement of the audit about the nature and scope of audit as well as have post-audit discussion to ascertain any areas of concern.
- (vi) Reviewing the Company's financial and risk management policies.
- (vii) To review the functioning of the Whistle Blower Policy adopted by the Company.
- (viii) To review report on Management Discussion & Analysis of Financial Condition and Results of operation, to be included in the Company's Annual Report to its Shareholders.

4. REMUNERATION COMMITTEE

This is a non-mandatory requirement. The company has constituted a Remuneration Committee to decide and fix payment of remuneration and sitting fees to the Directors of the Company.

The Remuneration Committee consists of Naresh Shah, Ind.Dir. & Chairman of the committee, Mr. Mukesh Shah, Director, Mr. Sanjay Savani, Managing Director. Two meeting of the committee held during the year under review.

5. SHARE HOLDER'S GRIEVANCE AND SHARE TRANSFER COMMITTEE**Composition:-**

The said committee comprises of Mukesh Shah, Ind. Director & Chairman of the said committee, Naresh Shah, Director and Sanjay Savani, Managing Director. There are 4 meetings during the year.

The Committee has delegated the authority to an officer of the Company who attends to share transfer formalities at least once in a fortnight.

Terms of reference:-

To look into the redressal of the share holders complaints in respect of any matter including transfer of shares non receipt of annual report, non receipt of declared dividend etc.

Compliance Officer:-

The company has designated Mr. Mukesh Shah as Compliance Officer.

Summary of Investors' Complaints:-

During the year 6 complaints were received from the share holders.

Annual General Meeting :-

The Annual General Meeting (AGMs) of the company have been held at the following places in the last three years.

YEAR	DATE	TIME	VENUE
2007 - 08	30-09-2008	11.00 A.M	REGD. OFFICE – 414, Manas Bhavan EXT., Indore – 452001
2008 - 09	30-09-2009	11.00 A.M	REGD. OFFICE – 417, Chetak Centre Annex, Opp. Hotel Shreemaya, Rnt Marg, Indore-452001
2009 - 10	30-09-2010	11.00 A.M	REGD. OFFICE – 417, Chetak Centre Annex, Opp. Hotel Shreemaya, Rnt Marg, Indore-452001

No special resolution passed through postal ballot during the year.

No special resolution on matters requiring postal ballot are placed for share holders approval at this meeting.

6. DISCLOSURES REGARDING RELATED PARTY TRANSACTIONS:-

There were no transaction by the company of material significance with related parties i.e. its Promoters, Directors of Companies or the Management or their relatives during the year which may have potential conflict with interest of the Company at large.

7. MEANS OF COMMUNICATION:

- (i) The periodical unaudited / audited financial results are published in Free Press Journal (English) and Agni Ban (Hindi) as required under the Listing Agreement. All financial and other vital information is promptly communicated to the stock exchanges on which company's shares are listed.
- (ii) The Management Discussion and Analysis report prepared by the management and forming part of the Annual Report is separately attached.

8. GENERAL INFORMATION FOR SHAREHOLDERS:

(a) Regd. Office:- The Address has been given above

(b) Date, Time, Venue of Annual General Meeting:-

30th September, 2011 at 11.00 AM at the Regd. Office.

(c) Financial Reporting for the quarter ending:-

JUNE 30	: END JULY
SEPT 30	: END OCTOBER
DEC 31	: END JANUARY
MARCH 31	: END APRIL

(d) Date of Book Closure :

28.09.2011 to 30.09.2011.

(e) Listing Details :

Jaipur Stock Exchange, Jaipur	: No Stock Code
Bombay Stock Exchange Limited , Mumbai	: Scrip Code 531055
M. P. Stock Exchange, Indore	: No Stock Code

The Company has paid listing fees to all Stock Exchanges till March 2011.

(g) Registrar And Transfer Agent:

The name & address of the registrar & share transfer agent has been given on the first page of the Annual Report.

(h) Share Transfer System:

The Company has a Share holders/ Investors grievance Committee who looks after share transfer job by meeting at regular intervals depending upon the receipt of the shares for transfer.

(i) Investor Services:

The Company has received only 6 complaints from the shareholders/investors during the year and all are resolved satisfactorily.

(i) DEMATERIALISATION OF SHARES AND LIQUIDITY :

The Company has appointed registrar & share transfer agent for electronic connectivity whose name & address has been given on the first page of Annual Report. The Company has also entered into MOU with CDSL & NSDL for electronic connectivity.

DISPOSAL OF INVESTOR GRIEVANCES

The average time required by the Company for the redressal of routine investor grievances is estimated to be seven working days from the date of receipt of the complaint. In case of non-receipt routine complaints and where external agencies are involved. The Company will strive to redress these complaints as expeditiously as possible.

CERTIFICATION WITH RESPECT TO FINANCIAL STATEMENT

The Managing director of the Company has furnished a certificate to the Board of Directors of the Company with respect to accuracy of financial statements and adequacy of internal controls and compliance of Clause 49 as required under Clause 49 of the listing agreement.

WHISTLE BLOWER POLICY

Recently, the Security & Exchange Board of India has also prescribed the adoption by all listed companies, of a Whistle Blower Policy as a non-mandatory requirement. The company has adopted a Whistle Blower Policy, which affords protection and confidentiality to Whistle blowers. The Audit Committee Chairman is authorized to receive Protected Disclosures under this Policy. The Audit Committee is also authorized to supervise the conduct of investigations of any disclosures made whistle blowers in accordance with policy.

No personnel have been denied access to the Audit Committee. As of March 31, 2011, no Protected Disclosures have been received under this policy.

CODE OF CONDUCT

The Company's Board of Directors has adopted the code of conduct which govern the conduct of all directors /employees. All Directors and senior management personnel have affirmed compliance with respective codes for the year ended on 31st March 2011.

IMPLEMENTATION OF NON-MANDATORY CORPORATE GOVERNANCE REQUIREMENTS

The company has implemented the following non-mandatory requirements as stated in clause 49 of the listing agreement with respect to Corporate Governance:-

- (i) Remuneration Committee:- Already details have been given earlier.
- (ii) Whistler Blower policy:- Under this policy employees of the Company can report to the management about unethical behavior, actual or suspected fraud or violation of code of conduct or ethics policy. It is the company's policy to insure that the Whistler Blower are not victimized or denied direct access to the chairman of the Audit Committee. The existence of said policy mechanism has been communicated to all employees.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company is in the business of financial activity. The key issues of the Management Discussion and Analysis are given below.

(a) Industry Structure and Developments

The company is engaged in Leasing & Hire Purchase activities but presently the said business is not giving any substantial earning to the Company hence Company is presently engaged in consultancy, share broking and share trading mainly.

The fortunes of the Finance industry are, to a large extent, linked to the growth of the Industry and Investment sentiments of the people. The Industry is facing intense competition from the Foreign Financial Institution.

(b) Strength

The strength of the company is known from its reputation which the company has earned due to its quality business and cordial relation with its clients and presently the company's financial position is sound due to boom in capital market because of governmental support.

(c) Comment on Current year's performance

Receipts	: The Receipt has significantly increased.
Operating Expenses	: The operating Expenses are well under control.
Operating Profits	: The Operating Profits are up to industry mark.
Indirect Expenses	: The Indirect Expenses are under control.
Depreciation	: Reasonable amount of Depreciation is provided.
Profit before tax	: Profit before tax is also showing an improving trend.
Taxation	: Taxation is Provided as per Income Tax Act.
Debtor/Sales	: Debtors are reasonable and realization period has decreased due to the policy of the Company.
Creditors/Purchase	: The Company has an established credit.

d) Opportunities and Threats

The impact of boom in capital market and real estate market due to government support has provided a boost to the economy and it is set to grow at 20% to 25% supported by a smart growth in manufacturing and services sectors. This brings prosperity to a country and more and more people go for investment in Share market. Outlook for the year 2012 is positive. While the overall demand outlook for the year 2011 remains good, the Company expects the pressure on quality customers to continue due to competition.

(e) Segment wise performance

The business of the Company falls under a single segment i.e. Share broking, Investment and trading in shares and derivatives for the purpose of Accounting Standard AS-17.

(f) Outlook

The continual growth in the Finance sector is expected to give the necessary support to the Finance industry. The Company is making all efforts to accelerate growth of its business. It expects to improve its position in the market by focusing on technologically advanced and more profitable products/market segments and working aggressively in the areas of productivity, efficiency and cost reductions.

(g) Risk and concerns

The menace of local Finances and play of angadia has further compounded the problems of the organised Finance Industry as they use inferior way of transferring funds. The Stock market is also a risky place to put one's fund. The pull back of FIIs will also have an adverse effect on the share market.

(h) Internal control system

Internal audit and other controls have been found to be adequate. These are reviewed periodically by the Audit Committee and found the performance satisfactory.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

The Board of Directors,
GFL Financials (India) Ltd.
Indore (M.P)

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the F.Y ended on 31st March 2011.

The compliance of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review to the best of our information and according to the explanations given to us, in our opinion, the company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said listing agreement.

On the basis of certificate issued by the company and the Minutes of meetings of the Shareholders/ Investors Grievance Committee of the Company, we state that, there were no investor grievances pending against the Company for a period exceeding one month.

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

PLACE : MUMBAI
DATE : 01-09-2011

For **MEHUL & ASSOCIATES**
CHARTERED ACCOUNTANTS

Sd/-
MEHUL DOSHI
PROPRIETOR
Membership no. : 103311

AUDITORS' REPORT

To,
The Members
GFL Financials (India) Limited, Indore

We have audited the attached Balance Sheet of GFL Financials (India) Ltd., as at 31st March, 2011 and the annexed Profit and Loss Account and cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order 2003 issued by the central Government of India in terms of section 227 (4A) of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
- (c) The Balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of account.
- (d) In our opinion and to the best of our information the said Balance Sheet and Profit & Loss Account and cash flow statement comply with the Accounting standard referred to in section 211(3c) of the companies act, 1956.
- (e) On the basis of written representations received from the directors, as on 31st, March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:-
 - i. In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
 - ii. In so far as it relates to the Profit & Loss Account of the profit / (loss) of the company for the year ended on that date.
 - iii. In the case of the cash flow statement, of the cash flow for the year ended on that date.

PLACE : Mumbai
DATE : 01-09-2011

For **MEHUL & ASSOCIATES**
CHARTERED ACCOUNTANTS
SD/-
MEHUL DOSHI
PROPRIETOR
Membership no. : 103311

Referred in paragraph 3 of our report of even date.

- i) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. We are informed that, the fixed assets other than the assets let on lease, have been physically verified by the management at reasonable intervals during the year and no material discrepancies between the book records and physical inventory have been noticed on such verification.
- ii) Note of fixed assets of the company have been revalued during the year.
- iii) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business.
- iv) No material discrepancy have been noticed between the physical stocks, as verified and book records.
- v) In our opinion on the basis of our examination of the stock record, the valuation of stock is fair and proper in Accordance with the normally accepted accounting principals.
- vi) The company has not taken any loans from companies, firms or other parties listed in registers maintained u/s. 301 of the Co. Act , 1956, except Fixed deposit. The rate of interest and other terms and conditions are in our opinion prima-facie non prejudicial to the interest of the Companies under the same management as defined u/s. (1B) of section 370 of the said Act.
- vii) The company has not granted or taken any loans, secured or unsecured to /from companies, firms or other parties covered in the register maintained u/s. 301 of the Act.
- viii) The company has not given any loans or advances in the nature of loans to the companies under the same management as defined under subsection (1B) of section 370 of the Companies Act 1956.
- ix) In our opinion and according to 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 for purchase of inventory (Shares & Securities).
- x) On the basis of information and explanation given to us, in respect of transactions entered into for purchase and sale of shares and securities and services rendered with the parties whose name are entered in the registered maintained under section 301 of the companies act, 1956 and aggregating during the year to Rs. 50,000 /- or more, we are of the opinion that the transactions are made at prices which are reasonable having regards to prevailing market price.
- xi) In our opinion and according to the information and explanation given to us, with regards to the deposits accepted from public the company has complied with direction issued by the Reserve Bank of India and the provisions of section 58A of the Companies Act, 1956.
- xii) The company does not have any formal system of internal audit. However in our opinion an according to information and explanation given to us, the internal control procedures are adequate, considering the size and nature of business of the Company.
- xiii) The provision of the section 209(1) (d) of the Companies Act, 1956 regarding the maintenance of the cost records are not applicable.
- xiv) As informed to us the provision of Provident Fund Act and employees state Insurance Act are not applicable to the company.
- xv) According to the Information and explanation given to us no undisputed amounts in respect of Income-tax, Wealth Tax, Sales Tax, Custody Duty and Excise duty were outstanding as at 31st March 2011 for a period of more than six months from the date day become payable.
- xvi) According to the information and explanation given to us and based on the generally accept audit procedure carried out by 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 generally accepted business practice.

- xvii) In relation to the service activities of the company there exists a reasonable internal control system commensurate with the size of the company and nature of its business.
- xviii) In our opinion and on the basis of information and explanation given to us, the services rendered by the company do not require my allocation of men hours.
- xix) The company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
- xx) The provision of any special statue applicable to chit funds, nidhi or mutual benefit society do not apply to the company.
- xxi) The company has maintained proper records of transactions in respect of trading in shares and other securities and timely entries have been made therein. All shares, debentures and other securities held by the company in its own name accept to the extent exemption granted u/s. 49 of the companies act, 1956 or in respect of certain investments which are either locked for transfer or held with valid transfer deed.
- xxii) In our opinion clause (xii), (xiv) and (xx) or para (a) of the aforesaid Order are not applicable to the company for the year under review.
- xxiii) The company has not made any preferential allotment on shares to parties and companies covered in the register maintained u/s. 301 of the Co. Act.
- xxiv) The Company has not raised any money by public issue during the year.
- xxv) During the year the company has not issued any debenture.
- xxvi) In respect of company's trading in equity activity, we are informed that there are no damaged stocks lying with the company.
- xxvii) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

PLACE : MUMBAI
DATE : 01-09-2011

For **MEHUL & ASSOCIATES**
CHARTERED ACCOUNTANTS
Sd/-
MEHUL DOSHI
PROPRIETOR
Membership no. : 103311

GFL FINANCIALS (INDIA) LTD.
BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHE- DULE	AS AT 31-03-2011	AS AT 31-03-2010
<u>SOURCES OF FUNDS</u>			
1. Share Holder's Funds			
(a) Share Capital	1	30000000	30000000
(b) Reserve Funds	2	1857106	1427675
2. Loans Funds			
Secured Loans	3	0	0
	Total	31857106	31427675
<u>APPLICATION OF FUNDS</u>			
1. Fixed Assets			
(a) Gross Block	4	827450	827450
(b) Less : Depreciation		297049	267302
(c) Net Block		530401	560148
2. Investments			
	5	19627026	17824061
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
(a) Stock of Shares & Securities	6	3300	418200
(b) Sundry Debtors		10050170	2181330
(c) Cash & Bank Balance		5396433	627339
(d) Loans & Advances		2030089	13347984
Sub total (A)		17479992	16574853
Less : -			
<u>CURRENT LIABILITY & PROVISIONS</u>			
(a) Current Liabilities	7	5780313	3531387
Sub Total (B)		5780313	3531387
Net Current Asets (A-B)		11699679	13043466
<u>MISCELLANEOUS EXPENDITURE</u>			
(To the extent not written off or adjusted)	8	0	0
Notes of accounts & significant accounting policies	10		
	Total	31857106	31427675
As per our report of even date attached			
For Mehul & Associates		On or behalf of Board	
CHARTERED ACCOUNTANTS		for GFL Financials (India) Ltd.	
SD/-		SD/-	
(Mehul Doshi)		Sanjay Savani	Rajendra Thakkar
Proprietor		(M.D.)	(DIRECTOR)
M. No. 103311			
PLACE : MUMBAI			
DATE : 01-09-2011			

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2011

PARTICULARS	SCHE DULE	AS AT 31-03-2011	AS AT 31-03-2010
<u>INCOME</u>			
Share Trading including F&O Segment (Sales)		166044206	6871868
Misc. Receipt		53019	141534
	Total	166097225	7013402
<u>EXPENDITURE</u>			
Share Trading including F&O Segment (Purchase)		164227348	5450023
Administration & Other Expenses	9	1410700	1033512
Depreciation		29747	29747
	Total	165667794.4	6513282
<u>Profit Before Tax</u>			
		429431	500120
Provision for Taxation		0	149883
Deferred Tax Liabilities		0	0
Profit After tax		429431	350237
Add : Bal.(Loss) brought Forward from last year		0	565236
Transfer to Sp. Reserve		0	0
Balance Carried to Balance Sheet		429431	915473
Notes of accounts & significant accounting policies	10		

As per our report of even date attached

For Mehul & Associates

CHARTERED ACCOUNTANTS

SD/-

(Mehul Doshi)

Proprietor

M. No. 103311

PLACE : MUMBAI

DATE : 01-09-2011

On or behalf of Board

for GFL Financials (India) Ltd.

SD/-

Sanjay Savani

(M.D.)

SD/-

Rajendra Thakkar

(DIRECTOR)

GFL FINANCIALS (INDIA) LTD.
SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31-03-2011

PARTICULARS	31.03-2011 RS.	31.03.2010 RS.
<u>SCHEDULE 1</u>		
Share Capital Authorised	34000000	34000000
Issued Subscribed & Paid up	30000000	30000000
Less : Allotment in Arrear	0	0
	30000000	30000000
<u>SCHEDULE 2</u>		
Reserve & Surplus		
General Reserves		
Balance Brought forward	815236	815236
Add : Trfd. During the year	0	0
	815236	815236
Special Reserve		
Balance Brought forward	184309	184309
Add: During Year	0	0
	184309	184309
Deffered tax Liability of earlier year	77893	77893
Add: Deferred Tax Liability of Curr. Yr.	0	0
	77893	77893
	1077438	1077438
P&l brought forward	350237	0
ADD P& L DURING THE YEAR	429431	350237
	1857106	1427675
<u>SCHEDULE 3</u>		
Secured Loans	0	0
	0	0
<u>SCHEDULE 5</u>		
INVESTMENT		
Un-Quoted	18989526	17186561
Quoted	637500	637500
TOTAL INVESTMENT	19627026	17824061
<u>SCHEDULE 7</u>		
<u>Current Liabilities & Provision</u>		
Sundry Creditors	5630430	3381504
Other Liabilities	0	0
Provision for Taxation	149883	149883
	5780313	3531387
As per our report of even date attached		
For Mehul & Associates		
CHARTERED ACCOUNTANTS		
SD/-	On or behalf of Board	
(Mehul Doshi)	for GFL Financials (India) Ltd.	
Proprietor	SD/-	SD/-
M. No. 103311	Sanjay Savani	Rajendra
PLACE : MUMBAI	Thakkar	
DATE : 01-09-2011	(M.D.)	(DIRECTOR)

GFL FINANCIALS (INDIA) LTD.
SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31-03-2011

PARTICULARS	31.03-2011 RS.	31.03.2010 RS.
<u>SCHEDULE 6</u>		
<u>Current Assets, Loans & Advances</u>		
Stock of Shares & Securities	3300	418200
	3300	418200
<u>Sundry Debtors (Unsecured Considered Goods)</u>		
Outstanding Exceeding 6 months	0	0
Other debts	10050170	2181330
	10050170	2181330
<u>Cash & Bank Balance</u>		
Bank Balances	4589884	170103
Cash in Hand	806549	457236
	5396433	627339
<u>LOANS & ADVANCES</u>		
<u>(Unsecured Considered Goods)</u>		
Loans & Advances	2013831	13333831
Deposit	0	0
Income Tax deducted at sources	16258	14153
	2030089	13347984
	17479992	16574853
<u>SCHEDULE "8"</u>		
<u>Misc. Expenditure</u>		
(To the extent not written off)		
Public issue Expenses	0	0
Profit & Loss Account	0	0
	0	0
As per our report of even date attached		
For Mehul & Associates CHARTERED ACCOUNTANTS SD/- (Mehul Doshi) Proprietor M. No. 103311 PLACE : MUMBAI DATE : 01-09-2011		On or behalf of Board for GFL Financials (India) Ltd. SD/- SD/- Sanjay Savani Rajendra Thakkar (M.D.) (DIRECTOR)

GFL FINANCIALS (INDIA) LTD.

Schedule "9"

ADMINISTRATIVE & OTHER EXPENSES		
PARTICULARS	31.3.2011	31.3.2010
Salary	420000	455200
Office Rent	75000	72000
Bank Charges & Commission	9916	11069
Fees & Subscription	0	18900
Legal & Profesional Charges	21200	82500
Stamp Duty Charges	66411	167
Turn Over Charges	189641	2948
Security Transection Charges	211922	17311
Service Tax	88515	1463
Electricity & Water	36406	45532
Repair & Maintenance (office)	0	12500
Stationery & Printing	48474	63350
Travelling Directors	21597	25080
Vehicles Running & Maintenance	0	200
Computer Expenses	10528	12210
Conveyance	106409	12535
Office Expenses	16581	37735
Telephone & Trunkcall	6469	19654
Postage, Courier & Telegram	23483	48589
Books & Periodicals	0	2210
Advertise exp.	12254	5663
Insurance	0	3693
Audit Fees	7500	15500
Listing Fees	17097	38825
Demat Charges & Share Transfer Expenses	21297	28678
	1410700	1033512

FOR THE YEAR 2010-11
GFL FINANCIALS (INDIA) LTD.

SCHEDULE - 4
DEPRICIATION
D

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRICIATION				NET BLOCK	
	AS AT 04/01/2010	ADDITION DURING THE YR.	DEDUC- TION	AS AT 31/03/2011	AS AT 04/01/2010	FOR THE YEAR	WRITTEN BACK DURING YR	AS AT 31/03/2011	AS AT 31/3/2011	AS AT 31/03/2010
OWNED ASSETS										
Office Premises	481500	0	0	481500	114009	7848	0	121857	359643	367491
Furniture & Fitting	345950	0	0	345950	153293	21899	0	175192	170758	192657
Total	827450	0	0	827450	267302	29747	0	297049	530401	560148
Previous year	827450	0	0	827450	237555	29747	0	267302	560148	589895

GFL FINANCIALS (INDIA) LTD.

CASH FLOW STATEMENT

A	CASH FLOW FROM OPERATING ACTIVITIES :	2010-11		2009-10	
	Net Profit / (loss) before tax and extraordinary items		429431		500120
	Adjustment for :				
1	Depreciation	29747		29747	
2	Foreign Exchange				
3	valuation of Stock in Trade				
4	Interest				
5	Pre.Op. & Public Issue Expenses W/off				
6	Provision for NPA & diminution of Investments		29747		29747
	Operating Profit before working Capital Changes		459178		529867
	Adjustment For:				
1	Trade and other receivables	-7868840		-905750	
2	Inventories	414900		-98200	
3	Loans & Advances	11317895		-3604108	
4	Trade payables	2248926		2784433	
	Cash Generated from Operation		6112880.9		-1823625
1	Interest Paid				
2	Direct Taxes Before extra ordinary items	0		-149883	
			0		-149883
	Net Cash from Operating Activities		6572058.4		-1443641
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Fixed Assets		0		0
	Sales of Fixed Assets		0		0
	Acquisition of Companies (As per annexure)		0		0
	Purchase of Investment		-1802965		0
	Sales of Investments		0		1710939
	Net Cash used in Investing Activities				
	Balance		4769094		267298
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from issue of share capital		0		0
	Share Application Money		0		0
	Proceeds from Long Term Borrowings		0		0
	Proceeds from Short Term Borrowings		0		0
	Repayment of Finance & Lease Liabilities		0		0
	Dividend Paid		0		0
	Net Cash Used in Financing Activities				
	Net Increase in Cash equivalents		4769094		267298
	Cash & Cash equivalent as at Op. bal.		627339		360041
	Cash & Cash equivalent as at Cl. bal.		5396433		627339

As per our report of even date attached

For Mehul & Associates
CHARTERED ACCOUNTANTS

SD/-
(Mehul Doshi)
Proprietor
M. No. 103311
PLACE : MUMBAI
DATE : 01-09-2011

On or behalf of Board
for GFL Financials (India) Ltd.

SD/- SD/-
Sanjay Savani Rajendra Thakkar
(M.D.) (DIRECTOR)

SCHEDULE “10”**Notes of Accounts:****1. Significant Accounting Policies****Income Recognition**

The Prudential norms for Income Recognition, Provisioning for bad debts etc. prescribed by the Reserve Bank of India (RBI) as applicable to the registered Non banking Financial Companies have been followed. Accordingly revenue Recognition has been considered in the accounts on accrual basis only on those assets classified and as stated below:

- a) Finance charges in respect of Hire Purchase transactions are accounted for in equal installment in respect of the hire purchase installments become due upto 31/03/2011.
- b) Lease rentals are reorganized on accrual basis as per terms of agreement.
- c) Interest on Loans and advances is recognized on accrual basis at the Contract rate.
- d) Income from Investments by way of dividends in accounted for, on receipt basis.

Expenses

It is the Company's policy to provide for all the expenses on accrual basis.

Depreciation Policy

Depreciation is provided on SLM as per rates specified in Schedule XIV to the companies Act, 1956 on a single shift working basis

General

The Financial statement of the Company are prepared on the “Historical Cost” basis confirming the statutory provisions and accepted prevailing accounting practices except as otherwise stated.

2. Balance Sheet**Fixed Assets**

Fixed Assets are accounted for at historical cost, which includes Freight, Installation Cost, Duties, Taxes and other incidental expenses incurred during installation stage.

Investments in Securities intended to be traded are classified as “Stock-in-Trade”.

Preliminary and Share Issue Expenses are amortized over the period of ten accounting years.

Current Assets

Loans including receivables considered good and unsecured in respect of which the company holds no security other than the debtors personal security. Advances and deposits considered good which are in cash or kind or for value to be received.

3. Taxation

The income tax provision if applicable have been made as per the provisions of I.T. Act.

Deferred Tax

Tax expense comprises both current and deferred taxes. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

4. Derivatives Transactions

- (a) All open positions are marked to market.
- (b) Gains are recognized only on settlement/expiry of the derivative instruments except for Interest Rate derivatives where even mark to-market gains are recognized.
- (c) Receivables/payables on open position are disclosed as current assets / current liabilities, as the case may be.

5. Compliance with Reserve Bank of India Prudential Norms

Income recognition, provisioning and assets classification are in accordance with norms prescribed by Reserve Bank of India from time to time.

Schedule to the Balance Sheet of a Non-deposit taking Non-Banking Financial Company as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies. Prudential Norms (Reserve Bank) Directions 2007 :

a) Disclosure in respect of related party transaction :

- (i) Borrower wise : Nil
- (ii) Investor wise : Nil

b) Position of non-performing assets and business levels is lease and hire purchase and other activities:

- (i) Equipment leasing : Nil
- (ii) Hire Purchase Finance, Loan, Investment : Nil

6 Disclosure in respect of related parties pursuant to Accounting Standard 18:

- a) List of related parties : NIL
- b) List of Associates : NIL
- c) During the year, no transaction was carried out with the related parties in the ordinary course of the business.

7 Other information :

- a) Gross Non-performing assets with related parties : NIL
- b) Gross Non-performing assets with other than related parties : NIL
- c) Net Non-performing assets with related parties : NIL
- d) Net Non-performing assets with other than related parties : NIL
- e) Assets acquired in satisfaction of debt : NIL

8 Special Reserve

Consequent to the Reserve Bank of India (Amendment) Act, 1997 coming into force effective January 9, 1997 where in all Non-banking Companies are required to transfer a sum not less than 20 % of its net profit after Tax to a special reserve wherever the net profit is adequately available, the company has duly complied with the RBI norms in this regards.

9. Remuneration to Managing Director : NIL (NIL)

10. There are no employees drawing exceeding Rs. 25,000/- p.m as the case may be.

11. Auditors Remuneration :

As Audit Fees	Rs. 7,500	(Prv.yr. 15,500)
As Tax Audit/Income Tax	Rs. Nil	(Prv.yr. NIL)
As Other Matter	Rs. Nil	(Prv. Yr. NIL)

12. Remittance in Foreign Exchange NIL (Previous NIL)

13. As per Accounting Standard (Earning Per Shares):

a) Profit / (Loss) after tax	429431
b) No. of Equity Shares	3000000
c) Loss per Shares (a/b)	0.14

14. General

No further information pursuant to paragraph 4C and 4D of the part II of the Schedule VI of the Companies Act, 1956 is given, as the same does not apply to the company.

Investments are treated as long term and are carried at cost.

The figures of previous year have been regrouped whenever necessary.

Contingent Liability : NIL

For **MEHUL & ASSOCIATES**
CHARTERED ACCOUNTANTS

SD/-
MEHUL DOSHI
PROPRIETOR

Membership no. : 103311

By order of the Board
For GFL Financials (India) Ltd

Sd/-	Sd/-
SANJAY SAVANI	NARESH SHAH
M.D	DIRECTOR

PLACE : Mumbai
DATE : 01-09-2011

AUDITORS' CERTIFICATE

To,

The Board of Directors
GFL Financials (India) Limited
Indore

We have examined the attached Cash Flow Statement of **M/S. GFL Financials (India) Limited.** for the year ended on 31-3-2011. The Statement has been prepared by the Company in accordance with the requirement of Listing Agreement Clause 32 with Mumbai Stock Exchange limited and is based on in agreement with corresponding Profit & Loss Account and Balance Sheet of the Company for 2010-11

Mehul & Associates.
Chartered Accountants

Place :MUMBAI
Date : 01-09-2011

SD/-
(Mehul Doshi)
Proprietor
M.No.103311

Additional information as required under part IV of Schedule VI of the Companies Act, 1956. Balance Sheet Abstracts and Company's General Business Profile:

Registration Details :

Registration No.	07196
State Code	10
Balance Sheet Date	31/03/2011

Capital raised during the year :

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

Position of mobilization and deployment of funds:

Total Liabilities	318.57
Total Assets	318.57
Sources of Funds	
Paid Up capital	300
Reserves & Surplus	18.57
Secured Loans	NIL
Unsecured Loans	NIL

Application of Funds:

Net Fixed Assets	5.30
Investments	196.27
Net Current Assets	116.99
Miscellaneous Exp. &	-
Accumulated Losses	-

Performance of Company :

Turnover	1660.97
Total Expenditure	1656.67
Profit / (Loss) before Tax	4.29
Profit / (Loss) after Tax	4.29
Earnings per Shares (Rs.)	0
Dividend Rate	NIL

**Generic Names of Principle Products,
Service of the Company :**

Items Code No.	N.A
Product Description	N.A

GFL FINANCIALS (INDIA) LIMITED
417, Chetak Centre Annex, 4th floor, RNT Marg, Indore

PROXY FORM

I/We _____
 Of _____ Be
 ing a member/members of above named Company hereby appoint of
 _____ or failing him / her
 _____ of _____
 as may / our proxy to attend and vote on my / our behalf at Annual General Meeting of the
 Company to be held on 30th September 2011 or at any adjournment thereof.

Signed this _____ day of _____ 2011.

Affix Rupee One Revenue Stamp Here
--

Note : This instrument of proxy shall be deposited at the Registered Office of the Company.

=====

GFL FINANCIALS (INDIA) LIMITED
417, Chetak Centre Annex, 4th floor, RNT Marg, Indore

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDENCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

1. Name of the attending Member _____
2. Member's Folio Number _____
3. Name of the Proxy (In Block Letters) _____
 (To be filled in if the Proxy attends instead of the Member)
 (No. of Shares held: _____).

I hereby record my presence at the Annual General Meeting at the registered Office on 30th Sept, 2011 or at any adjournment thereof.

Member's / Proxy Signature