



GOGIA
INTERNATIONAL SECURITIES LTD.

**11th Annual Report
2004-2005**

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)
ICICI Bank Ltd.
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

Ruchi Aggarwal

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 Eleventh Annual General meeting of **GOGIA INTERNATIONAL SECURITIES LIMITED** will be held on Saturday, 30th July 2005 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 Audited Profit & Loss Account for the year ended 31st March 2005 and the Balance Sheet as at that date together with reports of the Board of Director's and the Auditor's thereon.
2. To appoint a Director in place of Mr. Satish Gogia, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Auditors & fix their remuneration.

"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 though fit, to pass with or without modification(s) the following as an ordinary Resolution.

APPOINTMENT OF MANAGING DIRECTOR

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary. Mr. Satish Gogia be and is hereby reappointed as Managing Director of the Company for a period of 5 years w.e.f. 30/06/05 upon the term & conditions mentioned in the explanatory statement attached herewith.

RESOLVED FURTHER THAT the Company also accords its approval for the action(s) taken/ to be taken by the Board of Directors in this behalf."

NOTES:

- (1) Explanatory Statement as required under 173 of the Companies Act, 1956 is annexed hereto and Forms part of the notice.
- (2) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member. Proxies in order to be effective must be received by the Company 48 hours before the meeting.
- (3) The Register of Members and Share Transfer Books of the Company shall remain closed from 26th July 2005 to 30th July 2005 (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.

- (5) A member desirous of getting any information for the accounts or operations of the Company is requested to forward his/her queries to the company at least seven days prior to the date of meeting so that the requested information can be made available at the meeting.
- (6) Shareholders may please bring their copies of the Annual Report at the time of 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
 1. The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
 2. The company has paid the annual listing fees for the year 2005-06 to the aforesaid Stock Exchange.

By Order of the Board

Place: New Delhi
Date: 30:06:2005

Sd/-
(Ruchi Aggarwal)
Company Secretary

ANNEXURE TO THE NOTICE

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

ITEM NO. 4

In accordance with the provisions of the Companies Act, 1956 and subject to the approval of the shareholders and other regulatory authorities, as applicable, the Board of Director of the Company have decided to reappoint Mr. Satish Gogia as Managing Director of the Company for a period of 5 years w.e.f 30.6.2005 .The terms and conditions are given as under: -

A) Salary: Rs 75, 000/-per month

B). Perquisites:

- i). Residential Accommodation: The Company may provide residential accommodation or give house rent Allowance subject to a ceiling of 60% of the salary.
- ii) Gas, Electricity, Water, and Furnishing: The actual expenditure on gas, electricity, water and furnishing will be allowed and valued as per Income Tax Rules 1962, subject to a ceiling of 10% of the salary.
- iii) Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one-month salary per annum.
- iv) Leave Travel Concession: Leave Travel Concession shall be allowed for self & family once in a year in accordance with the rules of the Company.
- v) Club Fees: Fees subject to maximum of two clubs. This will not include admission and life membership fees.
- vi) Personal Accident Insurance for an amount the annual premium of which does not exceed Rs.4000/-
- vii) Benefit of Provident Scheme, Superannuating and Supper Annuity Fund as per Company's rules together with the benefit of any retirement fund or scheme, which the Company may introduce in future.
- viii) Gratuity payable in accordance with an approved scheme of the Company.
- ix) Residential Telephone shall be provided. All long distance personal calls shall be duly logged and paid for by the Managing Director.
- x) Earned Leave: One month full pay and allowance as per rule of the Company.
- xi) The Company may reimburse educational expenses for the two children.

C) The Remuneration and perquisites as in (A) & (B) above be paid as the minimum Remuneration in case of inadequacy of profits in any financial year.

No other director except Mr. Satish Gogia 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: 30:06:2005

Sd/-
(Ruchi Aggarwal)
Company Secretary

DIRECTORS' REPORT

The Board of Directors has pleasure in presenting the 11th Annual Report along with Audited Accounts for the year ended 31st March 2005

1. Financial Highlights

(Rs. in Lakhs except per Share data)

	31st March 2005	31st March 2004
Gross Income	324.43	278.82
Profit before depreciation & tax	78.48	58.16
Depreciation	24.86	19.24
Profit before Tax	53.62	38.92
Provision for Tax	18.43	11.00
Profit after Tax	35.19	27.92
Profit Carried forward to the Balance Sheet	139.60	106.83
Earnings per Share on Equity Shares of Rs.10 each	0.70	0.55

2. Operation

Capital market was buoyant in the fiscal year 2004-05. 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.324.43 Lakhs (previous year Rs.278.82), up 16%, through increased volume. The net profit grew by 26%.

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 itself more customers friendly and customer oriented. In its constant endeavor to grow the company acquired the membership of The Stock Exchange, Mumbai (BSE) and also registered itself as authorised Portfolio Management Service provider from SEBI.

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 expanding to other markets. Company is planning to open 10 more branches during the current fiscal year.

4. Directors

Mr. Satish Gogia, who retires by rotation and, being eligible, offers himself for reappointment.

Mr. Satish Gogia is a Chartered Accountant by Profession and has rich experience in capital market, and to explore his expertise he is being appointed as a Managing Director of the Company.

5. Auditors

M/s Sunil Kulshreshta & Associates, retiring Auditors, have expressed their willingness to continue as Statutory Auditors. They will hold office until the ensuing AGM and are eligible for reappointment. The members are requested to consider their reappointment for the current financial year 2005-06 and authorize the Board of Directors to fix their remuneration.

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, the Directors confirm that:

1. In the preparation of the annual accounts the applicable accounting standards have been followed and that there are no material departures.
2. They have in the selection of the accounting policies, consulted the Statutory Auditors and have applied consistently and made judgments and estimate that are reasonable and prudent so as to give a true and fair view of the State of affairs of the Company at the end of the financial year viz. March 31,2005 and of the profit of the company for the year ended on that date.
3. They have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in according with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting the fraud and other irregularities.
4. They 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	5,66,311	(NIL)

12. Corporate Governance

Pursuant to Clause 49 of the listing Agreement, Management Discussion and Analysis, Corporate Governance Report together with the Stock Exchange, a separate Section on Corporate Governance together with a certificate from the Company's Auditor confirming compliance is set out in the Annexure forming part of this report.

The Auditors Certificate on compliance of conditions of Corporate Governance forms part of this annual report.

13. Acknowledgement

The Directors wish to place on record their appreciation for their continued support and cooperation by Stock Exchange SEBI and the Company's Bankers. Further, the Director commends the executive of the company for their dedicated efforts that made these results achievable.

For and on behalf of the Board Directors

Place: New Delhi
Date: 30.06.2005

Sd/-
(Satish Gogia)
Chairman & Managing Director

ANNEXURE TO THE DIRCECTOR'S REPORT

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy

Gogia International Securities Limited believes that for the success of its business, an adherence to the core values of integrity, honesty, accountability and compliance of laws is of utmost significance. The Company continuously strives for improving performance and seizing opportunities to make it a leader in its field of business. The Company believes that adherence to Corporate Governance in all its dealings will make the Company more committed towards its shareholders, Government authorities, banks, Stock Exchanges, etc

Board of Directors

Composition and size of the Board

As on 31st March 2005, the Company's Board of Directors consists of:

- (i) 2 Executive Director, Chairman is executive director.
- (ii) 3 Non-Executive Directors, more than half of them are independent Directors.

Name	Category	Designation	No of meetings	No of Meetings attended	No. Of membership on other Companies
Satish Gogia	Executive	Chairman&Managing Director	13	13	1
Ashwani Gogia	Executive	Whole time Director	13	13	NIL
J.P Sethi	Non Executive	Director	13	8	NIL
Bhavuk K.Makkar	Non Executive	Director	13	8	NIL
A.K.Kucchal	Non Executive	Director	13	7	NIL

Audit Committee

Mr. A.K. Kuchhal, Chairman, Mr. Bhavuk Kumar Makkar, Member, Mr. J.P. Sethi, Member. Shareholders Grievance Committee

The charter of role and responsibilities of the Audit Committee includes the following major areas;

- Reviewing the adequacy of the internal Control System and the internal Audit Report
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct and sufficient
- Reviewing with Management the quarterly and annual financial statements before submission to the Board.
- Major accounting entries based on exercise of the judgment by management.
- Significant judgment arising out of profits.

- The going concern assumption.
- Compliance with accounting standards.
- Compliance with stock exchange and legal requirements concerning financial statements

Remuneration Committee

Mr. Bhavuk Makkar, Chairman, Mr. Ashwani Gogia, Member, Mr. A.K. Kuchhal, Member.

Shareholders' Grievance Committee

The Shareholders, Grievance Committee headed by Non - Executive Director was formed by the Company to provide the shareholders of the Company with additional assurance that sufficient information is being provided to enable them to form a reasoned opinion on the working of the Company and to ensure speedy redressal of their grievances pertaining to shares related issues.

Composition of the committee

Mr. Bhavuk Makkar, Chairman, Mr. Satish Gogia, Member, Mr. J.P. Sethi, Member.

Appointment of Directors

Mr. Satish Gogia, who retires by rotation and, being eligible, offers himself for reappointment.

Mr. Satish Gogia is a Chartered Accountant by Profession and has rich experience in capital market, and to explore his expertise he is appointed as a Managing Director of the Company.

Venue and time of the Last three General Meetings

Date	Category	Venue	Time	No of Special Resolution	No of Members Present
30th September, 2002	AGM	D-24, Green Park Main, New Delhi-110016	10.00A.M	0	16
30th September, 2003	AGM	D-24, Green Park Main, New Delhi - 110016	10.00A.M	1	15
27th September, 2004	AGM	D-24, Green Park Main, New Delhi - 110016	10.00A.M	2	18

The resolutions were passed on show of hands with requisite majority.

Disclosures

The Company does not have any related party transaction that are material in nature either with its promoters, Directors, Management and their relatives etc that would have a potential conflict with the interests of the Company.

The company has complied with all the procedural requirements as per SEBI/ Stock Exchange Guidelines.

Means of Communication

The Company has a website viz., www.gogiacap.com.

The financial results are generally published in Veer Arjun & Financial Express.

All material information about the company is promptly sent through fax/mail to the Bombay Stock Exchange.

General Shareholder's Information

As indicated in the notice to our shareholders, the Annual General Meeting of the Company will be held on 30th July, 2005 at 10.00 a.m. at D-24, Main Green Park, NewDelhi-110016

Tentative calendar of events for the financial year 2005-2006 (April to March), is given below:

Financial results for	: First Quarter	-	End of July 2005
	: Second Quarter	-	End of October 2005
	: Third Quarter	-	End of January 2006
	: Fourth Quarter	-	End of June 2006

Book Closure: From 26th July, 2005 to 30th, July, 2005 (both days inclusive)

Dividend Date: Company has not declared any dividend for the financial year 2004-2005

The share of the Company are listed on :

The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

- The stock code of the company at BSE is 531600
- The Listing fee for year 2005-2006 has been paid to Stock Exchange.
- Market Price Data: The monthly high and low stock quotations during the last financial year at the BSE is not available.

The Company's shares transfer agent is **Mass Services Pvt.Ltd.**

The Company's shares are covered under the compulsory dematerialization list and are transferable through the depository system. Share received for physical transfer are registered within a maximum period of two weeks from the date of receipt, if the documents are clear in all respects.

As on 31-03-2005, the distribution of Company's Shareholding was as follows:

S.No.	Name	No. of shares Held	Face Value Per Share	Amount paid on (Rs.)	%age of total
1.	Satish Gogia	22,00,000	10/-	2,12,14,000	57.02
2.	Ashwani Gogia	3,10,000	10/-	25,00,000	6.72
3.	Khem Chand	1,00,000	10/-	10,00,000	2.68
4.	Public Issue	24,60,800	10/-	1,24,96,538	33.58
	Total	50,70,800		3,72,10,538	100.00

Compliance Officer

Mrs Ruchi Aggarwal is the Compliance officer of the Company

Registered Office of the Company is situated D-24 Green Park Main, New Delhi 110016.

Address for correspondence:
D-24, Green Park Main, New Delhi 110016.

CERTIFICATE

To
The Members of Gogia International Securities Ltd.

We have examined the Compliances of the conditions of Corporate Governance by Gogia International Securities Ltd for the year ended 31st March 2005 as stipulated in Clause 49 of the Listing Agreement with Stock Exchange.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementations 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 statements of the Company.

In our opinion and as per our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governances stipulated in the above-mentioned Listing Agreement by the scheduled implementation date i.e. 31st March 2005.

We have explained that no investor grievances are pending for a period exceeding one month as on 31st March 2005, against the Company as per the records maintained by the Company.

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

For and on behalf of
M/s Sunil Kulshreshtha & Associates
Chartered Accountants

SUNIL KUMAR
Prop.

Place: New Delhi
Date: 30.06.2005

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 2005, 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. As required by the company (Auditor's report) Order, 2004("the order") issued by the Central Government of India in terms of sub-section (4A) of section 227 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.
- 4 Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 1. 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
 2. In our opinion, the Company has kept proper books of account as required by law so far as appears from our examination of those books.
 3. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
 4. 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.
 5. On the basis of written representations received from the Directors of the Company, as on 31st March 2005, 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 2005 from being appointed as a Director in terms of clause (g) of subsection (1) of Section 274 of the Act;
 6. 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 2005;
 - (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.

For **Sunil Kulshreshtha & Associates**
Chartered Accounts

Sunil Kumar
Prop.

Place: New Delhi
Date: 30.06.2005

ANNEXURE TO THE AUDITORS REPORT
(Referred to in paragraph 3 of our report of even date)

- (I) (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) To, the best of our knowledge and belief and according to the information and explanation given to us, we are of the opinion that there are no contracts arrangements, the particulars of which need to be entered into the register maintained under Section 301 of the companies Act, 1956.
- (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) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public during the year covered by our audit report. In respect of unclaimed deposits matured in the earlier years that are outstanding during the year, the company has complied with the provision of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. To the best of our knowledge and according to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law tribunal or Reserve Bank of India or any Court or any other Tribunal
- (VII) 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.
- (VIII) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (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 2005 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 2005 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, 2005
- (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) In our opinion, the company is not chit fund or nidhi /mutual benefit fund/society. Therefore the provision of clause 4(xiii) of the companies (Auditor Report) Order, 2004 are nor applicable to the company.
- (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, 2004 are not applicable to the Company for the current year.
- (XXI) To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company was noticed or reported during the year.

For **Sunil Kulshreshtha & Associates**
Chartered Accounts

Sunil Kumar
Prop.

Place: New Delhi
Date: 30.06.2005

Balance Sheet As On 31-03-2005

(Amount in Rs)

	Schedule	31 st March 2005	31 st March 2004
<u>SOURCES OF FUNDS</u>			
I) Shareholder's Funds			
Share Capital	1	37,210,538	37,210,538
Reserves and Surplus	2	14,191,484	10,913,845
Deferred tax Liability	3	1,986,353	1,870,000
II) Secured Loan	4	9,834,868	4,609,601
TOTAL		<u>63,223,243</u>	<u>54,603,984</u>
<u>APPLICATION OF FUNDS</u>			
I) Fixed Assets			
Gross Block	5	21,716,844	18,118,190
Less: Depreciation		<u>10,807,508</u>	<u>8,321,532</u>
Net Block (A)		10,909,336	9,796,658
II) Investments (B)	6	5,422,210	4,832,740
III) Current Assets, Loans and Advances			
Cash and Bank Balances	7	23,154,999	35,394,708
Sundry Debtors	8	35,256,770	18,778,059
Loans and Advances	9	21,701,733	11,531,657
Stock in Hand	10	<u>374,127</u>	<u>NIL</u>
TOTAL (C)		<u>80,487,629</u>	<u>65,704,424</u>
Less: Current Liabilities			
And Provisions [D]	11	<u>35,085,656</u>	<u>27,335,005</u>
Net Current Assets (C-D=E)		45,401,972	38,369,419
IV) Miscellaneous Expenditure (F)	12	1,489,725	1,605,168
(To the extent not Written off or adjusted)			
TOTAL (A+B+E+F)		<u>63,223,243</u>	<u>54,603,984</u>
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.)

For and behalf of the Board

Satish Gogia
CMD**Ashwani Gogia**
Whole time DirectorPlace: New Delhi
Date: 30/06/2005**Ruchi Aggarwal**
Company Secretary

Profit And Loss Account For The Year Ended 31-03-2005

(Amount in Rs)

	Schedule	31 st March 2005	31 st March 2004
Income			
Income From Operations	13	30,413,428	26,342,808
Other Incomes	14	<u>2,029,849</u>	<u>1,538,816</u>
Total		<u>32,443,277</u>	<u>27,881,624</u>
Expenditure			
Personnel Expenditure	15	4,320,808	2,984,129
Financial Charges	16	1,520,309	1,107,007
Administrative & Other Expenses	17	18,639,237	17,859,213
Depreciation		2,485,976	1,924,209
Miscellaneous Expenditure W/O		<u>115,443</u>	<u>115,443</u>
Total		<u>27,081,773</u>	<u>23,990,002</u>
Profit Before Tax		5,361,503	3,891,622
Less: Taxation For The Year		1,843,120	1,100,000
Current Tax		116,353	131,000
Deferred Tax		124,392	3,160
Excess Income Tax For Previous Year			33,904
Add: Refund Received			
Net Profit During The Year		<u>3,277,639</u>	<u>2,691,366</u>
Add: Profit Brought Forward		10,682,789	7,991,423
Profit Available For Appropriation		<u>13,960,428</u>	<u>10,682,789</u>
Appropriations			
Amount Transferred To General Reserve		NIL	NIL
Balance Carried To Balance Sheet		13,960,428	10,682,789
Total		<u>13,960,428</u>	<u>10,682,789</u>
Notes to the Financial Statements	18		

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

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: 30/06/2005

Ruchi Aggarwal
Company Secretary

SCHEDULES FORMING PART OF BALANCE SHEET

(Amount in Rs)

31st March 200531st March 2004**SCHEDULE 1: SHARE CAPITAL****Authorized Capital**

56,00,000 Equity Shares of Rs. 10/- each

5,60,00,0005,60,00,000**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

13,960,42810,682,789**Total****14,191,484****10,913,845****SCHEDULE 3: DEFERRED TAX LIABILITY**

Prior Period Adjustment

1,870,000

1,739,000

Current Year

116,353131,000**Total****1,986,353****1,870,000****SCHEDULE 4: SECURED LOAN**

IndusInd Bank

9,834,8684,609,601**Total****9,834,868****4,609,601****SCHEDULE 5 : Fixed Assets**

(Amount in Rupees)

Particulars	Gross Block				Depreciation				Net Block	
	As on 1/4/04	Addition	Sales	Total	As on 1/4/04	During the Year	Reversed on sales	Total	As on 31/3/05	As on 31/3/04
Building	2,600,000			2,600,000	150,595	42,380		192,975	2,407,025	2,449,405
Computers	11,336,511	2,120,303		13,456,814	6,584,930	1,999,936		8,584,866	4,871,947	4,751,580
Furniture	1,024,381			1,024,381	455,348	64,843		520,191	504,190	589,033
AC	299,820	67,920		367,740	83,993	15,195		99,188	268,552	215,827
Off Equip	726,028	22,750		748,778	234,088	102,499		336,587	412,191	491,940
Motor vehicle	1,883,138	1,387,681		3,270,819	758,099	249,328		1,007,427	2,263,392	1,125,039
Water cooler	22,512			22,512	8,523	1,069		9,592	12,920	13,989
Generator	225,800			225,800	45,956	10,726		56,682	169,118	179,844
Total	18,118,190	3,598,854	0	21,716,844	8,321,532	2,486,976	0	10,807,508	10,999,335	9,796,657
Previous Year	14,077,454	4,040,736		18,118,190	6,397,323	1,924,209		8,321,532	9,796,657	7,680,131

SCHEDULE 6: INVESTMENTS

Investment in Gogia Commodity trading Pvt. Ltd. (unquoted)

950,000

950,000

Investment in Listed Companies (quoted)

Details:

Name of the Company

Quantity

Amount(Rs.)

ACC

16398

2,363,699.00

TISCO

14050

1,465,541.00

MASTEK

100

53,500.00

GIRNAR FIBRES LTD

39298

589,470.00

4,472,2103,882,740

(Market price of quoted investment as on 31/03/05 Total is Rs. 116.02 Lacs)

5,422,210**4,832,740**

SCHEDULES FORMING PART OF BALANCE SHEET (Contd.)

(Amount in Rs)

	31 st March 2005	31 st March 2004
SCHEDULE 7: CASH AND BANK BALANCES		
Cash In Hand	593,598	4,930,447
Balance With Scheduled Banks on Current Accounts	-509,480	-814,389
Balance With Schedule Banks on Fixed Deposit Account	<u>23,070,881</u>	<u>31,278,650</u>
Total	<u>23,154,999</u>	<u>35,394,708</u>
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	6,803,682	5,820,118
(b) Others	<u>28,453,089</u>	<u>12,957,940</u>
Total	<u>35,256,771</u>	<u>18,778,058</u>
SCHEDULE 9: LOANS AND ADVANCES		
(Unsecured But Considered Good)		
Advances recoverable in Cash or in Kind or for Value to be Received		
Security Deposits	1,100,983	494,157
NSE Membership Fees	14,100,750	5,537,500
Advance Income Tax	5,000,000	5,000,000
	<u>1,500,000</u>	<u>500,000</u>
Total	<u>21,701,733</u>	<u>11,531,657</u>
SCHEDULE 10: STOCK IN HAND		
Stock In Hand	374,127	Nil
(Valued at Cost as Certified by the Management)		
Total	<u>374,127</u>	<u>Nil</u>
SCHEDULE 11: CURRENT LIABILITIES AND PROVISIONS		
a) Current Liabilities		
Sundry Creditors	26,720,680	20,049,219
Other Liabilities	1,921,641	2,492,602
Statutory Liabilities	66,715	138,184
Security (Clients and VSAT)	<u>4,533,500</u>	<u>3,555,000</u>
Total	<u>33,242,536</u>	<u>26,235,005</u>
b) Provisions		
For Income Tax	1,843,120	1,100,000
Total	<u>1,843,120</u>	<u>1,100,000</u>
Total (a)+(b)	<u>35,085,656</u>	<u>27,335,005</u>
SCHEDULE 12: MISCELLANEOUS EXPENDITURE (ASSETS)		
(To the Extent not written off or adjusted)		
Preliminary Expenses	17,050	18,600
Public Issue Expenses	<u>1,472,675</u>	<u>1,586,568</u>
Total	<u>1,489,725</u>	<u>1,605,168</u>

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

(Amount in Rs)

	31 st March 2005	31 st March 2004
SCHEDULE 13: INCOME FROM OPERATIONS		
Brokerage (Net)	25,842,319	22,246,198
Depository Service	4,571,109	4,096,611
Total	<u>30,413,428</u>	<u>26,342,809</u>
SCHEDULE 14: OTHER INCOME		
Interest	1,683,818	1,505,606
Miscellaneous Incomes	54,886	33,210
Delayed Payment Charges	291,145	NIL
Total	<u>2,029,849</u>	<u>1,538,816</u>
SCHEDULE 15: PERSONNEL EXPENSES		
Salary	3,846,139	2,626,994
Staff welfare	153,659	96,318
Contribution towards PF and ESI	321,010	260,818
Total	<u>4,320,808</u>	<u>2,984,129</u>
SCHEDULE 16: FINANCIAL CHARGES		
Bank Charges	524,967	522,488
Bank Interest	340,202	434,244
Interest Paid	655,140	150,275
Total	<u>1,520,309</u>	<u>1,107,007</u>
SCHEDULE 17: ADMINISTRATIVE AND OTHER EXPENSES		
Advertisement	109,108	385,962
Audit Fees	26,836	37,760
Bad Debts	1,673,774	Nil
Band Width Charges	679,548	645,010
BSE Membership Charges	507,000	Nil
Brokerage Paid	Nil	519,058
Business Promotion	780,934	96,054
Car Repair And Maintenance	99,147	Nil
Commission Paid	62,056	126,915
Computer Maintenance	85,128	Nil
Computer Software	966,668	2,466,080
Depository Expenses	977,077.24	1,249,300

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

Electricity And Water Charges	462,645.50	206,018
Loss On Account Of Trades Not Confirmed By Clients, Error Trades	493,738.93	580,816
Fees, Subscription And Periodicals	166,243	180,262
Insurance Premium	58,426.00	18,900
Lease Line Expenses	1,289,243	1,424,305
Legal And Consultancy Charges	1,838,212	1,114,482
Miscellaneous Expenses	518,555	715,078
Municipal Taxes	25,585	164,364
NSE Transaction Tax	44,332	2,095,122
Office Repairs And Maintenance	598,981	513,326
Printing And Stationary	752,099	387,550
Rent	494,010	433,900
SEBI Registration Expenses	535,000	Nil
SEBI Turnover Tax	1,331,806	Nil
Software Maintenance	Nil	110,100
Stamp Duty Paid	740,486	390,963
Telephone, Postage And Telegram me	1,108,502	1,862,199
Traveling And Conveyance	873,579	324,938
V-Sat Charges	1,340,517	1,810,750
Total	<u>18,639,237</u>	<u>17,859,213</u>

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) The securities held as stock-in-trade under current assets are quoted one and are valued at cost.
- iii) 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) and The Stock Exchange, Mumbai (BSE) 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 Rs 5,66,311

iii) 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 31.03.2005	As on 31.03.2004
Bank Guarantee	510 Lacs	325 Lacs
Underwriting commitment	Nil	Nil

vi) AUDITOR'S REMUNERATION

	As on 31.03.2005	As on 31.03.2004
Audit fees	Rs. 19,836	Rs. 25,000
Out of Pocket Expenses	Rs.7,000	Rs. 6,820

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	Nil	Nil	15070	3,74,127
Equity Shares-Previous Year	30548	38,82,740	Nil	Nil

ii) Details of Purchases and Sales during the year

	Purchase		Sales	
	Qty.	Value	Qty.	Value
	Nos.	Rs.	Nos.	Rs.
Equity Shares-Current Year	15070	374,127	Nil	Nil
Equity Shares-Previous Year	5905302	1,268,219,051	5905302	1,266,308,831

viii) REMUNERATION TO MANAGING DIRECTOR

	As on 31.03.2005	As on 31.03.2004
Salary	5,00,000	5,50,000
Contribution to P.F.	60,000	66,000

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. 5,60,000 /-

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 31.03.2005	As on 31.03.2004
Profit after Taxation	35,18,384	27,71,716
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.)	0.70	0.55
Diluted Earning Per Share (Rs.)	0.70	0.55

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.)

For and behalf of the Board

Satish Gogia
CMD

Ashwani Gogia
Whole time Director

Place: New Delhi
Date: 30/06/2005

Ruchi Aggarwal
Company Secretary

Cash Flow Statement For The Year Ending 31st March, 2005

	(Year ended 31/03/2005) (Amount in Rs.)	(Year ended 31/03/2004) (Amount in Rs.)
A. Cash Flow From Operating Activities		
Net Profit before Tax and Extra-Ordinary Items	5,237,112	3,922,366
Adjustment for depreciation	2,485,976	1,924,209
Miscellaneous Expenditure Written-off	<u>115,443</u>	<u>115,443</u>
Operating Profit Before Working Capital Changes	<u>7,838,531</u>	<u>5,962,018</u>
Adjustment for Trade and other receivables	-26,648,788	5,267,924
Inventories	-374,127	Nil
Trade and other payables	7,750,651	8,793,077
Provision for taxation	-1,843,120	-1,100,000
Net Cash from Operating Activities (A)	<u>-13,276,853</u>	<u>18,923,019</u>
B. Cash Flows From Investing Activities		
Purchase of Fixed Assets	-3,598,654	-4,040,736
Proceeds from sale of Fixed Assets	Nil	Nil
Increase in Investments	-589,470	-950,000
Net Cash from Investing Activities (B)	<u>-4,188,124</u>	<u>-4,990,736</u>
C. Cash From Financing Activities		
Proceeds from issuance of Share Capital	Nil	Nil
Proceeds from Secured Loans	5,225,268	66,691
Net Cash from Financing Activities (C)	<u>5,225,268</u>	<u>66,691</u>
Net Increase in cash or Cash Equivalents (A+B+C)	<u>-12,239,709</u>	<u>13,998,974</u>
Cash and Cash Equivalents at beginning	35,394,708	21,395,734
Cash and Cash Equivalents at the end of the period	23,154,999	35,394,708

Auditor 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: 30/06/2005

Ruchi Aggarwal
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 31.03.2005 covered by our Report of 30TH June, 2005 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 : 30.06.2005.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I. Registration Details**Registration No. State Code Balance Sheet Date **II. Capital raised during the year(Amount in Rs.Thousands)**

Public Issue

Rights Issue

Bonus Issue

Private Placement

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

Total Liabilities

Total Assets

Source of Funds

Paid-up Capital

Reserve & Surplus

Secured Loans

Un-secured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

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

Turnover

			3	0	4	1	3
--	--	--	---	---	---	---	---

Total Expenditure

			2	7	0	8	2
--	--	--	---	---	---	---	---

Profit Before Tax

				5	3	6	2
--	--	--	--	---	---	---	---

Profit/Loss after Tax

				3	5	1	8
--	--	--	--	---	---	---	---

Earning Per share in Rs.

				0	.	7	0
--	--	--	--	---	---	---	---

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

(ITC Code)

Products Description

Brokerage on Stocks and Shares
Depository Services

As per our separate report of even date attached

For Sunil Kulshreshtha & Associates
Chartered Accountants

Sunil Kumar
Prop.

For and on behalf of the Board

Satish Gogia
CMD

Ashwani Gogia
Whole Time Director

Ruchi Aggarwal
Company Secretary

Place : New Delhi
Date : 30/06/2005



D-24, Green Park Main, New Delhi-110016 India
Ph.-91-11-26529441/2/3, Fax : 91-11-26532767

Email: info@gogiacap.com Website- www.gogiacap.com

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