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14TH ANNUAL REPORT 1996-97

GSB FINANCE LIMITED

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BOARD OF DIRECTORS

SHRI G. S. BIYANI
Chairman
SHRI R. S. BIYANI
Executive Director
SHRI K. K. SABOO
SHRI R. K. MAHESHWARI
SHRI V. K. KOTHARI

AUDITORS

M/S SAJJAN PODDAR & ASSOCIATES
CALCUTTA

REGISTERED OFFICE

BASANT TOWER
1, CLYDE ROW, HASTINGS
CALCUTTA - 700 022

CORPORATE OFFICE

78-80, ALLI CHAMBERS
TAMARIND LANE
MUMBAI - 400 023

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NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Members of GSB Finance Limited will be held at Somany Conference Hall, 15B, Hemanta Basu Sarani, 2nd floor, Calcutta-700 001, on Monday, the 29th September, 1997 at 3.00 p.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Profit & Loss Account for the Period ended on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri G. S. Biyani who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri R. K. Maheshwari who retries by rotation and being eligible, offers himself for reappoinment.
4. To appoint a Director in place of Shri V. K. Kothari who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special resolution :

   APPOINTMENT OF EXECUTIVE DIRECTOR

   "Resolved that pursuant to the provisions of Section 269 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors for the appointment of Shri R. S. Biyani as the wholetime Executive Director of the Company with effect from 1.4.97 on such terms and conditions as detailed in the agreement entered with Shri R. S. Biyani and specified in the Explanatory Statement u/s 173(2) of the Companies Act, 1956 annexed to the notice".

7. To consider and if thought fit, to pass with or without modificatioins, the following resolution as a Special resolutin :

   CHANGE IN OBJECT CLAUSE

   "Resolved that pursuant to the provisions of section 17 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and as may be enacted from time to time, the main object clause of the Memorandum of Association of the company be and is hereby altered by substituting the following new clause in place of existing clause No 4 under Main object Clause III."

   i) To carry on the business of finance, making Loans & Advances, and to finance lease Operations of all kinds, to undertake bill discounting business, to purchase, finance, discount, rediscount bills of exchange, to act as a discount & acceptance house, to arrange acceptance or co-acceptance of bills, purchasing, selling, hiring or letting/leasing and/or providing consultancy services on hire, letting and/or leasing all kinds of movable & immovable properties including houses, real estate, building, ownership flats, sheds, factories, undertakings & various kinds of plants, machineries, furniture & fixtures, vehicles of all & every kind and description on hire purchases or deferred payments or similar transactions and to subsidising for financing and/ or to provide consultancy service of any nature whatsoever in every kind & description on any terms whatsoever.

   ii) To carry on business of an Investment company, and to invest the capital & other monies of the Company and for that purpose to purchase or otherwise acquire, deal in, invest in, hold, sell, mortgage, pledge or otherwise dispose off, turn to account or realise upon the security of shares, obligation & debentures, debenture stocks, bonds, mortgages, obligation & securities

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of any kind issued or guaranteed or otherwise and wheresoever constituted and to carry on business as share Brokers, dealers in shares, debentures & stocks.

8. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special resolution :

"Resolved that pursuant to the provisions of section 17 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force the main object clause of the Memorandum of Association of the Company be and is hereby altered by adding the following new clause) & deleting existing clause No 5 under Main object Clause IIIA."

iii) To carry on in India & elsewhere business and to work as merchants, buyers, sellers, traders, commission agents, Indenters, Underwriters, Money Lenders, Brokers of Stocks, bullions, contractors, order Suppliers, Selling Agents, Engineers, Merchandise exporters, Importers, assemblers, packers, wholesellers, Stockists, distributors, manufacturer's representatives and dealers in all kinds of goods & merchandise.

iv) To undertake and carry on the business of merchant banking including consultancy services of all kinds and descriptions, Investment counseling, Portfolio management, providing and syndication of Loans, counseling & tie-up for project and working capital finance, syndication of financial arrangements whether in domestic or international markets, handling of mergers and amalgations, assisting in the setting up of joint ventures, foreign currency lending, services to individuals, bodies corporate and authorities, whether or not in India, Tax consultancy, underwriting of any securities, whether singly or in consortium and without prejudice to the generality of the foregoing to act as advisors and consultants (financial, Technical, Management or otherwise), managers to the issue of shares, debentures, stocks, bonds & securities and to do all other incidental and allied activities.

"Resolved further that the Board of Directors be and is hereby authorised to take the necessary steps to obtain confirmation of the ROC wherever necessary in respect of the aforesaid alternations of clauses and to agree to and accept such modification/deletions/additions and on such terms & conditions in the proposed new insertion of main objects clause as may be directed by the ROC, concerned, and to modify the same accordingly."

8. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special resolution :

Resolved that pursuant to Section 149 (2A) and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby accorded to the Board of Directors for commencing and undertaking all or any of the business as set out particularly in subclause (C) of clause III of the Memorandum of Association as and when deemed fit by he Board of Direcors upon the aforesaid sub clauses becoming effective".

"Further resolved that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary to give effect to the above resolution".

Registered Office :
Basant Tower
1, Clyde Row, Hastings
Calcutta-700 022
Dated the 10th July, 1997.

By order of the Board
For **GSB FINANCE LTD.**
G. S. BIYANI
Chairman

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

Item No. 6

Sec. 269 of the Companies Act, 1956 requires a company having a paid-up capital of Rs. 5 Crores and above, to appoint a Managing Director or a wholetime Director or a manager with substantial power and authority in the management of the Company and the paid-up capital of the Company having crosed the limit appointment of a wholetime director is essential and your director recommend approval of the resolution as set out under item no. 6 of the notice.

Shri R. S. Biyani is devoting his full time for the business of the Company and without his personal interest and devotion to the Company, the progress so far achieved could not have been possible. The Board of directors therefore, decided to appoint Shri R. S. Biyani as the Executive Director and entered into an agreement with Shri R. S. Biyani to ths effect on 1.4.97. The details of the Salary and perquisites as agreed to by and between the parties are given below :

i)	**Period**	:	5 years w.e.f. 1.4.97.
ii)	**Salary**	:	Rs. 15,000/- per month with a provision for revision of same annually by the Board subject to a maximum increase in any one year being Rs. 5000/- p.m.
iii)	**Perquisites**	:	Classified into followng Categories :

CATEGORY — A

a)	**Housing Facilities**	:	The expenditure of the company for providing unfurnished accommodation shall be subject to a ceiling of 60% of the salary of Shri R. S. Biyani over and above 10% payable by him; alternatively, Shri R. S. Biyani may be allowed to draw House Rent Allowance upto 60% of the salary. The expenditure that may be incurred by the Company on gas, electricity, water & furnishing shall be valued as per Income Tax Rules, 1962 and be limited to 10% of his salary.
b)	**Medical Reimbursement**	:	For self and his family, subject to a ceiling of one month salary each year or 3 months salary over a period of 3 years.
c)	**Leave Travel**	:	Concessions for self and his family once in a year in accordance with Company's Rule.
d)	**Club Fees**	:	May be reimbursed subject to maximum of 2 clubs, excluding admission and life membership fees.
e)	**Personal Accident Insurance**	:	Premium not exceeding Rs. 1500/- for each year may be paid.

The aggregate value of all perquisites shall be restricted to the Annual salary or Rs. 3,60,000/- per annum, whichever is less.

CATEGORY — B

Contribution to Provident Fund and Gratuity Fund as per Rules of the Company.

CATEGORY — C

May be provided with a chauffeur driven car and telephone installed at his residence for the purpose of company's business.

NATURE OF DUTIES

Subject to supervision and control of the Board of Directors Shri R. S. Biyani shall be entrusted with the power of overall administration of the Company's business.

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None of the directors, excepting Shri R.S. Biyani & Shri G. S. Biyani is interested or concerned in this resolution.

ITEM NO. 7

Amendmends proposed by way of replacements to the main object clause in the Memorandum of Association as set out in resolution under this item are to facilitate your organisation to thrive on the uncertain and competitive market with the clear and definite future in their mind.

In order to give the concrete picture of the activities carried on by your organisation and in view of making the business strategies in tune with the time, your Directors have in mind the more precise and emphatic picture of what the organisation plans in its year's to come. Further, your directors believe that definite planning is the steady & sure road to success and your directors recommends approval of this resolution. None of the Directors is interested or concerned in this resolution.

ITEM NO. 8

In view of the sluggish economic scenario and development in the country and as one of the guiding principle of your corporation . Your Directors have always been considering various proposals and have decided to diversify its activities.

Amendmends proposed by way of additions and deletions as well to the main object clause in the Memorandum of Association as set out in resolution under this item are to facilitate diversificatioin, to enter into new business and to enable the company to enlarge its area of operation.

As a strategic tool for gaining competitive advantage and for improving overall productivity and efficiency of the organisation, and shareholders as also in harmony with greater public interest that the company should diversify its activities. It is also felt that the intended activities could be conveniently and advantageously combined with existing business of the company.

Accordingly the directors recommend to alteration of the Memorandum of Association of the Company in the manner as set out under item no. 8 of the notice to enable the company to take these new lines of activities in due course as and when considered proper by the Board of Directors. None of the Directors of the Company is personally interested in or concerned with this resolution.

ITEM NO. 9

To enable the company to commence the business activities, which may be deemed not to be germane to its present business, consent of the company by a special resolution as required under section 149 (2A) is necessary. Hence the special resolution under item no. 9 of the accompanying notice is recommended for the approval so that the board may take up and engage in one or more of the said business specified in other objects of the Memorandum of Associatioin of the Company as and when they deem fit.

None of the directors of the Company is concerned or interested in this resolution.

A copy of Memorandum of Association together with all the proposed amendments is available for inspection at the registered office of the Company between 11.00 to 1.00 p.m. on all working days except Saturdyas and holidays upto the date of the meeting.

Registered Office :
Basant Tower
1, Clyde Row, Hastings
Calcutta-700 022
Dated the 10th July, 1997.

By order of the Board
For **GSB FINANCE LTD.**
G. S. BIYANI
Chairman

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