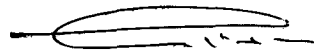


CERTIFIED TRUE COPY  
For GSB FINANCE LTD.

  
Director

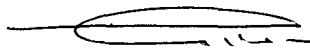
# 19th Annual Report 2001 — 2002



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**GSB FINANCE LIMITED**

**For GSB FINANCE LTD.,**

  
Director

Director



**BOARD OF DIRECTORS**

SHRI G. S. BIYANI

*Chairman*

SHRI R. S. BIYANI

*Executive Director*



**AUDITORS**

SAJJAN PODDAR & ASSOCIATES

*Chartered Accountants*

**REGISTERED OFFICE**

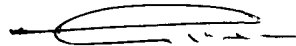
78-80, ALLI CHAMBERS

TAMARIND LANE

MUMBAI - 400 023

CERTIFIED TRUE COPY

For GSB FINANCE LTD.



Director

**NOTICE TO THE MEMBERS**

Notice is hereby given that the 19th Annual General Meeting of the members of GSB Finance Ltd. will be held at the Registered Office of the Company at 78/80, Alli Chambers, tamarind Lane, Fort, Mumbai-400 023 on Friday, the 27th September, 2002 at 10.00 A.M. to transact the following business :-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2002 together with the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Giridhari Sagarmal Biyani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the company and fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and if thought fit to pass, with or without modification the following resolution as an ordinary resolution ;

"RESOLVED that Smt. Sushma Biyani be and is hereby appointed as a Director of the Company whose period of office will be subject to retirement by rotation."

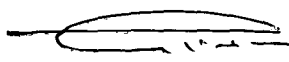


Registered Office :  
78/80, Ali Chambers  
Tamarind Lane, Fort Mumbai-400 023  
Dated : 31.07.2002

On behalf of the Board of Directors  
For **GSB FINANCE LTD.**  
G. S. BIYANI  
*Chairman*

CERTIFIED TRUE COPY

For GSB FINANCE LTD.

  
Director**NOTES :**

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy/ proxies to attend and vote in his/her stead and a proxy need not be a member.
2. The instrument appointing a proxy, in order to be effective, should reach the Registered Office of the Company not later than 48 hours before the meeting.
3. The Explanatory Statement pursuant to Sec. 173(2) of the Companies Act, 1956 is annexed hereto.
4. The Register of the member and Share Transfer Books of the company shall remain closed on 18th Octobers.
5. Members desiring any information on the accounts of the Company are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.
6. Members are requested to notify changes in their mailing addresses, if any.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 4**

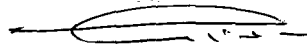
Smt. Sushma Biyani was appointed as Additional Director during the year and her term of office will expire with the conclusion of the forthcoming Annual General Meeting. Meantime the Company has received a notice u/s 257 of the Companies Act, 1956 from a member of the Company whereby the said member indicated his intention to move the resolution set out under Item No. 4 of the Notice for appointment of Smt. Sushma Biyani as a director of the Company.

Smt. Biyani is having extensive knowledge and expertise in the sphere of Company management and administration. Your directors feel that inclusion of Smt. Biyani as a member of the Board of Directors will be extremely beneficial in the interest of the Company and its shareholders. The Board therefore recommends that the resolution set out under Item No. 4 be adopted for the interest of the Company.

None of the directors, other than Mr. G. S. Biyani and Smt. S. Biyani is personally interested and/or concerned in this resolution.

CERTIFIED TRUE COPY

For GSB FINANCE LTD.



Director

**DIRECTORS' REPORT**

To, The Share Holders,

Your Directors have pleasure in presenting the 19th Annual Reports and Audited Statement of Accounts for the year ended 31st March, 2002.

**FINANCIAL RESULTS :**

	(Rs. in Lacs)	
	2001-2002	2000-2001
Profit before Depreciation & Tax	(30.26)	(63.86)
Depreciation	0.73	5.80
Provision for Taxation	0.00	0.00
Profit / (Loss) after Tax	(30.99)	(69.66)
Add : Balance B/F	(177.31)	(107.65)
Balance Carried to Balance Sheet	(208.30)	(177.31)

**PERFORMANCE**

The Company has suffered a further set back due to series of security scams affecting the Indian Stock Market. The Company is experiencing an unprecedented slump in the capital market, which is persisting over a long period without any sign of immediate revival.

Your Company is engaged in buying and selling of shares and stocks in the secondary market in BSE and NSE. Consequently, the impact of sudden recession caused by extensive scams was so great on your Company, that the carried forward loss of the Company was simply multiplied at the end of the day.

The security market is influenced by various economic factors such as the Government's economic policies as well as international security markets and the changes in the fiscal policies of the country. The future of stock and securities market is always beyond any body's guess. Yet the operation in the stock and security market are usually based on speculations and forecasts. When the market is steady and the overall economic situation of the country remains conducive the speculations and forecasts generally work; but in a reverse situation, the market behaviour is most unpredictable. That is why, dealings in the stock and securities market always carry some elements of risk which is to be taken care of appropriately.

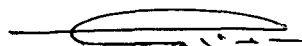
**DIVIDEND**

In view of the persistent losses your Directors regret their inability to recommend any dividend for the year under review.

**DIRECTORS**

During the year Mr. K. K. Saboo, resigned from the office of the directorship because of his other preoccupations and in his place Smt. S. Biyani was appointed as an additional Director whose term of office is due to expire with the conclusion of the forthcoming Annual General Meeting. Mean time the Company has received a notice from a member u/s 257 of the Companies Act, 1956, proposing appointment of Smt. S. Biyani as a director of the Company.

CERTIFIED TRUE COPY  
For GSB FINANCE LTD.



Director



## **DIRECTORS REPORT (Contd.)**

Smt. S. Biyani aged about 35 years is a commerce graduate and has a proficiency in the management and administration of business. She was in the Board of the Company in the recent past and is closely associated with the affairs of the Company over the last one-decade.

### **DEPOSITS**

The Company has not accepted and/or renewed any public deposit during the year.

### **AUDITORS**

The Auditors of the Company M/s. Sajjan Poddar & Associates, Chartered Accountants, will retire at the conclusion of the forthcoming Annual General Meeting. The Company has since received a notice from the retiring auditors to the effect that they would not offer themselves for reappointment because of their other pre occupation. Meantime M/s. S. K. Rath & Co., Chartered Accountants, have given their consent u/s 224(1B) of the Companies Act, 1956 to act as auditor of the company if appointed and have notified that such appointment would be within the limit prescribed under the Act.

It is proposed that M/s. S. K. Rath & Co. Chartered Accountants be appointed as the auditor of the company in place of the retiring auditor M/s. Sajjan Poddar & Associates in terms of the provisions u/s 224 of the Act.

Your directors take this opportunity to place on record their sincere appreciation of the invaluable services rendered by the retiring auditor during the tenure of their office.

### **AUDIT REPORT**

Report of the auditors read with the notes on accounts is self-explanatory and need no elaboration.

### **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the requirements of section 217(2AA) of the Companies Act, 1956 (as amended) it is hereby confirmed :-

- (a) that in preparation of the annual accounts for the financial year ended 31st March 2002, the applicable accounting standards(AS) have been followed with proper explanations relating to material departures;
- (b) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review;
- (c) that the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and detecting fraud and other irregularities;
- (d) that the Directors have prepared the annual accounts for the financial year ended 31st March 2002 on a "going concern" basis.

### **CORPORATE GOVERNANCE**

The SEBI has introduced a code of corporate governance to be followed by all listed companies having a paid up capital of Rs. 3 Crores and above and have made the code of mandatory through amending the Listing Agreements. In case of your company the requirements of the Listing Agreements are to be implemented compulsorily before 31st March 2003. Recognising the need for and also the importance of a sound code of corporate governance, the company has already initiated necessary steps for implementation of a sound code of corporate governance before the stipulated date.

For GSB FINANCE LTD.



**DIRECTORS REPORT (Contd.)**

Director

**AUDIT COMMITTEE**

In compliance of the provisions u/s 292A of the Companies Act, 1956 the company has constituted an audit committee of the Board of Directors. The committee consists of two non-executive directors and one executive director with Smt. S. Biyani, a non-executive director as its Chairperson. All the members of the committee are well versed in financial and company law matters and accounts. The company is in the process of inducting further professionals in the Board as independent non-executive directors. Till such time the Board of Directors is suitably expanded with a proper mixture of executive and non-executive directors, all the three directors of the company have been included in the audit committee.

The terms of preference of the committee are as under.

- To review the company's financial reporting system and to formulate appropriate system of disclosures to ensure that the financials statements are correct, sufficient and timely;
- To ensure internal control system and necessary follow-up actions on internal audit reports;
- To discuss from time to time, with the auditors on the scope and nature of audit and also to have post audit discussions to ascertain areas of concern;
- To review company's financial and risk management policies;
- To apprise the Board on the impact on accounting policies, Accounting Standards and other regulations.

The committee met twice during the year on 29.04.2002 and 31.07.2002 after its constitution and reviewed the annual statements of accounts before the same was placed before the auditors for their audit and report thereon.

**PARTICULARS OF EMPLOYEES**

The company had no employee employed during the year drawing salaries in excess of the limits prescribed u/s 217(2A) of the Companies Act, 1956.

**CONSERVATION OF ENERGY, ETC.**

The company is engaged in the business of trading and dealings in shares and securities and consequently various disclosures required u/s 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of the Directors) Rules, 1988 are not applicable to this company.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review	-	Earnings	-	Nil.
	-	Outgo	-	Nil.

**ACKNOWLEDGEMENT**

Your directors wish to express their gratitude to the officials of the financial institutions, Stock Exchanges, company's bankers and shareholders who have extended their valuable support to the company. Directors are also grateful to the staff and employees of the company for their devotion and relentless services.

Registered Office :  
78/80, Ali Chambers  
Tamarind Lane, Fort Mumbai-400 023  
Dated : 31.07.2002

For and on behalf of the Board  
For **GSB FINANCE LTD.**  
G. S. BIYANI  
Chairman



CERTIFIED TRUE COPY  
For GSB FINANCE LTD.

\_\_\_\_\_  
By \_\_\_\_\_

Director



## AUDITORS REPORT

### TO THE MEMBERS OF GSB FINANCE LIMITED

We have audited the attached Balance Sheet of M/s. **GSB FINANCE LIMITED** as at 31st March, 2002 and also the annexed Profit & Loss Account 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 misstatements. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with the provision of Section 227 of The Companies Act, 1956, we report as under :

1. 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.
2. In our opinion, proper books of account, as required by law have been kept by the Company so far as it appears from our examination of such books.
3. The Balance Sheet and the Profit and Loss Account dealt with report are in agreement with the books of accounts.
4. In our opinion, the Profit & Loss Account and the Balance Sheet dealt with by this report complies with by this accounting standards referred to Sub-Section (3C) of Section 211 of the Companies Act, 1956, to extent applicable.
5. On the basis of written-representations received from the Directors as on 31st March, 2002 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2002 from being appointed as a Director in terms of clause (g) Sub-Section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit & Loss Account read together with the Notes on Accounts as per Schedule "13" thereon give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view :-
  - (i) so far as it relates to Balance Sheet of the state of affairs of the Company as at 31st March, 2002; and
  - (ii) so far as it relates to Profit & Loss Account of the Loss of the Company for the year ended on that date.

As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988