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22nd

Annual Report
2004-2005

Report Junction.com

GSB FINANCE LIMITED

815, Stock Exchange Tower, 8th Floor, Dalal Street, Mumbai - 400 023.

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BOARD OF DIRECTORS
SHRI G.S.BIYANI
Chairman

SHRI R.S.BIYANI
Whole time Director

SMT.SUSHMA BIYANI
SMT.NEELAM BIYANI
RITIKA BIYANI
MANISH ZANWAR

AUDITORS
S.K.RATHI & CO.
Chartered Accountants.

REGISTERED OFFICE.
815, Stock Exchange Tower,
8th Floor, Dalal Street,
MUMBAI – 400 023

BANKERS
BANK OF INDIA
ICICI BANK LTD.
THE SOUTH INDIA BANK.
HDFC BANK LTD.

TRANSFER AGENT
System Support Services
209, Copper Chimney Building,
Shivalik Industrial Estate, Next to Park Davis,
Andheri-Kurla Road, Andheri (East),
Mumbai – 400 059
Tel.: 022-28500835

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NOTICE TO THE MEMBERS

Notice is hereby given that the 22nd Annual General Meeting of the members of GSB Finance Ltd. will be held at the Registered Office of the Company at 815, Stock Exchange Tower, 8th Floor, Dalal Street, Mumbai – 400 023 on Friday, the 30th September, 2005 at 11.00 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 2005 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 Smt. Sushma G. Biyani, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to 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 Mr. Manish Zanwar who was appointed as Additional Director by the Board of Directors of the Company at their meeting held on 1st February, 2005 and whose term of office expires at the commencement of this meeting and in respect of whom notice under section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose Mr. Manish Zanwar as a candidate for the office of Director of the Company be and is hereby appointed as Director of the Company liable to retire by rotation."

Date : 30th June, 2005
Place : Mumbai

For and on behalf of the Board
For GSB FINANCE LTD

Registered Office:
815, Stock Exchange Tower, 8th Floor,
Dalal Street, Mumbai – 400 023.

G. S. BIYANI
Chairman

NOTES

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the Company.
2. The instrument appointing a proxy, in order to be effective, should reach the Registered Office of the Company not less than 48 hours before the meeting.
3. The Register of the members and Share Transfer Books of the Company shall remain closed from 23/09/2005 to 30/09/2005 (inclusive of both the days)
4. 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.
5. Members are requested to notify changes in mailing addresses, if any.

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

Item No. 4

Mr. Manish Zanwar was appointed as Additional Director during the year and his 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 for appointment of Mr. Manish Zanwar as Director of the Company.

Mr. Manish Zanwar is having extensive knowledge and expertise in the sphere of Company management and administration. Yours directors feel that inclusion of Mr. Manish Zanwar as a member of the Board of Directors will be extremely beneficial and in the interest of the Company and its shareholders.

None of the Director of the Company is concerned or interested in the resolution.

Date : 30th June, 2005
Place : Mumbai

For and on behalf of the Board
For GSB FINANCE LTD

Registered Office:
815, Stock Exchange Tower, 8th Floor,
Dalal Street, Mumbai – 400 023.

G. S. BIYANI
Chairman

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DIRECTORS' REPORT

The Members,

Your Directors' have pleasure in presenting the 22nd Annual Reports together with Audited Statement of Accounts for the year ended 31st March 2005.

FINANCIAL RESULTS:

		(Rs. in Lacs)
	2004-2005	2003-2004
Profit before Depreciation & Tax	98.33	190.50
Depreciation	1.17	0.74
Provision for Taxation	34.11	15.00
Tax for earlier year w/off.	-	7.82
Profit / (Loss) after Tax	63.05	166.94
Less: Transfer to Statutory Reserve Fund	11.80	33.50
Add: Balance B/F	(43.02)	(176.46)
	8.23	(43.02)

PERFORMANCE:

The year under review again has been of significant development for stock market. The year have seen upward movement in the equity market from May 2004 , this year volumes and price range were on upward movement, various risk management tools implemented by SEBI, have brought out fair trade practice in the market. However, company in current year has shown turnaround performance, by posting net operating profit before tax at Rs.97.16 Lacs.

Management is of the view that Indian economy is on upbeat mood and industries are performing very well, results announced by various corporate having weightage on index are performing very well and boosted the confidence of Investor in the Capital Market. FIIs and Indian Institutional Investors and Mutual Funds turn out to be main class of player in the market and studies so far suggest that these category of Investor find Indian financial market a safe place for investment and growth and source for regular and reasonable return to the members of these institution and therefore it is believed that these players shall stay in the market for near future years to come. There presence in the market shall ensure reasonable movement in the price of security in the capital market and shall ensure proper valuation of the company's equity worth. A part from this as we have brought out that industrial recovery and positive attitude by the government for capital market will lead to favorable movement in the stock prices and this will help company in earning substantially, if market remains to be favorable. However, there is concern on monsoon front in current year as many part of the country has witnessed heavy rain over there requirements which has lead to floods in various areas, this may lead to loss of lives as well as capital this may affect profitability of the company which has to bear loss from flood and there dividend paying capacity and this may effect capital market adversely for short period. However, Management is of the opinion that in spite of overall economic situation market remain conducive to the speculation and forecasts generally works, but dealing in the stock and securities always carries some elements of risk which is to be taken care of appropriately.

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DIVIDEND:

Your Directors regret their inability to recommend any dividend for the year under review in view of insufficient profit available for distribution.

DIRECTORS:

Smt. Sushma G. Biyani, Director of the Company retires by relation at the forthcoming Annual General Meeting under the provisions of Articles of Association of the Company and being eligible, offer herself for re-appointment.

DEPOSITS

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

AUDITORS:

M/S. S. K. Rathi & Co., Chartered Accountants who are the Auditors of the Company to hold the Office till the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received consent from the Auditors pursuant to Section 224 of the Companies Act, 1956.

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, your Directors hereby state:

(a) That in preparation of the annual accounts for the financial year ended 31st March 2005, the applicable accounting standards had been followed with proper explanations relating to material departures;

(b) That we have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable 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 and of the profit of the Company for the year under review;

(c) That we have taken proper and sufficient care 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 the fraud and other irregularities;

(d) That we have prepared the annual accounts for the financial year ended 31st March 2005 on a "going concern" basis.

CORPORATE GOVERNANCE

The Company has complied with the requirements regarding Corporate Governance as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, where the Company's

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shares are listed. A report on the Corporate Governance in this regard is made a part of this Annual Report and a Certificate from the Auditors of the Company regarding compliance of the conditions of the Corporate Governance is attached to this report.

PARTICULARS OF EMPLOYEES

The Company has 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

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 & OUTGO:

During the year under review - Earnings - Nil
- Outgo - Nil (P.Y. Newseland $3000=Rs.90, 300/-)

ACKNOWLEDGEMENT:

Your Directors wish to express their gratitude to the officials of the Stock Broking Houses, 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.

Date : 30th June, 2005
Place : Mumbai

For and on behalf of the Board
For GSB FINANCE LTD

Registered Office:
815, Stock Exchange Tower, 8th Floor,
Dalal Street, Mumbai – 400 023.

G. S. BIYANI
Chairman

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REPORT ON CORPORATE GOVERNANCE

1. **GSB FINANCE LIMITED'S PHILOSOPHY ON CODE OF GOVERNANCE :**
The Company has incorporated the sound Corporate Governance practices. Further the Board lays emphasis on transparency, accountability and integrity in all its operations and dealings with outsiders. Your Company has adopted some of the best practices in corporate governance much before the Code was formulated. The following are the detailed practices on Corporate Governance in your Company:

2. **BOARD OF DIRECTORS**

(a) Composition of the Board : (for the financial year 2004-2005)

Director	No. of Meetings attended	* No. of outside Directorship held	Total No. of Membership / Chairmanship of Committees across all Companies	
			Member	Chairman
Mr. Girdhari S. Biyani	6	3	-	-
Mr. Ramakant S. Biyani	6	4	-	-
Smt. Sushma G. Biyani	6	2	-	-
Smt. Neelam Biyani	6	1	-	-
Ms. Ritika G. Biyani	6	-	-	-
Mr. Manish Zanvar	1	-	-	-

(Excluding Alternate Directorship and Directorship in private limited companies, foreign companies and Section 25 Companies.)

All the Directors have attended the last Annual General Meeting held on 30th September, 2004 except Mr. Manish Zanwar.

5 (Five) Board Meeting were held during the financial year 2004-2005. The dates on which the meeting were held are given below:
30.06.2004, 31.07.2004, 30.10.2004, 31.01.2005 and 01.02.2005, 16,04,2005

3. **AUDIT COMMITTEE:**
The following Executive Directors are the members of the Audit Committee :

1.	Shri. Girdhari S. Biyani	Chairman of the Committee
2.	Shri. Ramakant Biyani	Director
3.	Smt. Sushma Biyani	Director

Statutory Auditors, M/s. S. K. Rathi & Co., C.A., Internal Auditors M/s.Sajjan Poddar & Associates, C.A. attended the meetings of the Committee as invitees. The Committee meet four times during the year 2004-2005 on 30.06.2004, 31.07.2004, 30.10.2004 and 31.01.2005 as against the minimum requirement of 3 meetings.

The Audit Committee held discussions with the Statutory Auditors on the "Limited Review" of the half-yearly accounts, matters relating to compliance of accounting standards, their observations arising from the annual audit of the Company's accounts and other related matters

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4. **REMUNERATION OF DIRECTORS:**
The Company does not pay any remuneration except sitting fees for attending the Board / Committee Meeting to Non-executive Directors.

Disclosure of Non-mandatory requirement:

The Board has not constituted a Remuneration Committee, as it is not mandatory. The same will be constituted as and when the need will arise.

5. **SHAREHOLDERS COMMITTEE :**
The Shareholders / Investors Grievance and Share Transfer Committee consists of 2 Non-executive and Managing Director viz.,

1.	Shri. Girdhari S. Biyani	Chairman of the Committee
2.	Smt. Neelam Biyani	Director
3.	Ms. Ritika G. Biyani	Director
Compliance Officer :		Shri. Ramasre Pande,

During the year, the Company has not received any complaint letters from the shareholders. There were no pending complaint letters from the shareholders as on 31.03.2005

Delivery of equity shares of the Company by all investors / shareholders is now mandatory in the dematerialised form in all Stock Exchanges.

6. **GENERAL BODY MEETINGS:**
Location and time, where last AGM held:

Year	Location	Date	Time
2003-2004	815, Stock Exchange Tower, 8th Floor, Dalal Street, Mumbai – 400 023	30th September, 2004	11.00 A.M.

7. **Means of Communication :**
The quarterly results are published in the newspapers viz., Financial Express and Lok Sanket. The Company currently does not have a website. Official news releases and presentations made to analysts are sent to the Stock Exchanges, where the Company's shares are listed.

8. **Disclosure of Non-mandatory requirement:**
Quarterly results are published in the newspapers and released to the Stock Exchanges immediately after the Board Meeting and are not sent to the shareholders.

9. **Shareholder Information :**
i) Annual General Meeting
Date : 30.09.2005
Time : 11.00 A.M.
Venue : 815, Stock Exchange Tower, 8th Floor, Dalal Street, Mumbai – 400 023

ii) Financial Calendar
Financial reporting for

Quarter ending June 30, 2005	:	End of July 2005
Quarter ending Sept. 30, 2005	:	End of October 2005
Quarter ending Dec. 31, 2005	:	End of January, 2006
Quarter ending March 31, 2006	:	End of June 2006

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Annual General Meeting for the Year ended March 31, 2006 : End of September 2006

iii) Dates of Book Closure : 23.09.2005 to 30.09.2005 (both days inclusive)

iv) Dividend payment date : —

v) Listing on Stock Exchanges at :

1. The Stock Exchange, Mumbai
2. The Calcutta Stock Exchange Association Ltd
3. Uttar Pradesh Stock Exchange Association Limited
4. Jaipur Stock Exchange

vi) Demat ISIN Number in NSDL and CDSL : INE 777C01011

vii) Stock Market Data: (in Rupees)

Year 2004-2005	Bombay Stock Exchange	
	Month's High Price	Month's Low Price
April	3.50	2.02
May	4.18	1.75
June	2.15	1.15
July	3.38	1.50
August	3.58	1.53
September	3.10	1.72
October	2.96	1.85
November	4.92	2.05
December	5.40	3.01
January	8.64	4.50
February	11.90	6.21
March	10.57	6.85

viii) Registrar and Share Transfer Agents :

System Support Services
209, Copper Chimney Building,
Shivalik Industrial Estate, Next to Park Davis,
Andheri-Kurla Road, Andheri (East),
Mumbai – 400 059
Tel.: 022-28500835

ix) Share Transfer System

Share Transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The power to approve transfer of securities has been delegated by the Board to the Shareholders / Investors Grievance and Share Transfer Committee, which meets once in a fortnight. Share transfer requests are processed within an average of 15 days from the date of receipt. Letters are sent to the

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