

20th
Annual Report
2002 - 2003



GSB FINANCE LIMITED

For GSB FINANCE LTD.

Director



BOARD OF DIRECTORS

SHRI G.S.BIYANI

Chairman

SHRI R.S.BIYANI

Whole time Director

SMT.SUSHMA BIYANI

SMT.NEELAM BIYANI

RITIKA BIYANI

AUDITORS

S.K.RATHI & CO.

Chartered Accountants.

REGISTERED OFFICE.

78/80, ALLI CHAMBERS,

TAMARIND LANE,

MUMBAI - 400 023

BANKERS

BANK OF INDIA

ICICI BANK LTD.

THE SOUTH INDIA BANK.

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

For GSB FINANCE LTD.

Director



NOTICE TO THE MEMBERS

Notice is hereby given that the 20th 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 26th September, 2003 at 10.30 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, 2003 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 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 Miss. Ritika Biyani who was appointed as Additional Director by the Board of Directors of the Company at their meeting held on 15th February, 2002 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 Miss. Ritika Biyani 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.”

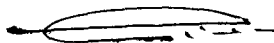
5. To consider and if thought fit to pass, with or without modification the following resolution as an ordinary resolution :

“RESOLVED THAT Smt. Neelam Biyani who was appointed as Additional Director by the Board of Directors of the Company at their meeting held on 15th February, 2002 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 Smt. Neelam Biyani 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.”

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

“RESOLVED THAT the Equity Shares of the Company be delisted from The Calcutta Stock Exchange Association Limited, Uttarpradesh Stock Exchange Association Limited and Jaipur Stock Exchange in accordance with the relevant laws, rules, regulations or guidelines and subject to such approvals as may be necessary and in compliance with such conditions and modifications as may be necessary for the purpose.

For GSB FINANCE LTD



Director



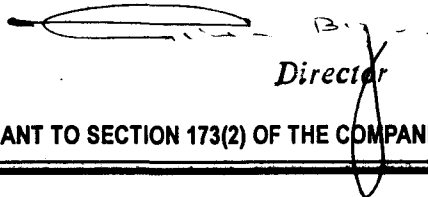
RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee of thereof exercising powers conferred by the Board) be and is hereby authorised to seek voluntary delisting, to take all necessary steps in this regards as it may in its absolute discretion deem necessary and to settle any question, difficulties, doubts that may arise in regard to delisting of the existing shares and to execute all such deeds, documents, writings as may be necessary or expedient and for this purpose to delegate the authority to the Managing Director or the Company Secretary or any person whom the Managing Director may consider suitable to do various acts, deeds and things required to be done in this behalf."

Registered Office :
78/80, Ali Chambers
Tamarind Lane, Fort Mumbai – 400 023
Dated : 31.07.2003

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

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 members and Share Transfer Books of the Company shall remain closed from 23/09/2003 to 26/09/2003 (inclusive of both the days)
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 mailing addresses, if any.


Director



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

Item No. 4

Miss. Ritika 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. 5 of the Notice for appointment of Miss. Ritika Biyani as Director of the Company.

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

No Director of the Company is concerned or interested in the resolution.

Item No. 5

Smt. Neelam 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. 6 of the Notice for appointment of Smt. Neelam Biyani as Director of the Company.

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

No Director of the Company is concerned or interested in the resolution.

Item No. 6

The Equity Shares of the company are presently listed at Bombay Stock Exchange, The Calcutta Stock Exchange Association Limited, Uttarpradesh Stock Exchange Association Limited and Jaipur Stock Exchange. Since last few years the volume of trading of the Company's shares at The Calcutta Stock Exchange Association Limited, Uttarpradesh Stock Exchange Association Limited and Jaipur Stock Exchange has reduced considerably which does not justify payment of considerable amount by way of listing fees and other expenses which the company is incurring. The Board of Directors of the Company at their meeting held on 31st July, 2003 has therefore decided to get the shares de-listed from the above mentioned The Calcutta Stock Exchange Association Limited, Uttarpradesh Stock Exchange Association Limited and Jaipur Stock Exchange in accordance with the applicable laws, rules, regulations and guidelines.

As required under the Listing Agreement entered by the Company with the Stock Exchanges, the company seeks your approval by way of special resolution for delisting the shares of the Company from the said Stock Exchanges at Calcutta, Uttarpradesh and Jaipur.

Shareholders/Investors in these regions will not suffer due to delisting since with the introduction of Screen Trading on the Stock Exchange, Mumbai, trading in shares can easily be done from all over the country.

No Director of the Company is concerned or interested in the resolution.

Registered Office :

78/80, Ali Chambers
Tamarind Lane, Fort Mumbai – 400 023
Dated : 31.07.2003

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

For GSB FINANCE LTD.

Director



DIRECTORS' REPORT

The, The Shareholders,

Your Directors' have pleasure in presenting the Twentieth Annual Reports together with Audited Statement of Accounts for the year ended 31st March, 2003.

FINANCIAL RESULTS :

	(Rs. in Lacs)	
	2002-2003	2001-2002
Profit before Depreciation & Tax	35.24	(30.26)
Depreciation	0.69	0.73
Provision for Taxation	2.72	0.00
Profit / (Loss) after Tax	31.84	(30.99)
Add : Balance B/F	(208.30)	(177.31)
	<u>(176.46)</u>	<u>(208.30)</u>

PERFORMANCE

The year under review again have been of significant development for secondary market. The year have seen downward movement in the equity market volumes and price range were range bound, various risk management tools implemented by SEBI, have brought out fair trade practice in the market.

However, company in current year have shown turnaround performance, by posting net operating profit before tax at Rs.34.56 Lacs.

Management is of the view that in view of industrial recovery, good monsoon and positive attitude by the government for capital market will lead to favourable movement in the stock price and this will help company in covering brought forward losses substantially if market remain to be favourable.

However, Management is of the opinion that in spite of overall economic situation remain conducive to the speculation and forecasts generally works, but dealing in the stock and securities market always carries some elements of risk which is to be taken care of appropriately.

DIVIDEND :

Your Directors regret their inability to recommend any dividend for the year under review.

DIRECTORS :

Smt. Sushma Biyani, Director of the Company retires by rotation at the forthcoming Annual General Meeting under the provisions of Articles of Association of the Company and being eligible, offers himself for re-appointment.

During the year Miss. Ritika Biyani was appointed as an additional Director whose term of office is due to expire with the conclusion of the forthcoming Annual General Meeting. Meantime the Company has received a notice from a member u/s 257 of the Companies Act, 1956, proposing appointment of Miss. Ritika Biyani as a director of the Company

For GSB FINANCE LTD.


Director


During the year Smt. Neelam Biyani was appointed as an additional Director whose term of office is due to expire with the conclusion of the forthcoming Annual General Meeting. Meantime the Company has received a notice from a member u/s 257 of the Companies Act, 1956, proposing appointment of Smt. Neelam Biyani as a director of the Company

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 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, (as amended) it is hereby confirmed :-

- (a) that in preparation of the annual accounts for the financial year ended 31st March 2003, 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 the 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 2003 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 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.

For GSB FINANCE LTD.

Director

**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.

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 : 31.07.2003

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

For GSB FINANCE LTD.

Director



REPORT ON CORPORATE GOVERNANCE

1. GSB FINANCE LIMITED'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Securities and Exchange Board of India has introduced a Code of Corporate Governance for implementation by Companies listed with Stock Exchanges from the year 2001-2002. The Board of Directors of your Company strongly supports the principles of corporate governance. 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 2002-2003)

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	4	1	-	-
Mr. Ramakant S. Biyani	4	1	-	-
Smt. Sushma G. Biyani	4	1	-	-
Smt. Neelam Biyani	4	-	-	-
Ms. Ritika G. Biyani	2	-	-	-

(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 27th September, 2002.

5 Board Meeting were held during the financial year 2002-2003. The dates on which the meeting were held are given below:

29.06.2002, 30.07.2002, 31.07.2002, 8.11.2002 and 28.01.2003

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 met four times during the year 2002-2003 on 29.06.2002, 30.07.2002, 8.11.2002 and 28.01.2003 as against the minimum requirement of 3 meetings.