

23rd

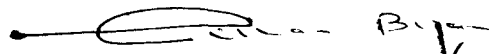
Annual Report 2005-2006

Report  Junction.com

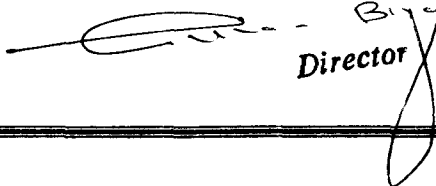


GSB FINANCE LIMITED

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

For GSB FINANCE LTD.*Director***23RD ANNUAL REPORT**

CONTENTS	PAGE NO.
Board of Directors	1
Notice	2
Directors' Report	5
Report on Corporate Governance	8
Auditors' Report	14
Balance Sheet	17
Profit & Loss Account	18
Schedules to Balance Sheet and Profit & Loss Account	19
Notes Forming part of Accounts	28
Balance Sheet Abstract	32
Cash Flow Statement	33


Director



BOARD OF DIRECTORS

SHRI G.S.BIYANI
Chairman

SHRI R.S.BIYANI
Whole-time Director

RITIKA BIYANI
MANISH ZANWAR
SAJJAN KUMAR PODDAR
YOGESH PATEL
PARASRAM KABRA

AUDITORS

S.K.RATHI & CO.
Chartered Accountants.

Report Junction.com

REGISTERED OFFICE.

815, Stock Exchange Tower,
8th Floor, Dalal Street,
MUMBAI - 400 001

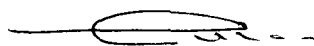
BANKERS

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;





NOTICE TO THE MEMBERS

Director

Notice is hereby given that the 23rd Annual General Meeting of the members of GSB Finance Ltd. will be held at the Corporate Office of the Company at 78/80, Alli Chambers, Tamarind Lane, Fort, Mumbai - 400 001 on Tuesday, the 26th September, 2006 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 2006 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 Ramakant Biyani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Miss Ritika Biyani, who retires by rotation and being eligible, offers herself for re-appointment.
4. 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

5. To consider and if though fit to pass, with or without modification the following resolution as an ordinary resolution:
"RESOLVED THAT Mr. Parasram Kabra who was appointed as Additional Director by the Board of Directors of the Company at their meeting held on 10th November, 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. Parasram Kabra 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 though fit to pass, with or without modification the following resolution as an ordinary resolution:
"RESOLVED THAT Mr. Sajjan Kumar Poddar who was appointed as Additional Director by the Board of Directors of the Company at their meeting held on 30th December, 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. Sajjan Kumar Poddar 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"
7. To consider and if though fit to pass, with or without modification the following resolution as an ordinary resolution:
"RESOLVED THAT Mr. Yogesh Patel who was appointed as Additional Director by the Board of Directors of the Company at their meeting held on 30th December, 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. Yogesh Patel 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"

For and on behalf of the Board
For GSB FINANCE LTD

Registered Office:
815, Stock Exchange Tower, 8th Floor,
Dalal Street, Mumbai - 400 023.
Place : Mumbai
Date : June 30, 2006

G. S. BIYANI
Chairman

For GSB FINANCE LTD.

Director



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 23/09/2006 to 26/09/2006 (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.

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

Mr. Parasram Kbra was appointed as Additional Director on 10th November, 2005 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. Parasram Kbra as Director of the Company.

Mr. Parasram Kbra is having extensive knowledge and expertise in the sphere of Company management and administration. Your directors feel that inclusion of Mr. Parasram Kbra 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 Directors of the Company is concerned or interested in the resolution.

Item No.5.

Mr. Sajjan Kumar Poddar was appointed as Additional Director on 30th December, 2005 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. Sajjan Kumar Poddar as Director of the Company.

Mr. Sajjan Kumar Poddar is having extensive knowledge and professional. Your directors feel that inclusion of Mr. Sajjan Kumar Poddar 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 Directors of the Company is concerned or interested in the resolution.

For GSB FINANCE LTD;


Director



Item No.6.

Mr. Yogesh Patel was appointed as Additional Director on 30th December, 2005 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. Yogesh Patel as Director of the Company.

Mr. Yogesh Patel is having extensive knowledge and expertise in the sphere of Company management and administration. Your directors feel that inclusion of Mr. Yogesh Patel 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 Directors of the Company is concerned or interested in the resolution.

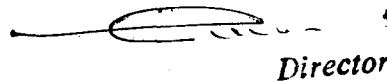
**For and on behalf of the Board
For GSB FINANCE LTD**

**Registered Office:
815, Stock Exchange Tower, 8th Floor,
Dalal Street, Mumbai – 400 023.
Place : Mumbai
Date : June 30, 2006**

**G. S. BIYANI
Chairman**


Report Junction.com

For GSB FINANCE LTD.



Director


DIRECTORS' REPORT

The Members,

Your Directors' have pleasure in presenting the 23rd Annual Reports together with Audited Statement of Accounts for the year ended 31st March 2006.

FINANCIAL RESULTS:

	2005-2006	(Rs. in Lacs) 2004-2005
Profit before Depreciation & Tax	205.12	98.33
Depreciation	1.59	1.17
Provision for Taxation	58.44	34.11
Profit / (Loss) after Tax	145.09	63.05
Less: Transfer to Statutory Reserve Fund	41.00	11.80
Add: Profit brought forward	8.23	(43.02)
Balance carried over to Balance Sheet	<u>112.32</u>	<u>8.23</u>

PERFORMANCE:

The year under review again has been of significant development for stock market. The Indian economy grew at an estimated 8.1% in F.Y.'06. There was strong demand for Metal, Automobile, Engineering, Constructions, Cement and white goods. The Government has substantially increased the allocation for various infrastructure projects under the Bharat Nirman Program which is expected to be implemented over the next couple of years. The foreign exchange reserves of the country increased to around USD 150 billion at the end of the fiscal year. This was primarily on account of increase in capital flows from the foreign institutional investors into the Indian equity markets. Consequently, equity markets reflected increased valuations of companies across sectors and BSE Index increased from 6605 points in April, 2005 to 11280 points in March, 2006. The Government of India has announced that India would favorably look at capital convertibility of the Rupee in future. These factors indicate that India is at the inflexion point of development which bode for the domestic industries in the future. Management is of the view that Indian economy in the current year is driven by robust performance from manufacturing and construction sectors. Service sector growth continued to be broad based and industries are performing very well. Results announced by various corporate having weight-age on index are performing very well and boosted the confidence of the Investors in the Capital Market. FII's, Indian Institutional Investors and Mutual Funds turned out to be main class of player in the market. Their presence in the market shall ensure reasonable movement in the prices of securities in the capital market and shall ensure proper valuations of the company's equity worth. 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.

Your company in current year has shown turnaround performance, by posting net operating profit before tax at Rs.203.53 lacs as against 97.16 Lacs in the previous year giving an growth rate of 109.48% which by all measure is considered as remarkable achievements.

DIVIDEND:

Your Directors regret their inability to recommend any dividend for the year under review in view of strengthening working capital funds to sustain in capital market with sufficient liquidity to take advantage of favorable market conditions.

FINANCE LTD.

[Signature]
Director



DIRECTORS:

Shri Ramakant Biyani, and Miss Ritika Biyani, Directors of the Company retires by rotation at the forth coming Annual General Meeting under the provisions of Articles of Association of the Company and being eligible, offer themselves for re-appointment.

ADDITIONAL DIRECTORS:

Shri Parasram Kabra was appointed as Additional Director on 10.11.2005 on the Board of the Company and your management feels that his experience and services will be immensely beneficial to the Company. In accordance with the norms of the Listing agreement, Shri Parasram Kabra will be Independent Director on the Board of the Company making it more broad based.

Shri Sajjan Kumar Poddar was appointed as Additional Director on 30.12.2005 on the Board of the Company and your management feels that his experience and services will be immensely beneficial to the Company. In accordance with the norms of the Listing agreement, Shri Sajjan Kumar Poddar will be Independent Director on the Board of the Company making it more broad based.

Shri Yogesh Patel was appointed as Additional Director on 30.12.2005 on the Board of the Company and your management feels that his experience and services will be immensely beneficial to the Company. In accordance with the norms of the Listing agreement, Shri Yogesh Patel will be Independent Director on the Board of the Company making it more broad based.

RETIREMENT OF DIRECTORS:

Smt. Sushma G. Biyani, a director of the Company retired from Board of the company w.e.f. from 30.12.2005. Company management place on record the word of appreciation for advise rendered by her from time to time which has immensely benefited the company.

Smt Neelam R. Biyani, a director of the Company retired from Board of the company w.e.f. from 30.12.2005. Company management place on record the word of appreciation for advise rendered by her from time to time which has immensely benefited 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

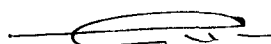
Report of the auditors read with the notes on accounts is self-explanatory and need no elaboration.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, your Directors hereby state:

- (a) That in preparation of the annual accounts for the financial year ended 31st March 2006, the applicable accounting standards had been followed with proper explanations relating to material departures;

For GSB FINANCE LTD.



Director



- (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 2006 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 as 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. Nil)

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.

For and on behalf of the Board
For GSB FINANCE LTD

Registered Office:
815, Stock Exchange Tower, 8th Floor,
Dalal Street, Mumbai – 400 023.
Date : June 30, 2006

G. S. BIYANI
Chairman

Director



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 2005-2006)

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	7	3	-	-
Mr. Ramakant S. Biyani	7	4	-	-
Smt. Sushma G. Biyani	4	2	-	-
Smt. Neelam Biyani	4	1	-	-
Ms. Ritika G. Biyani	7	-	-	-
Mr. Manish Zanvar	1	-	-	-
Mr. Sajjan Kumar Poddar	1	-	-	-
Mr. Yogesh Patel	3	-	-	-
Mr. Parasram R. Kabra	4	-	-	-

(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, 2005 except Mr. Sajjan Kumar Poddar, Mr. Yogesh Patel and Mr. Parasram R. Kabra

7 (Seven) Board Meeting were held during the financial year 2005-2006. The dates on which the meeting were held are given below:

30.06.2005, 30.07.2005, 31.10.2005, 10.11.2005, 30.12.2005, 31.01.2006 and 28/3/2006

3. AUDIT COMMITTEE:

The following Executive Directors are the members of the Audit Committee :

1. Shri. Girdhari S. Biyani Non-Executive Director
2. Shri. Parasram R. Kabra Independent Director
3. Shri. Yogesh Patel Independent Director

Statutory Auditors, M/s. S. K. Rath & Co., C.A. attended the meetings of the Committee as invitee. The Committee met four times during the year 2005-2006 on 30.06.2005, 30.07.2005, 31.10.2005 and 31.01.2006 as against the minimum requirement of 3 meetings.