



# GSB FINANCE LTD.

24 th ANNUAL REPORT - 2006 - 2007





## 24<sup>TH</sup> ANNUAL REPORT

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**BOARD OF DIRECTORS**

SHRI G.S.BIYANI

Chairman

SHRI R.S.BIYANI

Whole time Director

RITIKABIYANI

MANISH ZANVAR

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.

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





## NOTICE TO THE MEMBERS

**Notice** is hereby given that the 24<sup>th</sup> 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 Friday, the 28<sup>th</sup> September, 2007 at 4.00 P.M. to transact the following business: -

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2007 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 declare Dividend on fully paid up Equity Shares.
3. To appoint a Director in place of Shri. Parasram Kabra, who retires by rotation and being eligible, offers himself 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.

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

### **Registered Office:**

815, Stock Exchange Tower, 8<sup>th</sup> Floor,  
Dalal Street, Mumbai – 400 001.

**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 26/09/2007 to 28/09/2007 (both days inclusive).
4. If the dividend on shares as recommended by the Board of Directors is passed at the meeting, payment of such dividend will be made on and after 28<sup>th</sup> September, 2007 to those members whose names are on the Company's Register of Members on 28/09/2007. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of shares as at the end of business hours on 28<sup>th</sup> September, 2007 as per details furnished by the Depositories for this purpose.
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.

### **Registered Office:**

815, Stock Exchange Tower, 8<sup>th</sup> Floor,  
Dalal Street, Mumbai – 400 001.

For and on behalf on the board  
For **GSB Finance Ltd.**

**G.S. BIYANI**  
Chairman

**Date :** 30<sup>th</sup> June, 2007

**Place:** Mumbai



## DIRECTOR 'S REPORT

The Members,

Your Directors' have pleasure in presenting the 24<sup>th</sup> Annual Reports together with Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2007.

### FINANCIAL RESULTS:

	(Rs. in Lacs)	
	2006-2007	2005-2006
Profit before Depreciation & Tax	153.02	205.12
Depreciation	1.62	1.59
Provision for Taxation(Incl. Fringe Benefit Tax)	69.20	58.44
Profit / (Loss) after Tax	62.20	145.09
Less: Transfer to Special Investment Reserve	31.00	41.00
Add: Balance brought forward from Previous Year	112.32	8.23
Balance	163.52	112.32
	=====	=====

Which Directors have appropriated as under:

(i) Proposed Dividend	29.67	
(ii) Tax on Dividend	5.03	-
<b>Total</b>	<u>34.70</u>	-
Leaving a balance to be carried forward	<u>128.82</u>	-

### PERFORMANCE:

Propelled by a vibrant economy, India is at the forefront of developing nations. At the heart of this growth story is a young middle- class population, with an increasing propensity to consume and invest, fuelling the demand for financial products. The economy parameter also decisively moved from a phase of moderate growth to a new phase of higher growth of GDP moving from 8.5% in 2003-04 to 9.2% in 2006-07.

Industrial production showed a growth accelerating from 7% in 2003-04 to 11.3% in 2006-07. Industrial growth was mainly from manufacturing sector. Slow growth in core industries sector such as power reflected the infra structural constraints. Exports growth moved from 21.1% in 2003-04 to 36.3% in 2006-07. Growth of imports also accelerated from 27.3% in 2003-04 to 36.3% in 2006-07. Inflow of foreign exchange at higher levels in 2006-07. Agriculture and allied sectors which recorded a growth of 6% in 2005-06, is expected to have a growth of 2.7% in 2006-07. Fiscal deficit as a proportion of Gross Domestic Product may turn out to be 3.6% against the targeted 3.8%.

CRR was increased to 6% in February, 2007. Tighter money conditions in the last quarter of FY 2006-07 with interest rates on deposits going up and almost reaching double digit figure along with hike in BPLR. With higher growth in 2006-07, actual inflation (6.73%) overshoot the initial projection (5% to 5.5%).

On the whole, the year 2006-07 ended with the challenge of managing inflation compounded by supply shortages in agricultural produce. The economy will continue to be confronted with the serious implications of the inclusive nature of growth and maintenance of price stability in the light of low agricultural performance. High economic growth will continue to enhance the demand for primary articles.



On the industrial front, sustaining the growth of the manufacturing sector will have to address infrastructural constraints and improve the performance of core industrial sectors such as power, water, road construction etc. The economy will have lower fiscal deficit than the projected level which will be a positive feature.

Your company in current year has shown good performance, by posting net operating profit before tax at Rs.151.40 lacs as against 203.53 Lacs in the previous year.

#### **DIVIDEND:**

The Board, for the year ended 31<sup>st</sup> March, 2007 has recommended a dividend @ 5% (Rs. 0.50 per share), subject to approval of the shareholders at the Annual General Meeting.

#### **DIRECTORS:**

**Shri Parasram Kabra**, Director of the Company retires by relation at the forth coming 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 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 31<sup>st</sup> March 2007, 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 31<sup>st</sup> March 2007 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 (P.Y. 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, 8<sup>th</sup> Floor,  
Dalal Street, Mumbai – 400 001.

(G. S. Biyani)  
Chairman

**Date :** 30th June, 2007

**Place :** Mumbai



## 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 dealing 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 practiced on Corporate Governance in your Company.

### 2. BOARD OF DIRECTORS

(a) Composition of the Board : For the Financial Year 2006-2007)

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	2	-	-
Mr. Ramakant S. Biyani	6	3	-	-
Ms. Ritika G. Biyani	4	-	-	-
Mr. Manish Zanvar	3	-	-	-
Mr. Sajjan Kumar Poddar	2	-	-	-
Mr. Yogesh Patel	5	-	-	-
Mr. Parasram R. Kabra	4	-	-	-

(Exclusive Alternative 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 26<sup>th</sup> September, 2006.

6 (Six Board Meeting were held during the financial year 2006-2007. There dates on which the meetings were held are given below.

30.06.2006, 30.07.2006, 31.11.2006, 31.12.2006, 31.01.2007 and 31.03.2007

### 3. AUDIT COMMITTEE :

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

- |                            |                           |
|----------------------------|---------------------------|
| 1. Shri Girdhari S. Biyani | Chairman of the Committee |
| 2. Parasram Kabra          | Chairman                  |
| 3. Yogesh Patel            | Director                  |

Statutory Auditors, M/s. S.K. Rathi & Co. , C.A. attended the meetings of the Committee as invitee. The Committee met four times during the year 2006-2007 on 30.06.2006, 30.07.2006, 31.10.2006 and 31.01.2007 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.

### 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 Shareholder / 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. Shri Ramakant Biyani     | Whole Time Director       |
| 3. Mr. Prasram Kabra        | Director                  |
| 4. Mr. Ramasre Pande        | Compliance Officer        |

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 31.03.2007.

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

## 6. GENERAL BODY MEETINGS :

Location and time, where last AGM held :

Year	Location	Date	Time
2005-2006	78/80 ALLI CHAMBERS TAMRIND LANE, FORT MUMBAI – 400 001.	26 <sup>th</sup> Septemebr 2006	10:30 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 Exchange, where the Company's share 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. SHAREHOLDERS INFORMATION :

i) Annual General Meeting

Date :28.09.2007

Time : 4.00 P.M.

Venue : 78/80, Alli Chambers, Tamrind Lane, Fort, Mumbai – 400 001.

ii) Financial Calendar

Financial reporter for

Quarter ending June 30, 2007	:	End of July 2007
Quarter ending Sept. 30, 2007	:	End of October 2007
Quarter ending Dec, 31, 2007	:	End of January, 2008
Quarter ending March 31, 2008	:	End of June 2008



## iii) Annual General Meeting for the

Year ended March 31, 2007 : End of September 2007

iv) i) Dates of Book Closure : 26.09.2007 to 28.09.2007 (both days inclusive)  
 ii) Dividend payment date : --

## v) Listing on Stock Exchange 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 2006-2007	Bombay Stock Exchange	
	Month's High Price	Month's Low Price
April	9.35	4.85
May	10.46	6.33
June	8.00	4.57
July	8.51	3.80
August	6.18	4.07
September	5.99	4.02
October	7.19	4.42
November	9.00	4.80
December	9.48	5.46
January	10.43	6.80
February	10.30	6.13
March	9.09	5.80

## viii) Registrar and Share Transfer Agents

System Support Service  
 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 document 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. Letter are sent to the shareholders after transfer of shares in their names giving an option for dematerialization of shares of the physical shares. Physical shares are dematerialized and electronic credit is given to those shareholders, who opt for dematerialization,