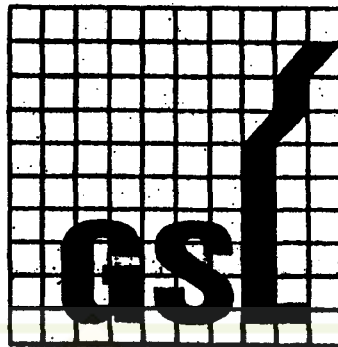


9th Annual Report 2002-2003



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SECURITIES
LIMITED

GSL SECURITIES LIMITED



GSL SECURITIES LIMITED

BOARD OF DIRECTORS : **MR. S. K. BAGRODIA** Chairman Cum Managing Director
Mrs. SHAILJA BAGRODIA
Mr. KAUSHAL MEHTA
Mr. VIJAY KUMAR LAHOTI

AUDITORS : **M/s. C. B. GAGRANI & Co.**

BANKERS : **UNION BANK OF INDIA**

REGISTERED OFFICE : **145, Maker Chamber III,**
223, Nariman Point,
Mumbai - 400 021.

REGISTRARS & SHARE
TRANSFER AGENTS : **M/s. PURVA SHAREGISTRY (INDIA) PVT. LTD.**
33, PRINTING HOUSE,
28-D POLICE COURT LANE,
FORT, MUMBAI - 400 001.

DEPOSITORY : **NATIONAL SECURITY DEPOSITORY LTD. (NSDL.)**
CENTRAL DEPOSITORY SERVICES
(INDIA) LTD. (CSDL).

ANNUAL REPORT 2002-2003

NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of GSL SECURITIES LIMITED will be held on Saturday, 27th September, 2003 at 10.00 a.m. at Registered Office of the Company at 145, Maker Chambers III, 13th Floor, 223, Nariman Point, Mumbai - 400 021, to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance sheet as at and Profit & loss Account for the year ended 31st March, 2003 and the Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mrs. Shalja Bagrodia, who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS :

4. Appointment of Mr. Kaushal Atul Mehta as Director of the company :

To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. Kaushal Atul Mehta who was appointed as an Additional Director of the company on 31st October, 2002 by the Board of Directors u/s 260 of the Companies Act, 1956 & who holds office only upto the date of ensuing Annual General Meeting and in respect of whom the company has received notice in writing u/s 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidature for the office of Director be and is hereby appointed as a Director of the company liable to retire by rotation."

5. Appointment of Mr. Vijay Kumar Lahoti as Director of the company :

To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. Vijay Kumar Lahoti who was appointed as an Additional Director of the company on 25th June, 2003 by the Board of Directors u/s 260 of the Companies Act, 1956 & who holds office only upto the date of ensuing Annual General Meeting and in respect of whom the company has received notice in writing u/s 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidature for the office of Director be and is hereby appointed as a Director of the company liable to retire by rotation."

6. Delisting of Company's Equity shares from The Stock Exchange, Ahmedabad & The Calcutta Stock Exchange Association Limited :

To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the guidelines issued by SEBI under the Securities and Exchange Board of India (Delisting of Securities) Guidelines - 2003, dated 17th February, 2003 and other applicable approvals and procedures which may become applicable hereafter, governing the matter, the Company be and is hereby authorized to voluntarily apply for delisting of its Equity Shares from the The Stock Exchange, Ahmedabad & The Calcutta Stock Exchange Association Limited at such time as the Board of Directors (whether acting through the Board, a Committee of the Board or any Director or any person authorized by the Board) may, in their absolute discretion, consider appropriate and proper without giving an exit option to the shareholders of the regions where the aforesaid Stock Exchanges are situated and the Board Of Directors of the Company be and are hereby authorized to do all necessary acts in pursuance with the above matter."

BY ORDER OF THE BOARD OF DIRECTORS
For GSL Securities Limited

Place : Mumbai
Date : 11.08.2003

S.K. Bagrodia
Chairman & Managing Director

Registered Office :
145, Maker Chambers III,
223, Nariman Point,
Mumbai - 400 021.

NOTES FOR MEMBERS' ATTENTION :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY, NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE VALID, THE INSTRUMENTS APPOINTING THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIMING OF THE MEETING.
2. The Register of Members & Share Transfer Books of the Company shall remain closed on Saturday, 27th September, 2003.
3. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of items 4 to 6 of the Notice set out above, is annexed hereto.

**ANNEXURE TO THE NOTICE:**

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.

Item 4 - Appointment of Mr. Kaushal Atul Mehta as Director of the company.

Mr. Kaushal Atul Mehta was appointed as an Additional Director of the Company by the Board of Directors on 31st October, 2002. Pursuant to the provisions of Section 260 of the Companies Act, 1956, he holds office till the date of the ensuing Annual General Meeting of the Company. As required under Section 257 of the Companies Act, 1956, a Notice has been received from a member signifying his intention to propose Mr. Kaushal Atul Mehta as a candidate for the Office of Director of the Company liable to retire by rotation. The Resolution for his appointment is accordingly commended to your acceptance.

Mr. Kaushal Atul Mehta, aged 25, is a Practicing Chartered Accountant with over 3 years of experience in the field of Finance & Accounts.

None of the Directors is directly or indirectly interested or concerned in the Resolution except Mr. Kaushal Atul Mehta.

Item 5 - Appointment of Mr. Vijay Kumar Lahoti as Director of the company.

Mr. Vijay Kumar Lahoti was appointed as an Additional Director of the Company by the Board of Directors on 25th June, 2003. Pursuant to the provisions of Section 260 of the Companies Act, 1956, he holds office till the date of the ensuing Annual General Meeting of the Company. As required under Section 257 of the Companies Act, 1956, a Notice has been received from a member signifying his intention to propose Mr. Vijay Kumar Lahoti as a candidate for the Office of Director of the Company liable to retire by rotation. The Resolution for his appointment is accordingly commended to your acceptance.

Mr. Vijay Kumar Lahoti, aged 27, is a graduate and having an experience in the field of Finance & Accounts.

None of the Directors is directly or indirectly interested or concerned in the Resolution except Mr. Vijay Kumar Lahoti.

Item 6 - Delisting of Company's Equity Shares from The Stock Exchange, Ahmedabad & The Calcutta Stock Exchange Association Limited :

The Company's shares are presently listed on The Stock Exchange, Mumbai, The Calcutta Stock Exchange Association Ltd. & The Stock Exchange, Ahmedabad.

SEBI through its guidelines known as Securities and Exchange Board of India (Delisting of Securities) Guidelines - 2003, dated 17th February, 2003 has permitted Companies to voluntarily delist its shares from a stock exchange where the shares are listed for a period of more than 3 years provided where securities continue to be listed in a stock

exchange having nation wide trading terminals, inter-alia, the Company is authorized by the shareholders for making such an application for delisting through a special resolution. The Board of Directors has decided to take steps to have the equity shares of the Company delisted from The Stock Exchange, Ahmedabad & The Calcutta Stock Exchange Association Limited as the volume of trading in these Stock Exchanges is very low and The Stock Exchange, Mumbai, where the company's shares will continue to be listed, have also got nation-wide trading terminals and the delisting from The Stock Exchange, Ahmedabad & The Calcutta Stock Exchange Association Limited will not affect the trading of the shares by members located in any part of the country.

The Board of Directors of your company recommend passing of the resolution.

None of the Directors is directly or indirectly interested or concerned in the Resolution.

BY ORDER OF THE BOARD OF DIRECTORS
For GSL Securities Limited

Place : Mumbai
Date : 11.08.2003

S.K. Bagrodia
Chairman & Managing Director

DIRECTOR'S REPORT

To,
The Members,
GSL Securities Limited.

Your Directors have pleasure in presenting the Ninth Annual Report with the audited statement of Accounts for the year ended 31st March 2003.

Financial Results :

Summary of the working result of the company for the Ninth Accounting Year ended 31st March, 2003 are given as below :

	Rs. 2002 - 2003	Rs. 2001 - 2002
Gross Profit/(Loss)	(1,097,146.00)	(220,883.00)
Less : Depreciation & Miss assets w/off	274,317.00	319,701.00
(Loss) before tax	(1,371,463.00)	(540,584.00)
Less : Provision For Tax		
(Loss) after tax	(1,371,463.00)	(540,584.00)
Add : Balance brought forward from previous Period	(5,756,553.00)	(5,235,969.00)
	(7,128,016.00)	(5,776,553.00)
Add : Prior Period Adjustment	890.00	20,000.00
	(7,127,326.00)	(5,756,553.00)

Dividend :

On account of losses during the year, your directors regret their inability to recommend payment of dividend for the financial year under review.

Operation :

The Company is dealing mainly in the area of Short Term Financing, BS Discounting, Lending and Investments.

Capital Adequacy :

Your Company has complied with the guidelines issued by the Reserve Bank of India for recognition of income, Asset classification, investment accounting, provision for non-performing assets and capital adequacy. Based on the above, the capital adequacy as on 31st March, 2003 is higher than the 8% required by the guidelines.

Fixed Deposits :

During the period under review, your company has not accepted any deposits as contemplated under the provisions of section 58A of the Companies Act, 1956. There are no deposits unpaid or unclaimed at the year end.

Directors :

Mr. Shalpi Shirode shall be retiring by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

Mr. Muralidhar Kulkarni was appointed as an Additional Director of the Company on 1st July, 2002. He is a resident of Mumbai and is engaged in the business of trading in shares and securities. He is also a Director of the Company and is eligible to be re-appointed as a Director of the Company.

Mr. Vijay Kumar Lalpat was appointed as an Additional Director of the Company on 1st July, 2002. He is a resident of Mumbai and is engaged in the business of trading in shares and securities. He is also a Director of the Company and is eligible to be re-appointed as a Director of the Company.

Employees :

None of the employees was in receipt of remuneration in excess of limits specified in section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule, 1955.

Auditors :

Mrs. C.B. Gargani & Co., Chartered Accountants, Mumbai, retiring Auditors will hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Director's Responsibility statement :

Pursuant to Section 217(2A) of the Companies Act, 1956 the Board of Directors of the Company hereby state and confirm that:

- (i) In the preparation of the Annual Accounts for the financial year ended 31st March, 2003 the applicable Accounting standards have been followed;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review;
- (iii) 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 for preventing and detecting fraud and irregularities;
- (iv) the Directors have prepared the accounts for the financial year ended 31st March, 2003 on a 'going concern' basis.

Conservation of Energy, Technology Absorption :

Being a Finance company, this is not applicable.

Foreign Exchange Earning & Outgo :

The Company has neither earned nor spent any Foreign Exchange.

Cash Flow Statement :

As required under Clause 32 of the Listing Agreement with the Stock Exchanges, the Cash flow Statement for the period 2002-03 is annexed hereto.

Management Discussion and Analysts Report :

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysts Report is annexed herewith forming part of this Annual Report.

Corporate Governance :

A separate report on Corporate Governance is enclosed as a part of this Annual Report of the Company. A certificate from the Auditors of the Company regarding compliance of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the Report on Corporate Governance.

Acknowledgement :

Your Directors would like to express their appreciation for co-operation and assistance received from the shareholders, bankers, depositors and employees during the year under review.

On behalf of the Boards of Directors

Place : Mumbai
Dated : 11.08.2003

S.K. Shirode
Chairman & Managing Director

ANNEXURE TO THE DIRECTOR'S REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1) Industry Scenario and developments

The main business of your company is to make investment, give machinery on lease, Bill discounting and to provide short term finance. However since some time business of leasing and bill discounting has not been undertaken by your company due to its being non-remunerative. Also due to dull Share market for last 2 to 3 years, investment activity has been reduced considerably. Now your company is concentrating more on financing activities which is providing fruitful results also. From the next year, in view of reduction in operating cost, better management of available resources and improvement in the Capital market your company is expecting to perform better.

2) Opportunities and Threats

Though due to overall reduction in operating cost, better management of available resources and improvement in the Capital market, your company is expecting to give better result in the ensuing year, the threat still remains in respect of bad and doubtful assets, the provision of which has been made in the books of your company in accordance with the RBI guidelines. Your company is making all possible efforts to recover such Non-performing Assets, the recovery of which, if possible will improve your company's performance.

3) Segment-wise Performance

Since your Company is operating in only one segment (i.e. Financial activity), hence the same is Not Applicable.

4) Outlook

As already stated above, due to the improved Capital market, better management of available resources and reduction in operating cost, your company is expecting to give better result in the ensuing year. Hence the outlook of your company seems to be good. The only risk/threat is the huge Non-Performing Assets, the recovery of which if possible, will improve your company's performance.

5) Risk and Concerns

The potential risk and concern of your company relates to huge Non-Performing Assets and also the funds blocked in various investments not yielding proper incomes. Though the Indian economy is showing sign of improvement & capital market is moving up, the concern still remains for the coming years, which ultimately will have an effect on the performance of your company.

6) Internal Control system and their adequacy

Your company has an adequate internal control system, which ensures that all its assets are safeguarded from unauthorized use and that all the transactions are authorized, recorded and reported properly. The internal control system also ensures that all the relevant statutes, rules, regulation and guidelines are strictly complied with. Your company also has an Audit committee manned by members with experience from various fields who along with the auditors constantly review the adequacy of internal control systems strength and weaknesses and report their findings and suggestions to the top management so that adequate measures could be taken in time.

7) Financial performance vis-a-vis Operational performance

Though your company has incurred a loss of Rs. 13,71,463/- during the year, this was mainly on account of Provision for Non-Performing Assets of Rs. 15,94,560/- as required by the RBI guidelines. This has affected the bottom-line of your company. Otherwise your company would have been able to give positive result during the year. This was mainly on account of operational efficiency, control over various expenses and better utilization of available resources. Further your company is expecting to give better result in the ensuing year due to improvement in the Capital market.

8) Human Resources Development

Your company has always given importance to provide utmost satisfaction to its employees through better work environment and updating them of the current development in the market which would have a possible impact on the performance of your company on continuous basis, so that the major threat and challenges to your company can be met with ease.

9) Conclusion

Notwithstanding the bad weather faced by your company, your company is expecting to give a better result in the ensuing year due to the improvement in the Capital market which your Company expects will add to the income of your Company.

ANNEXURE TO THE DIRECTOR'S REPORT REPORT ON CORPORATE GOVERNANCE

The concept of Corporate Governance has been made mandatory through Clause 49 of the Listing Agreement in order to make management accountable to the shareholders for protection of their interest and effective management of the companies in the interest of the company. Your company has made every effort to comply with the provisions of the Corporate Governance and to see that the interest of the Shareholders and the Company are properly served for long. The details of compliance of the Corporate Governance by the Company are as follows :

I. Company's philosophy on Corporate Governance :

Your Company has always given importance to attain the highest level of transparency, accountability and to built up confidence of the investors, employees and others through their operations and interactions and to see that the value of Shareholders are maximized. However your company is facing some bad times due to the crunch in the financial market. Now with the better management of resources, control over various expenses and distinct improvement in the capital market, your company is expecting to perform better in the ensuing year.

II. Board of Directors :

(A) Composition of Board :

The Board of Directors of the company comprises of four members with experiences in various fields. The Composition of Board of Directors is as follows:

Director	Executive/Non-Executive/Independent	No. of Outside Directorship held		No. of Outside Committee positions held	
		Public	Private	Member	Chairman/Chairperson
Mr. SantKumar Bagrodia	Promoter/Executive Director (Managing Director)	Nil	Nil	Nil	Nil
Mrs. Shailja Bagrodia	Promoter Non Executive Director	Nil	03	Nil	Nil
Mr. Kaushal Mehta *	Independent Non-Executive Director	Nil	Nil	Nil	Nil
Mr. Vijay Kumar Lahoti **	Independent Non-Executive Director	Nil	Nil	Nil	Nil
Mr. Umakant Tiwari ***	Independent Non-Executive Director	Nil	Nil	Nil	Nil

Note : *Appointed as Director w.e.f. 31st October, 2002.

**Appointed as a Director w.e.f. 25th June, 2003.

*** Resigned as a Director w.e.f. 25th June, 2003.

(B) Number of Board Meetings held & attended by Directors:

(i) Six Meetings of the Board of Directors were held during the year ended 31st March, 2003. These were held on :-

- | | |
|------------------------|------------------------|
| (1) 30th April, 2002 | (2) 31st July, 2002 |
| (3) 7th August, 2002 | (4) 31st October, 2002 |
| (5) 31st January, 2003 | (6) 3rd March, 2003 |

(ii) The attendance recorded for each of the Directors at the Board Meetings during the year ended on 31st March, 2003 and of the last Annual General Meeting is as under :-

Directors	No. of Board Meetings		Attended last AGM
	Held	Attended	
Mr. SantKumar Bagrodia	6	6	Yes
Mrs. Shailja Bagrodia	6	6	Yes
Mr. Kaushal Mehta *	6	2	Not Applicable
Mr. Vijay Kumar **			
Lahoti	6	Not Applicable	Not Applicable
Mr. Umakant Tiwari ***	6	1	Yes

Note : *Appointed as Director w.e.f. 31st October, 2002.

**Appointed as a Director w.e.f. 25th June, 2003.

*** Resigned as a Director w.e.f. 25th June, 2003.

No Director is related to other Directors on the Board, except for Mr. Sant Kumar Bagrodia and Mrs. Shailja Bagrodia, who are Husband and Wife respectively.

III. Audit Committee

- (A) An Audit Committee was constituted by the Board of Directors on 31st October, 2002 to look after various matters which are in conformity with the requirements as per Clause 49 of the Listing Agreement with Stock Exchanges & consist of the following members:-

- (1) Shri. Kaushal Atul Mehta - Chairman
- (2) Smt. Shailja Bagrodia - Member
- (3) Shri. Vijay Kumar Lahoti - Member *
- (4) Shri. Umakant Tiwari - Member **

- (B) The Audit Committee meetings were held on 31st October, 2002, 31st January, 2003 & 27th March, 2003. The attendance of each Audit Committee member is as under :-

Member	No. of Meetings Attended
Mr. Kaushal Mehta	3
Mr. Vijay Kumar Lahoti *	Not Applicable
Mrs. Shailja Bagrodia	3
Mr. Umakant Tiwari **	Nil

Note : *Appointed as a Director w.e.f. 25th June, 2003.

** Resigned as a Director w.e.f. 25th June, 2003.

IV. Remuneration Committee

The Board of Directors of the Company has formed no Remuneration Committee. The Company is paying to its Non-Executive Directors, sitting fees of Rs. 500/- per meeting attended by them. Remuneration paid to the Managing Director, Mr. Sant Kumar Bagrodia Rs. 14,821/- relates to reimbursement of Medical Expenses incurred by him during the year 2002-2003 as he has waived the monthly remuneration payable to him. The Service contract of Mr. Sant Kumar Bagrodia expires on 30th June, 2006.

V. Board Procedure

The Board of Directors of the Company has met six times during the year. Agenda papers of each meeting along with explanatory statements were circulated in advance to all the Directors. All the relevant information as required under Clause 49 of the Listing Agreement were placed before the Board from time to time.