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12th Annual Report 2005-2006

True Copy
For GLANCE FINANCE LIMITED,
Director / Authorised Signatory.



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GLANCE FINANCE LIMITED

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GLANCE FINANCE LTD.

BOARD OF DIRECTORS	:	MR. NARENDRA KARNAVAT (Chairman) MR. TUSHAR AGARWAL MRS. VANDANA VASUDEO MR. HASMUKH GANDHI
COMPANY SECRETARY	:	MS. NEHA DUBEY
STATUTORY AUDITORS	:	M/S. K.P. KABRA & CO. 111/115,DADI SETH AGAIRY LANE, 3rd FLOOR, OFFICE NO. 30, MUMBAI - 400 002.
PRINCIPAL BANKER	:	ABN AMRO BANK N. V. SAKHAR BHAVAN, NARIMAN POINT, MUMBAI - 400 021.
REGISTERED OFFICE	:	5, KITAB MAHAL, 192, DR. D. N. ROAD, FORT, MUMBAI - 400 001. TEL. 022 4066 6666 / 50 E-MAIL : glance@vsnl.com
REGISTRAR & SHARE TRANSFER AGENTS	:	INTIME SPECTRUM REGISTRY LTD. C-13, PANNALAL SILK MILLS COMPOUND, L. B. S. MARG, BHANDUP (W), MUMBAI - 400 078. TEL. : 022 2590 3851

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GLANCE FINANCE LTD.

NOTICE

NOTICE is hereby given that the Twelveth Annual General Meeting of the Members of Glance Finance Limited will be held on Friday, 29th September, 2006 at 9.00 a.m. at Azad Mahila Sangh Plot No. 91, Road No. 25, Sion (West), Mumbai - 400 022 to transact the following business :

ORDINARY BUSINESS

1) To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2006 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.

2) To appoint Director in place of Mr. Hasmukh Gandhi, who retires by rotation, but being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3) To appoint M/s. K. P. Kabra & Co., as the Statutory Auditors of the Company and to authorize the Audit Committee to fix their remuneration. In this connection, to consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution** :

"**RESOLVED THAT** M/s. K. P. Kabra & Co., Chartered Accountants, the Statutory Auditor of the Company, who retires at this meeting, be and is hereby re-appointed as Statutory Auditor of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration, as may be approved by the Audit Committee in addition to reimbursement of traveling and other out-of-pocket expenses actually incurred by them in connection with the audit."

Registered Office :
5, Kitab Mahal,
192, Dr. D. N. Road,
Fort, Mumbai 400 001.

Dated : 28th Aug, 2006

By Order of the Board of Directors
For GLANCE FINANCE LIMITED

sd/-
NEHA DUBEY
COMPANY SECRETARY

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NOTES :

1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL ONLY, INSTEAD OF HIMSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE PROXY FORM IS ENCLOSED HEREWITH.

2) As a measure of economy, copies of Annual Reports will not be distributed at the Annual General Meeting. Members are requested to bring their copy of the Annual Report to the meeting.

3) The Register of Members and Share Transfer Books of the Company will remain closed from 26th September, 2006 to 29th September, 2006 (both days inclusive).

4) Members/Proxies are requested to produce the Attendance Slip at the entrance Hall.

5) Members who are holding Company's Shares in dematerialised form are requested to bring details of their Depository Participant's and Client Indentity numbers.

6) Members are requested to intimate any change in their address immediately to the Registrar and Share Transfer Agents of the Company "Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078".

7) Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Share Transfer Agents of the Company.

8) Under the provisions of the Companies Act, 1956 as amended with effect from 31st October, 1998. Members may file nomination Forms in respect of their shareholdings. Any Member willing to avail this facility may submit to the Company the prescribed Form 2B or write to or contact the Company Secretary of the Company for assistance.

9) Members desirous of getting any information about the accounts of the Company are requested to send their queries so as to reach at least ten (10) days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.

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DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING :

(In pursuance of clause 49 of the Listing Agreement)

Name : Mr. Hasmukh Gandhi
Age : 75 Years
Qualification : LL.B
Expertise : Law
Other Directorships :
1. Asian Star Company Limited.
2. Hardcastle and Waud Manufacturing Co. Ltd.
3. Detriv Instrumentation and Electronics Ltd.
4. Ase Western Traders Private Limited.
5. Cee Bee Trading Co. Private Limited.

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure to present their Twelveth Annual Report together with the Audited Accounts of your Company for the financial Year ended 31st March, 2006.

FINANCIAL RESULTS :

The Financial highlights are summarised below : **(Rs.in Lacs)**

Particulars	2005-2006	2004-2005
Gross Income	60.02	87.12
Profit before Depreciation & Tax (PBDT)	15.03	33.74
Less : Depreciation	2.33	2.74
Profit before Taxation	12.71	31.00
Less : Provision for Tax	2.43	4.22
Net Profit	10.28	26.78

DIVIDEND

In order to plough back the profits of the Company and to support its expansion and growth plans your directors express their unwillingness to declare dividend for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS:

Industry Structure and development :

The finance industry is growing at a very fast pace in India. The Industry is being backed by good GDP growth and robust economic growth, your company expects a good growth in the coming financial year.

Opportunities and Threats :

Your company is constantly exploring opportunities and new avenues and in this regard talks are at preliminary stage to co-promote a company located in UAE to work as member of DGCX (Dubai Gold and Commodity Exchange) in joint venture with Trade links FZCO, an existing company located in UAE.

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As with many other industry the finance sector is being suspectible to the volatile and cyclical nature, your company might be exposed to such threats. Moreover, the existing inertia in the finance sector can slow down the business momentum temporarily.

Segment-wise or product wise performance :

Your Company is engaged in trading of securities, commodities, financing and financial/ accounting consultancy services and is a partner of Zenstar Impex - partnership firm Due to sluggish international steel market the profits of the partnership firm Zenstar Impex dipped to Rs. 13.05 (in lacs) as compared to last years profit of Rs. 24.34 (in lacs).

Outlook :

The future growth of the company looks bright, as new investments has been made during the financial year under review. In the coming year the company plans to begin with the new Joint Venture.

Risks and Concerns :

Due to high volatitlity, hikes in the interest rates and gradual slowdown of stock markets your company faces the risk but your company has been consistently trying to mitigate the risk through the various different approaches.

Internal control systems and their adequacy :

Internal control system have been a core focus for the company. Effective and adequate internal control systems are in place to ensure that all assets are safeguarded and protected against unauthorized use and the transactions are authorised, recorded and reported properly. A regular Internal Audit System is also in place. Outside expertise is availed to supplement internal resources. The Audit Committee regularly interacts with the Statutory Auditors about the adequacy of internal control systems and to seek suggestions and there is scope for improvement.

Discussion on financial performance with respect to operational performance

The profits of the Company dropped by 61% as compared to last year due to downfall in financial markets and volatility in Finance Industry.

Material development in Human Resources / Industrial Relations front, including number of people employed.

The headcount of your Company during the year under review was 15, same as previous year. The Company was able to retain the talents despite of the hefty attrition rates in its peer companies.

Disclosure to the Board :

Senior management shall make disclosures to the board relating to all material financial and commercial transactions, where they have personal interest, that may have potential conflict with the interests of the company at large.

Your Company passes the part of the brokerage it earns on financial investments to the Kamla Foundation (Charitable Trust) on the investments made by Kamla

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Foundation through your Company, Kamla Foundation is a trust in which director is interested. This is a normal business practice and the dealings with Kamla Foundation are at arms length. Also your company is paying rent for the premises it is using for the office purpose to another group concern in which director is interested. The dealings are at arms length and at prevailing market.

Subsidiary :

Your Company does not have any subsidiary or joint ventures. Your company is a 80% partner in the partnership firm namely ZENSTAR IMPEX.

CHIEF FINANCIAL OFFICER:

Mr. Tushar Agarwal-whole Time Director of the Company was appointed as the CFO of the Company in compliance with the amended clause 49 of the Listing agreement with effect from 1st January 2006.

CODE OF CONDUCT:

The Board of directors has approved the "Code of Conduct for the board of Directors" in compliance with amended Clause 49 of the Listing Agreement.

CORPORATE GOVERNANCE:

The Board of Directors support and adheres the principles of Corporate Governance and in addition to basic Corporate Governance issues the Board lays strong emphasis on transparency, accountability and integrity.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Corporate Governance Report and Auditor's Certificate regarding compliance of the condition of the Corporate Governance, are made part of the Annual Report.

DIRECTORS:

Mr. Hasmukh Gandhi, Director of the Company will retire by rotation and being eligible offers himself for reappointment.

DEPOSITORY:

All the members are aware, our Company's Shares are tradable compulsorily in electronic form and your Company has established connectivity with both the depositories, i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL). In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of the dematerialisation.

AUDITORS:

The Auditor M/s. K. P. Kabra & Co., Chartered Accountants, Statutory Auditor of the Company retires at the conclusion of the ensuing Annual General Meeting and expresses their willingness to continue if so appointed.

DIRECTORS RESPONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act, 1956 with respect to the Director's Responsibility Statement, it is hereby confirmed:

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i) That in the preparation of Annual Accounts for the year ended 31st March, 2006, the applicable accounting standards have been followed along with proper explanation relating to material departures.

ii) That 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 for the period under review.

iii) That to the best of their knowledge and information they 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 other irregularities; and

iv) That the Directors have prepared the Annual Accounts for the financial year ending 31st March, 2006 on a going concern basis.

FIXED DEPOSITS

The Company has not accepted or renewed any fixed deposits during the year under review

PARTICULARS OF EMPLOYEES:

There is no employee drawing remuneration in excess of amount specified under section 217(2)(a) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Your Company has directed its effort to reduce energy costs by way of optimum utilization of electricity in its day to day activities. Your Company adopts modern technology in its day to day activities with a view of optimum utilization of energy and other natural resources.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review the foreign exchange earnings were Rs. 530333 and foreign exchange outflows were Rs. 9162292.

APPRECIATION:

Your Directors wish to place on record their sincere appreciation to the ABN AMRO Bank and Company's Clients.

Your Directors are also pleased to record their appreciation for the dedication and contribution made by employees at all levels who, through their competence and hardwork, have established company to achieve better performance and look forward to their support in future as well.

For and on behalf of the Board

sd/-

NARENDRA KARNAVAT

CHAIRMAN

Place : Mumbai

Dated : 28th Aug. 2006

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REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges)

1. Company's Philosophy on Corporate Governance :

The Company strongly believes in good Corporate Governance, which is a prerequisite for enhancing shareholder's long term value. Good Corporate Governance leads to long term shareholder value and enhances interest of other stake holders. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organisation towards creating wealth and shareholder value.

2. Board of Directors :

The Board has optimum combination of executive and non executive directors with not less than 50% of the Board comprising of non executive directors. Further, as the Chairman is non executive director, fifty percent of the Board comprises of independent directors. Also none of the directors are a member in more than 10 committees or Chairman of more than five committees across all companies in which they are a director.

(A) Constitution of the board

Sr. No.	Category	Name of Director
1.	Promoter and Non-Executive Director	Mr. Narendra Karnavat, Chairman
2.	Promoter and Executive Director	Mr. Tushar Agarwal (Whole Time Director)
3.	Independent and Non-Executive Directors	Mr. Hasmukh Gandhi Mrs.Vandana Vasudeo

(B) Attendance of the Directors at the Board Meetings and the Annual General Meeting :

The Board of the Company met at 10 times during the last financial year, on the following dates :

April 28, 2005	June 20, 2005	July 30, 2005	August 23, 2005
October 17, 2005	October 25, 2005	October 29, 2005	November 18, 2005
January 31, 2006	March 31, 2006		

The name of the Directors and the category to which they belong to, along with their attendance at Board Meetings during the year and at the last annual general meeting, and the number of directorships and committee memberships held by them in other companies are given below:

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Name	Category	Board Meetings During The tenure *(10)	Attend--ance at the last AGM (30/09/05)	No. of outside Directorship(s) (excludes Private and Foreign Companies) as on 31st March 2006		No. of outside Committee positions (excludes Private and Foreign Companies) as on 31st March 2006	
		Attended		Chairman	Member	Chairman	Member
Mr. Narendra Karnavat (Chairman)	Promoter Non-Executive Non-Independent	10	No	Nil	11	Nil	Nil
Mr. Tushar Agarwal (Whole time Director)	Promoter Executive Non-Independent	10	Yes	Nil	11	Nil	Nil
Mrs. Vandana Vasudeo	Non-Executive Independent	7	Yes	Nil	Nil	Nil	Nil
Mr. Hasmukh Gandhi	Non-Executive Independent	7	No	Nil	2	Nil	Nil

* The figure mentioned in the bracket denotes the number of Board of Meetings held during the period from 01st April 2005 to 31st March 2006

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING :

(In pursuance of clause 49 of the Listing Agreement)

Name : Mr. Hasmukh Gandhi
Age : 75 Years
Qualification : LL.B
Expertise : Law
Other Directorships :
1. Asian Star Company Limited.
2. Hardcastle and Waud Manufacturing Co. Ltd.
3. Detriv Instrumentation and Electronics Ltd.
4. Ase Western Traders Private Limited
5. Cee Bee Trading Co. Private Limited.

Non executive Directors' compensation and disclosure :

No fees / compensation or sitting fees has been paid to non-executive directors including sitting fees to independent directors.

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