

## **NOTICE TO THE MEMBERS**

Notice is hereby given that the 27<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 Wednesday , the 29<sup>th</sup> September, 2010 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 2010 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 Parasram kabra who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Yogesh Patel 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**

**G. S. BIYANI  
Chairman**

Date: 31<sup>st</sup> May, 2010  
Registered Office:  
15, Stock Exchange Tower, 8<sup>th</sup> Floor,  
Dalal Street,  
Mumbai – 400 001.

## **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 25/09/2009 to 29/09/2009 (both days inclusive)
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.

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

**G. S. BIYANI  
Chairman**

**Registered Office:  
815, Stock Exchange Tower, 8<sup>th</sup> Floor,  
Dalal Street,**

**Date: 31<sup>st</sup> May, 2010  
Mumbai – 400 001.**

## **AUDITORS' REPORT**

To,  
The Members of  
GSB Finance Ltd.,  
Mumbai.

1. We have audited the attached balance sheet of GSB Finance Ltd., as at 31<sup>st</sup> March 2010, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

- (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) In the case of the balance sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2010:
  - (b) In the case of the profit and loss account, of the Profit for the year ended on that date; and
  - (c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

**For S. K. Rathi & Co.**  
**Chartered Accountants**

**(CA. S.K. Rathi)**  
**Prop.**  
**Membership No.31071**  
**FRN: 108724W**

Place : Mumbai  
Date : 31<sup>st</sup> May,2010

## DIRECTORS' REPORT

The Members,

Your Directors' have pleasure in presenting the 27<sup>th</sup> Annual Reports together with Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2010

### FINANCIAL RESULTS:-

	( Rs. In Lacs )	
	2009 - 2010	2008 - 2009
Profit before Depreciation & Tax		
Depreciation		
Provision for Taxation (Incl. Fringe Benefit Tax)		
Deferred Tax Debit / (Credit)		
Profit / (Loss) after Tax		
<b>Less:-</b> Transfer to Special Investment Reserve		
Transfer to General Reserve		
Add:- Transfer From General Reserve		
Add:- Balance brought forward from Previous Year		

## PERFORMANCE:

### ECONOMIC ENVIRONMENT

After witnessing slowdown in 2008-09, the global economy is slowly regaining with the large unprecedented interventions by governments. The speed of recovery, however, remains significantly divergent.

However, the global economy faces several challenges such as high levels of unemployment, which are close to 10 per cent in the US and the Euro area. Despite signs of renewed activity in manufacturing and initial improvement in retail sales, the prospects of economic recovery in Europe are clouded by the acute fiscal strains in some countries.

### INDIAN ECONOMY

During 2009-10, the Indian economy showed resilience with a broad based recovery. This was possible due to a rebound in industrial output, better prospects for the Rabi crop and continuing resilience of the services sector.

### INDUSTRIAL SECTOR

The industrial sector recovered with the Index of Industrial Production (IIP) registering double digit growth during October 2009 February 2010 and IIP was at 15.1 per cent in February 2010. The growth was mainly driven by the manufacturing sector, with a weighted contribution of 88.8 per cent, higher than its weight of 79.4 per cent in the IIP.

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### EXTERNAL SECTOR

India's external sector witnessed improvement with the recovery seen in the global economy as reflected in the turnaround in exports, buoyancy in capital inflows and further accretion to the country's foreign exchange reserves. Exports recovered from 12 months of consecutive decline and posted an average growth of 20.5 per cent during November 2009 February 2010. Imports also turned around and exhibited an average growth of about 43.0 per cent during December 2009-February 2010, mirroring the impact of strong recovery in growth.

### EQUITY MARKETS

The activity in the primary segment of the domestic capital market displayed signs of revival in O2 and O3 of 2009-10. Stock prices displayed a continuous upward momentum throughout the year, except for some occasional corrections during the last two quarters caused by Dubai World default and the Greek sovereign debt concerns. Following the optimism on account of measures announced in the Union Budget 2010-11 such as the roadmap for fiscal consolidation and PSU divestment, stock prices recorded further gains. As at end March 2010, the Sensex and the Nifty both registered gains of 81 per cent and 74 per cent, to close at 17528 and 5249 respectively.

The gains in stock prices were also led by the FII investments, while at the same time mutual funds turned net sellers. FIIs made net purchases of US\$23.7 billion in the Indian equity market during 2009-10 (net sales of US\$ 10.4 billion in 2008-09), while the mutual funds net sales during 2009-10 amounted to Rs. 10,512 crore (net purchases of Rs. 6,985 crore in 2008-09).

Your Company in the current year has shown good performance , by posting net operating profit before tax at Rs. 337.85 Lacs as against net operating loss at Rs. 382.91 Lacs in the previous year.

DIVIDEND: The Board , for the year ended 31<sup>st</sup> March,2010 in view of operating loss regret to declare any dividend for the year.

DIRECTORS:

Shri Parasram Kabra and Shri.Yogesh Patel, Directors 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 themselves 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 express inability to continue to be appointed as Auditors for the next financial year, therefore Board of Director has recommended the appointment of M/s S.K.Rathi & Co., Chartered Accountants . The Company has received consent from the Auditors pursuant to Section 224 of the Companies Act, 1956.

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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 2010, 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 2010 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.

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#### 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

(Girdharilal Biyani)  
Chairman

Registered Office:  
815, Stock Exchange Tower, 8<sup>th</sup> Floor,



Dalal Street, Mumbai – 400 001.

Dated: 31<sup>st</sup> May, 2010

Place : Mumbai

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
GSB Finance Ltd.,  
Mumbai.

We have examined the records concerning the company's compliance of the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement entered into by the Company with the Stock Exchange of India for the financial year ended on March 31, 2010.

The objective of our examinations is to give our opinion on whether the Company has complied with the conditions of Corporate Governance as stipulated in the provisions of Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchange of India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of an opinion on the financial statements of the company.

We have conducted our examination on the basis of the relevant records and documents maintained by the company and furnished to us for examination and the information and explanations given to us by the Company.

On the basis of the records maintained by the 'Shareholders / Investor Grievance Committee' of the Company, we state that there were no investor grievances pending against the Company for the period exceeding one month.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement of the Stock Exchange of India.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor to the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For S.K. Rathi & Co.**  
**Chartered Accountants**

**(CA.S.K. Rathi)**  
**Prop.**  
**Membership No.31071**  
**FRN: 108724W**

Place : Mumbai  
Date : 31<sup>st</sup> May, 2010

**GSB FINANCE LIMITED**

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2010**

PARTICULARS	SCHEDULE	AS AT 31.03.2010 AMOUNT (RS.)	AS AT 31.03.2009 AMOUNT (RS.)
<b>(I) SOURCES OF FUNDS:</b>			
<b><u>SHARE HOLDERS' FUND</u></b>	1	59,734,210.00	59,734,210.00
Share Capital			
<b>RESERVE &amp; SURPLUS</b>	2	35,998,367.25	19,354,407.09
<b>SECURED LOAN</b>	3	35,582,134.00	20,206,014.00
<b>UNSECURED LOAN</b>	4	511,815.24	2,073,718.45
<b>DEFERRED TAX LIABILITY</b>	-	185,377.00	184,116.00
<b>TOTAL :</b>		<b>132,011,903.49</b>	<b>101,552,465.54</b>
<b>(II) APPLICATION OF FUNDS</b>			
<b><u>FIXED ASSETS</u></b>	5		
Gross Block		3,682,082.96	3,628,935.94
Less: Depreciation		2,415,332.96	2,246,502.94
Net Block		<b>1,266,750.00</b>	<b>1,382,433.00</b>
<b><u>INVESTMENTS</u></b>	6	2,184,100.00	2,184,100.00
<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>			
a) Inventories	7	53,389,024.00	16,129,635.00
b) Sundry Debtors	8	517,781.24	1,162,673.41
c) Cash & Bank Balances	9(a)	21,138,371.60	21,698,883.02
d) Other Current Assets	9(b)	2,336,668.70	668,286.68
d) Loans & Advances	10	61,747,851.00	52,189,960.00
		139,129,696.54	91,849,438.11
<b><u>LESS :</u></b>			
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>			
a) Current Liabilities	11(a)	6,525,581.05	6,508,117.57
b) Provisions	11(b)	6,200,662.00	43,906.00
<b><u>NET CURRENT ASSETS</u></b>		126,403,453.49	85,297,414.54
<b><u>DEFERRED TAX ASSET</u></b>		2,157,600.00	12,688,518.00
<b><u>MISCELLANEOUS EXPENDITURE</u></b>		-	-
<b>TOTAL :</b>		<b>132,011,903.49</b>	<b>101,552,465.54</b>
<b>Significant Accounting Policies and Notes on Accounts</b>	15	(0)	0.00

AS PER OUR REPORT OF EVEN DATED

**For S.K.RATHI & CO.**

Chartered Accountants

For and on behalf of the Board,

**For GSB FINANCE LTD.**

(CA. S.K.Rathi)

Prop.

Membership No.31071

FRN: 108724W

(Girdharilal Biyan (Ramakant Biyani)

Chairman

Mg. Director

Place : Mumbai

Date : 31st May,2010

**GSB FINANCE LTD**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2010**

PARTICULARS	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
<b><u>INCOME</u></b>			
Sales		995,338,499.95	547,519,588.77
Other Income	12	33,565,027.33	13,588,514.95
		#####	561,108,103.72
<b><u>EXPENDITURE</u></b>			
Decrease (Increase) in Stock	13	(37,259,389.00)	16,927,598.55
Purchases		#####	557,008,390.11
Trading, Administrative & Other Expenses	14	15,861,298.76	23,603,853.37
Interest		3,532,755.75	1,694,283.17
Depreciation	5	168,830.02	164,742.00
		994,949,541.12	599,398,867.20
<b><u>Profit / (Loss) Before Tax</u></b>		<b>33,953,986.16</b>	<b>(38,290,763.48)</b>
Adjustment For Taxes :			
Provision for Taxation		6,200,000.00	-
Deferred Tax Expenses/ Savings		1,261.00	12,209.00
Deferred Tax Asset		(10,530,918.00)	12,688,518.00
Fringe Benefit Tax		-	(41,784.00)
Income Tax for Earlier years		577,847.00	(309,337.00)
<b>Profit / (Loss) for the Year After Tax</b>		<b>16,643,960.16</b>	<b>(25,263,333.48)</b>
Add: Opening Balance		<b>224,407.09</b>	21,665,564.57
<b><u>Profit/(Loss) Available for Appropriation</u></b>		<b>16,868,367.25</b>	<b>(4,275,592.91)</b>
<b><u>Appropriations</u></b>			
Transfer to Statutory Reserve Fund		3,500,000.00	-
Transfer to General Reserve		4,500,000.00	-
Transfer from General Reserve		-	4,500,000.00
Proposed Dividend on Equity Shares		-	-
Tax on Dividend Distribution		-	-
<b>Balance Profit (Loss) Carried To Balance Sheet</b>		<b>8,868,367.25</b>	<b>224,407.09</b>

AS PER OUR REPORT OF EVEN DATED

**For S.K.RATHI & CO.**  
Chartered Accountants

(CA. S.K.Rathi)  
Prop.  
Membership No.31071  
FRN: 108724W

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

(Girdharilal Biyani) (Ramakant Biyani)  
Chairman Mg. Director

Place : Mumbai  
Date 31<sup>st</sup> May, 2010





<b>SCHEDULE : 12</b>		
<u>OTHER INCOME</u>		
Equity Derivatives and Option P/L	15,130,892.52	-
Speculation Profit	13,399,551.87	7,171,369.34
Interest Receipts	4,571,795.02	1,630,316.68
Commodity Derivative Gain	36,250.00	811,677.19
Dividend Income	423,730.47	3,920,631.40
Dividend Income - Mutual Fund Units	2,807.45	54,520.34
	<b>33,565,027.33</b>	<b>13,588,514.95</b>
<b>SCHEDULE : 13</b>		
<u>DECREASE / (INCREASE) IN STOCK</u>		
Opening Stock	16,129,635.00	33,057,233.55
Closing Stock	53,389,024.00	16,129,635.00
	<b>(37,259,389.00)</b>	<b>16,927,598.55</b>
<b>SCHEDULE : 14</b>		
<u>Trading, Administrative and other Expenses</u>		
<b>A) Trading Expenses</b>		
Turnover Charges	114,243.26	916,499.20
Equity Derivatives and Option P/L	-	10,056,522.56
Other Charges	690,475.77	132,564.01
Stamp Charges	534,321.73	170,563.56
Service Tax	304,230.53	348,206.32
Demate /Holding Delivery Charges	19,596.70	19,705.14
Security Transaction Tax	5,679,142.91	3,905,355.22
<b>B) Administrative Expenses</b>		
Salary & Bonus	578,845.00	640,300.00
Staff Welfare Expenses	66,701.00	61,474.00
Water Charges	16,800.00	16,800.00
Electricity Charges	70,000.00	102,000.00
Printing & Stationary	145,321.00	96,078.00
Postage & Telegram	107,065.00	189,199.00
News Paper & Periodicals	20,883.00	18,087.00
Repairs & Maintenance (Includes Computer Maintenance)	132,142.73	29,845.00
Advertisement & Publicity	37,205.91	36,422.98
General Charges	17,206.50	11,017.00
Sales Promotion Exp.	11,441.00	9,316.00
Motor Car Expenses	260,979.00	243,478.00
Telephone Expenses	179,737.54	182,800.21
Bank Commission	5,891.01	87,743.00
Conveyance & Travelling Charges	99,247.00	305,947.00
Annual Fees Stock Exchange	68,927.50	53,950.00
Legal & Professional Charges	118,586.17	44,188.05
Director's Fees	24,000.00	24,000.00
Remuneration to Directors	1,260,000.00	630,000.00

<u>Payment to Auditors</u>			
For Audit Fees	32,500.00		30,000.00
For Tax Audit Fees	7,500.00		5,000.00
For Taxation & Other Services	<u>25,644.50</u>	65,644.50	20,222.00
Share Registrar Fees		52,944.00	53,487.00
Depository Charges (N.S.D.L. & C.D.S.L.)		39,800.00	14,607.00
Filing Fees (R.O.C.)		1,000.00	2,000.00
Professional Tax		2,500.00	5,000.00
Donation & Charity		-	5,000.00
Keyman Insurance Policy Premium		5,136,420.00	5,136,420.00
Sundry Balance W/off		-	56.12
		<u>15,861,298.76</u>	<u>23,603,853.37</u>

AS PER OUR REPORT OF EVEN DATED  
For S.K.RATHI & CO.  
Chartered Accountants

(CA. S.K.Rathi)  
Prop.  
Membership No.31071  
FRN: 108724W

Place : Mumbai

Date : 31<sup>st</sup> May, 2010

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

(Girdharilal Biyan (Ramakant Biyani)  
Director Director



**ANNEXUTRE NO. 1**

**Statement of Blocks of Assets & Depreciation Claim Allowable u/s. 32(1) of Income Tax Act 1961  
As per Clause No. 14 of Form No. 3Cd (Fin. Year 2008-2009, Asst. Year 2009-2010)**

<b>Sr. No.</b>	<b>Description of Assets</b>	<b>Rate of Depreciation</b>	<b>W.D.V. as on 01.04.2009</b>	<b>Additions before 30.09.2009</b>	<b>Additions after 1.10.2009</b>	<b>Depreciation</b>	<b>W.D.V. as on 31.03.2010</b>
1	Office Premises	10%	99,222	-	-	9,922	89,300
2	Office Equipment	15%	20,064	-	-	3,010	17,054
3	Furniture & Fixture	10%	57,518	-	-	5,752	51,766
4	Computers	60%	3,643	-	-	2,186	1,457
5	Fire Fighting Equipment	15%	141	-	-	21	120
6	Electrical Equipment	15%	86,940	-	-	13,041	73,899
7	Motor Car	15%	347,964	-	-	52,195	295,769
8	Air Condition Machine	15%	171,097	53,147	-	33,637	137,461
			786,588	53,147	-	119,762	666,826

**SCHEDULE: 7****Statement of Stock In Trade**

EQUITY SHARES QUOTED	OPENING STOCK			CLOSING STOCK					
	Name OF THE COMPANY	Face Value	No of shares	Amount (Rs.)	No of shares	Rate	Cost Value	Market Rate	Market Value
ABHIIND	10	-	-	25,000	17.92	447,937.50	14.11	352,750.00	352,750.00
AJMERA	10	-	-	3,000	198.48	595,433.75	164.85	494,550.00	494,550.00
AVAYA GLOBAL CONNECT	10	-	-	500	252.91	126,455.00	234.40	117,200.00	117,200.00
BALMAR LAWRIE	10	2,000	470,300.00	2,000	235.15	470,300.00	597.40	1,194,800.00	470,300.00
B P L LTD	10	-	-	20,000	37.42	748,319.65	37.80	756,000.00	748,319.65
BALLARPUR IND	2	-	-	10,000	17.92	255,700.00	26.25	262,500.00	255,700.00
BAYER	10	-	-	2,857	611.84	1,748,034.98	650.15	1,857,478.55	1,748,034.98
BF UTILITIES LTD.	5	-	-	300	1308.32	392,496.00	857.65	257,295.00	257,295.00
CHAMBAL FER	10	10,000	341,700.00	-	-	-	-	-	-
CELESTIAL	10	-	-	5,000	39.53	197,673.85	36.50	182,500.00	182,500.00
DONEAR	2	-	-	10,000	29.89	298,862.65	26.55	265,500.00	265,500.00
DREDGDM	10	4,500	1,029,150.00	-	-	-	-	-	-
ELEATHERB	10	-	-	1,000	371.93	371,933.20	328.60	328,600.00	328,600.00
ELGI EQUIPMENT.LTD	1	-	-	4,000	85.26	341,037.90	91.30	365,200.00	341,037.90
ESRSHDM	10	-	-	25,000	74.12	1,853,089.25	73.95	1,848,750.00	1,848,750.00
FERAC	1	-	-	48,650	23.42	1,139,383.00	24.51	1,192,411.50	1,139,383.00
GATI	2	-	-	5,000	58.86	294,301.05	55.40	277,000.00	277,000.00
FACT	10	15,000	327,750.00	-	-	-	-	-	-
GNRECDM	10	-	-	150	93.50	14,025.00	87.65	13,147.50	13,147.50
GUJDCDM	10	-	-	110,000	19.20	2,112,248.52	17.15	1,886,500.00	1,886,500.00
HINDUSTAN CO	5	1,500	166,200.00	-	-	-	-	-	-
I-FLEX	5	200	148,310.00	-	-	-	-	-	-
ENTEGRA INFRASTRURE	10	-	-	36,000	38.04	1,369,605.15	36.00	1,296,000.00	1,296,000.00
INGVYSYABANK	10	-	-	5,000	241.46	1,207,300.00	279.45	1,397,250.00	1,207,300.00
IND SWIFT LAB	10	-	-	45,000	67.90	3,055,637.25	67.00	3,015,000.00	3,015,000.00
JAYSHREETA	10	-	-	1,000	356.01	356,010.00	304.45	304,450.00	304,450.00
JETKING ELECTRO	10	-	-	3,000	182.81	548,442.40	129.85	389,550.00	389,550.00
JMCPRO	10	-	-	15,500	165.59	2,566,574.35	177.55	2,752,025.00	2,566,574.35
JSW ENERGY	10	-	-	12,500	115.87	1,448,400.00	111.80	1,397,500.00	1,397,500.00
JYOTHLAB	1	-	-	500	190.01	95,005.00	169.85	84,925.00	84,925.00
KALPATARU POWER	10	-	-	1,000	1080.01	1,080,010.00	1,041.30	1,041,300.00	1,041,300.00
KAMADGIRI SYNTH	10	-	-	5,000	60.07	300,350.00	45.90	229,500.00	229,500.00
KIRELECT	10	-	-	15,000	78.57	1,178,598.50	85.30	1,279,500.00	1,178,598.50
KIRLOSKAR FERROUS	5	-	-	2,764	35.35	97,707.40	33.20	91,764.80	91,764.80
LOGIXDM	10	-	-	5,000	50.02	250,100.00	47.55	237,750.00	237,750.00
LOK.HOUSG.& C	10	-	-	10,000	35.42	354,200.00	35.50	355,000.00	354,200.00
LUMAX AUTO	10	-	-	10,000	91.11	911,100.00	113.85	1,138,500.00	911,100.00
MADRAS CEMENTS LTD	1	-	-	3,000	119.83	359,480.00	121.60	364,800.00	359,480.00
MASTER TRUST LT	10	-	-	12,550	78.53	985,504.10	69.55	872,852.50	872,852.50
MINDTREE	10	-	-	4,500	604.13	2,718,603.50	588.85	2,649,825.00	2,649,825.00
MOUNT EVEREST	10	-	-	7,500	72.33	542,457.67	66.60	499,500.00	499,500.00
NAHAR SPINNING	5	-	-	10,000	84.07	840,674.70	76.25	762,500.00	762,500.00
PIRAMAL HEALTH	2	-	-	250	365.46	91,365.00	423.85	105,962.50	91,365.00
PENARINDUSTRIES	5	-	-	25,000	34.41	860,166.95	37.20	930,000.00	860,166.95
PEARL ORGANIC	10	-	-	2,500	79.87	199,683.00	75.80	189,500.00	189,500.00
PROVOGUE	2	-	-	12,500	64.06	800,750.00	47.50	593,750.00	593,750.00
RUCHISOYA	2	-	-	10,000	99.04	990,378.50	97.40	974,000.00	974,000.00
SHIV VANI UNIVERSAL	10	-	-	500	413.01	206,505.00	432.25	216,125.00	206,505.00
SHRIRAM EPC LTD	10	-	-	1,500	206.63	309,950.00	205.10	307,650.00	307,650.00
SPARC	10	-	-	10,000	97.09	970,900.00	99.65	996,500.00	970,900.00
SRE INTERNATIONAL FINANCE LTD	10	-	-	5,000	76.21	381,050.00	76.35	381,750.00	381,050.00
STRIDES ARCOLAB LTD.	10	-	-	1,000	296.79	296,785.00	338.25	338,250.00	296,785.00
SUKJIT STARCH & CHEMICAL	10	-	-	1,000	128.62	128,622.50	127.10	127,100.00	127,100.00
SUNFLAG IRON & STEEL	10	-	-	179	30.00	5,370.00	30.75	5,504.25	5,370.00
TIL LTD	10	-	-	894	337.99	302,161.04	331.35	296,226.90	296,226.90
TIMETECNO	1	-	-	13,000	47.14	612,794.30	46.50	604,500.00	604,500.00
TVS SRICHAKRA LTD	10	-	-	2,033	261.89	532,422.07	266.15	541,082.95	532,422.07
UNITED BREWER	10	-	-	1,000	285.56	285,560.00	276.95	276,950.00	276,950.00
UTTAM GALVA STEEL LTD	10	-	-	16,000	110.69	1,771,044.70	112.45	1,799,200.00	1,771,044.70
WALCHAND NAGAR	2	-	-	11,000	254.00	2,793,952.70	229.00	2,519,000.00	2,519,000.00
ZUARI INDUSTRIES	10	3,500	491,225.00	-	-	-	-	-	-
<b>TOTAL</b>		<b>36,700</b>	<b>2,974,635.00</b>	<b>590,627</b>		<b>43,212,452.08</b>		<b>43,014,726.45</b>	<b>#####</b>
Previous Year		390,413	29,505,088.77	403,998		20,697,689.53		20,528,347.60	#####

EQUITY SHARES UNQUOTED	OPENING STOCK			CLOSING STOCK					
	Name	Face Value	No of shares	Amount (Rs.)	No of shares	Rate	Cost Value	Market Rate	Market Value
GSB CAPITAL MARKETS LTD.	10	285,500	2,855,000.00	285,500	10.00	2,855,000.00	20.00	5,710,000.00	2,855,000.00
GSB CAPITAL MARKETS LTD.	10	120,000	2,400,000.00	120,000	20.00	2,400,000.00	20.00	2,400,000.00	2,400,000.00
GSB COMMODITIES PVT LTD.	10	150,000	1,500,000.00	150,000	10.00	1,500,000.00	10.00	1,500,000.00	1,500,000.00
GSB SHARE CUSTODIAN SERVICES LT	10	-	-	190,200	10.00	1,902,000.00	10.00	1,902,000.00	1,902,000.00
GSB SECURITIES PVT LTD.	10	640,000	6,400,000.00	355,000	10.00	3,550,000.00	10.00	3,550,000.00	3,550,000.00
BF INVESTMENT LTD.	5	-	-	300	5.00	1,500.00	5.00	1,500.00	1,500.00
<b>TOTAL</b>		<b>1,195,500</b>	<b>13,155,000.00</b>	<b>1,101,000</b>		<b>12,208,500.00</b>		<b>15,063,500.00</b>	<b>#####</b>
Previous Year		1,200,500	13,205,000.00	1,200,500		13,205,000.00		16,110,000.00	#####

Summary of Stock In Trade

Quoted Shares	41,180,524.00	(P.Y. 29,74,635.00)
Unquoted Shares	12,208,500.00	(P.Y. 131,55,000.00)
<b>Total</b>	<b>53,389,024.00</b>	<b>(P.Y. 161,29,635.00)</b>

## **GSB FINANCE LTD.**

### **SCHEDULE '15'**

#### **SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

(ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010.)

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#### 1. ACCOUNTING POLICIES

i) Accounting Conventions

The accounts have been prepared under the historical cost conventions on an accrual basis and in accordance with accounting standards issued by the Institute of Chartered Accountants of India.

ii) Fixed Assets

Fixed Assets are stated at cost less Depreciation

iii) Depreciation

Depreciation is provided on straight line method on prorata basis at the rate as specified in Schedule XIV of the Companies Act, 1956.

iv) Investments

Investments are valued at cost basis.

v) Valuation of Inventories

The valuation of the stock of quoted shares was made at lower of the cost or fair market price. The valuation of the unquoted shares has been made at cost or net assets value which ever is lower.

vi) Recognition of Income & Expenditure.

Revenue/Income are generally accounted for on accrual basis as they are earned or incurred except for dividend, which is accounted for on cash basis.

2. Provision has not been made for the gratuity as no employee has attained the qualifying period of service for the entitlement of benefits.

3. Particulars of goods traded in (Shares, Units etc.).

	<u>Current Year</u>		<u>Previous Year</u>	
	<u>Qty. (Nos.)</u>	<u>Value (Rs.)</u>	<u>Qty. (Nos.)</u>	<u>Value Rs.</u>
Opening Stock	12, 32,200	1, 61, 29,635	16, 04,498	3, 30, 57,234
Purchase	1, 26, 01,578	1,01,26,46,045	77, 50,249	55, 70, 08,390
Sales	1, 20, 74,568	99,53,38,500	81, 22,547	54, 75, 19,589
Closing Stock	17, 59,210	5,33,89,024	12, 32,200	1, 61, 29,635

4. Expenditures incurred in Foreign currency is Nil ( P.Y. Nil ) = Nil (P.Y. Rs. Nil ).
5. Earning in foreign currency is NIL (Previous year Nil).
6. Previous year figures have been re-grouped and re-arranged wherever found necessary.
7. No Person was employed by the company either throughout the year or for a part of the year under review whose remuneration for the year in the aggregate was not less than Rs.6,00,000/- (Previous year Rs.6,00,000/-) or for any part of that year at a rate which in the aggregate was not less than Rs.50,000/- ( Previous year Rs.50,000/-) per month.
8. The Company has not accepted any deposits from public during the year.
9. These accounts are not signed by Secretary as the company has no secretary as on date, the accounts were approved by the directors.
10. Company recognize deferred tax credit & debit in the accounts on prudent basis.

[A] Tax effect due to –

Difference between the written down values of Assets under-	
The Companies Act, 1956	Rs. 12, 66,750 /-
And as per Income Tax Act, 1961.	Rs. 6, 66,826 /-
Deferred Tax Liabilities (Net)	Rs. 1, 85,377 /- (P.Y. 1, 84,116/-)
Deferred Tax Savings Expenses	Rs. 1,261 /- (P.Y. 2209/-)

[B] Tax effect due to current year loss to be carry forward

Company recognized Deferred Tax Assets at Rs.21,57,600 /-(P.Y. 12,68,8518/-) on Unabsorbed Loss as company has made profit which justify the chances of recovering brought forward loss in future, on prudent basis as per Accounting Standard 22 issued by ICAI

Carry Forward of Loss under IT Provision	67,37,534/-
Carry Forward of unabsorbed Depreciation	2,44,992/-

11. Related Party Disclosures

List of related Parties

- i) Associates
- a) GSB Capital Markets Ltd.,
  - b) GSB Securities Pvt. Ltd.,
  - c) GSB Share Custodian Services Ltd.,

- ii) Key Management Personnel
- a) Shri G. S. Biyani, Director
  - b) Shri R. S. Biyani, Director
  - c) Mrs. Ritika Gupta, Director
  - d) Shri Parasram Kabra
  - e) Shri Yogesh Patel
  - f) Shri Sajjan Podar

- iii) Transaction during the year with related parties (Figures in Lacs)

	Associates	Key Management Personnal	Total
	-----	-----	-----
(A) Trade Transaction {Inc. Sq. up. Transaction}			
a) Purchased during the year	68,721	-	68,721
b) Sold during the year	68,545	-	68,545
c) Brokerage paid during the year	17.18	-	17.18
		-	
(B) Sundry Debtors Balance as at 31.3.2010.	5.14	-	5.14
(C) Margin Deposit			
Op. Balance	150.50	-	150.50
Received	150.50	-	150.50
Cl. Balance	-		-

( D ) Remuneration to Key Personnel

a) Shri G.S. Biyani	-	7.50	7.50
b) Shri R.S. Biyani	-	5.10	5.10

12. Debts due from the Companies under the same management are as under: -

- i) GSB Securities Pvt. Ltd. Rs.4, 48,764/- (P.Y. Rs. 11, 61,673/-) Maximum amount due at any time during the year Rs.1, 67, 30,375/-(Rs. 2, 28, 14,237/-)
- ii) GSB Capital Markets Ltd. Rs.65,271/- NIL (P.Y. Rs. NIL) Maximum amount due at any time during the year Rs. 1,47,33,307/- (Rs. 1, 41, 12,007/-)

13. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

I. REGISTRATION DETAILS :

REGISTRATION No. : US1909MH2001PLC134193  
STATE CODE : 11  
BALANCE SHEET DATE : 31<sup>ST</sup> MARCH, 2010.

II. CAPITAL RAISED DURING THE YEAR : (Rs. In Thousand)

PUBLIC ISSUE : NIL BONUS ISSUE : NIL  
RIGHT ISSUE : NIL PRIVATE PLACEMNT : NIL

III. POSITION OF MOBILISATION AND DELOYMENT OF FUNDS: (Rs In Thousand)

TOTAL LIABILITIES: TOTAL ASSETS: :

Sources of Fund:

Paid up Capital : 59,734/-  
Reserve & Surplus : 35,998/-  
Secured Loans : 35,582/-  
Unsecured Loans : 511/-  
Deferred Tax Liability: 185/-

Application Fund:

Net Fixed Assets : 1,265/-  
Investment : 2,184/-  
Net Current Assets : 1, 26,403/-  
Miscellaneous Expenditure: NIL  
Accumulated Losses : NIL  
Deferred Tax Assets : 2,157/-

IV. PERFORMANCE OF THE COMPANY: (Rs. In Thousand)

Turnover (Including other Income)	:	10, 28,904/-
Total Expenditure	:	9, 94,950/-
Profit / (Loss) Before Tax	:	33,954/-
Profit / (Loss) After Tax	:	16,644/-
Earning Per Share in Rs.	:	2.78
Dividend	:	NIL

V. GENERIC NAMES OF PRINCIPAL PRODUCT/SERVICES OF THE COMPANY:

ITEM	ITEM CODE NO. (ITC CODE)
Dealing in Shares & Securities:	N.A.

As per our report of even dated  
For **S.K.Rathi & Co.**  
**Chartered Accountants**

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

**(CA. S.K.Rathi)**  
**Prop.**  
**Membership No.031071**  
**FRN : 108724W**

**(Girdharilal Biyani)**  
**Director**

**(Ramakant Biyani)**  
**Director**

Place : Mumbai  
Date : 31<sup>st</sup> May, 2010