

# 31<sup>st</sup>

Annual Report 2013-14



**GSB**  
FINANCE LTD.

**FORM A**

1.	Name of the company	GSB FINANCE LIMITED
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit observation	There are neither any emphasis of Matter nor any qualification in an audit report.
4.	Frequency of observation	Repetitive
5.	To be signed by <input type="radio"/> GIRIDHARLAL BIYANI Chairman & CFO <input type="radio"/> RAMANKANT BIYANI Managing Director <input type="radio"/> M/s. S. K. RATHI & CO., Mr. S. K. Rathi Auditor of the company <input type="radio"/> PARASRAM KABRA Audit Committee Chairman	



## **31st ANNUAL REPORT**

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### **MCA CIRCULAR**

Dear Shareholder,

The ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies vide its circular No. 17 dated April 21, 2011 stating that a company would have complied with section 53 of the Act, if the service of document has been made through electronic mode. In such case, the company is required to obtain email addresses of its members for sending the notice / documents through email by giving an advance opportunity to every shareholder to register his / her email address and changes therein, if any, from time to time with the company and Circular No. 18 Dated 29th April, 2011 relating to dispatch of Annual Report and other Notices etc.

GSB Finance Limited (GSBFL) is committed to be an Environment friendly company in all its areas of activities, products and services. The Company invites its shareholders to participate in the Green Initiatives to affirm its commitment towards future generations.

Keeping in vire the above, we are proposing to provide an option to shareholders for receiving all communications / documents like AGM notice, audited financial statements, directors' report, auditors' report etc. via electronic form / email. In case you are holding the shares in electronic form please provide your email-id to your Depository Participant (DP) at the earliest preferably by 20/09/2012 to enable us to send the Annual Report & other documents of GSBFL to your email address.

In case you are holding shares in physical form, please provide the details of your valid email-id at the earliest preferably by 20/09/2012 to the Registered Office at the following address to enable us to send the Annual Report & other documents of GSBFL to your email-id:

It may be noted that you will be entitled to be furnished, free of cost, with a copy, of Annual Report and all other documents required by law upon receipt of a requisition from you, any time, as a member of the Company.

We solicit your support to join in this initiative in reducing the impact on the environment and receive all communications electronically.

Thanking you,

Yours faithfully,

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

Sd/-  
**G. S. BIYANI**  
Chairman

**Date** : 30th August, 2014

**Place** : Mumbai - 400 001.



**BOARD OF DIRECTORS**

SHRI GIRIDHARLAL BIYANI  
Chairman and CFO

SHRI RAMAKANT BIYANI  
Managing Director

RITIKA GUPTA  
Non Executive

YOGESH PATEL  
Non Executive - (Resigned as on 18 July 2014)

MANISH ZANVAR  
Independent

PARASRAM KABRA  
Independent

SAJAN PODDAR  
Non Executive - (Resigned as on 20th January 2014)

USHAPATEL  
Independent - (Appointed as on 18th July 2014)

**AUDITORS**

S. K. RATHI & CO.  
Chartered Accountants.

**REGISTERED OFFICE**

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

**BANKERS :**

AXIS BANK  
UNION BANK OF INDIA

**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



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## NOTICE TO THE MEMBERS

Notice is hereby given that the 31st 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 26th September, 2014 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 31st March 2014 together with the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. "RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. S. K. RATHI & Co, Chartered Accountants (Firm Registration No. 105335W), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the thirty Fourth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, traveling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors

### II - SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Manish Zanvar , Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto year 31st March 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Parasram Kabra , Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto year 31st March 2019."



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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mrs. Usha Patel, Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto year 31st March 2019."

**Registered Office:**

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

**Date :** 30th August, 2014

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

**Sd/-**  
**G. S. BIYANI**  
**Chairman**



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## 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 25/09/2014 to 26/09/2014 (both days inclusive)
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of this Notice.
5. The Members are requested to:
  - (a) Intimate change in their registered address, if any, to the Company's Registrar and Share Transfer Agents, M/s. System Support Services, 209, Shivai Industrial Estate, Near Park-Davis, 89, Andheri Kurla Road, Saki Naka, Andheri (E), Mumbai, Maharashtra, 400072 in respect of their holdings in physical form.
  - (b) Notify immediately any change in their Registered address to their Depository Participants in respect of their holdings in electronic form.
  - (c) Non-Resident Indian Members are requested to inform M/s. System Support Services immediately of the change in residential status on return to India for permanent settlement.
  - (d) Register their email address and changes therein from time to time with M/s. System Support Services for shares held in physical form and with their respective Depository Participants for shares held in demat form.
6. Corporate Members intending to send their authorized representatives are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the ensuing Annual General Meeting of the Company.
7. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agents, M/s. System Support Services and have it duly filled and sent back to them.
8. Electronic copy of the Annual Report for 2013-14 is being sent to all Members whose email Ids are registered with the Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.



## 9. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

The instructions for e-voting are as under:

### A. In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN*</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
<b>DOB#</b>	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
<b>Dividend Bank Details#</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>





- (viii) After entering these details appropriately, click on "SUBMIT" tab.
  - (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
  - (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- B. In case of members receiving the physical copy:
- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
  - (B) The voting period begins on 22/09/2014 Start Time: 9.00 am and ends on 24/09/2014 End Time: 6.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 30/08/2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - III. If you are already registered with CDSL for e-voting then you can use your existing user ID and password/PIN for casting your vote.



- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - V. The e-voting period commences on September 22, 2014 (9:00 am) and ends on September 24, 2014 (6:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 30, 2014, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  - VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 30, 2014.
  - VII. Mr. Vijay Kumar Mishra, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company
10. In case of those Members, who do not have access to e-voting facility, they can use the assent/dissent form sent herewith or can be downloaded from our website [www.anuvinind.com](http://www.anuvinind.com) and convey their assent/dissent to each one of the items of business to be transacted at the ensuing AGM and send the form to reach Mr. Vijay Kumar Mishra, Scrutinizer appointed by the Company at the registered office of the Company on or before September 24, 2014 (6.00 pm).
  11. Members can choose only one of the two options, namely e-voting or voting through physical assent/dissent form. In case the votes are casted through both the formats, then votes casted through e-voting shall stand cancelled and those votes casted through physical assent/dissent form would be considered, subject to the assent/dissent form being found to be valid.
  12. The Results of e-voting, physical assent/ dissent and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
  13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 am and 1 pm on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company

**Registered Office:**  
815, Stock Exchange Tower,  
8th Floor, Dalal Street,  
Mumbai - 400 001.

**Date :** 30th August, 2014

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

**Sd/-**  
**G. S. BIYANI**  
**Chairman**



## DIRECTORS' REPORT

The Members,

Your Directors' have pleasure in presenting the 31st Annual Reports together with Audited Statement of Accounts for the year ended 31st March 2014

### FINANCIAL RESULTS:

The financial performance of the Company, for the year ended March 31, 2014 is summarized below:

	(Rs. in Lacs)	
	2013-14	2012-13
Profit /(Loss) before Depreciation & Tax	14.66	109.61
Depreciation	(1.60)	(2.48)
Provision for Taxation	(2.75)	(22.58)
Differed Tax Expenses / (Savings)	(0.12)	0.33
Deferred Tax Assets Written off	(4.36)	(14.25)
MAT Credit	22.42	
Profit / (Loss) after Tax Available for Appropriation	28.49	69.97
Less:- Transfer to Special Investment Reserve	(2.10)	17.00
Transfer to General Reserve	0.00	30.00
Add:- Balance brought forward from Previous Year	84.85	61.88
<b>Balance Carried Forward</b>	<b>111.24</b>	<b>84.85</b>

### PERFORMANCE:

During the year company has achieved a turnover of Rs 914.07.Lacs as against the in the previous year at Rs. 11358.09 Lacs, During previous year due to general elections various uncertainty were prevailing about continuity of congress government in Centre and this factor adversely affected sentiment of security market due to it volatile was prevailing in security market and equity , mutual fund, equity derivatives affected and Directors are of the view that in spite of various constrain company has fared reasonably good. Profit Margin was under Pressure as market conditions were not favorable to equity trading.

### ECONOMIC OUTLOOK:

FY 2013-14 was a challenging year. Now with the formation of stable government at centre the outlook for forthcoming year is highly good and global players also now started investing in Indian market, with the changed scenario Directors are hopeful that current year shall end with very positive effects allover subject to, if RBI is to control inflation and policies of new government is conducive to encourage Capitalization and Investment in core sector of the economy.

### DIVIDEND:

The Board, for the year ended 31st March, 2014 in view of profit is required for reinvested in business hence regret to declare any dividend for the year.



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## **DEPOSITS**

The Company has not accepted and/or renewed any public deposit during the year.

## **AUDITORS:**

Members are requested to appoint Auditors for the current year and to authorize the Board of Directors to fix their remuneration. At previous meeting, M/s. S. K. Rathi & Co., Chartered Accountant, was appointed as Statutory Auditors of your Company from the conclusion of the previous Annual General Meeting. The said Statutory Auditors retire at the ensuing Annual General Meeting and being eligible under section 139 of the Companies Act, 2013, offer themselves for re-appointment.

## **AUDIT REPORT:**

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

## **DIRECTOR'S RESPONSIBILITY STATEMENT:**

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

- (a) That in preparation of the annual accounts for the financial year ended 31st March 2014, 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 31st March 2014 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.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:**

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual 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.

### **Registered Office:**

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

**Place :** Mumbai

**Date :** 30th May, 2014

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

Sd/-  
**G. S. BIYANI**  
Chairman

**CEO / CFO CERTIFICATION**

The Board of Directors,  
**GSB Finance Limited,**  
815, Stock Exchange Tower,  
8th Floor, Dalal Street, Fort,  
Mumbai - 400023.

We hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2014 and that to the best of our knowledge and belief;
  - 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) No transaction is entered into by the company during the year which is fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
  - 1) Significant changes in internal control over financial reporting during the year.
  - 2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board  
**For GSB Finance Limited**  
Sd/-

**Girdhari S. Biyani**  
Chairman / CFO

**Place : MUMBAI.**  
**Date : 30th May, 2014**

**COMPLIANCE CERTIFICATE**

To,  
The Members of  
GSB Finance Limited,

It is hereby certificate and examined that as provided in clause 49 I (D) of the listing agreement with the stock exchanges, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2014.

For and on behalf of the Board  
**For GSB Finance Limited**  
Sd/-

**Girdharilal S. Biyani**  
Chairman / CFO

**Place : MUMBAI.**  
**Date : 30th May, 2014**



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## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **FORWARD LOOKING STATEMENTS**

This report contains forward-looking statement, which may be identified by their use of words like "expects", "will" or other words of similar meaning. Forward-looking statement is based on certain assumptions and expectations of future events and the Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend or revise the forward-looking statements or any loss to the investors in the shares of the Company making investments relying on such forward-looking statements.

### **1 INDUSTRY STRUCTURE AND DEVELOPMENTS**

India's growth has slowed markedly, reflecting global developments and domestic supply constraints, while inflation remains stubbornly high. Led by falling infrastructure and corporate investment, the slowdown has generalized to other sectors of the economy. The financial positions of banks and corporate have deteriorated. The combination of persistently-high inflation, sizeable current account and fiscal deficits intensified the global liquidity tightening-induced balance of payment pressures experienced during the summer, which resulted in significant portfolio debt outflows, and pressures on currency, equity and bond markets. Along with improving external conditions, positive policy steps taken by the authorities have improved market sentiment. The current account deficit, after reaching a record high in FY2012/13 (fiscal year ending March), is narrowing fast, and capital inflows have picked up. While recent policy initiatives have reduced vulnerabilities, the policy space remains strictly circumscribed because of high deficits and debt, and elevated inflation.

The movements of the stock markets impact your company being an Investment Company. India's inflation rates remain at an all time high despite various economic and other measures been taken by the Government and RBI from time to time to curb the same. Crude oil prices are a constant threat with the potential for negative consequences for India's macro outlook

### **2. OPPORTUNITY AND THREATS**

Your Company being an investment Company seeks opportunities in the capital market. The volatility in the stock indices in the financial year under report represents both an opportunity and challenge for the Company. The Company is empanelled with most of the reputed domestic financial institutions including life and non insurance companies, mutual funds, foreign financial institutions and corporates, apart from having large number of HNI and retail clients. The likely increase in capital mobilisation from the primary market, increase in resource mobilisation by mutual funds and phenomenal growth in secondary market volumes provide significant business opportunities for the Company. Capital market activities in which most of our activities depend on is also influenced by global events and hence there is an amount of uncertainty in the near term outlook of the market s.

### **3. SEGMENTWISE PERFORMANCE**

The market was very volatile, therefore, trading in security , equity , mutual fund investment , equity derivatives were affected and Directors are of the view that in spite of various constrain company has fared reasonably good. Profit Margin was under Pressure as market conditions were not favorable to equity trading.

### **4. OUTLOOK**

India is regaining economic momentum and growth is expected to recover gradually to its high long-term potential, says the latest India Development Update of the World Bank. According to the Update, a twice-yearly report on the Indian economy and its prospects, economic growth is likely to accelerate to over 6.0% during the current financial year (April 2013-March 2014). Growth is expected to increase further to 6.7% in FY 2015. Recent data point to some improvements in economic activity: inflation and trade deficit came down in recent months, while private consumption and investment growth had accelerated in the third quarter of FY 2013.



In the longer term, given India's demographic transition, the country will still be a relatively young nation 20 years from now. This is likely to generate significant volumes of savings and investment over the coming years. The average schooling of the working-age population will also increase by at least one full year and could well rise by as much as two years.

In recent months, both inflation as measured by the wholesale price index and the trade deficit have declined. Inflation fell below 6% and core inflation is now within the Reserve Bank of India's (RBI) comfort range.

#### **5. RISKS AND CONCERNS**

The stock broking industry has recently witnessed intense competition, falling brokerage rates and the entry of several big players. The Company's Subsidiary Company continues to achieve cost efficiencies through the application of technology. However with the availability of financial resources, we are hopeful that the said Company will be able to take the opportunities of the expanding business opportunities. The Capital market industry in which your Company is operating is subject to extensive regulation. The Company evaluates the technological obsolescence and the associated risk and makes Investment accordingly.

#### **6. INTERNAL CONTROL SYSTEMS**

The Company has an adequate system of internal controls that ensure that all assets are protected against loss from unauthorized use or disposition and all transactions are recorded and reported in conformity with generally accepted accounting policies.

#### **7. FINANCIAL PERFORMANCE**

During the year company has achieved a turnover of Rs.914 Lacs as against the in the previous year at Rs. Rs.11358 Lacs. However, as the market was very volatile, therefore, trading in security , equity , mutual fund investment , equity derivatives were affected and Directors are of the view that in spite of various constrain company has fared reasonably good. Profit Margin was under Pressure as market conditions were not favorable to equity trading.

#### **8. HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

The industrial relations (with various financial intermediaries) remained cordial during the year under review.

#### **9. CAUTIONARY STATEMENT**

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

**For GSB Finance Limited**

**Place : MUMBAI.**  
**Date : 30th May, 2014**

**Sd/-**  
**Girdharilal S. Biyani**  
Chairman / CFO





## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd.)

### 1. **GSB FINANCE LIMITED'S PHILOSOPHY ON CODE OF GOVERNANCE :**

The Company has incorporated the sound Corporate Governance practices. Further the Board lays emphasis on transparency, accountability and integrity in all its operations and dealings with outsiders. Your Company has adopted some of the best practices in corporate governance much before the Code was formulated. The following are the detailed practices on Corporate Governance in your Company:

### 2. **BOARD OF DIRECTORS**

(a) Composition of the Board : (for the financial year 2013-2014)

Director	Category	No. of Meetings attended	*No. of outside Directorship held	Total No. of Membership / Chairmanship of Committees across all Companies	
				Member	Chairman
Mr. Ramakant S. Biyani (Managing Director)	Promoter, Non-independent	6	4	2	--
Mr. Girdhari S. Biyani (CFO)	Non-Independent, Executive	6	3	--	2
Mrs. Ritika Gupta	Non - Executive	6	1	2	--
Mr. Manish Zanvar	Non - Executive and Independent	--	--	--	--
Mr. Yogesh Patel	Non - Executive	4	--	2	--
Mr. Parasram R.Kabra	Non - Executive and Independent	5	--	2	2
Mr. Sajjan Kumar Poddar	Non - Executive	--	--	--	--
Mrs. Usha Patel	Non - Executive and Independent	--	--	--	--

(Excluding Alternate Directorship and Directorship in private limited companies, foreign companies and Section 25 Companies.)

Five Board Meeting were held during the financial year 2013-2014. The dates on which the meetings were held are given below:

27.05.2013, 30.05.2014, 14.08.13, 13.11.2013, 20.01.2014 and 10.02.2014

### 3. **AUDIT COMMITTEE:**

#### a) **Terms of Reference:**

Terms of Reference of Audit Committee include amongst other things mainly:

- \* Overseeing financial reporting process;
- \* Recommending the appointment of Statutory and Internal Auditors;



- \* Reviewing with management the quarterly, half yearly and annual financial statements on;
  - any change in accounting policies and practices
  - compliance with accounting standards
  - complying with Stock Exchange and other legal requirements concerning the financial Statements.
  - any related party transactions
- \* Reviewing the adequacy of internal control systems and periodic audit reports;
- \* Discussing with the Statutory Auditors about the nature and scope of audit;
- \* Reviewing the financial statements and investments made by the unlisted subsidiary companies;
- \* Analysis of the effects of alternative generally accepted accounting principles on the financial statements;
- \* Review of annual Management Discussion and Analysis of financial condition and results of operations and the Directors' Responsibility Statement;
- \* Disclosures made under the CEO and CFO certification to the Board;
- \* Reviewing the effectiveness of the system for monitoring compliance with laws and regulations;
- \* Ensure good financial practices throughout in the Company.

Name of the Director	Designation	No. of Meetings Attended
Mr. Parasram Kabra	Chairman	4
Mrs. Ritika Gupta	Member	4
Mr. Yogesh Patel	Member	4

Four Audit Committee Meeting were held during the financial year 2013-2014. The dates on which the meetings were held are given below

30.05.2013, 14.08.13, 13.11.2013, and 10.02.2014

#### **4. Nomination & Remuneration Committee:**

The following Directors are the members of the Remuneration Committee:

1. Parasram Kabra Chairman of the Committee
2. Yogesh Patel Directors
3. Ritika Gupta Directors

Other than sitting fees, the Company pays the remuneration to Directors as following:

1. Shri Girdharilal Biyani Chairman Rs. 8,50,000/- p.a.
2. Shri Ramakant Biyani Managing Director Rs. 7,70,000/- p.a.

Only one committee meeting was held 20/01/2014.

**5. SHAREHOLDERS COMMITTEE :****a) Share Transfer Committee**

The Committee is comprised of an Executive Director and a Non-Executive Independent Director. Shri Girdhari Sagarmal Biyani is the Chairman and Shri Ramakant S. Biyani & Mr. Parasram Kabra are the other members of the Committee. The Committee looks into the issues relating to Shareholders, including transfer, transmission and transposition of shares, issue of duplicate share certificates and other related matters. The Committee meets to consider and approve these matters from time to time.

**b) Stakeholders' Grievance Committee**

The Committee presently consists of three Non-Executive Independent Directors and an Executive Director. This Committee specifically looks into the redressal of shareholders' and investors' complaints such as transfer of Credit of shares to their demat account, Non-receipt of Dividend/ Notices/ Annual Report etc. with a primary objective to improve investor relations. The Committee met four times during the financial year 2013-14 viz.

**30.05.2013, 14.08.13, 13.11.2013, and 10.02.2014**

Composition of the committee and attendance of each Director at these meetings are as follows:

Name of the Director	Designation	No. of Meetings Attended
Mr. Girdhari Sagarmal Biyani	Chairman	4
Mr. Ramakant S. Biyani	Member	4
Mr. Parasram Kabra	Member	4

**c) Compliance officer**

Shri. Ramasre Pandey, Company Secretary is the Compliance Officer pursuant to clause 47 (a) of the Listing Agreement with Stock Exchange.

**d) Details of complaints/correspondences received and resolved during the year**

Number of correspondences received from Share holders	0
Number of correspondences redressed	0
Number of complaints/correspondences not resolved	0

**6. GENERAL BODY MEETINGS :**

Annual General Meeting:

AGMs	Date of AGMs	Location	Time
AGM (28th)	30th September, 2011	Mumbai	4.00 P. M.
AGM (29th)	29th September, 2012	Mumbai	4.00 P. M.
AGM (30th)	30th September, 2013	Mumbai	4.00 P. M.

**7. Means of Communication :**

The quarterly results are published in the newspapers viz., business standard Financial Express and Mahanayak. The Company currently does not have a website. Official news releases and presentations made to analysts are sent to the Stock Exchanges, where the Company's shares 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. Shareholder Information:

- i) Annual General Meeting  
Date : 26.09.2014  
Time : 4.00 P.M.  
Venue : 78/80, Alli Chambers, Tamrind Lane, Fort, Mumbai-400 023
- ii) Financial Calendar  
Financial reporting for  
Quarter ending June 30, 2014 : End of July 2014  
Quarter ending Sept. 30, 2014 : End of October 2014  
Quarter ending Dec. 31, 2014 : End of January, 2015  
Quarter ending March 31, 2015 : End of May, 2015  
Year ended March 31, 2015 : Annual General Meeting for the  
End of September 2015
- i) Dates of Book Closure : 25.09.2014 to 26.09.2014 (both days inclusive)
- ii) Dividend payment date : --
- v) Listing on Stock Exchanges 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)

Month	GSB Finance Ltd.	
	High (₹)	Low (₹)
April 2013	4.90	4.50
May 2013	4.28	4.08
June 2013	4.28	4.28
July 2013	4.07	4.07
August 2013	0.00	0.00
September 2013	3.90	3.53
October 2013	3.88	3.30
November 2013	3.64	3.18
December 2013	3.62	3.03
January 2014	8.64	5.68
February 2014	3.49	3.06
March 2014	4.53	2.95



## viii) Registrar and Share Transfer Agents

### 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

## ix) Share Transfer System

Share Transfers are registered and returned within a period of 30 days from the date of receipt, if the documents 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. Letters are sent to the shareholders after transfer of shares in their names giving an option for dematerialisation of shares of the physical shares. Physical shares are dematerialised and electronic credit is given to those shareholders, who opt for dematerialisation, share certificates are dispatched by Registered Posts.

## x) (a) Distribution of Shareholding (as on 31.03.2014)

	For the year 2013-2014			
	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	12307	96.405	1486528	24.775
501 - 1000	254	1.990	212524	3.542
1001 - 2000	104	0.815	157847	2.631
2001 - 3000	34	0.266	88205	1.470
3001 - 4000	11	0.086	37571	0.626
4001 - 5000	12	0.094	56231	0.937
5001 - 10000	21	0.164	153077	2.551
10001 & above	23	0.180	3808017	63.467
<b>TOTAL</b>	<b>12766</b>	<b>100</b>	<b>6000000</b>	<b>100</b>

## (b) Categories of Shareholders (as on 31.03.2014)

Category	No. of Shares Held	% of Shares Held
Promoters & Associates		
Individual	1803759	30.06
Corporate	1594110	26.57
Non- Institutions	2595219	43.25
NRI/OCBs	6912	0.12
Banks	--	--
In Transit (Demat Shares)	--	--
<b>Total</b>	<b>6000000</b>	<b>100</b>



xi) Dematerialization of shares and Liquidity:

Total number of shares demated as on 31.03.2014:-

Category	No. of Shares	% of Paid Up Capital
NSDL	4312611	71.88%
CDSL	416096	6.93%
Physical	1271293	21.19%
<b>Total</b>	<b>6000000</b>	<b>100</b>

The shares of the Company are listed in Mumbai, Calcutta, Jaipur and Uttar Pradesh Stock Exchanges and hence facilitates liquidity.

(xii) Address for correspondence : GSB Finance Limited  
78/80, Alli Chambers  
Tamarind Lane, Fort,  
Mumbai - 400 023.

**Registered Office:**  
815, Stock Exchange Tower,  
8th Floor, Dalal Street,  
Mumbai - 400 001.

**Date :** 30th May, 2014  
**Place:** Mumbai

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

**Sd/-**  
**G. S. BIYANI**  
**Chairman**



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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of GSB FINANCE LTD.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of GSB FINANCE LTD. ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2014;
- (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.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. 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 [and proper returns adequate for the purposes of our audit have been received from branches not visited by us];
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For S. K. Rathi & Co.**  
Chartered Accountants  
Firm Registration No.: 108724W

**sd/-**  
**(Surendra Kumar Rathi)**  
(Proprietor )  
Membership No. 031071

**Place : MUMBAI.**  
**Date : 30th May, 2014**





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## ANNEXURE TO AUDITOR'S REPORT

Re: GSB Finance Limited  
Referred to in Paragraph 1 of our report of even date

1. In respect of its Fixed Assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodic manner, which in our opinion is reasonable, having regard to the size of Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its Inventories:
  - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. In respect of the Loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956:
  - a) The Company has no Subsidiary.
  - b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of the loan given by the Company, are not prima facie prejudicial to the interest of the Company, However, during the year company has given loan to group companies and at the year end the balance outstanding including interest is Rs. 200.47 and amount is not overdue.
  - c) The principal amounts are repayable on demand and loans are mainly in the form of current loan accounts, while the interest is payable annually at the discretion of the Company.
  - d) In respect of the said loans and interest thereon, there are no overdue amounts.
  - e) The Company has not taken any loan during the year from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.



4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and Nature of its business for the purchases of security , derivatives in equity and option trading and fixed assets and for the sale of security , derivatives in equity and option trading and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
  - a) In our opinion and according to the information and explanation given to us, the transactions made in the pursuance of contracts or arrangements that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - b) In our opinion and according to the information and explanation given to us, the transactions made in the pursuance of contracts / arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs 5,00,000/- in respect of each party during the year have been made at prices which appears reasonable as per information available with the Company.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the Company has no internal audit system commensurate with the size and the nature of its business.
8. Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. In respect of the statutory dues:

According to the records of the Company, undisputed statutory dues including Income-Tax, Sales Tax, Service Tax, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date of becoming payable.
10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and however, it has incurred cash loss in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.



12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund/ nidhi / mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities and other investments, and timely entries have been made therein. All shares, securities and other investments have been held by the Company in its own name.
15. According to the information and explanations given to us, and the representations made by the Management, the Company has not given any guarantee for loans taken by others from any bank of financial institution;
16. According to the information and explanations given to us, and the representations made by the Management, the Company has applied for term loans for purchase of Motor car to HDFC Bank Ltd. And the installments and interest is being paid regularly;
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital;
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. On the basis of the records and documents examined by us, the Company has not issued any debentures nor created any securities in respect of debenture issue;
20. The Company has not raised any money by public issue, during the year.
21. According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the course of our audit;

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

sd/-  
**(CA. S.K. Rathi)**  
Prop.

Membership No. 031071  
FRN:108724W

**Place :** MUMBAI.  
**Date :** 30th May, 2014



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**AUDITOR'S 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, 2014.

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**

Sd/-  
(CA. S.K. Rathi)  
Prop.

Membership No.31071  
FRN: 108724W

Place : MUMBAI.  
Date : 30th May, 2014


**BALANCE SHEET AS AT 31st MARCH, 2014**

Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	2	59,734,210.00	59,734,210.00
(b) Reserves and Surplus	3	43,164,408.57	40,314,681.05
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	26,889,325.56	24,941,176.72
(3) Current Liabilities			
(a) Trade payables	5	207,040.64	1,689,071.73
(b) Other current liabilities	6	815,255.00	824,314.00
(c) Short-term provisions	7	274,590.00	2,258,780.00
<b>Total</b>		<b>131,084,829.77</b>	<b>129,762,233.50</b>
<b>II. ASSETS</b>			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	1,276,080.00	1,540,610.00
(b) Non-current investments	9	184,100.00	184,100.00
(c) Deferred tax assets (net)	10	117,861.00	541,478.00
(d) Other Non- Current Assets	11	1,000.00	1,000.00
(2) Current assets			
(a) Inventories	12	17,091,048.21	13,943,354.35
(b) Trade receivables	13	3,966,883.01	2,931,108.44
(c) Cash and cash equivalents	14	1,729,223.55	857,975.71
(d) Short-term loans and advances	15	106,718,634.00	109,762,607.00
(e) Other current assets	-	-	
<b>Total</b>		<b>131,084,829.77</b>	<b>129,762,233.50</b>
<b>Significant Accounting Policies and Notes on Accounts 1</b>			

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.**

 Sd/-  
 (CA S. K. Rathi)  
 Prop.  
 M. No. 031071  
 FRN: 108124W

 Sd/-  
 (Girdhari Biyani)  
 Chairman

 Sd/-  
 (Ramakant Biyani)  
 Mg. Director

 Place : MUMBAI.  
 Date : 30th May, 2014


**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2014**

Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. Revenue from operations	16	91,409,442.09	1,135,809,837.74
II. Other Income	17	9,464,655.59	8,594,659.50
<b>III. Total Revenue (I +II)</b>		<b>100,874,097.68</b>	<b>1,144,404,497.24</b>
<b>IV. Expenses:</b>			
Purchase of Stock-in-Trade	18	97,516,488.87	1,120,771,492.59
Changes in Stock-in-Trade	19	(3,147,693.86)	5,850,827.77
Employee benefit expense	20	1,462,111.00	1,361,419.00
Financial costs	21	2,463,482.26	4,287,153.26
Depreciation and amortization expense	22	160,292.00	248,409.00
Other expenses	23	1,109,736.89	1,172,316.16
<b>Total Expenses</b>		<b>99,564,417.16</b>	<b>1,133,691,617.78</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	1,309,680.52	10,712,879.46
VI. Exceptional Item Loss on Sales of Motor Car		(4,238.00)	-
VII. Profit before tax	(V - VI)	<b>1,305,442.52</b>	<b>10,712,879.46</b>
<b>VIII. Tax expenses:</b>			
(1) Current tax - MAT Credit		(274,590.00) 2,242,492.00	(2,258,780.00) -
(2) Deferred tax Deferred Tax Expenses/ (Savings) Deferred Tax Assets W/off ( P.Y Created)		(12,467.00) (436,084.00)	32,800.00 (1,425,300.00)
(3) Transfer to Statutory Reserve Fund		210,000.00	1,700,000.00
(4) Transfer to General Reserve		-	3,000,000.00
IX. Profit/(Loss) for the period		<b>2,639,727.52</b>	<b>2,295,999.46</b>
X. Earning per equity share:			
(1) Basic		0.44	0.38
(2) Diluted		0.44	0.38

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.**

 Sd/-  
(CA S. K. Rathi)  
Prop.  
M. No. 031071  
FRN: 108124W

 Sd/-  
(Girdhari Biyani)  
Chairman

 Sd/-  
(Ramakant Biyani)  
Mg. Director

 Place : MUMBAI.  
Date : 30th May, 2014



## NOTES FORMING PART OF BALANCE SHEET AS AT 31 MARCH, 2014

Particulars	Current Year	Previous Year		
<b>NOTE: 2</b>				
<b>SHARE CAPITAL</b>				
Authorised Capital 60,00,000 Equity Shares @ 10.00/- Each	60,000,000.00	60,000,000.00		
<b>Total</b>	<b>60,000,000.00</b>	<b>60,000,000.00</b>		
Issued capital 60,00,000 Equity Shares @ 10.00 Each	60,000,000.00	60,000,000.00		
<b>Total</b>	<b>60,000,000.00</b>	<b>60,000,000.00</b>		
Subscribed And Paid Up 60,00,000 Equity Shares @ 10.00 Each	60,000,000.00	60,000,000.00		
<b>Total</b>	<b>60,000,000.00</b>	<b>60,000,000.00</b>		
Less : Calls in Arrears	265,790.00	265,790.00		
<b>Grand Total :</b>	<b>59,734,210.00</b>	<b>59,734,210.00</b>		
<u>The Details Of Shareholder Holding More than 5% Shares</u>				
<b>NAME OF SHAREHOLDERS</b>	<b>%</b>	<b>No.</b>	<b>%</b>	<b>No.</b>
1. Shri Girdhari S. Biyani	5.82	349103	5.82	349103
2. Shri Ramakant S. Biyani	9.13	547547	9.13	547547
3. Smt. Neelam Ramakant Biyani	7.69	461533	7.69	461,533
4. Smt.Sushma Girdhari Biyani	7.23	433576	7.23	433,576
5. GSB Capital Markets Ltd.	9.50	570000	9.50	570000
6. GSB Securities Pvt. Ltd.	9.50	570000	9.50	570000
7. GSB Shares Custodian Services Ltd.	6.25	375098	6.25	375098
<u>The Reconciliation of the Number of Shares Outstanding is set out below:</u>				
Opening Balance	6000000		6000000	
Closing Balance	6000000		6000000	
<b>NOTE: 03</b>				
<b>PROFIT AND LOSS A/C</b>				
Deferred Tax Assets Created/ P.Y. (W/Off)	(436,084.00)		(1,425,300.00)	
Deferred Tax Expenses / (Savings)	12,467.00		(32,800.00)	
Current Tax	(274,590.00)		(2,258,780.00)	
MAT	2,242,492.00		-	
Transfer to Special Reserve Fund	(210,000.00)		(1,700,000.00)	
Transfer to General Reserve	-		(3,000,000.00)	
Profit & Loss A/C - Opening Balance	8,484,681.05		6,188,681.59	
Profit / (Loss) For The Year	1,305,442.52		10,712,879.46	
<b>Total</b>	<b>11,124,408.57</b>		<b>8,484,681.05</b>	
<u>RESERVE AND SURPLUS FOR 2013-2014</u>				
<b>PARTICULAR</b>	<b>OPENING</b>	<b>ADDITION</b>	<b>DEDUCTION</b>	<b>CLOSING</b>
Statutory Reserve	21,830,000.00	210,000.00	-	22,040,000.00
General Reserve	10,000,000.00	-	-	10,000,000.00
Profit & Loss A/c	8,484,681.05	2,639,727.52	-	11,124,408.57
<b>Total</b>	<b>40,314,681.05</b>	<b>2,849,727.52</b>	-	<b>43,164,408.57</b>



Particulars			Current Year	Previous Year
<u>RESERVE AND SURPLUS FOR 2012-2013</u>				
<b>PARTICULAR</b>	<b>OPENING</b>	<b>ADDITION</b>	<b>DEDUCTION</b>	<b>CLOSING</b>
Statutory Reserve	20,130,000.00	1,700,000.00	-	21,830,000.00
General Reserve	7,000,000.00	3,000,000.00	-	10,000,000.00
Profit & Loss A/c	6,188,681.59	10,712,879.46	(8,416,880.00)	8,484,681.05
<b>Total</b>	<b>33,318,681.59</b>	<b>15,412,879.46</b>	<b>(8,416,880.00)</b>	<b>40,314,681.05</b>
<b>NOTE: 04</b>				
<u>LONG-TERM BORROWINGS</u>				
Other Loans				
LIC OF INDIA				
( Against Mortgage of Key Man Insurance Policy)				
INT.ACCRUED & DUE ON LIC LOAN			6,054,033.00	3,860,500.00
HDFC BANK LTD MOTOR CAR LOAN			180,292.56	425,676.72
<b>Total</b>			<b>26,889,325.56</b>	<b>24,941,176.72</b>
<b>NOTE: 05</b>				
<u>TRADE PAYABLES</u>				
(A) Outstanding Expenses				
OUTSTANDING EXPENSES			58,488.98	190,449.41
<b>Total (A)</b>			<b>58,488.98</b>	<b>190,449.41</b>
(B) SUNDRY CREDITORS				
ENAM SECURITIES DIRECT(NSECASH			-	890.82
KOTAK SECURITIES PVT LTD(F&O)			148,551.66	-
Mukesh C Patani			-	1,497,180.00
Quant Capital Finance & Investment Pvt. Ltd.			-	551.50
<b>Total (B)</b>			<b>148,551.66</b>	<b>1,498,622.32</b>
<b>Total (A+B)</b>			<b>207,040.64</b>	<b>1,689,071.73</b>
<b>NOTE: 6</b>				
<u>OTHER CURRENT LIABILITIES</u>				
TDS ON CONTRACTORS PAYMENT			674.00	512.00
TDS ON DIRECTOR REMUNERATION			5,000.00	5,000.00
TDS ON INTEREST PAID			42,214.00	45,094.00
TDS ON PROFFETIONAL CHARGES			4,400.00	10,741.00
PROVISION FOR DIVIDEND 06-07			374,359.50	374,359.50
PROVISION FOR DIVIDEND 07-08			388,607.50	388,607.50
<b>Total</b>			<b>815,255.00</b>	<b>824,314.00</b>
<b>NOTE: 7</b>				
<u>PROVISIONS</u>				
PROVISIONS FOR TAXATION : Brought Forward			2,258,780.00	-
Less: Paid against the above			(2,258,780.00)	-
Add: Provision foe the Year			274,590.00	2,258,780.00
<b>Total</b>			<b>274,590.00</b>	<b>2,258,780.00</b>





**NOTE : 8**  
**TANGIBLE ASSETS**

PARTICULAR	GROSS BLOCK				DESCRIPTION				NET BLOCK	NET BLOCK	
	Rate of Depreciation	As on 01.04.2013	Additions	Deductions	Total Upto 31.03.2014	As on 01.04.2013	For the Year	Adjustment for Deduction	Total Upto 31.03.2014	As on 31.03.2014	As on 31.03.2013
Office Premises	1.63%	481,913.48	-	-	481,913.48	237,561.48	7,855.00	-	245,416.48	236,497.00	244,352.00
Office Equipment	4.75%	809,181.46	-	-	809,181.46	737,566.46	38,436.00	-	776,002.46	33,179.00	71,615.00
Furniture & Fixture	6.33%	356,615.00	-	-	356,615.00	356,615.00	-	-	356,615.00	-	-
Computers	16.21%	767,930.00	-	-	767,930.00	767,930.00	-	-	767,930.00	-	-
Fire Fighting Equipment	4.75%	5,475.00	-	-	5,475.00	4,680.00	260.00	-	4,940.00	535.00	795.00
Electrical Equipments	4.75%	136,742.00	-	-	136,742.00	56,992.00	6,495.00	-	63,487.00	73,255.00	79,750.00
Air- conditioning Machines	4.75%	383,572.02	-	-	383,572.02	129,664.02	18,220.00	-	147,884.02	235,688.00	253,908.00
Motor Car	9.50%	1,627,046.00	-	740,654.00	886,392.00	736,856.00	89,026.00	636,416.00	189,466.00	696,926.00	890,190.00
<b>Total</b>		<b>4,568,474.96</b>	<b>-</b>	<b>740,654.00</b>	<b>3,827,820.96</b>	<b>3,027,864.96</b>	<b>160,292.00</b>	<b>636,416.00</b>	<b>2,551,740.96</b>	<b>1,276,080.00</b>	<b>1,540,610.00</b>
<b>Previous Year</b>		<b>4,568,474.96</b>	<b>-</b>	<b>-</b>	<b>4,568,474.96</b>	<b>2,779,455.96</b>	<b>248,409.00</b>	<b>-</b>	<b>3,027,864.96</b>	<b>1,540,610.00</b>	<b>1,789,019.00</b>

For and on behalf of the Board,  
**For GSB Finance Ltd.**

Sd/-

(Girdhari Biyani)  
Chairman

Sd/-

(Ramakant Biyani)  
Mg. Director



Particulars	Current Year	Previous Year
<b>NOTE: 9</b>		
<u>INVESTMENTS for 2013-2014</u>		
250 Equity Shares (Unquoted) of Western Co-operative Bank Ltd. having face value of Rs. 10 each fully paid up		2,500.00
Lease Hold Rights - Prestige Holiday Resorts Time Shares [(UnQuoted) having face value of Rs. 60000 each fully paid up ]		60,000.00
Lease Hold Rights - Sterling Holiday Resort Time Shares [(UnQuoted) having face value of Rs.121600 each fully paid up ]		121,600.00
<b>Total</b>		<b>184,100.00</b>
<b>NOTE: 9</b>		
<u>INVESTMENTS for 2012-2013</u>		
250 Equity Shares (Unquoted) of Western Co-operative Bank Ltd. having face value of Rs. 10 each fully paid up		2,500.00
Lease Hold Rights - Prestige Holiday Resorts Time Shares [(UnQuoted) having face value of Rs.60000 each fully paid up ]		60,000.00
Lease Hold Rights - Sterling Holiday Resort Time Shares [(UnQuoted) having face value of Rs.121600 each fully paid up ]		121,600.00
<b>Total</b>		<b>184,100.00</b>
<b>NOTE: 10</b>		
<u>DEFERRED TAX ASSETS (NET)</u>		
DEFERRED TAX ASSET	285,216.00	721,300.00
DEFERRED TAX LIABILITIES	(167,355.00)	(179,822.00)
<b>Total</b>	<b>117,861.00</b>	<b>541,478.00</b>
<b>NOTE: 11</b>		
<u>OTHER NON CURRENT ASSETS</u>		
<u>LONG TERM TRADE RECEIVABLES</u>		
Sundry Debtors- More Than Six Months ( Unsecured but Considered Good)		
REFCO-SIFY SECURITIES (CASH)	1,000.00	1,000.00
<b>Total</b>	<b>1,000.00</b>	<b>1,000.00</b>
<b>NOTE: 12</b>		
<u>INVENTORIES</u>		
Stock In Trade :		
STOCK IN TRADE	17,091,048.21	13,943,354.35
<b>Total</b>	<b>17,091,048.21</b>	<b>13,943,354.35</b>



Particulars	Current Year	Previous Year
<b>NOTE: 13</b>		
<b>CURRENT TRADE RECEIVABLES</b>		
A) Current Trade Receivables (Unsecured but Considered Good)		
Sundry Debtors - Others	3,958,364.01	2,931,108.44
B) Prepaid Expenses		
PREPAID EXPENSES	8,519.00	-
<b>Total</b>	<b>3,966,883.01</b>	<b>2,931,108.44</b>
<b>NOTE: 14</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
<b>CASH AND BANK</b>		
Balance With Scheduled Bank		
AXIS BANK (07-08) 4010202362056	415,136.50	407,154.50
AXIS BANK - 4010201373754(06-07)	407,154.50	415,136.50
B.O.I. (008620100007070)	859,412.07	18,146.23
UNION BANK OF INDIA(QUANT)	8,190.00	8,190.00
<b>Total</b>	<b>1,689,893.07</b>	<b>848,627.23</b>
CASH IN HAND	39,330.48	9,348.48
<b>Total</b>	<b>39,330.48</b>	<b>9,348.48</b>
<b>Grand Total</b>	<b>1,729,223.55</b>	<b>857,975.71</b>
<b>NOTE: 15</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b>		
Other [ Unsecured but considered Good]		
Advance Recoverable in Cash or in kind or for value to be Recovered	95,183,604.00	1,00,579,379.00
Deposit With Revenue Authorities	11,535,030.00	9,183,228.00
<b>Total</b>	<b>106,718,634.00</b>	<b>109,762,607.00</b>

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.**

Sd/-  
(CA S. K. Rathi)  
Prop.  
M. No. 031071  
FRN: 108124W

Sd/-  
(Girdharil Biyani)  
Chairman

Sd/-  
(Ramakant Biyani)  
Mg. Director

Place : MUMBAI.  
Date : 30th May, 2014



## NOTES FORMING PART OF PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

Particulars	Current Year	Previous Year
<b>NOTE: 16</b>		
<u>REVENUE FROM OPERATIONS</u>		
<u>SALES &amp; OTHER OPERATING INCOMES</u>		
Sales of Shares	91,407,163.95	1,133,568,355.91
Speculation Gain/loss	-	714,636.00
Drv. Speculation P/I A/c	-	1,526,845.83
Value Added Subscription Plan	2,278.14	-
<b>Total</b>	<b>91,409,442.09</b>	<b>1,135,809,837.74</b>
<b>NOTE: 17</b>		
<u>OTHER INCOME</u>		
<u>INDIRECT INCOME</u>		
Dividend	29,232.60	253,377.50
Sundry Balances W/off	1,360.99	
<b>Total</b>	<b>30,593.59</b>	<b>253,377.50</b>
<u>INTEREST RECEIVED</u>		
Interest Received Other Parties	9,434,062.00	8,341,282.00
<b>Grand Total</b>	<b>9,464,655.59</b>	<b>8,594,659.50</b>
<b>NOTE: 18</b>		
<u>COST OF PURCHASE</u>		
PURCHASE OF SHARES	94,859,798.82	1,116,910,864.80
SPECULATION GAIN/LOSS	53,951.64	-
DRV. SPECULATION P/L A/C	1,998,376.42	-
OTHER CHARGES	75,437.28	185,933.54
SECUTIRY TRANSACTION TAX	434,102.11	2,665,938.90
SERVICE TAX	32,174.29	295,020.94
STAMP CHARGES	29,572.10	147,472.18
Demate / Holding Delivery Charges	14,339.87	19,408.53
TURN OVER CHARGES	18,736.34	192,710.06
VALUE ADDED SUBSCRIPTION PLAN	-	354,143.64
<b>Total</b>	<b>97,516,488.87</b>	<b>1,120,771,492.59</b>
<b>NOTE: 19</b>		
<u>INCREASE/DECREASE IN STOCK</u>		
Opening Stock		
STOCK IN TRADE	13,943,354.35	19,794,182.12
<b>Sub Total</b>	<b>13,943,354.35</b>	<b>19,794,182.12</b>
Less: Closing Stock		
STOCK IN TRADE	17,091,048.21	13,943,354.35
<b>Sub Total</b>	<b>17,091,048.21</b>	<b>13,943,354.35</b>
<b>(INCREASE) / DECREASE IN STOCK</b>	<b>(3,147,693.86)</b>	<b>5,850,827.77</b>
<b>NOTE: 20</b>		
<u>EMPLOYEE BENEFIT EXPENSES</u>		
SALARY & BONUS A/C	742,275.00	646,100.00
REMUNERATION TO DIRECTORS	600,000.00	600,000.00
STAFF WELFARE EXPENSES	71,666.00	69,408.00
CONVEYANCE EXPENSES	48,170.00	45,911.00
<b>Total</b>	<b>1,462,111.00</b>	<b>1,361,419.00</b>



## NOTES FORMING PART OF PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

Particulars	Current Year	Previous Year
<b>NOTE: 21</b>		
<b>FINANCIAL COSTS</b>		
INTEREST ON LIC LOAN A/C	2,193,533.00	2,169,000.00
INTEREST PAID FOR OTHER PARTIE	156,065.46	2,052,465.58
INTEREST ON MOTOR CAR LOAN	37,119.84	64,224.68
INTEREST ON TDS	139.00	1,463.00
INT. ON LATE PAYMENT IT	53,219.00	-
DELAYED PAYMENT CHARGES	23,405.96	-
<b>Total</b>	<b>2,463,482.26</b>	<b>4,287,153.26</b>
<b>NOTE: 22</b>		
<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>		
Depreciation on Air Condition Machines	18,220.00	18,220.00
Depreciation on Computers	-	-
Depreciation on Electrical Equipemnts	6,495.00	6,495.00
Depreciation on Fire Fighting Equipments	260.00	260.00
Depreciation on Furniture And Fixtures	-	22,574.00
Depreciation on Motor Car	89,026.00	154,569.00
Depreciation on Office Premises	7,855.00	7,855.00
Depreciation on Office Equipments	38,436.00	38,436.00
<b>Total</b>	<b>160,292.00</b>	<b>248,409.00</b>
<b>NOTE: 23</b>		
<b>OTHER EXPENSES</b>		
DIRECTOR'S FEES	10,000.00	10,000.00
ELECTRICITY CHARGES	84,000.00	84,350.00
GENERAL EXPENSES	33,892.00	24,423.88
Advertisement & Publicity	47,980.21	51,172.18
LEGAL & PROFESSIONAL FEES	25,728.00	27,228.00
Motor Car Expenses (Inc. Insurance Charges)	221,245.00	304,406.00
NEWSPAPER & PERIODICALS	8,462.00	7,430.00
Payment To Auditors For Audit Fees	35,750.00	32,500.00
Payment To Auditors For Tax Audit Fees	8,250.00	7,500.00
Annual Fees Stock Exchange	28,090.00	32,000.00
BANK COMMISSION/CHARGES	2,230.00	4,825.59
DEPOSITRY CHARGES	38,561.00	38,976.00
POSTAGE & TELEGRAMS,COURIER CH	114,697.50	101,475.00
PRINTING & STATIONERY EXPENSES	122,100.50	119,524.00
PROFESSION TAX(COMPANY)	2,500.00	5,000.00
Repairs & Maintenance (Incl. Computer Maintenance)	66,984.60	64,611.20
SALES PROMOTION EXPENSES	3,146.00	3,240.00
SHARE REGISTRAR FEES	65,662.00	67,416.00
TELEPHONE & MOBILE EXPENSES	127,598.08	136,443.97
TRAVELLING EXPENSES	43,660.00	32,348.00
WATER CHARGES	19,200.00	17,300.00
SUNDRY BALANCE W/OFF	-	146.34
<b>Total</b>	<b>1,109,736.89</b>	<b>1,172,316.16</b>

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.**

Sd/-  
(CA S. K. Rathi)  
Prop.  
M. No. 031071  
FRN: 108124W

Sd/-  
(Girdharil Biyani)  
Chairman

Sd/-  
(Ramakant Biyani)  
Mg. Director

Place : MUMBAI.  
Date : 30th May, 2014



**NOTE NO.: 10**  
**STOCK IN TRADE as on 31st March, 2014**

EQUITY SHARES (QUOTED) S C R I P	Face Value	OPENING STOCK		CLOSING STOCK						
		Quantity	Value	Closing Quantity	Cost Rate	Cost Value	Market Rate	Market Value	Lower Value	
AIAENGINEER	2			200.00	556.98	111,395.00	556.45	111,290.00	111,290.00	111,290.00
AJMERA	10			3,000.00	50.01	150,030.00	52.10	156,300.00	150,030.00	150,030.00
BOMBAYREYON FAISHON	10			3,000.00	221.04	663,120.00	216.90	650,700.00	650,700.00	650,700.00
CLARIS LIFE	10			2,500.00	176.82	442,045.39	160.85	402,125.00	402,125.00	402,125.00
DAMODAR THREADS	10	50,000.00	1,627,279.35	1,809.00	38.85	70,277.95	50.05	90,540.45	70,277.95	70,277.95
GCM COMM.& DERIVATIV	10			6,000.00	20.00	120,000.00	9.31	55,860.00	55,860.00	55,860.00
GUJ.NRE COKE PREF.	10	15.00		15.00	-	-	10.01	150.15		
GUJARAT SIDHEE CEMEN	10	85,000.00	663,000.00							
GUJFLUORO	1			3,000.00	325.49	976,481.50	319.55	958,650.00	958,650.00	958,650.00
INDIAN HOTE.	1			5,000.00	70.58	352,903.30	72.30	361,500.00	352,903.30	352,903.30
JAGARAN PRAKASHAN	2			10,000.00	101.10	1,010,996.60	102.90	1,029,000.00	1,010,996.60	1,010,996.60
JAI CORP LTD	1			4,000.00	69.50	278,006.10	69.65	278,600.00	278,006.10	278,006.10
MAYUR UNIQOTER	5			300.00	350.06	105,017.00	328.05	98,415.00	98,415.00	98,415.00
MUNDRA PORT	2			97.00	163.43	15,852.71	187.50	18,187.50	15,852.71	15,852.71
PRRANETA INDUST	1	50,000.00	24,000.00							
RUBY MILLS	5	100.00	22,075.00	200.00	110.38	22,075.00	203.90	40,780.00	22,075.00	22,075.00
SABERO ORGANICS	10			1,000.00	121.72	121,719.55	124.00	124,000.00	121,719.55	121,719.55
SONAKOYO STERING	1			10,000.00	21.50	215,013.70	21.25	212,500.00	212,500.00	212,500.00
SUN PHARMA ADV RESEARCH	1			3,000.00	153.93	461,778.90	145.80	437,400.00	437,400.00	437,400.00
TASC PHARMACEUTICALS LTD	1			5,000.00	24.61	123,050.00	23.95	119,750.00	119,750.00	119,750.00
TATA IRON AND STEEL CO LTD	10			100.00	339.71	33,971.00	393.85	39,385.00	33,971.00	33,971.00
TORRENT POWER LTD	10			2,000.00	90.26	180,520.00	93.65	187,300.00	180,520.00	180,520.00
FLEX INDUSTRIES LTD	10			3,000.00	67.00	201,006.00	71.25	213,750.00	201,006.00	201,006.00
<b>TOTAL:</b>		<b>185,115.00</b>	<b>2,336,354.35</b>	<b>63,221.00</b>		<b>5,655,259.70</b>		<b>5,586,183.10</b>	<b>5,484,048.21</b>	<b>5,484,048.21</b>



**NOTE NO.: 10**  
**STOCK IN TRADE as on 31st March, 2014**

EQUITY SHARES (QUOTED)	Face Value	OPENING STOCK		CLOSING STOCK						Lower Value	
		Quantity	Value	Closing Quantity	Cost Rate	Cost Value	Market Rate	Market Value			
S C R I P											
GSB CAPITAL MARKETS LTD	10	285,500.00	2,855,000.00	285,500.00	10.00	2,855,000.00	10.00	5,710,000.00	2,855,000.00	2,855,000.00	
GSB CAPITAL MARKETS LTD	10	120,000.00	2,400,000.00	120,000.00	20.00	2,400,000.00	20.00	2,400,000.00	2,400,000.00	2,400,000.00	
GSB CAPITAL MARKETS LTD(BONUS)	10	67,583.00	-	67,583.00	-	-	20.00	1,351,660.00	-	-	
GSB COMMODITIES PVT LTD	10	90,000.00	900,000.00	90,000.00	10.00	900,000.00	10.00	900,000.00	900,000.00	900,000.00	
GSB SECURITIES PVT LTD	10	355,000.00	3,550,000.00	355,000.00	10.00	3,550,000.00	10.00	3,550,000.00	3,550,000.00	3,550,000.00	
GSB SHARE CUSTODIAN LTD	10	190,200.00	1,902,000.00	190,200.00	10.00	1,902,000.00	10.00	1,902,000.00	1,902,000.00	1,902,000.00	
<b>TOTAL</b>		<b>1,108,283.00</b>	<b>11,607,000.00</b>	<b>1,108,283.00</b>	<b>60.00</b>	<b>11,607,000.00</b>	<b>80.00</b>	<b>15,813,660.00</b>	<b>11,607,000.00</b>	<b>11,607,000.00</b>	
<b>GRAND TOTAL</b>		<b>&gt;&gt;&gt;&gt;</b>	<b>13,943,354.35</b>	<b>1,171,504.00</b>		<b>17,262,259.70</b>		<b>21,399,843.10</b>	<b>17,091,048.21</b>	<b>17,091,048.21</b>	
Previous Year		<b>&gt;&gt;&gt;&gt;</b>	<b>19,792,082.12</b>	<b>1,293,398.00</b>		<b>14,179,133.35</b>		<b>-</b>	<b>13,943,354.35</b>	<b>13,943,354.35</b>	

**Summary of Stock in Trade**

Quoted Shares	63,221	5,484,048	(P.Y. 2,336,354)
Unquoted Shares	1,108,283	11,607,000	(P.Y. 11,607,000)
<b>Total</b>	<b>1,171,504</b>	<b>17,091,048</b>	<b>(P.Y. 13,943,354)</b>

For and on behalf of the Board,  
**For GSB Finance Ltd.**

Sd/-  
(Girdhari Biyani)  
Chairman

Sd/-  
(Ramakant Biyani)  
Mg. Director



## SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

(ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014.)

### 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 is 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. Provision has not been made for Listing Fees payable to Calcutta, Ahmadabad, Jaipur and Uttar Pradesh Stock Exchanges, as stock exchange are not working and company shares could not be dealt with in these stock exchanges. Previous year's provisions written off.
4. Particulars of goods traded in (Shares, Units etc.).

	Current Year		Previous Year	
	Qty. (Nos.)	Value (Rs.)	Qty. (Nos.)	Value (Rs.)
Opening Stock	1,293,398	13,943,354	1,296,598	19,794,182
Purchases	1,569,583	94,859,799	7,635,219	1,116,910,865
Sales	1,691,477	91,407,164	7,638,419	1,133,568,355
Closing Stock	1,171,504	17,091,048	1,293,398	13,943,354

5. Expenditures incurred in Foreign currency is Nil ( P.Y. Nil) = Nil (P.Y. Rs. Nil ).
6. Earning in foreign currency is NIL (Previous year Nil).
7. Previous year figures have been re-grouped and re-arranged wherever found necessary.
8. 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.
9. The Company has not accepted any deposits from public during the year.





## 10. Payments made to Auditors :-

	Rs.
For Audit Fees	35,750/-
For Tax Audit Fees	8,250/-
	<b>44,000/-</b>

11. These accounts are not signed by Secretary as the company has no secretary as on date, the accounts were approved by the directors.

12. Company recognizes 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. 12,76,080/-
And as per Income Tax Act, 1961	Rs. 7,34,478/-
Deferred Tax Liabilities (Net)	Rs. 1,17,861/- (P.Y. 5,41,478/-)
Deferred Tax (Savings) / Expenses	(Rs. 12,467/-) (P.Y. 32,800/-)

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

Company recognized Deferred Tax Assets at Rs.2,85,216/- (P.Y. 7,21,300/-) on Unabsorbed Loss and Depreciation as company has made profit in previous year which justify the chances of recovering current year and brought forward loss in future, on prudent basis as per Accounting Standard 22 issued by ICAI

Carry Forward of Current Year Loss under IT Provision	9,47,211/-
Carry Forward of unabsorbed Depreciation	NIL

## 13. Related Party Disclosures:

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

List of related Parties

### i) Associates

- |                             |                                      |
|-----------------------------|--------------------------------------|
| a) GSB Capital Markets Ltd. | c) GSB Share Custodian Services Ltd. |
| b) GSB Securities Pvt. Ltd. |                                      |

### ii) Key Management Personnel

- |                                  |                                 |
|----------------------------------|---------------------------------|
| a) Shri G. S. Biyani, Director   | e) Shri Yogesh Patel, Director  |
| b) Shri R. S. Biyani, Director   | f) Shri Sajjan Poddar, Director |
| c) Mrs. Ritika Gupta, Director   | g) Shri Manish Zanwar, Director |
| d) Shri Parasram Kabra, Director |                                 |

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

		Assocaites	Key Management Personnel	Total
(A)	Trade Transaction (Inc. Sq. up Transaction)			
	a) Purchased during the year	5,013.22	--	5,013.22
	b) Sold during the year	4,976.46	--	4,976.46
	c) Brokerage paid	1.82	--	1.82
(B)	Sundry Debtors Balance	37.33	--	37.33
(C)	Interest received during the year	63.02	--	62.02
(D)	Remuneration to Key Personnel	--	6.00	6.00
(E)	Loan & Advances	517.00	--	517.00

**14. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:****I. REGISTRATION DETAILS:**

REGISTRATION No. : US1909MH2001PLC134193  
 STATE CODE : 11  
 BALANCE SHEET DATE : 31ST MARCH, 2014.

**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 : 1, 31,085/- TOTAL ASSETS : 1, 31,085/-

**Sources of Fund:**

Paid up Capital : 59,734/-  
 Reserve & Surplus : 43,165/-  
 Secured Loans : 26,889/-  
 Unsecured Loans : NIL  
 Current Liabilities : 1,297/-

**Application Fund:**

Net Fixed Assets : 1,276/-  
 Investment : 184/-  
 Other Non Current Assets : 1/-  
 Current Assets : 1, 29,506/-  
 Miscellaneous Expenditure : NIL  
 Accumulated Losses : NIL  
 Deferred Tax Assets (Net) : 118/-

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

Turnover (Including other Income) : 1, 00,874/-  
 Total Expenditure : :99,564/-  
 Profit / (Loss) Before Tax : 1,305/-  
 Profit / (Loss) After Tax : 1030/-  
 Earning Per Share in Rs. : 0.44  
 Dividend : NIL

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

<b>ITEM</b>	<b>ITEM CODE NO. (ITC CODE)</b>
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.**

**Sd/-**  
**(CA C. K. Rathi)**  
**Prop.**

M. No. 031071 | FRN: 108124W

**Sd/-**  
**(Girdharilal Biyani)**  
**Chairman**

**Sd/-**  
**(Ramakant Biyani)**  
**Director**

Place : MUMBAI.

Date : 30th May, 2014



## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2014

Particulars	AS AT 31-03-2014	AS AT 31-03-2013
<b>A. Cash Flow From Operating Activities :-</b>		
Net Profit (Loss) after Tax and extraordinary Items	2639728	2,295,999
<u>ADJUSTMENT FOR</u>		
Deffered Tax Assets	436084	1,425,300
Deferred Tax (Savings)/Expenses	-12467	32,800
Depreciation	160292	248,409
Transfer To Statutory Reserves	210000	1,700,000
Transfer To General Reserves	0	3,000,000
Loss from Sale of Fixed Assets	4238	-
Dividend Received	-29233	(253,378)
Operating Profit before Working Capital Changes	3408642	8,449,131
<u>ADJUSTMENT FOR:</u>		
Trade and other Receivable	2008198	(14,486,694)
Inventories	-3147694	5,850,828
Trade Payable	-3475280	(2,211,001)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>-1206134</b>	<b>(2,397,737)</b>
<b>B. Cash Flow From Investing Activities :-</b>		
Sale (Purchase) of Fixed Assets	100000	-
Sale of Investment	-	-
Dividend Received.	29233	253,378
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>129233</b>	<b>253,378</b>
<b>C. Cash Flow From Finance Activities :-</b>		
Proceeds from Secured Loans	1948149	1,950,721
Proceeds from Unsecured Loans	-	-
<b>CASH FLOW FROM FINANCEING ACTIVITIES</b>	<b>1948149</b>	<b>1,950,721</b>
Net (decrease)/ increase in Cash & Cash equivalents	871,248	(193,639)
Cash & Cash equivalents at the begin of the year	857976	1,051,615
Cash & Cash equivalents at the close of the year	1729224	857,976

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.**

Sd/-  
(CA C. K. Rathi)  
Prop.  
M. No. 031071 | FRN: 108124W

Sd/-  
(Girdharilal Biyani)  
Chairman

Sd/-  
(Ramakant Biyani)  
Director

Place : MUMBAI.

Date : 30th May, 2014

**GSB FINANCE LIMITED**

**Registered Office :** 815, Stock Exchange Tower, 8th Floor,  
Dalal Street, Mumbai - 400 001.

**ATTENDANCE SLIP**

(Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall)

I / We hereby record my/our presence at 78/80, Alli Chambers, Tamarind Lane, Fort, Mumbai - 400 001.  
on Friday, the 26th September, 2014 at 4.00 p.m.

Name of the Shareholder \_\_\_\_\_  
(in block letters)

Folio No. \_\_\_\_\_ No. of shares hold \_\_\_\_\_

Affix  
Rs. 1.00  
Revenue  
Stamp

**Signature of the Share Holder / Proxy**

**Note :** The Proxy duly completed must be deposited at the Registered Office of the Company not less than 48 hours before time for holding the meeting.

Name of Shareholder(s)	Folio No.	No. of Shares
DP-ID No.	Client - ID No.	

**GSB FINANCE LIMITED**

**Registered Office :** 815, Stock Exchange Tower, 8th Floor,  
Dalal Street, Mumbai - 400 001.

**ATTENDANCE SLIP**

NAME AND ADDRESS OF SHAREHOLDER	FOLIO NO.
	DP - ID NO.
No. of Shares :	Client ID No.

I / We hereby record my / our attendance at the Annual General Meeting to be held at 4.00 P.M. on Friday, the 26th September, 2014 at 78/80, Alli Chambers, Tamarind Lane, Fort, Mumbai - 400 001.



**INTENSELY BLANK**

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Book Post

If undelivered please return to :



**GSB**  
FINANCE LTD.

78/80, Alli Chambers,  
Tamarind Lane, Fort,  
Mumbai - 400 001. INDIA.  
Tel.: 022 2265 7084 / 7185 / 4387 / 4388  
Fax : 022 2265 1814  
E-mail: [gbs\\_capital@rediffmail.com](mailto:gbs_capital@rediffmail.com), [gbs203@gmail.com](mailto:gbs203@gmail.com)