

NOTICE TO THE MEMBERS

Notice is hereby given that the 29th 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 Saturday, the 29th September, 2012 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 2012 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 Manish Zanwar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Parasram Kabra who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

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

**G. S. BIYANI
Chairman**

Date: 15th June, 2012
Registered Office:
15, Stock Exchange Tower, 8th 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 25/09/2012 to 29/09/2012 (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, 8th Floor,
Dalal Street,**

**Date: 15th June, 2012
Mumbai – 400 001.**

DIRECTORS' REPORT

The Members,

Your Directors' have pleasure in presenting the 29th Annual Reports together with Audited Statement of Accounts for the year ended 31st March 2012

FINANCIAL RESULTS:

The financial performance of the Company, for the year ended March 31, 2012 is summarized below:

	(Rs. In Lacs)	
	2011-2012	2010-2011
Profit /(Loss) before Depreciation & Tax	(0.26)	(73.40)
Depreciation	1.85	1.79
Provision for Taxation	-	1.35
Deferred Tax Debit / (Credit)	19.20	(19.47)
MAT Credit	-	(51.58)
Profit / (Loss) after Tax Available for Appropriation	(21.31)	(5.49)
Less:- Transfer to Special Investment Reserve	0.00	0.00
Transfer to General Reserve	0.00	0.00
Add:- Balance brought forward from Previous Year	83.19	88.68
Balance Carried Forward	61.88	83.19

PERFORMANCE:

During the year company has achieved a turnover of Rs.2,813.34 Lacs as against the in the previous year at Rs. 12,192.64 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.

ECONOMIC OUTLOOK:

FY 2011-12 was a challenging year. The global economy, barely a year after recession, witnessed lower economic growth, resulting primarily from the Euro Zone debt crisis and high oil prices, which were fuelled by uncertainties of supply. The European economies stagnated and the US witnessed a downgrade in its credit rating, while the growth engines of the global economy, China and India were forced to tighten liquidity to tame rising inflation.

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DIVIDEND:

The Board, for the year ended 31st March, 2012 in view of operating loss regret to declare any dividend for the year.

DIRECTORS:

Shri. Manish Zanwar and Shri. Parasram Kabra, Directors of the Company retires by rotation at the forth coming Annual General Meeting under the provisions of Articles of Association of the Company and being eligible and offers 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 (1B) of the Companies Act, 1956.

AUDIT REPORT:

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

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

- (a) That in preparation of the annual accounts for the financial year ended 31st March 2012, 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;

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- (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 2012 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)

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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

(Girdhari S. Biyani)
Chairman

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

Dated: 15th June, 2012
Place : Mumbai

AUDITORS' REPORT

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

1. We have audited the attached Balance Sheet of **GSB Finance Ltd.**, as at 31st March 2012, the Statement of Profit and Loss and 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 in paragraph 3 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss 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 31st March,2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 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 read together with the Significant Accounting Policies and notes thereon 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 31st March 2012;
 - (b) In the case of the Statement of Profit and Loss , of the Loss 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 : 15th June, 2012

Annexure to Auditors' Report

Re: GSB Finance Limited

Referred to in Paragraph 3 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 were 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.
 - 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:

- a) 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 31,2012 for a period of more than six months from the date of becoming payable.
 - b) The disputed Income Tax demand for A.Y. 2008-09 aggregating Rs 10,20,390/- have been deposited on account of disputed matters pending before ITAT appellate Authorities.
10. The Company does not have accumulated losses at the end of the financial year. The Company has incurred cash losses during the financial year covered by the audit and 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 not applied for term loans;

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**

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

Place : Mumbai
Date : 15th June, 2012

Annexure to Auditors' Report

Re: GSB Finance Limited

Referred to in Paragraph 3 of our report of even date

22. In respect of its Fixed Assets:

- d) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- e) 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.
- f) 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.

23. In respect of its Inventories:

- d) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- e) 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.
- f) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

24. 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:

- f) The Company has no Subsidiary .
- g) 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.
- h) 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.

- i) In respect of the said loans and interest thereon, there are no overdue amounts.
 - j) 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.
25. 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.
26. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
- c) 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.
 - d) 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.
27. 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.
28. *In our opinion, the Company has no internal audit system commensurate with the size and the nature of its business.*
29. 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.

30. In respect of the statutory dues:
- c) 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 31,2012 for a period of more than six months from the date of becoming payable.
 - d) The disputed Income Tax demand for A.Y. 2008-09 aggregating Rs 10,20,390/- have been deposited on account of disputed matters pending before ITAT appellate Authorities.
31. The Company does not have accumulated losses at the end of the financial year. The Company has incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
32. 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.
33. 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.
34. 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.
35. 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.
36. 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;
37. According to the information and explanations given to us, and the representations made by the Management, the Company has not applied for term loans;

38. 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;
39. 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.;
40. 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;
41. The Company has not raised any money by public issue, during the year.
42. 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**

**(CA. S.K. Rathi)
Prop.
Membership**

No.31071

FRN:108724W

Place : Mumbai
Date : 15th June, 2012

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, 2012.

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 : 15th June, 2012

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
GSB Finance Ltd.,
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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.

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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 : 15th June, 2012

GSB FINANCE LTD.**Balance Sheet as at 31st March, 2012**

Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	59,734,210.00	59,734,210.00
(b) Reserves and Surplus	2	33,318,681.59	35,449,314.08
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	22,990,456.04	21,924,830.00
(3) Current Liabilities			
(a) Trade payables	4	6,099,726.21	632,223.87
(b) Other current liabilities	5	883,441.00	1,016,998.00
(c) Short-term provisions	6	-	-
Total		123,026,514.84	118,757,575.95
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	1,789,019.00	1,087,881.00
(b) Non-current investments	8	184,100.00	2,196,042.34
(c) Deferred tax assets (net)	9	1,999,578.00	3,919,363.00
(d) Other Non- Current Assets	10	1,000.00	1,000.00
(2) Current assets			
(a) Inventories	11	19,794,182.12	40,826,492.40
(b) Trade receivables	12	6,838,900.03	4,522,473.35
(c) Cash and cash equivalents	13	1,051,616.69	2,410,809.86
(d) Short-term loans and advances	14	91,368,119.00	63,793,514.00
(e) Other current assets		-	-
Total		123,026,514.84	118,757,575.95
Significant Accounting Policies and Notes on Accounts	23		

AS PER OUR REPORT OF EVEN DATED

For S.K. RATHI & CO.
Chartered Accountants

For GSB Finance Ltd.

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

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

Place : Mumbai
Date : 15th June, 2012

**STATEMENT OF PROFIT AND LOSS
GSB FINANCE LTD.**

Profit and Loss statement for the year ended 31st March, 2012

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	15	281,074,507.70	1,217,890,463.86
II. Other Income	16	293,761.21	1,374,255.51
III. Total Revenue (I +II)		281,368,268.91	1,219,264,719.37
<i>IV. Expenses:</i>			
Purchase of Stock-in-Trade	17	253,763,435.95	1,203,063,980.97
Changes in Stock-in-Trade	18	21,032,310.28	12,562,531.60
Employee benefit expense	19	2,488,678.50	2,311,267.00
Financial costs	20	2,940,286.76	7,017,577.46
Depreciation and amortization expense	21	185,254.00	178,869.00
Other expenses	22	1,612,388.41	1,649,572.51
Total Expenses		282,022,353.90	1,226,783,798.54
V. Profit before exceptional and extraordinary items and tax	(III - IV)	(654,084.99)	(7,519,079.17)
VI. Prior Period Adjustments Prior Year Listing Fees W/off		(443,237.50)	-
VII. Profit before tax (V - VI)		(210,847.49)	(7,519,079.17)
VIII. Tax expenses:			
(1) Current tax (Provision for tax)			
Income Tax For Earlier Year		-	135,397.00
MAT Credit		-	5,158,283.00
(2) Deferred tax			
Deferred Tax Expenses/(Savings)		(12,015.00)	(26,340.00)
Deferred Tax Assets W/off (P.Y Created)		(1,931,800.00)	1,920,800.00
IX. Profit/(Loss) for the period		(2,130,632.49)	(549,053.17)
X. Earning per equity share:			
(1) Basic		(0.36)	(0.09)
(2) Diluted		(0.36)	(0.09)

AS PER OUR REPORT OF EVEN DATED

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

**For and on Behalf of Board
For GSB Finance Ltd.**

**(CA S.K.Rathi)
Prop.
M. No. 031071
FRN: 108124W**

**(Girdhari Biyani)
Chairman**

**(Ramakant Biyani)
Mg. Director**

**Place : Mumbai
Date : 15th June, 2012**

GSB FINANCE LIMITED
Notes forming Part Of Balance Sheet As At 31 March, 2012

Note: 1

SHARE CAPITAL

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Authorised Capital		
60,00,000 Equity Shares @ 10.00/- Each	60,000,000.00	60,000,000.00
Total	60,000,000.00	60,000,000.00
Issued Capital		
60,00,000 Equity Shares @ 10.00 Each	60,000,000.00	60,000,000.00
Total	60,000,000.00	60,000,000.00
Subscribed And Paid Up		
60,00,000 Equity Shares @ 10.00 Each	60,000,000.00	60,000,000.00
Total	60,000,000.00	60,000,000.00
Less : Calls in Arrears	265,790.00	265,790.00
Grand Total :	59,734,210.00	59,734,210.00

The Details Of Shareholder Holding More than 5% Shares

Name of Shareholders	CURRENT YEAR		PREVIOUS YEAR	
	%	No.	%	No
1. Shri Girdhari S. Biyani	5.82	349103	5.82	349103
2. Shri Ramakant S. Biyani	8.21	492327	8.21	492327
3. Smt. Neelam Ramakant Biyani	7.69	461533	7.69	461533
4. Smt.Sushma Girdhari Biyani	7.23	433576	7.23	433576
5. GSB Capital Markets Ltd.	11.46	687356	11.17	670200
6. GSB Securities Pvt. Ltd.	9.50	570220	9.50	570220
7. GSB Shares Custodian Services Ltd.	6.25	375098	6.25	375098

The Reconciliation of the Number of Shares Outstanding is set out below:

Opening Balance	6000000	6000000
Closing Balance	6000000	6000000

Note: 2

PROFIT AND LOSS A/C

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Deferred Tax Assets Created/ P.Y. (W/Off)	(1,931,800.00)	1,920,800.00
Deferred Tax Expenses / (Savings)	12,015.00	26,340.00
Income Tax For Earlier Years	-	(135,397.00)
Income Tax For The Year		-
MAT Entitlement Credit		5,158,283.00
Profit & Loss A/C - Opening Balance	8,319,314.08	8,868,367.27
Profit / (Loss) For The Year	(210,847.49)	(7,519,079.17)
Total	6,188,681.59	8,319,314.08

Note: 2

RESERVE AND SURPLUS FOR 2011-12

PARTICULAR	OPENING	ADDITION	DEDUCTION	CLOSING
Statutory Reserve	20,130,000.00	-	-	20,130,000.00
General Reserve	7,000,000.00	-	-	7,000,000.00
Profit & Loss A/c	8,319,314.08	-	(2,130,632.49)	6,188,681.59
Total	35,449,314.08	-	(2,130,632.49)	33,318,681.59

Note: 2

RESERVE AND SURPLUS FOR 2010-2011

PARTICULAR	OPENING	ADDITION	DEDUCTION	CLOSING
Statutory Reserve	20,130,000.00	-	-	20,130,000.00
General Reserve	7,000,000.00	-	-	7,000,000.00
Profit & Loss A/c	8,868,367.25	-	(549,053.17)	8,319,314.08
Total	35,998,367.25	-	(549,053.17)	35,449,314.08

Note: 3

LONG-TERM BORROWINGS

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Other Loans		
LIC Of India (Against Mortgage of Key Man Insurance Policy)	20,655,000.00	21,924,830.00
Interest Accrued & Due on LIC Loan	1,691,500.00	-
HDFC Bank Ltd. (Motor Car)	643,956.04	-
Total	22,990,456.04	21,924,830.00

Note: 4

TRADE PAYABLES

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(A) Outstanding Expenses		
System Support Services	406.00	26,982.00
Listing Fees Payable To Exchange	-	443,237.50
Ramakant Biyani	-	31,250.00
Other Outstanding Expenses	1,201,515.36	76,189.16
Total (A)	1,201,921.36	577,658.66
(B) SUNDRY CREDITORS		
Edelweiss Securities Pvt. Ltd. (Bse)	1,609.92	1,271.39
Edelweiss Securities Pvt. Ltd. (Nse)	3,154.28	3,154.28
Enam Securities	890.82	-
Kotak Securities Ltd.	-	380.54
Kotak Mahindra Investment Ltd.	1,624,202.33	-
Mukesh C Patani	3,267,396.00	48,323.00
Quant Securities - Derivatives	-	1,436.00
Quant Capital Finance & Investment Pvt. Ltd.	551.50	-
Total (B)	4,897,804.85	54,565.21
Total (A+B)	6,099,726.21	632,223.87

Note: 5

OTHER CURRENT LIABILITIES

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
TDS On Contractors Payment	-	1,526.00
TDS On Directors Remuneration	107,120.00	11,700.00
TDS On Interest Paid	6,044.00	226,058.00
TDS On Professional Fees	7,310.00	6,647.00
Unpaid Dividend (2006-07)	374,359.50	374,659.50
Unpaid Dividend (2007-08)	388,607.50	396,407.50
Total	883,441.00	1,016,998.00

Note: 6

PROVISIONS

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Provisions For Taxation		
Provision For Taxation	-	-
Total	-	-

Note: 8

INVESTMENTS for 2011-2012

PARTICULARS	AMOUNT
250 Equity Shares (Unquoted) of Western Co-operative Bank Ltd. having face value of Rs. 10 each fully	2,500.00
Lease Hold Rights - Prestige Holiday Resorts Time Shares [(UnQuoted) having face value of Rs.60000	60,000.00
Lease Hold Rights - Sterling Holiday Resort Time Shares [(UnQuoted) having face value of Rs.121600	121,600.00

Total	184,100.00
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Note: 8

INVESTMENTS for 2010-2011

PARTICULARS	AMOUNT
Non-Trading	
IDFC Mutual Fund-(UnQuoted) Unit 51605.88 having face value of Rs. 10/-	517,222.39
Laxmi Machine Works Ltd.[Equity Share(Quoted) No. 700 having face value of Rs. 10 each paid up	1,494,719.95
250 Equity Shares (Unquoted) of Western Co-operative Bank Ltd.having face value of Rs. 10 each fully	2,500.00
Lease Hold Rights - Prestige Holiday Resorts Time Shares [(UnQuoted) having face value of Rs.60000	60,000.00
Lease Hold Rights - Sterling Holiday Resort Time Shares [(UnQuoted) having face value of Rs.121600	121,600.00
Total	2,196,042.34

Note: 9

DEFERRED TAX ASSETS (NET)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Deferred Tax Assets	2,146,600.00	4,078,400.00
Deferred Tax Liabilities	(147,022.00)	(159,037.00)
Total	1,999,578.00	3,919,363.00

Note: 10

OTHER NON CURRENT ASSETS

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
LONG TERM TRADE RECEIVABLES		
Sundry Debtors- More Than Six Months		
(Unsecured but Considered Good)		
M F Global Sify Securities	1,000.00	1,000.00
Total	1,000.00	1,000.00

Note: 11

INVENTORIES

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Stock In Trade :		
Equity Shares	19,794,182.12	40,826,492.40
Total	19,794,182.12	40,826,492.40

Note: 12

CURRENT TRADE RECEIVABLES

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Current Trade Receivables		
(Unsecured but Considered Good)		
Sundry Debtors -Others		
Credit Suisse Securities India Pvt Ltd.	-	12,937.99
D J Corporation	-	1,526.00
Destimoney Securities	119,636.25	-
Gsb Capital Markets Ltd.	146,080.00	-
Gsb Securities Pvt. Ltd.	6,572,975.95	4,280,557.25
India Infoline Ltd.	207.83	1,000.00
Kotak Securities Ltd. [B S E]	-	50,000.00
Kotak Mahindra Investment Ltd.	-	162,467.11
Quant Capital Finance & Investment Pvt. Ltd.	-	13,985.00
Total	6,838,900.03	4,522,473.35

Note: 13

CASH AND CASH EQUIVALENTS

CASH AND BANK

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Balance With Scheduled Bank		
Axis Bank Ltd.-4010201373754 (06-07)	407,154.50	407,454.50
Axis Bank Ltd.-4010202362056 (07-08)	415,186.50	422,986.50
Bank of India	60,869.62	1,194,275.79
HSBC Bank Ltd.	2,474.59	2,474.59

Union Bank Of India	8,190.00	10,000.00
Total	893,875.21	2,037,191.38
CASH IN HAND		
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Cash on Hand	157,741.48	373,618.48
Total	157,741.48	373,618.48
Grand Total	1,051,616.69	2,410,809.86

Note : 14

SHORT-TERM LOANS AND ADVANCES

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Other [Unsecured but considered Good]		
Advance Recoverable In Cash Or In Kind Or For Value To Be Recovered		
Pioneer Dyeing Pvt. Ltd.	-	146,907.00
R S Tripathi	144,863.00	144,863.00
Trinity Realty Finance & Construction Pvt. Ltd.	65,858,847.00	56,238,847.00
D.K. Infrastructure Pvt Ltd	17,000,000.00	-
Adarsh Service Station	5,000.00	5,000.00
Advance To Staff	10,240.00	17,740.00
F B T Refundable	10,623.00	10,623.00
Prepaid Expenses	-	870.00
Deposit With Revenue Authorities		
Tax Refundable 1997-98/2001-2002	332,013.00	332,013.00
Tax Refundable (Ay 2011-12)	930,393.00	-
Tax Refundable (Ay 2009-10)	-	307,975.00
Income Tax (A. Y. 08-09) { Against Assessment}	1,030,390.00	500,000.00
Advance Tax :		
For A. Y. 2011-12	-	400,000.00
Tax Deducted At Source :		
Interest Received	887,467.00	513,523.00
Bank Interest Received	-	16,870.00
MAT Credit Entitlement	5,158,283.00	5,158,283.00
Total	91,368,119.00	63,793,514.00

AS PER OUR REPORT OF EVEN DATED

For S.K. RATHI & CO.
Chartered Accountants

For and on Behalf of Board
For GSB Finance Ltd.

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

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

Place : Mumbai
Date : 15th June, 2012

GSB FINANCE LIMITED

Notes forming Part of Profit & Loss Statement for the Year Ended 31 March, 2012

Note: 15

REVENUE FROM OPERATIONS

SALES & OTHER OPERATING INCOMES		
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Sales	268,310,312.36	1,214,781,426.05
Speculation Gain - Equity Trading	701,637.68	590,403.00
Commodity Derivatives Gain	-	5,179,478.03
Equity Derivatives And Option Gain/Loss	3,187,890.66	(7,796,073.22)
Interest Income:		
Interest Received on Loans	8,874,667.00	5,135,230.00
Total	281,074,507.70	1,217,890,463.86

Note: 16

OTHER INCOME

INDIRECT INCOME		
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Dividend Income	262,127.85	1,183,574.00
Dividend Income - Mutual Fund	31,633.36	21,960.87
Total	293,761.21	1,205,534.87
INTEREST RECEIVED		
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Interest on F D R	-	168,720.64
Total	-	168,720.64
Grand Total	293,761.21	1,374,255.51

Note: 17

COST OF PURCHASE

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Purchases	250,303,826.66	1,197,793,208.59
Other Charges	334,117.47	248,135.14
Security Transaction Tax	2,079,032.87	4,110,159.15
Service Tax	183,440.68	269,858.34
Stamp Charges	355,000.92	527,744.69
Demate / Holding Delivery Charges	21,838.52	50,727.99
Turnover Charges	486,178.83	64,147.07
Total	253,763,435.95	1,203,063,980.97

Note: 18

INCREASE/DECREASE IN STOCK

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<u>Opening Stock</u>		
EQUITY SHARES	40,826,492.40	53,389,024.00
Sub Total	40,826,492.40	53,389,024.00
Less: Closing Stock		
EQUITY SHARES	19,794,182.12	40,826,492.40
Sub Total	19,794,182.12	40,826,492.40
(INCREASE)/DECREASE IN STOCK	21,032,310.28	12,562,531.60

Note: 19**EMPLOYEE BENEFIT EXPENSES**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Salary & Bonus	677,041.00	776,925.00
Remuneration To Directors	1,620,000.00	1,260,000.00
Staff Welfare Expenses	125,485.50	81,021.00
Conveyance & Travelling Charges	66,152.00	193,321.00
Total	2,488,678.50	2,311,267.00

Note: 20**FINANCIAL COSTS**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Bank Interest	-	406,316.00
Interest on L I C Loan	2,113,170.00	1,423,198.40
Interest on Late Payment of L I C Premium	-	16,943.00
Interest Paid to Others	813,992.72	5,171,120.06
Interest on HDFC Loan	13,124.04	-
Total	2,940,286.76	7,017,577.46

Note: 21**DEPRECIATION AND AMORTIZATION EXPENSES**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Depreciation on Air Condition Machines	18,220.00	18,220.00
Depreciation on Computers	-	14,667.00
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	22,574.00
Depreciation on Motor Car	91,414.00	70,362.00
Depreciation on Office Premises	7,855.00	7,855.00
Dpereciation on Office Equipments	38,436.00	38,436.00
Total	185,254.00	178,869.00

Note: 22**OTHER EXPENSES**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Long Term Loss (Gain) on Sales of Mutual Fund	10,451.84	-
Short Term Loss (Gain) on Sales of Shares	23,217.90	184.48
Director`s Fees	10,000.00	24,000.00
Electricity Charges	84,000.00	77,000.00
Franking Charges	-	5,124.00
General Expenses	45,886.01	146,573.50
Advertisement & Publicity	48,741.85	54,983.96
Legal & Professional Charges	69,692.00	53,250.00
Motor Car Expenses (Inc. Insurance Charges)	287,090.00	183,697.15
News Paper & Periodicals	19,465.00	23,406.00
Payment To Auditors For Audit Fees	32,500.00	32,500.00
Payment To Auditors For Tax Audit Fees	7,500.00	7,500.00
Payment To Auditors For Taxation And Other Services	-	32,933.00
Annual Fees Stock Exchange	27,575.00	65,127.50

Bank Commission	10,897.00	2,882.00
Depository Charges (N.S.D.L. & C.D.S.L.)	38,546.00	38,781.00
Portfolio Management Fees	-	7,769.23
Postage & Telegram	131,403.00	120,216.00
Printing & Stationery Charges	139,885.00	188,058.50
Professional Tax	2,500.00	2,500.00
Repairs & Maintenance (Incl. Computer Maintenance)	132,144.95	132,911.26
Sales Promotion Expenses	33,812.00	237,526.00
Share Registrar Fees	66,180.00	52,944.00
Telephone Expenses	143,497.86	142,901.31
Travelling Expenses	84,523.00	-
Water Charges	16,800.00	16,800.00
Investors Education Conf. Expenses	146,080.00	-
Sundry Balances Written Off	-	3.62
Total	1,612,388.41	1,649,572.51

AS PER OUR REPORT OF EVEN DATED

For S.K. RATHI & CO.
Chartered Accountants

For and on Behalf of Board
For GSB Finance Ltd.

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

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

Place : Mumbai
Date : 15th June, 2012

GSB FINANCE LIMITED**Note: 7****TANGIBLE ASSETS**

PARTICULAR		GROSS BLOCK			DEPRECIATION			NET BLOCK	NET BLOCK
Name of Assets	Rate of Depreciation	AS ON 01.04.2011	ADDITIONS	TOTAL UPTO 31.03.2012	AS ON 01.04.2011	DURING THE YEAR	TOTAL UPTO 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
Office Premises	1.63%	481,913.48	-	481,913.48	221,851.48	7,855.00	229,706.48	252,207.00	260,062.00
Office Equipment	4.75%	809,181.46	-	809,181.46	642,376.46	38,436.00	680,812.46	128,369.00	166,805.00
Furniture & Fixture	6.33%	356,615.00	-	356,615.00	329,785.00	22,574.00	352,359.00	4,256.00	26,830.00
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	4,160.00	260.00	4,420.00	1,055.00	1,315.00
Electrical Equipments	4.75%	136,742.00	-	136,742.00	44,002.00	6,495.00	50,497.00	86,245.00	92,740.00
Air- conditioning Machines	4.75%	383,572.02	-	383,572.02	93,224.02	18,220.00	111,444.02	272,128.00	290,348.00
Motor Car	9.50%	740,654.00	886,392.00	1,627,046.00	490,873.00	91,414.00	582,287.00	1,044,759.00	249,781.00
Total		3,682,082.96	886,392.00	4,568,474.96	2,594,201.96	185,254.00	2,779,455.96	1,789,019.00	1,087,881.00
Previous Year		3,682,082.96	-	3,682,082.96	2,415,332.96	178,869.00	2,594,201.96	1,087,881.00	1,266,750.00

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

(Girdhari Biyani)
Chairman

(Ramakant Biyani)
Mg. Director

STANDALONE STATEMENT OF ASSETS & LIABILITIES

Particulars	As at 31.03.2012	As at 31.03.2011
	(Audited)	(Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share Capital	59,734,210.00	59,734,210.00
(b) Reserves and Surplus	33,318,681.59	35,449,314.08
	93,052,891.59	95,183,524.08
(2) Non-Current Liabilities		
(a) Long-term borrowings	22,990,456.04	21,924,830.00
	22,990,456.04	21,924,830.00
(3) Current Liabilities		
(a) Trade payables	6,099,726.21	632,223.87
(b) Other current liabilities	883,441.00	1,016,998.00
	6,983,167.21	1,649,221.87
Total	123,026,514.84	118,757,575.95
II. ASSETS		
(1) Non-current assets		
<i>(a) Fixed assets</i>		
(i) Tangible assets	1,789,019.00	1,087,881.00
(b) Non-current investments	184,100.00	2,196,042.34
(c) Deferred tax assets (net)	1,999,578.00	3,919,363.00
(d) Other Non- Current Assets	1,000.00	1,000.00
	3,973,697.00	7,204,286.34
(2) Current assets		
(a) Inventories	19,794,182.12	40,826,492.40
(b) Trade receivables	6,838,900.03	4,522,473.35
(c) Cash and cash equivalents	1,051,616.69	2,410,809.86
(d) Short-term loans and advances	91,368,119.00	63,793,514.00
	119,052,817.84	111,553,289.61
Total	123,026,514.84	118,757,575.95