

NOTICE TO THE MEMBERS

Notice is hereby given that the 27th Annual General Meeting of the members of **GSB Finance Ltd.** will be held at the Corporate Office of the Company at 78/80, Alli Chambers, Tamarind Lane, Fort, Mumbai – 400 001 on Wednesday , the 29th September, 2010 at 4.00 P.M. to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2010 together with the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Parasram kabra who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Yogesh Patel who retires by rotation and being eligible, offers himself for re-appointment.
4. to appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company And to fix their remuneration .

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

**G. S. BIYANI
Chairman**

Date: 31st May, 2010
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 25/09/2009 to 29/09/2009 (both days inclusive)
4. Members desiring any information on the accounts of the Company are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.
5. Members are requested to notify changes in mailing addresses, if any.

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

**G. S. BIYANI
Chairman**

**Registered Office:
815, Stock Exchange Tower, 8th Floor,
Dalal Street,**

**Date: 31st May, 2010
Mumbai – 400 001.**

AUDITORS' REPORT

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

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

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

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

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

Place : Mumbai
Date : 31st May,2010

DIRECTORS' REPORT

The Members,

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

FINANCIAL RESULTS:-

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

PERFORMANCE:

ECONOMIC ENVIRONMENT

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

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

INDIAN ECONOMY

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

INDUSTRIAL SECTOR

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

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EXTERNAL SECTOR

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

EQUITY MARKETS

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

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

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

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

DIRECTORS:

Shri Parasram Kabra and Shri. Yogesh Patel, Directors of the Company retire by relation at the forth coming Annual General Meeting under the provisions of Articles of Association of the Company and being eligible, offer themselves for re-appointment.

DEPOSITS

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

AUDITORS:

M/S. S. K. Rathi & Co., Chartered Accountants who are the Auditors of the Company hold the Office till the conclusion of ensuing Annual General Meeting and express inability to continue to be appointed as Auditors for the next financial year, therefore Board of Director has recommended the appointment of M/s S.K.Rathi & Co., Chartered Accountants. The Company has received consent from the Auditors pursuant to Section 224 of the Companies Act, 1956.

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AUDIT REPORT

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

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (a) That in preparation of the annual accounts for the financial year ended 31st March 2010, the applicable accounting standards had been followed with proper explanations relating to material departures;
- (b) That we have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent, so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (c) That we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting the fraud and other irregularities;