

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.