



Gujarat State Financial Corporation

(Established under State Financial Corporations Act, 1951)

SECRETARIAL CELL

1st Floor, Udyog Bhavan, Sector-11, GH-4, Gandhinagar – 382 010

Phone No.: 23256766 Fax : 23252204

Website: <http://gsfc.gujarat.gov.in> Email: sec-cell-gsfc@gujarat.gov.in

GSFC/SEC.CELL/C-2/

June 25, 2024

The Listing Department
BSE Ltd
25th Floor, Phiroz Jeejeebhoy Towers
Dalal Street, Fort, Mumbai 400 001

**Sub: 64th Annual General Meeting (AGM) –
Submission of Annual Report for FY 2023-24**
Ref: Stock Code: 532160

Dear Sirs,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report for Financial Year 2023-24 containing Notice, Remote e-voting instructions, Attendance Slip, Proxy Form and other details in connection with 64th Annual General Meeting of the Corporation scheduled to be held on **Thursday, the 25th July, 2024 at 1.00 p.m. in the office of the Corporation at Head Office at Udyog Bhavan, Block No. 10, 1st Floor, Sector 11, Gandhinagar 382 010.** Soft copies of the Notice and Annual Report of the Corporation for FY 2023-24 have been dispatched by email only to all Members of the Corporation whose email addresses are registered with the Corporation/ RTA/DPs as on cut-off date of January 25, 2024. Members may also download Notice as well as Annual Report for FY 2023-24 from the following links:

Name of the Report	Website link
64 th AGM Notice	https://gsfc.gujarat.gov.in/sites/default/files/64th-AGM-Notice.pdf
Annual Report 2023-24	https://gsfc.gujarat.gov.in/sites/default/files/AR 2024.pdf

Please take the above on record.

Thanking you,

Yours faithfully,
for Gujarat State Financial Corporation,

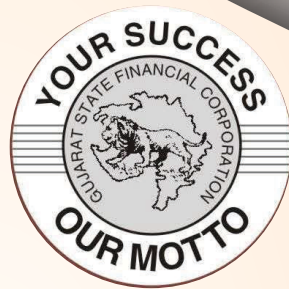

(Raveendran Nair)
Secretary (Board)

Encl: Annual Report 2023-24

64TH

ANNUAL REPORT

2023-24



Gujarat State Financial Corporation
Gandhinagar



BOARD OF DIRECTORS

(As on March 31, 2024)

CHAIRMAN

Shri S.J. Haider, IAS

DIRECTORS

Smt. Ankita R. Christian

Ms. Leenaben D. Katdare

Shri Sanjay Gupta

Shri Akash Pawar

Shri Madhukar M Asthana

MANAGING DIRECTOR

Shri Sandip J. Sagale, IAS

SECRETARY (BOARD)

Raveendran Nair

AUDITORS

M/s. Pankaj R Shah & Associates

Chartered Accountants, Ahmedabad

HEAD OFFICE

**Block No. 10, 1st Floor, Sector 11,
Udyog Bhavan, Gandhinagar 382 010**

REGIONAL OFFICES AT

Gandhinagar, Surat & Rajkot

Decorative horizontal line of repeating symbols.



Decorative horizontal line of repeating symbols.



Gujarat State Financial Corporation

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SECRETARIAL CELL

Block No.10, Udyog Bhavan, Sector-11, GH-4, Gandhinagar – 382 010

Phone: 23256766, Fax 23252204 Email: sec-cell-gsfc@gujarat.gov.in

NOITCE

Notice under Regulation No. 23 of General Regulations of the Corporation is hereby given that the 64th Annual General Meeting of the shareholders of the Corporation will be held on **Thursday, the 25th July, 2024 at 1.00 p.m. in the Office of the Corporation at Head Office at Udyog Bhavan, Block No. 10, 1st Floor, Sector – 11, Gandhinagar 382 010** to transact the following business:

- (i) To receive, consider and adopt the audited financial statements of the Corporation for the Financial Year ended March 31, 2024 including the Balance Sheet as at March 31, 2024, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- (ii) To re-appoint M/s. Pankaj R. Shah & Associates Chartered Accountants, (Firm Reg. No. 107361W), Ahmedabad, as Statutory Auditors of the Corporation to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting as recommended by RBI and to fix their remuneration.

By order of the Board of Directors,
for Gujarat State Financial Corporation,

Place : Gandhinagar

(Raveendran Nair)

Date : 10-06-2024

Secretary (Board)

NOTES:

1. Pursuant to Regulation 28-B of GSFC General Regulations, a shareholder shall be entitled for one vote for each share held by him/her for the whole period of six months prior to the date of 64th Annual General Meeting.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE CORPORATION.
3. **No proxy shall be valid unless it is duly stamped and unless it together with the power of attorney or other authority, if any, under which it is signed or a copy of that power of authority certified by a notary public or Magistrate, is deposited at the Head Office of the Corporation not less than 7 (seven) clear days before the date fixed for the meeting.**



4. Pursuant to Regulation 12 of the GSFC General Regulations, the Register of Members and Share Transfer Books will **remain closed from 23-07-2024 to 25-07-2024 (both days inclusive)**.
5. Shareholders seeking any information with regard to accounts are requested to write to the Corporation at least 10 days before the meeting so as to enable the management to keep the information ready.
6. Members are requested to avail of the Common and Simplified Norms for processing Investor's Service Requests by RTAs so as to update PAN, Address with PIN code, Email address, Mobile number, Bank account details, specimen signature etc. KYC forms and other details are available on the website of the Corporation at <http://gsfc.gujarat.gov.in> under INVESTOR RELATIONS – KYC DETAILS. Members holding shares in physical form are requested to download the requisite forms and submit the mandatory details to the Corporation/RTA immediately.
7. In terms of relaxations granted by SEBI vide various circulars and resting with last Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/167 dated October 07, 2023, sending hard copy of the Annual Report for the financial year 2023-24 to shareholders who have not registered their email ids with the Corporation/RTA/DPs has been dispensed with. Therefore, Annual Report 2023-24 including Notice shall be sent by email to those shareholders whose email ids are registered with the Corporation/RTA/DPs. Members may download the Annual Report from the website of the Corporation <http://gsfc.gujarat.gov.in> under INVESTOR RELATIONS – ANNUAL REPORTS. Corporation shall send hard copy of the Annual Report 2023-24 to members who request for the same in writing.
8. **Disclosure under Regulation 36 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

Corporation, after complying with the requirements of RBI and Listing Regulations, on recommendation of Audit Committee and Board of Directors, proposing to members in the 64th Annual General Meeting to re-appoint M/s. Pankaj R. Shah & Associates, Chartered Accountants, Firm Reg. No. 107361W, Ahmedabad, as Statutory Auditors of the Corporation to hold office for the third term from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at a basic audit fee of ₹1,00,000/- plus GST plus TA/HA (actual) and 12% of basic audit fee for obtaining other certifications on terms and conditions in line with RBI norms. The said fee is well below the maximum limit prescribed by RBI.
9. **Voting through electronic means:**

In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporation is pleased to provide e-voting facility through M/s. Central Depository Services (India) Ltd (CDSL) as an alternative in respect of the business to be transacted at the 64th Annual General Meeting to be held on July 25, 2024.

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be entitled to exercise their right at the meeting through ballot paper.



The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The e-voting facility will be available during the following voting period:

Commencement of e-voting	09.00 Hours of Monday, 22nd July, 2024
End of e-voting period	17.00 Hours of Wednesday, 24th July, 2024

E-voting shall not be allowed beyond 17.00 hours on 24th July, 2024. The e-voting module shall be disabled by CDSL for voting thereafter. During the e-voting period, shareholders of the Corporation holding shares either in physical form or in dematerialized form, as on the Cut-off-Date may cast their votes electronically. **Cut-off-Date for the purpose of e-voting is Thursday, the 25th January, 2024.**

10. INTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on **Monday, the 22nd July, 2024 at 9.00 a.m. (IST) and ends on Wednesday, the 24th July, 2024 at 5.00 p.m. (IST)**. During this period shareholders of the Corporation, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Thursday, the 25th January, 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional share holders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.



Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Corporation.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Shareholders who have not updated their PAN with the Corporation/ Depository Participant are requested to use the sequence number sent by Corporation/RTA or contact Corporation/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Corporation records in order to login. <ul style="list-style-type: none">• If both the details are not recorded with the depository or Corporation, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.



- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Corporation at the email address viz; sec-cell-gsfc@gujarat.gov.in , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.



PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE CORPORATION/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Corporation/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33

11. Board of Directors appointed M/s. Spanj & Associates, Practicing Company Secretaries, Ahmedabad, Gujarat (Unique Identification No. of Partnership Firm: P2014GJ034800) as Scrutinizer to scrutinize the e-voting and poll process in the AGM in a fair and transparent manner.
12. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of “Ballot Paper/Polling Paper” for all those members who are present at the AGM but have not cast their vote by availing of the facility of remote e-voting.
13. The Scrutinizer shall after the conclusion of voting at the general meeting will first count the votes cast in the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two witnesses who are not in the employment of the Corporation and shall make, not later than forty-eight hours of the conclusion of the AGM, a consolidated Scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
14. The results declared along with the report of the Scrutinizer shall be placed on the website of the Corporation at <http://gsfc.gujarat.gov.in> and on the website of CDSL immediately after declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Ltd.
15. Resolutions assented to by the requisite majority of the members by means of venue voting and remote e-voting shall be deemed to have been duly passed at the AGM.



GUJARAT STATE FINANCIAL CORPORATION

DIRECTORS' REPORT

To the Members,

The Board of Directors is pleased to place before you the 64th Annual Report of the Corporation containing audited Balance Sheet as at March 31, 2024, Statement of Profit and Loss, Cash Flow Statement and other financial statements for the year ended March 31, 2024.

1. Economic Scenario:

Global Economy: Global economy has displayed an extraordinary resilience, enduring wars, tight financial conditions and havoc-wreaking climate change. Global trade growth, which had flat-lined in 2023, is expected to recover in 2024, although it will likely to remain below its pre-pandemic trend. According to the World Trade Organization, trade measures introduced by G20 economies have become more restrictive in recent months than trade facilitating, although the value of traded merchandise covered by facilitating measures continued to exceed that covered restrictions. In its latest Global Economic Prospects (GEP), the World Bank has projected global growth to ebb from an estimated 3.0 per cent in 2023 to 2.9 per cent in 2024, making the third consecutive year of deceleration. The weaker outlook reflects the combined effects of the dampening of demand due to tight monetary policy, restrictive credit conditions, softening labour markets, reduced savings buffers, the waning of the revenge spending on services and lackluster global trade and investment.

Indian economy: The domestic economy is experiencing strong momentum. As per the second advance estimates, real gross domestic product (GDP) expanded at 7.6 per cent in 2023-24 on the back of buoyant domestic demand. Headline inflation softened to 5.1 per cent during January-February 2024 from 5.7 per cent in December. In India, economic activity remained resilient on the back of robust demand, notwithstanding the external headwinds. Indian economy has undergone many structural reforms that have strengthened its macroeconomic fundamentals. These reforms have led to India emerging as the fastest growing economy among G20 economies. The government's economic policy focus was to restore India's growth potential by getting the financial sector back on track, facilitating economic activity by easing conditions for business, and massively augmenting physical and digital infrastructure to enhance India's connectivity and, thus, competitiveness of its manufacturing sector. With this vision to guide its policies, the Government has undertaken diverse economic reforms to prepare the economy to grow at its potential by creating a business-friendly environment, improving ease of living and strengthening the governance systems and processes. India has been showing both resilience as well as progress despite all risks and uncertainties in the global economic landscape. Through timely and effective policy actions aimed at achieving macro stability and repairing the balance sheets of financial and non-financial sectors as well as by investing significantly in building world-class physical and digital public infrastructure, India has been able to withstand the challenges, both domestic and global, and ensure that the economy continues to progress on a steady path.

2. Financial results:

Corporation's financial performance for the financial year ended March 31, 2024 is summarized below:

(₹ in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Loans and Advances	465.68	55.13
Interest on deposits	1,294.01	959.43



Of the total staff strength of 16, one employee is on loan service and 5 are on deputation with other Government departments. The effective staff strength of the Corporation reduced to 10 spread over three Regional Offices and Head Office.

7. Corporate Governance:

The detailed Corporate Governance Report containing all relevant information and the certificate regarding compliance of corporate governance are forming part of the Annual Report. The qualifications contained in para 2 of the Certificate of compliance with the conditions of Corporate Governance Regulations are dealt with in “Other Disclosures” in para 10 of the Report on Corporate Governance for FY 2023-24 forming part of the Annual Report.

Management Discussion and Analysis Report and declaration by Managing Director that the Board of Directors and Senior Management Personnel have complied with the Code of Conduct also form part of Annual Report.

8. Auditors:

M/s. Pankaj R Shah & Associates, Chartered Accountants (FRN No. 107361W), were re-appointed for the second term as the statutory auditors of the Corporation to hold office from the conclusion of 63rd Annual General Meeting till the conclusion of ensuing Annual General Meeting by the members at the AGM held on 27th July, 2023 pursuant to 37 (1) of SFCs Act, 1951. Since an auditor can be continued for four years as per Reserve Bank of India norms, Corporation requested Reserve Bank of India to confirm their eligibility and suitability for re-appointment for the third term. RBI, vide letter dated April 05, 2024, confirmed their eligibility for re-appointment. Proposal to re-appoint the said auditors for the third term as recommended by the Board is being placed before the shareholders at the ensuing Annual General Meeting for consideration.

M/s. Pankaj R Shah & Associates, Chartered Accountants, statutory auditors have submitted Independent Auditor’s Report on the financial statements of the Corporation for the year ended March 31, 2024 which contains two qualifications, both reiteration of previous year. Said qualifications along with comments thereon of the management is given in Addendum to this Report and also form part of the Annual Report.

9. Board of Directors:

The following are the changes in chronological order in the Directorate during the financial year ended March 31, 2024:

- a. Shri Sandip J Sagale, IAS, Industries Commissioner, took over as ex-officio Managing Director of the Corporation with effect from April 05, 2023 succeeding Dr. Rahul Gupta, IAS pursuant to Order dated April 29, 2017 read with Notification dated March 31, 2023 of the General Administration Department.
- b. Pursuant to Section 10 (d) of the SFCs Act, 1951, Life Insurance Corporation of India nominated Shri Madhukar M Asthana, Senior Divisional Manager, LIC of India, Gandhinagar Divisional Office as Director on the Board of Directors of the Corporation in place of Shri Sanjeev Mehta vide letter dated May 16, 2023. Accordingly, Shri Madhukar M Asthana assumed office of Director of the Corporation on May 23, 2023.
- c. Small Industries Development Bank of India, vide letter dated September 04, 2023 nominated Shri S.J. Haider, IAS, Additional Chief Secretary, Industries & Mines Department, Government of Gujarat as Chairman of the Corporation to succeed Shri Raj



Kumar, IAS, the then Additional Chief Secretary, Industries & Mines Department. Shri S.J. Haider, IAS assumed the position of Chairman with effect from September 26, 2023.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief resume of Directors joined on the Board of Directors during the year under report is furnished in the Corporate Governance Report, forming part of the Annual Report.

10. Directors' Responsibility Statement

The Directors, based on the representations received from the Operations Departments and to the best of their knowledge and ability, hereby confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation at the end of the financial year ended March 31, 2024 and of the profit and loss of the Corporation for that period;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the regulatory provisions for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities;
4. the annual accounts for the year ended March 31, 2024 has been prepared on a going concern basis,
5. they have laid down internal financial controls to be followed by the Corporation and that such internal financial controls are adequate and were operating effectively during the year ended March 31, 2024; and
6. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended March 31, 2024.

11. Acknowledgement:

The Board of Directors is pleased to place of record its gratitude to Government of India, Ministry of Finance, Department of Financial Services, Government of Gujarat and its various departments, Small Industries Development Bank of India, Lucknow and Ahmedabad offices, Reserve Bank of India, SEBI and BSE Ltd for their continuous support and guidance. The Board gratefully acknowledges its appreciation to the commendable services rendered and guidance provided by Shri Raj Kumar, IAS as Chairman and Shri Sanjeev Mehta as Director of the Corporation. The Board is also pleased to place on record its gratitude to the stakeholders, valued customers and well-wishers for their goodwill, patronage and support. Finally, the Board also appreciates the dedicated services rendered by the staff at all levels.

For and on behalf of the Board of Directors,

Place : Gandhinagar

Date : 28-05-2024

(Sandip J. Sagale, IAS)

Managing Director



ADDENDUM TO THE DIRECTORS' REPORT

EXPLANATORY NOTES OF THE BOARD OF DIRECTORS ON QUALIFIED OPINION OF STATUTORY AUDITORS

Point No. (a) The financial statements of the Corporation are prepared on a going concern basis, notwithstanding the fact that its net worth is completely eroded and defaulted in repayment obligations due to liquidity problems. This is not in accordance with Accounting Standard (AS)-1 "Disclosure of Accounting Policies". The effect of the same on the financial statements is not ascertainable.

Gujarat State Financial Corporation is established under State Financial Corporations Act, 1951 by Parliament as a special Act pursuant to Entry No. 43 of the Union List. Corporation is, thus, a body corporate and statutory Corporation. The main objective of establishment of the Corporation is aimed at achieving balanced regional growth by extending financial assistance to first generation entrepreneurs to establish micro and small scale units in the State and to generate employment. Corporation has so far suffered immense loss and its net worth is already eroded but it is continuing its recovery function. Corporation, being a statutory body, thus, prepares accounts on "going concern" assumptions and it is appropriate under the aforesaid circumstances.

Point No. (b) Dues payable to Government of Gujarat is subject to confirmation and adjustment, if any, required upon such confirmation. Pending such confirmation, the effect thereof on interest and penal interest is not ascertainable.

Government loans are granted as a result of provision in the Budgets of Government of Gujarat from time to time and subsequent issuance of Government Resolutions to overcome the financial strain of the Corporation. Since Corporation has discontinued its main activities and dependent on recovery of dues, Corporation is not in a position to service the liabilities towards Government of Gujarat. Under the circumstances, Government has been moved to make the loan advanced to the Corporation interest free from 1-7-2012 followed by submission of information and data from time to time, as may be called for. The request is still under consideration. However, pending decision, interest and interest on delayed payment on Government loan is charged to Statement of Profit & Loss. The outstanding details are submitted to administrative department on quarterly basis. The loan accounts are subjected to verification by other authorities from time to time. In view of this, separate confirmation is not obtained.



MANAGEMENT DISCUSSION AND ANALYSIS

1. (a) Industry structure and developments:

Gujarat State Financial Corporation is established under State Financial Corporations Act, 1951 as a State level development financial institution to provide medium and long term credit to small and medium scale industrial undertakings in the State of Gujarat and Union Territories of Dadra and Nagar Haveli. Since establishment, Corporation has played pivotal role in industrial development of the State. However, as a result of liberalized financial and economic policies, Banks and other NBFCs, who have access to cheap funds, started catering to the requirements of MSMEs vigorously. Due to heavy loss, Corporation could not generate adequate funds to keep afloat from FY 2001-02 which impacted its operations adversely forcing it to discontinue main activities of sanction and disbursement and concentrating on recovery of dues since then.

(b) Opportunities and Threats

Gujarat is one of the most industrially developed state and MSMEs being backbone of industrial prosperity, there is no dearth for the business of the Corporation. However, keeping in view the state of affairs of the Corporation, it is not in a position to avail of the opportunities. Having net-worth eroded long back and being unable to source cheap funds coupled with manpower shortage pose threat to the Corporation in re-entering the business in a matured manner.

(c) Segment-wise performance:

Corporation is primarily engaged in the business of recovery of dues. All activities of the Corporation revolve around the said main business. During the year under report, Corporation recovered an amount of ₹5.59 crore as against ₹5.21 crore recovered in the previous year.

(d) Outlook:

Loan Assets portfolio is 100 per cent non-performing and recovery from loan accounts not backed with securities is a herculean task. Most of the residual accounts available with the Corporation are entangled with legal and other issues. In such circumstances, recovery of dues from the loanees is expected to be contracted in the years to come.

(e) Risks and concerns:

Risk is an inherent part of business and the Corporation not free from various risks associated with the business. Risk increases when recovery attempted from 100% Non-Performing Asset Portfolio. In spite of introducing various clients oriented attractive One Time Settlement Schemes, recovery of dues is not on expected level which is a matter of concern to the Corporation.

(f) Internal control system and their adequacy:

Corporation's internal control system provides for budgetary control and cost monitoring system. Corporation engaged services of an external firm of Chartered Accountants for internal audit so as to provide timely information to management. Regular management reviews are undertaken to ensure conformity with targets. The internal control system of the Corporation is adequate commensurate with the size of the Corporation.



*Ceased to be Chairman, Managing Director or Director, as the case may be, during the year under reference.

#including Non-Executive Non-Independent Director on the Board of Directors of Gujarat Mineral Development Corporation Ltd, a listed entity.

\$including Non-Executive Non-Independent Director of Gujarat Lease Financing Ltd, a listed entity.

c) Number of meetings of the Board of Directors held and dates on which held:

During the financial year 2023-24, four meetings of Board of Directors were held on May 22, 2023, August 08, 2023, November 9, 2023 and February 09, 2024.

d) Disclosure of relationships between directors inter-se

None of the Directors are related to each other or to any Key Managerial Personnel of the Corporation.

e) Number of shares and convertible instruments held by non- executive Directors:

Nil

Change in composition of Board of Directors during the year:

1. Pursuant to Notification dated March 31, 2023 read with Order dated April 29, 2017 of General Administration Department, Govt. of Gujarat, upon his taking over charge of the post of Industries Commissioner on April 04, 2023 (AN) relieving Dr. Rahul B Gupta, IAS, Shri Sandip J Sagale, IAS also took over ex-officio charge of the post of Managing Director of the Corporation with effect from April 05, 2023. Brief resume of Shri Sandip J Sagale, IAS was included as a part of Corporate Governance Report in the Annual Report for FY 2022-23 and hence not repeated.
2. Life Insurance Corporation of India, Mumbai, vide letter dated May 16, 2023, nominated Shri Madhukar M Asthana, Senior Divisional Manager, LIC of India, Gandhinagar Divisional Office as Director on the Board of Directors of the Corporation pursuant to Section 10 (d) of the SFCs Act, 1951 in place of Shri Sanjeev Mehta. Shri Madhukar M Asthana assumed office on May 23, 2023. Brief resume of Shri Madhukar M Asthana, as disclosed to BSE Ltd, is as under:-

Shri Madhukar M Asthana, aged 56 years, is nominated on the Board of Directors of the Corporation by Life Insurance Corporation of India pursuant to Section 10 (d) of the State Financial Corporations Act, 1951 vide letter No. IBO/ND Cell/RS dated 16.05.2023. He holds Degree in Commerce and Diploma in Management. He started his career as a direct recruit officer of 20th batch with Life Insurance Corporation of India in 1993. He possesses of 30 years' experience in various departments of LIC of India in different capacities. Prior to joining as Senior Divisional Manager at Gandhinagar Divisional Office of LIC of India, he was holding the position of Divisional Manager, Vadodara Division. He is not holding Directorship in any other Company/Corporation/Association of Persons. He is also not holding shares of the Corporation in his individual capacity and not related to any Director or Key Managerial Personnel of the Corporation.
3. In exercise of the powers vested under Section 15 (1) read with Section 10 (a) of the State Financial Corporations Act, 1951, Small Industries Development Bank of India, Lucknow, vide letter dated September 04, 2023 nominated Shri S.J. Haider, IAS, Additional Chief Secretary, Industries & Mines Department as Chairman of the Corporation in place of Shri Raj Kumar, IAS. Accordingly, Shri S.J. Haider, IAS assumed office on September 26, 2023. Brief resume of Shri S.J. Haider, IAS, as submitted to BSE Ltd, is as under:-



We further report that in addition to the violations of above regulations, the corporation has not complied with regulation 24A, 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Corporation has made several communications with respect to aforementioned violations and sought for exemption/relaxation pursuant to Proviso of Regulation 15(2) (b) of SEBI (LODR) Regulations, 2015. Corporation represented to SEBI for continuation of the relaxations/exemptions but SEBI suggested, vide letter dated 20th December, 2021, to take up the matter of amendment to SFCs Act, 1951 so as to align it with that of LODR requirements with Government. Corporation took up the matter with appropriate authorities vide letter dated 27th December, 2021 and is following up for amendments to SFCs Act, 1951. The matter is pending as on 31st March, 2024.

In our opinion and to the best of our information and according to the explanations given to us and subject to violations as stated above and since the above non-compliance is subject to approval of appropriate authority for amendment in SFC Act, 1951 for which correspondence with appropriate authorities were made by the Corporation, the Corporation has complied with the conditions of corporate governance to the extent that it is not violating the provisions of State Financial Corporations Act, 1951 and the guidelines or directives issued by the relevant authorities and subject to what is stated above, we certify that Corporation has complied with the conditions of Corporate Governance, as stipulated in the above-mentioned Listing Regulations.

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

FOR KK PATEL & ASSOCIATES,

Sd/-

CS KIRAN KUMAR PATEL
PRACTICING COMPANY SECRETARIES
FCS NO.6384 C.P. No: 6352
UDIN: F006384F000262662

Date: 29.04.2024

Place: Gandhinagar



PANKAJ R SHAH & ASSOCIATES

Chartered Accountants

7th Floor, Regency Plaza, Opp. Rahul Tower, Nr. Madhur Hall, Anandnagar
Cross Road, Satellite, Ahmedabad 380 015

Independent Auditor's Report

To,

The Members of

GUJARAT STATE FINANCIAL CORPORATION

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of **GUJARAT STATE FINANCIAL CORPORATION ('the Corporation')**, which comprise the balance sheet as at 31st March, 2024 and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanation given to us, except for the possible effects of the matter described in Basis for Qualified Opinion paragraph, the aforesaid financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India of the state of affairs of the corporation as at 31st March, 2024, and its loss and its cash flow for the year ended on that date.

Basis for Qualified Opinion

- a. The financial statements of the corporation are prepared on a going concern basis, notwithstanding the fact that its net worth is completely eroded and defaulted in repayment obligations due to liquidity problems. This is not in accordance with Accounting Standard (AS) – 1 “Disclosure of Accounting Policies”. The effect of the same on the financial statements is not ascertainable.
- b. Dues payable to Government of Gujarat is subject to confirmation and adjustment, if any, required upon such confirmation. Pending such confirmation, the effect thereof on interest and penal interest is not ascertainable.

Information other than the financial statements and auditors' report thereon

Management is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with



the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

Management is responsible for the matters stated the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those management is also responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. We are also responsible for expressing our opinion on whether the corporation has adequate internal financial controls system in



place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Reports on Other Legal & Regulatory Requirements

- a. We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of accounts as required by law have been kept by the Corporation so far as appears from our examination of those books.
- 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. Except the possible effect of the matter described in the Basis for Qualified opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting standards issued by ICAI.
- e. Based on our examination carried out in accordance with the Implementation Guidance on



Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 Edition) issued by the Institute of Chartered Accountants of India, which included test checks, we report that the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention. Our examination of the audit trail was in the context of an audit of financial statements carried out in accordance with the Standard of Auditing and only to the extent required by Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014. We have not carried out any audit or examination of the audit trail beyond the matters required by the aforesaid Rule 11(g) nor have we carried out any standalone audit or examination of the audit trail.

For and on behalf of
M/s Pankaj R. Shah & Associates
Chartered Accountants
(Registration No. 107361W)

CA Nilesh Shah
Partner
Membership No. 107414
UDIN: 24107414BJZXAN1666
Place: Ahmedabad
Date : 28-05-2024



GUJARAT STATE FINANCIAL CORPORATION

Notes to the Financial Statements for the year ended on 31st March, 2024

Note-8 Fixed Assets

Sr. No.	Particulars	Gross Block						Depreciation			Net Block	
		As on 01-04-2023	Addition during 2023-24	Deduction during 2023-24	Closing Balance as on 31-03-2024	Provided upto 31-03-2023	Writtenback during 2023-24	Provided during 2023-24	Total Depreciation as on 31-03-2024	As on 31-03-2024	As on 31-03-2023	
A.	OWN ASSETS											
1	Furniture & Fixtures	3,27,68,630	-		3,27,68,630	2,14,85,392		11,28,324	2,26,13,716	1,01,54,914	1,12,83,238	
2	Office Equipments	96,57,080	12,373		96,69,453	74,50,627		3,32,824	77,83,451	18,86,002	22,06,453	
3	Office Vehicles	45,18,014	-		45,18,014	37,55,685		1,14,349	38,70,034	6,47,980	7,62,329	
4	Land & Building	3,94,45,116	-		3,94,45,116	2,97,42,823		7,03,348	3,04,46,171	89,98,945	97,02,293	
5	Computers	2,32,91,120	52,928		2,33,44,048	2,32,78,642		15,577	2,32,94,219	49,829	12,478	
	Total in ₹ [A]	10,96,79,959	65,301	-	10,97,45,260	8,57,13,169	-	22,94,422	8,80,07,591	2,17,37,669	2,39,66,790	
B.	LEASE ASSETS											
1	Machinery & Equipments	15	-		15	-		-	-	15	15	
	Total in ₹ [B]	15	-	-	15	-	-	-	-	15	15	
	Total in ₹ [A] + [B]	10,96,79,974	65,301	-	10,97,45,275	8,57,13,169	-	22,94,422	8,80,07,591	2,17,37,684	2,39,66,805	



NOTE – 15

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS AND BALANCE SHEET AS
AT 31ST MARCH, 2024

A ACCOUNTING POLICIES AND METHOD OF ACCOUNTING:

(01) These financial statements have been prepared on accrual basis, unless otherwise stated, as a going concern under historic cost convention, in accordance with the requirements of the State Financial Corporations Act, 1951; regulations framed thereunder and generally accepted accounting principles.

(02) REVENUE RECOGNITION:

(a) The Corporation recognizes income by way of interest, penalty and other charges after realization of cheques as intimated by banks. Interest income includes penal interest received. The said income recognition is applicable only to interest earned from operational activities and not on interest income earned through investing or financing activities.

(b) In view of the prudential norms prescribed by SIDBI, no income is recognized in respect of Non-Performing Assets (NPA). Income on such assets shall be recognized as and when received. Provision for NPA has been made as per the norms prescribed by SIDBI. All assets have been classified as doubtful for more than three years or loss assets and accordingly 100% provision has been made.

(c) Amount received from the loanees are credited in the books in the following order :

[1] Penalty & other charges

[2] Interest

[3] Principal

(d) Where the unit of the loanees or collateral security is sold, the amount realized is first credited towards principal and if there is any surplus, it is credited towards other dues. However, where the amount realized in respect of the units which were written off in previous year/years and subsequently sold out, the amount is credited to Bad Debts Recovery A/c under the group of "Other Income".

(e) Prior to 1.4.2018, in case loanees opted for OTS, amount received from the loanee is first apportioned as per normal practice as under:

[1] Penalty & other charges

[2] Interest

[3] Principal

At the time of issuance of No Due Certificate, the effect of OTS scheme is given whereby amount credited to interest/penalty account during recovery period of OTS which otherwise was principal recovery as per OTS scheme is being given effect. The shortfall in principal account is compensated by crediting interest income and write off of the same amount.



In case of additions to fixed assets, depreciation is provided for full year where additions are made on or before 30th September and at 50% of the rates for assets acquired after 30th September. In respect of sale/disposal of fixed assets, no depreciation is provided in the year of sale/disposal.

(05) EMPLOYEE BENEFITS:

- (a) Salaries and non-monetary benefits are accrued in the year in which the services are rendered by the employees. Contribution to employees' provident fund are recognized as an expense and charged to Statement of Profit and Loss.
- (b) For gratuity and leave encashment liabilities, Corporation took policies with Life Insurance Corporation of India which takes care of liabilities on both the counts. The entire premium paid to LIC is charged to Statement of Profit and Loss. Employee's cost for the year under reference includes ₹ 21,074/- (previous year ₹ 12,90,596/-) towards premium for the gratuity liability and ₹ 8,631/- (previous year ₹ 13,517/-) towards leave encashment remitted to LIC of India.

(06) INVESTMENTS:

Investment is classified as "Available for sale" for the purpose of valuation and provision for net diminution in value of investment is made as per the guidelines issued by SIDBI.

(07) BORROWING COST:

Borrowing cost is recognized as expense and charged to Statement of Profit and Loss.

(08) WRITE OFFS :

While writing off loans, the Corporation takes into consideration the following where

- A] Assets of the loanees are lost
- B] Loanees are not in existence
- C] To the extent of deficit on sale of loanee assets
- D] The units are closed and no recovery is forthcoming
- E] Waiver/sacrifice on account of One Time Settlement/ any other settlement.

(09) TAXATION:

Deferred Tax Asset is not recognized in view of Corporation not being virtually certain of realizing adequate profits in the foreseeable future.

(10) IMPAIRMENT OF ASSETS:

A substantial portion of Corporation's assets comprise of 'financial assets' to which Accounting Standard-28 "Impairment of assets" is not applicable. In respect of assets to which Standard applies, in the opinion of the management, there are no indications, internal or external, which could have the effect of impairing the value of the assets to any material extent as at 31st March, 2024 requiring recognition in terms of the said standard.

(11) EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

Material adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Non adjusting events (that are indicative of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the report of the Board of



GENERAL DISCLOSURE:-

- (i) During the year under reference, bad debts written off amounting to ₹ 202.79 lakh was transferred to “Reserve for Bad and Doubtful Debts” resulting into said Reserve as well as expenditure is reduced to that extent.
- (ii) Corporation, while acting as an agency to Sales Tax Department, Government of Gujarat, had sanctioned loans being the amount of sales tax payable by loanee units to Sales Tax Department (part of loans and advances depicted under Note 7) and created a liability for the same amount under the head “Long Term Borrowings” (Note 3). The amount recovered from the loanee units is paid to Sales Tax Department. Though the Corporation was only an agency for sanctioning of the loans, it has made provision for NPA of ₹31.49 crore on the said loan on a conservative basis.

Signatories to Notes “1” to “15”

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

(M.R. Malpani) (Raveendran Nair) (Naresh Babuta) (Leena D Katdare)(Sandip J Sagale, IAS)
Executive Officer Secretary (Board) Director Director Managing Director
(Accounts)

As per our Report of even date
FOR PANKAJ R SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
ICAI Firm Reg. No. : 107361W

NILESH SHAH
PARTNER
Membership No. 107414

PLACE: AHMEDABAD
DATE: 28/05/2024

PLACE: GANDHINAGAR
DATE: 28/05/2024



GUJARAT STATE FINANCIAL CORPORATION
PERFORMANCE OF THE CORPORATION AT A GLANCE DURING THE LAST DECADE

Sr. No.	Particulars	2014-15											Since inception
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24		
1	2	3	4	5	6	7	8	9	10	11	12	13	
(A)	Assistance												
	1. Flow of Applications Term Loans	No.	----	----	----	----	----	----	----	----	----	----	61756.00
		₹	----	----	----	----	----	----	----	----	----	----	5385.60
	2. Loan Sanctioned												
	a. Term Loan	No.	----	----	----	----	----	----	----	----	----	----	46646.00
		₹	----	----	----	----	----	----	----	----	----	----	3732.10
	b. Lease Finance	No.	----	----	----	----	----	----	----	----	----	----	41
		₹	----	----	----	----	----	----	----	----	----	----	28.62
	c. Short Term Finance	No.	----	----	----	----	----	----	----	----	----	----	299
		₹	----	----	----	----	----	----	----	----	----	----	219.48
	d. Line of Credit	No.	----	----	----	----	----	----	----	----	----	----	11
		₹	----	----	----	----	----	----	----	----	----	----	80.00
	e. Bill discounting	No.	----	----	----	----	----	----	----	----	----	----	130
		₹	----	----	----	----	----	----	----	----	----	----	227.96
	f. Working Capital Term Loan	No.	----	----	----	----	----	----	----	----	----	----	225
		₹	----	----	----	----	----	----	----	----	----	----	174.73
	g. N.H.F.D.C.	No.	----	----	----	----	----	----	----	----	----	----	1113
		₹	----	----	----	----	----	----	----	----	----	----	4.36
	h. Fund Based Merchant Banking Activity	No.	----	----	----	----	----	----	----	----	----	----	20
		₹	----	----	----	----	----	----	----	----	----	----	26.29
	i. Small Scale Units (SSI)	No.	----	----	----	----	----	----	----	----	----	----	45170
		₹	----	----	----	----	----	----	----	----	----	----	3000.59
	j. Backward District	No.	----	----	----	----	----	----	----	----	----	----	18168
		₹	----	----	----	----	----	----	----	----	----	----	1482.14
	k. Backward Talukas	No.	----	----	----	----	----	----	----	----	----	----	9759
		₹	----	----	----	----	----	----	----	----	----	----	1574.47
	l. Rural Areas	No.	----	----	----	----	----	----	----	----	----	----	13599
		₹	----	----	----	----	----	----	----	----	----	----	1935.50
	m. Triple Area/Talukas Pockets	No.	----	----	----	----	----	----	----	----	----	----	4479
		₹	----	----	----	----	----	----	----	----	----	----	652.30



		(₹ in Crore)												
Sr.No.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Since Inception		
1	2	3	4	5	6	7	8	9	10	11	12	13		
	3. Disbursement													
	a. Term Loan	₹	----	----	----	----	----	----	----	----	----	2748.92		
	b. Lease Finance	₹	----	----	----	----	----	----	----	----	----	23.14		
	c. Short Term Finance	₹	----	----	----	----	----	----	----	----	----	187.49		
	d. Line of Credit	₹	----	----	----	----	----	----	----	----	----	65.79		
	e. Bill discounting	₹	----	----	----	----	----	----	----	----	----	200.72		
	f. Working Capital Term Loan	₹	----	----	----	----	----	----	----	----	----	154.42		
	g. Fund Based Merchant Banking Activity	₹	----	----	----	----	----	----	----	----	----	11.52		
	h. N.H.F.D.C.	₹	----	----	----	----	----	----	----	----	----	12.31		
	4. Recovery													
	a. Term Loan	₹	12.51	12.74	6.53	7.61	10.86	7.92	1.61	5.21	5.58	3512.73		
	b. Lease Finance	₹	----	----	----	----	----	----	----	----	----	14.64		
	c. Short Term Finance	₹	----	----	----	----	----	----	----	----	----	208.16		
	d. Line of Credit	₹	----	----	----	----	----	----	----	----	----	60.53		
	e. Bill discounting	₹	3.29	0.24	2.31	----	----	----	----	----	----	209.99		
	f. Working Capital Term Loan	₹	3.25	0.89	1.79	0.46	1.04	0.54	----	----	----	115.85		
	g. Fund Based Merchant Banking Activity	₹	----	----	----	----	----	----	----	----	----	0.11		
	h. N.H.F.D.C.	₹	----	----	0.02	0.03	0.01	0.31	----	----	----	1.85		
	5. Loan Outstanding(at year end)	No.	----	----	----	----	----	----	----	----	----	----		
(B)	Working Results													
	1. Earning													
	a. Interest	₹	7.97	11.67	3.18	6.46	2.42	2.13	0.85	0.55	4.66			
	b. Other Income	₹	6.84	12.01	9.87	8.58	10.12	11.33	9.76	10.05	13.07			



(₹ in Crore)

Sr.No.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
1	2	4	5	7	8	9	10	11	12	13	
2	Expenditure										
a	Interest on bond, deposits & Other Borrowings	₹ 118.26	₹ 121.09	₹ 123.66	₹ 125.99	₹ 128.05	₹ 129.99	₹ 131.89	₹ 133.74	₹ 135.62	₹ 137.48
b	Financial Expenses & Commitment Charges	₹ 0.00	₹ 0.00	₹ 0.01	₹ 0	₹ 0.001	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
c	Personnel Expenses	₹ 5.10	₹ 4.08	₹ 3.95	₹ 3.22	₹ 3.00	₹ 2.99	₹ 3.19	₹ 3.28	₹ 2.27	₹ 1.49
d	Other expenses	₹ 11.88	₹ 14.88	₹ 7.10	₹ 3.75	₹ 5.16	₹ 3.52	₹ 1.94	₹ 1.63	₹ 1.36	₹ 1.50
e	Depreciation	₹ 0.42	₹ 0.43	₹ 0.52	₹ 0.47	₹ 0.41	₹ 0.36	₹ 0.33	₹ 0.29	₹ 0.26	₹ 0.23
f	Provision against NPA	₹ -8.85	₹ -11.81	₹ -4.85	₹ -2.94	₹ -9.20	₹ -5.97	₹ -2.84	₹ -0.33	₹ -3.62	₹ -2.71
3	Profit/(Loss) before tax	₹ -121.64	₹ 104.99	₹ -117.18	₹ -115.53	₹ -114.87	₹ -117.44	₹ -122.92	₹ -127.81	₹ -125.15	₹ -119.21
4	Profit/(Loss) after tax	₹ -121.64	₹ 104.99	₹ -117.18	₹ -115.53	₹ -114.87	₹ -117.44	₹ -122.92	₹ -127.81	₹ -125.15	₹ -119.21
(C)	Capital & Resources (as at the end of)										
1	Paid up capital	₹ 89.11	₹ 89.11	₹ 89.11	₹ 89.11	₹ 89.11	₹ 89.11	₹ 89.11	₹ 89.11	₹ 89.11	₹ 89.11
2	Share Forfeited	₹ 4.60	₹ 4.60	₹ 4.60	₹ 4.60	₹ 4.60	₹ 4.60	₹ 4.60	₹ 4.60	₹ 4.60	₹ 4.60
3	Reserves	₹ (1961.36)	₹ 273.37	₹ 273.37	₹ 273.37	₹ 273.37	₹ 273.37	₹ 273.37	₹ 273.37	₹ 273.37	₹ 271.17
4	Borrowings	₹ 661.68	₹ 66168.00	₹ 661.68	₹ 661.68	₹ 661.68	₹ 661.68	₹ 661.68	₹ 661.68	₹ 661.68	₹ 661.68
a	Market Bonds	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
b	Govt. Loan	₹ 621.37	₹ 621.37	₹ 621.37	₹ 621.37	₹ 621.37	₹ 621.37	₹ 621.37	₹ 621.37	₹ 621.37	₹ 621.37
c	SIDBI Loan	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---
d	Refinance	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---
e	Fixed Deposits	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---
f	Line of Credit from Banks	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---
g	Priority Sector Bond	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---
h	Loan from NHFDC	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---
i	Short Term Loan GIDC	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---	₹ ---



HEAD OFFICE

GUJARAT STATE FINANCIAL CORPORATION

SECTOR-11, GH-4, UDYOG BHAVAN, GANDHINAGAR-382 010

TELE. NO. (079) 23256761 to 66, 23256772-74, FAX NO. (079) 23252204

E-mail : webmaster-gsfc@gujarat.gov.in, **Web site :** <http://www.gsfc.gujarat.gov.in>

REGIONAL OFFICES

AHMEDABAD REGIONAL OFFICE

BLOCK NO. 10, FIRST FLOOR, UDYOG BHAVAN, GANDHINAGAR-382 010

TELE. NO. (079) 232 21594, 232 52209

FAX NO. (079) 232 21625

SURAT REGIONAL OFFICE

2ND FLOOR, MIRAMBICA COMPLEX, OPP. GANDHI BAUG, CHOWK
BAZAR, SURAT.

TELE. NO. (0261) 2460546/47

FAX NO. (0261) 2460543

RAJKOT REGIONAL OFFICE

RACE COURSE, RING ROAD, NEAR LIFE BUILDING, RAJKOT-360 001.

TELE. NO. (0281) 2443664, 2442715

FAX NO. (0281) 2479292



GUJARAT STATE FINANCIAL CORPORATION
 Head Office : UDYOG BHAVAN, 1st FLOOR, BLOCK NO.10,
 SECTOR-11, GH-4, GANDHINAGAR-382 010.

ATTENDANCE SLIP

Folio No.	
DP ID	
Client ID	
No. of shares	

I certify that I am a registered shareholder of the Corporation. I hereby record my presence at the SIXTY FOURTH ANNUAL GENERAL MEETING of the Corporation in the Office of the Corporation at Head Office at Udyog Bhavan, Block No. 10, 1st Floor, Sector-11, Gandhinagar-382010 on Thursday, **the 25th July, 2024** at 1:00 p.m.

**Signature of the attending
Member / Proxy**

Note : A Shareholder / Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.

GUJARAT STATE FINANCIAL CORPORATION

Head Office : UDYOG BHAVAN, 1st FLOOR, BLOCK NO.10,
 SECTOR-11, GH-4, GANDHINAGAR-382 010.

PROXY FORM

I / We..... of
 in the district of
 being a Member/Members of the above named Corporation hereby appoint
 of in the district of
 or failing him of in the district of as
 my/our proxy to attend and vote for me/us and on my/our behalf at the SIXTY FOURTH ANNUAL GENERAL MEETING of the Corporation in the Office of the Corporation at Head Office at Udyog Bhavan Block No.10, 1st Floor Sector-11, Gandhinagar-382010 on Thursday, the 25th July, 2024 at 1:00 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2024.

Folio No.	
DP ID	
Client ID	
No. of shares	

**Affix ₹ 1
Revenue
Stamp
Signature**

- This form, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Head Office of the Corporation at Gandhinagar not less than 7 clear days before the date of the meeting.
- A Proxy need not be a member of the Corporation.

Gujarat State Financial Corporation

**Udyog Bhavan, Block No. 10, GH-4, Sector-11,
Gandhinagar - 382010**

Designed, Processed & Printed @ Government Central Press, Gandhinagar