

## **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 64<sup>th</sup> Annual General Meeting of the Corporation scheduled to be held on Thursday, the 25<sup>th</sup> July, 2024 at 1.00 p.m. in the office of the Corporation at Head Office at Udyog Bhavan, Block No. 10, 1<sup>st</sup> 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 <sup>th</sup> 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

BSE corresp. 2024-25



2023-24



Gujarat State Financial Corporation
Gandhinagar

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## **→ 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, 1<sup>st</sup> Floor, Sector 11, Udyog Bhavan, Gandhinagar 382 010

REGIONAL OFFICES AT Gandhinagar, Surat & Rajkot







## **Gujarat State Financial Corporation**

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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 64<sup>th</sup> Annual General Meeting of the shareholders of the Corporation will be held on **Thursday**, the 25<sup>th</sup> 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 64<sup>th</sup> 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 <a href="http://gsfc.gujarat.gov.in">http://gsfc.gujarat.gov.in</a> 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 <a href="http://gsfc.gujarat.gov.in">http://gsfc.gujarat.gov.in</a> 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 64<sup>th</sup> 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 64<sup>th</sup> 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, 22 <sup>nd</sup> 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 24<sup>th</sup> 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 25<sup>th</sup> 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 22<sup>nd</sup> July, 2024 at 9.00 a.m. (IST) and ends on Wednesday, the 24<sup>th</sup> 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 25<sup>th</sup> 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.



(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website <a href="www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and New System Myeasi Tab.
with CDSL Depository	2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Provide₹ so that the user can visit the e-Voting service providers' website directly.
	3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="www.cdslindia.com">www.cdslindia.com</a> and click on login & New System Myeasi Tab and then click on registration option.
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Provide₹
Individual Shareholders holding securities in demat mode with NSDL Depository	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you



will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.

- 2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>
- 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Individual
Shareholders
(holding
securities in
demat mode)
login through
their
Depository
Participants
(DP)

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

# Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at: 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022-4886 7000 and 022-2499 7000



# 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 <a href="www.evotingindia.com">www.evotingindia.com</a> 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)
	• 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	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.
OR Date of Birth (DOB)	• 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 <a href="www.evotingindia.com">www.evotingindia.com</a> 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; <a href="mailto:sec-cell-gsfc@gujarat.gov.in">sec-cell-gsfc@gujarat.gov.in</a>, 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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, 25<sup>th</sup> 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 <a href="http://gsfc.gujarat.gov.in">http://gsfc.gujarat.gov.in</a> 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 64<sup>th</sup> 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	



Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	
Other income (including exceptional items)	389.85	421.72	
Total income	2,149.54	1,436.28	
Interest on Borrowings	1,3748.09	13,562.34	
Employee's cost	149.25	226.85	
Other expenses	173.04	161.98	
Total Expenditure	14,070.38	13,951.17	
Loss for the year under reference	11,920.84	12,514.89	
Accumulated loss carried forward	3,29,981.82	3,18,060.98	

#### 3. Performance:

During the year under reference, interest on Loans and Advances registered an increase of 744.69 per cent and stood at ₹465.68 lakh compared to ₹55.13 lakh reported in the previous year. Interest on deposits increased by 34.87 per cent to ₹1,294.01 lakh as against ₹959.43 lakh reported a year ago. Other income, including non-cash items, decreased by 7.56 per cent to ₹389.85 lakh during the year under reference compared to ₹421.72 lakh reported in the previous year. Total income for the year under reference stood at ₹2,149.54 lakh, an increase of 49.66 per cent over ₹1,436.28 lakh reported in the previous year.

Interest on loans granted by the Government for the year under reference increased marginally and stood at ₹13,748.09 lakh as against ₹ 13,562.34 lakh reported a year ago. Employees cost for the year under reference reduced by 34.21 per cent and stood at ₹149.25 lakh compared to ₹226.85 lakh reported in the previous year. Total expenditure for the year under report registered a marginal increase of 0.85 per cent and stood at ₹14,070.38 lakh as against ₹13,951.17 lakh reported a year back. Loss for the year under reference stood at ₹11,920.84 lakh, a reduction of 4.75 per cent over ₹12,514.89 lakh registered in the previous year. The accumulated loss for the year under reference increased by 3.75 per cent at ₹3,29,981.82 compared to ₹3,18,060.98 lakh reported in the previous year.

#### 4. Borrowings:

Aggregate borrowings from Government of Gujarat during the year under reference remained statistic at ₹66,168.43 lakh.

#### 5. Recovery:

During the year under reference, Corporation continued to extend liberal One Time Settlement Schemes to attract defaulting loanee units to come forward and settle the accounts. As a result of concerted efforts, Corporation registered a modest increase of 7.19 per cent in recovery of dues to ₹558.77 lakh compared to ₹521.29 lakh reported a year ago.

#### 6. Human Resource:

During the year under report, the staff strength of the Corporation reduced to 16 from 24 reported in the previous year. The break-up of staff strength is as under:-

Sr. No.	Category	Total
1	'A' Grade officers	2
2	'B' Grade employees	11
3	'C' Grade employees	3
	Total	16



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 63<sup>rd</sup> Annual General Meeting till the conclusion of ensuing Annual General Meeting by the members at the AGM held on 27<sup>th</sup> 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 yea₹ 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.
- 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 (Sandip J. Sagale, IAS)

Date: 28-05-2024 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. Inspite 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.



#### (g) Financial Performance:

(₹ in crore)

Particulars	Year ended				
Particulars	31/03/2024	31/03/2023			
Total Income	21.49	14.36			
Interest expenses	137.48	135.62			
Other expenses	2.99	3.63			
Loss before depreciation & tax	118.98	124.89			
Depreciation	0.23	0.26			
Loss before tax	119.21	125.15			
Loss after depreciation & tax	119.21	125.15			
Balance carried over to balance sheet	(3,299.82)	(3,180.61)			

#### (h) Material developments in Human Resources:

There is no reportable material development in human resources during the year under reference. Corporation's staff strength, including employees on deputation/ loan services, reduced to 16 as on 31<sup>st</sup> March, 2024 compared to 24 reported in the previous year.

#### (i) Details of significant changes in key financial ratios:

No significant change in key financial the financial ratios during the year under report as compared to immediately preceding financial year.

#### 2. Cautionary statement:

Statements in the Management Discussion and Analysis describing the Corporation's objective, projections, estimates and expectations may be "forward looking" within the meaning of applicable laws or regulations. Actual results may differ from those expressed or implied.



#### REPORT ON CORPORATE GOVERNANCE FOR FY 2023-24

#### 1. PHILOSOPHY ON CODE OF GOVERNANCE

The corporate governance philosophy of the Corporation ensures accountability, transparency and fairness in its all transactions so as to enhance long-term shareholder value while safeguarding the interest of all the stakeholde₹ The policies, procedures and practices that are installed in the Corporation aim at courtesy and dignity in all transactions within and outside with customers, employees, investors, the Government and the society.

#### 2. BOARD OF DIRECTORS

#### (a) Composition of Board

GSFC being a body corporate established by Government of Gujarat under State Financial Corporations Act, 1951, composition of Board of Directors is governed by Section 10 read with Sections 4 (3), 15 and 17 of the said Act. As on March 31, 2024, Board comprises of seven Directors viz. Chairman nominated by Small Industries Development Bank of India, Managing Director appointed by Government of Gujarat, two Directors each nominated by Govt. of Gujarat and Small Industries Development Bank of India and a Director nominated by Life Insurance Corporation of India.

**(b)**Details of composition, category of Directors, Directorships/ Committee positions in other companies, number of meetings held and attended during the year, and the attendance in the last Annual General Meeting are as follows:

Sr. No.	Name of Director, tenure & category	No. of Board meetings		Number of member posts of Chairper Audit/ Stakehol Relationship Combet held in listed en including this listed		airperson in akeholders o Committee ted entities	
		held during the tenure	attended	Attendance at last AGM	corporates/AoPs	Member	Chairman
1	Shri Raj Kumar, IAS* (From 21.09.2022 to 25.09.2023)  Nominated by SIDBI under Section 15 read with Section 10 (a) of SFCs Act, 1951  Non-Executive – Nominee Director - Chairman	2	0	Not present	NA	NA	NA
2	Shri S.J. Haider, IAS (From 26.09.2023 onwards) Nominated by SIDBI under Section 15 read with Section 10 (a) of SFCs Act, 1951 Non-Executive – Nominee Director - Chairman	2	2	Not Applicable	8#	0	0
3	Dr. Rahul B Gupta, IAS* (From 05.09.2019 to 04.04.2023) Ex-officio Managing Director pursuant to Order No. AIS/ 35.2009/ 3/G dated 29 <sup>th</sup> April, 2017 of GAD, Govt. of Gujarat Executive Director	0	0	Not Applicable	NA	0	0



Sr. No.	Name of Director, tenure & category	No. of Board meetings			No. of Director- ship in other companies/body	posts of Cha Audit/ Sta Relationship held in lis	nemberships/ airperson in akeholders o Committee ted entities s listed entity
		held during the tenure	attended	Attendance at last AGM	corporates/AoPs	Member	Chairman
4	Shri Sandip J Sagale, IAS (From 05.04.2023 onwards) Ex-officio Managing Director pursuant to Order No. AIS/ 35.2009/3/G dated 29 <sup>th</sup> April, 2017 of GAD, Govt. of Gujarat Executive Director	4	4	Not present	8	0	0
5	Smt. Ankita R Christian (From 06-10-2020 onwards) Nominated by State Government u/s 10 (b) of SFCs Act, 1951 Non- Executive – Nominee Director	4	4	Present	5	2	1
6	Ms. Leenaben Katdare (From 27.04.2022 onwards) Nominated by State Government u/s 10 (b) of SFCs Act, 1951 Non-Executive – Nominee Director	4	4	Present	2 <sup>\$</sup>	5	1
7	Shri Sanjay Gupta (From 12.04.2022 onwards) Nominated by SIDBI u/s 10 (c) of SFCs Act, 1951 Non-Executive – Nominee Director	4	4	Not present	1	1	0
8	Shri Akash Pawar (From 21.11.2022 onwards) Nominated by SIDBI u/s 10 (c) of SFCs Act, 1951 Non-Executive – Nominee Director	4	2	Not present	0	1	0
9	Shri Sanjeev Mehta* (From 22.06.2021 to 22-05-2023) Nominated by LIC of India u/s 10 (d) of SFCs Act, 1951 Non-Executive – Nominee Director	1	0	Not Applicable	0	0	0
10	Shri Madhukar M Asthana (From 23-05-2023 onwards) Nominated by LIC of India u/s 10 (d) of SFCs Act, 1951 Non-Executive – Nominee Director	3	2	Not Present	0	0	0



\*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) <u>Disclosure of relationships between directors inter-se</u>

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

## e) <u>Number of shares and convertible instruments held by non- executive Directors:</u>

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 20<sup>th</sup> 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:-



Shri S.J. Haider, IAS is an officer of 1991 batch of Indian Administrative Services. He is presently discharging duties as Additional Chief Secretary of Industries & Mines Department, Government of Gujarat. Shri S.J. Haider, IAS is holding Degrees of B.Sc (Hons.) (Physics), M.Sc (Physics, Special Paper – Electronics) and Certificate in Computers from IGNOU. Since joining Government of Gujarat, he has served at various levels and in different positions in departments such as Tourism, Urban Development, Panchayat & Rural Development, Education, Science and Technology, Climate Change, Transport Department etc. Prior to joining Industries & Mines Department, he was Additional Chief Secretary of Education Department, Government of Gujarat. He is not holding any equity shares of the Corporation in his personal capacity and is not related to any Key Managerial Personnel. He is on the Board of Directors of six other companies including one listed entity viz. Gujarat Mineral Development Corporation Ltd.

#### **Change in directorate after close of FY 2023-24:**

- 1. In terms of Section 10 (c) of the SFCs Act, 1951, Small Industries Development Bank of India nominated Shri Naresh Babuta, General Manager, SIDBI, Ahmedabad Regional Office as Director on the Board of Directors of the Corporation in place of Shri Sanjay Gupta vide letter No. SIC/No.L000322470/GSFC/Nom.Dir. dated May 22, 2024. Shri Naresh Babuta assumed office on May 24, 2024. Brief resume of Shri Naresh Babuta is as under:-
  - Shri Naresh Babuta, aged 57 years, is the General Manager of Regional Office at Ahmedabad of Small Industries Development Bank of India. He has been nominated as a Director on the Board of Directors of the Corporation by SIDBI in exercise of the powers vested in it pursuant to Section 10 (c) of State Financial Corporations Act, 1951 vide letter No. SIC/No.L000322470/GSFC/Nom.Dir. dated May 22, 2024. He holds degree of Bachelor of Commerce from Jammu University. He also holds Post Graduate Diploma in Business Management and CAIIB. He joined SIDBI on April 24, 1992. He has rich and varied experience in Treasury and financial sector concerning micro, small and medium scale industries and held positions as Chief Dealer in SIDBI Treasury and served in Treasury Department for about 12 years He is not holding any equity shares of the Corporation in his personal capacity and is not related to any Key Managerial Personnel of the Corporation. He does not hold directorship in any other company/corporation/firm/Association of Individuals. He assumed the office of Director on the Board of Directors of the Corporation on May 24, 2024.
- 2. Pursuant to Section 10 (c) of the SFCs Act, 1951, Small Industries Development Bank of India also nominated Shri Dinesh Kumar, Deputy General Manager, SIDBI, Ahmedabad Branch Office as Director on the Board of Directors of the Corporation in place of Shri Akash Pawar vide letter No. SIC/No.L000322470/GSFC/Nom.Dir. dated May 22, 2024. Shri Dinesh Kumar assumed office on May 24, 2024 and his brief resume is as under:-
  - Shri Dinesh Kumar, aged 44 years, is the Deputy General Manager of Branch Office at Ahmedabad of Small Industries Development Bank of India. He has been nominated as a Director on the Board of Directors of the Corporation by SIDBI in exercise of the powers vested in it pursuant to Section 10 (c) of State Financial Corporations Act, 1951 vide letter No. SIC/No. L000322470/GSFC/Nom.Dir. dated May 22, 2024. He holds degree of Bachelor of Commerce from Mohanlal Sukhadia University, Udaipur and also holds MBA in Finance. Prior to joining SIDBI, he worked in Canara Bank and held positions as Section-head in P&D Department in Canara Bank for three years and held various profiles in Branch Banking in Canara Bank. He joined SIDBI as Manager on December 01, 2008 and since last 14 years, working as Branch In-charge. He has rich and varied experience in financial sector concerning micro, small and medium scale industries with SIDBI. He is not holding



any equity shares of the Corporation in his personal capacity and is not related to any Key Managerial Personnel of the Corporation. He does not hold directorship in any other company/corporation/firm/Association of Individuals. He assumed the office of Director on the Board of Directors of the Corporation on May 24, 2024.

#### 3. AUDIT COMMITTEE

#### a) Brief description of terms of reference:

The terms of reference of the Audit Committee of the Corporation is broadly in line with Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which inter alia include (i) review of quarterly and annual financial statements with the management before submission to the Board for approval, (ii) recommendation for appointment, remuneration and terms and conditions of Internal as well as Statutory Auditors etc.

#### b) <u>Composition of Audit Committee</u>:

Audit Committee, as last constituted vide office order dated December 26, 2022, consists of two nominee Directors of Government of Gujarat and a nominee Director of SIDBI. Secretary (Board) acts as Secretary to the Committee. In absence of enabling provisions in the SFCs Act, 1951 for induction of independent directors on the Board of Directors of the Corporation, Audit Committee does not have an independent director.

#### c) Name of members and chairperson and meetings attended during the year:-

The names of members and Chairperson as well as the meetings held and attended during the year under reference are as under:-

Name	Designation	No. o	f meetings Attended
Ms Leenaben Katdare	Chairperson	4	4
Smt. Ankita R Christian	Member	4	4
Shri Sanjay Gupta	Member	4	4

#### d) Number of meetings and dates on which held:

Audit Committee met four times during the financial year 2023-24 on May 22, 2023, August 08, 2023, November 9, 2023 and February 09, 2024.

#### 4. Nomination and Remuneration Committee:

Nomination of Directors is made in accordance with Section 10 read with Sections 4 (3) of the State Financial Corporations Act, 1951. Remuneration to Directors is governed by Section 16 of the SFCs Act, 1951 read with Regulation 40 of the GSFC General Regulations according to which Directors other than the Managing Director and Directors not being servants of the Government shall be paid such fees as may be prescribed for attending meetings of the Board. At present Director representing LIC of India is entitled to receive sitting fee of ₹1,000/- per meeting attended. Managing Director, being ex-officio, is not drawing salary or any other remuneration from the Corporation. Salary and allowances of employees are governed by Section 23 of the SFCs Act, 1951 and linked to such benefits as are made available to the employees of the State Government and adopted by the Corporation from time to time after consultation with Small Industries Development Bank of India and with previous sanction of State Government. In view of this, Corporation has not constituted Nomination and Remuneration Committee.



#### 5. Stakeholders' Relationship Committee:

#### a) Name of non-executive director heading the Committee:

Stakeholders' Relationship Committee was last reconstituted vide office order dated December 26, 2022 pursuant to decision by Board of Directors at its meeting held on December 19, 2022. Stakeholders Relationship Committee is headed by Smt. Ankita R Christian, Director nominated by Finance Department of Government of Gujarat. Members of the Committee and details of meeting attended during the year under reference are given as under:-

Nama	Designation	No. of meetings	
Name	Designation	Held	Attended
Smt. Ankita R Christian	Chairperson	1	1
Ms Leenaben Katdare	Member	1	1
Shri Akash Pawar	Member	1	1

Keeping in view the fact that Board of Directors comprises only of nominees of shareholders, Stakeholders Relationship Committee does not consist of an independent director.

During the year under reference, Stakeholders Relationship Committee met once on November 09, 2023.

In order to expeditiously deal with day-to-day requirements of investors' matters, a Sub-Committee consisting of Secretary (Board) as Chairman and Executive Officer (Accounts) as member was constituted by the Board of Directors at its meeting held on February 12, 2019. The sub-Committee holds meetings frequently to attend to matters related to investors like dematerialization of shares etc., and met 26 times during the year under reference and considered matters related to dematerialization, consolidation etc.

#### b) Name and designation of Compliance Officer:

Raveendran Nair, Secretary (Board)

c) Number of shareholders' complaints received

during the financial year : 1

d) Number of complaints not solved to the

satisfaction of shareholders : 0

e) Number of pending complaints : 0

#### 5A. Risk Management Committee:-

Corporation does not fall within the criteria prescribed under Regulation 21 (5) of SEBI LODR) Regulations, 2015 to constitute Risk Management Committee.

#### **Remuneration of Directors:**

## a) All pecuniary relationship or transactions of the non- executive directors vis-a-vis the Corporation:

None of the non-executive directors have entered into any pecuniary relationship or transactions with the Corporation during the year under reference.

#### b) Criteria of making payments to non-executive directors:

No payment other than sitting fee to eligible Director is paid by the Corporation. During the year under reference, Director representing Life Insurance Corporation of India was paid sitting fee of aggregate ₹ 2,000/- for attending two Board meetings.



#### c) Disclosures with respect to remuneration:

No remuneration was paid to Directors during the year under reference.

#### 7. GENERAL BODY MEETINGS

a) Location and time where last three AGMs were held:-

Year	Date	Time	Location of holding AGM
2020-21	30-09-2021	01.00 PM	AGM through VC/OAVM. Deemed venue being Head Office of the Corporation at above address
2021-22	29-07-2022	01.00 PM	Office of the Corporation at Head Office at Udyog Bhavan, Block No. 10, 1st Floor, Sector 11, Gandhinagar.
2022-23	27-07-2023	01.00 PM	-do-

- b) Whether any special resolutions passed in the previous three general meetings: No
- c) Whether any special resolution passed last year through postal ballot:- No
- d) Person who conducted the postal ballot exercise Not applicable
- e) Whether any special resolution is proposed to be conducted through postal ballot: No
- f) Procedure for postal ballot Not applicable

#### 8. MEANS OF COMMUNICATION

#### a) Quarterly results:

Quarterly results are published on or before due dates stipulated under SEBI (LODR) Regulations, 2015 and submitted to BSE Ltd as also uploaded on the website of the Corporation. Extract of the results are published in dailies.

#### b) Newspapers wherein results normally published:

Extracts of quarterly/half yearly and yearly financial results are normally published in "Financial Express", both English and Gujarati editions of Ahmedabad.

#### c) Any website, where displayed:

Full formats of the results together with extracts are uploaded on the website of the Corporation <a href="http://gsfc.gujarat.gov.in">http://gsfc.gujarat.gov.in</a> under Investor Relations – Financial Results.

#### d) Whether it also displays official news releases:

No such occasion arose.

#### e) Presentations made to institutional investors or to analysts: Nil

#### 9. GENERAL SHAREHOLDER INFORMATION

a) Date, time & venue of the : Thursday, the 25<sup>th</sup> July, 2024

Annual General Meeting at 1.00 p.m. in the Office of the Corporation at Head Office,

at Udyog Bhavan, Block No. 10,

1<sup>st</sup> Floor, Sector 11, Gandhinagar 382 010

**b)** Financial year : 1<sup>st</sup> April to 31<sup>st</sup> March

c) Dividend payment date : Not applicable

**d)** Listing on Stock-Exchanges : BSE Ltd

Phiroz Jeejeebhoy Towers



Dalal Street, Fort, Mumbai 400 001.

Annual Listing fee for FY 2024-25 was remitted to BSE Ltd.

e) Stock Code (BSE Ltd) : 532160

ISIN : INE944A01011

f) Market price data

Monthly high and low quotation of shares traded on BSE during Financial Year 2023-24 were as under:

Month	High (₹)	Low (₹)	No. of trades during the month	No. of shares traded during the month
April, 2023	6.5	5.80	590	1,48,657
May, 2023	7.38	5.96	1382	2,31,945
June, 2023	6.55	5.90	927	1,72,359
July, 2023	7.54	6.10	1248	3,53,234
August, 2023	13.04	6.90	1783	6,97,741
September, 2023	12.98	9.62	3961	9,90,574
October, 2023	11.50	10.00	2020	4,10,632
November, 2023	10.70	9.65	1622	2,39,581
December, 2023	16.81	10.05	2696	10,90,090
January 2024	32.89	17.65	5814	23,12,462
February 2024	39.96	26.60	6811	14,03,679
March, 2024	31.50	20.19	4216	5,38,586

(Source: BSE data)

- g) Performance comparison in comparison to BSE Sensex is not attempted.
- h) During the year, the securities of the Corporation are not suspended from trading.

#### i) Registrars & Transfer Agents

M/s. MCS Share Transfer Agent Ltd.

201, Satdal Complex, 2<sup>nd</sup> Floor,

Opp. Bata Show Room, Ashram Road,

Ahmedabad-380 009

Phone (079) 26580461/2/3, Fax (079) 26581296

E-mail: mcsstaahmd@gmail.com

#### j) Share Transfer System

The Board has delegated the authority for approving transmission, dematerialization and all other shareholders/investors matters to the sub-Committee of Stakeholders Relationship Committee consisting of Secretary (Board) and Executive Officer (Accounts). In order to attend to matters related to shareholders expeditiously, the sub-Committee meets frequently and during the year under reference, it met 26 times. Corporation obtains yearly certificate from a Company Secretary in Practice in respect of share transfers as required under Regulation 40 (9) of SEBI (LODR) Regulations, 2015 and filing the said certificate with BSE Ltd well within the prescribed time limit and also uploaded on the website of the Corporation.



In terms of amended Regulation 40 of the SEBI (LODR) Regulations, 2015, with effect from April 01, 2019, transfer of listed shares of the Corporation in physical form shall not be processed unless the shares are held in demat mode with a Depository Participant. Further w.e.f. January 24, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests. SEBI, vide circular dated January 25, 2022, has clarified that listed entities/RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any investor service request.

#### k) <u>Distribution of shareholding by size/Foliowise as on 31st March, 2024</u>

Shares held	No. of shares	Folios	%age of shares	%age of holders
1 - 500	18,42,261	12,257	2.0673	85.1121
501-1000	9,43,997	1,073	1.0593	7.4509
1001-2000	7,86,749	493	0.8829	3.4234
2001-3000	4,20,053	165	0.4714	1.1458
3001-4000	2,43,180	68	0.2729	0.4722
4001-5000	5,25,680	109	0.5899	0.7569
5001-10000	8,44,494	106	0.9477	0.7361
10001-50000	23,45,443	112	2.6320	0.7777
50001-100000	3,85,237	6	0.4323	0.0417
100001 and above	8,07,76,906	12	90.6445	0.833
Total	8,91,14,000	14,401	100.0000	100.0000

#### <u>Distribution of shareholding by ownership as on 31st March, 2024</u> (Pursuant to Sections 4 and 4A of SFCs Act, 1951)

Sr. No.	Particulars of shareholding	No. of shares held (₹10/- each)	Percentage share
1	Government of Gujarat		
	"a" Class of shares (issued pursuant to Section 4(3)(a) of SFCs Act, 1951)	4,72,60,000	53.03
	"c" Class of shares (issued pursuant to Section 4(3)(c) of SFCs Act, 1951)	250	-
	"d" Class of shares (issued pursuant to Section 4(3)(d) of SFCs Act, 1951)	30,150	0.03
	Special Class of shares (issued pursuant to Section 4A of SFCs Act, 1951)	18,00,000	2.02
2	Small Industries Development Bank of India		
	"b" Class of shares (issued pursuant to Section 4(3)(b) of SFCs Act, 1951)	2,46,20,000	27.63
	Special Class of shares (issued pursuant to Section 4A of SFCs Act, 1951)	7,00,000	0.79



Sr. No.	Particulars of shareholding	No. of shares held (₹10/- each)	Percentage share
3	Scheduled Banks, Co. Op. Banks, Insurance Cos.		
	"c" Class of shares (issued pursuant to Section 4(3)(c) of SFCs Act, 1951)	4,00,000	0.45
4	Others (Public Shareholders)		
	"d" Class of shares (issued pursuant to Section 4(3)(d) of SFCs Act, 1951)	1,43,03,600	16.05
	TOTAL	8,91,14,000	100.00

#### 1) **Dematerialization of shares and Liquidity**

Due to restrictions contained in the SFCs Act, 1951, only1,43,03,600 Class "d" shares issued to parties referred to in Section 4 (3) (d) of the SFCs Act, 1951 are listed for trading on the floor of Stock Exchange of which 1,13,98,340 shares are held in electronic mode as on 31<sup>st</sup> March, 2024 which consists of 79.69% of listed Class "d" shares. Class 'd' shares are available for dematerialization with both depositories viz. National Securities Depository Ltd and Central Depository Services (India) Ltd. ISIN Code allotted to the Corporation is INE944A01011. Listed shares are frequently traded on the floor of BSE Ltd.

## m) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Nil

n) Commodity price risk or foreign exchange risk – Not applicable

o) Plant Location : Not applicable

#### p) Address for correspondence

The Compliance Officer

Gujarat State Financial Corporation

Secretarial Cell

Udyog Bhavan, Block No.10, Sector-11,

GANDHINAGAR-382 010

Phone: 079-23256766 Fax: 079-23252204

E-mail: sec-cell-gsfc@gujarat.gov.in

q) During the year under reference, no credit rating was obtained by the Corporation.

#### 10. <u>OTHER DISCLOSURES</u>:

- a) During the year under reference, no materially significant related party transaction has been entered into with any of the related parties in conflict with the interest of the Corporation.
- b) Corporation has complied with all mandatory requirements of corporate governance in such a manner and to the extent that it does not violate the provisions of State Financial Corporation Act, 1951, under which it is established, and the Regulations made thereunder as well as the guidelines or directives issued by the State Government or other relevant authorities from time to time. Pursuant to omitting proviso to Regulation 15 (2) of SEBI (LODR) Regulations, 2015, Corporation represented to SEBI for continuation of the relaxations/exemptions but SEBI suggested, vide letter dated 20<sup>th</sup> 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 27<sup>th</sup> December, 2021 and is following up for amendments to SFCs Act, 1951. Inspite of the said development, during the year under reference, BSE Ltd imposed fine on the Corporation in each quarter as per details below:-

Sr. No.	Quarter ended	Non-compliance - Regulations under SEBI (LODR) Regulations, 2015	Amount of fine ₹		
1	March 31, 2023	17 (1), 18(1), 19 (1)/19 (2) and 20 (2)/(2A) – Corporate Governance – Absence of independent directors	11,68,200/-		
2	June 30, 2023	17 (1), 18(1) and 19 (1)/19 (2) Corporate Governance  – Absence of independent directors	9,66,420/-		
3	September 30, 2023	17 (1), 18(1), 19 (1)/19 (2) and 20 (2)/(2A) –  Corporate Governance  – Absence of independent directors	11,94,160/-		
4	March 31, 2023	Regulation 23 (9) – Related Party Transactions -	94,400/-		
5	December 31, 2023	17 (1), 18(1), 19 (1)/19 (2) and 20 (2)/(2A) –  Corporate Governance  – Absence of independent directors	11,94,160/-		
	Total 46,17,340/-				

#### <u>IMPLEMENTATION OF STRUCTGURED DIGITAL DATA (SDD):</u>

Corporation has been advised by BSE Ltd to implement Structured Digital Database under SEBI (PIT) Regulations, 2015 but requested for exemption from Securities and Exchange Board of India vide letter dated November 20, 2023. SEBI, vide letter dated January 09, 2024, advised the Corporation to ensure full compliance with SDD requirements as stipulated under SEBI (PIT) Regulations, 2015 without further delay. Accordingly, necessary hardware and software were installed and back-up data till February, 2024 were incorporated in the System and real time data capturing of Unpublished Price Sensitive Information started from the quarter beginning April 01, 2024. In response to BSE caution letter dated January 19, 2024, Corporation intimated BSE Ltd vide letter dated March 13, 2024 that SDD has been fully operational in the Corporation since then.

- c) A well established vigil mechanism for Directors and employees to report concerns about unethical behaviors, actual or suspected fraud or violation of its code of conduct is in vogue in the Corporation. During the year, no personnel has been denied access to the Audit Committee. Whistle Blower Policy is also in vogue in the Corporation.
- d) Mandatory and non-mandatory requirements have been complied with in such a manner and to the extent that it does not violate the provisions of State Financial Corporation Act, 1951, under which it is established, and the Regulations made thereunder as well as the guidelines or directives issued by the State Government or other relevant authorities from time to time.
- e) Corporation has no material subsidiaries and hence the policy of determining material subsidiaries is not displayed on the website of the Corporation.
- Corporation has discontinued its main activities of sanction and disbursement since last two decades and concentrating on recovery of dues only. No material related party transaction is entered into by the Corporation with any of the related parties and hence neither policy for related party transactions is framed nor displayed on the website of the Corporation.
- g) Corporation has not entered into any commodity hedging activities during the year.



- **h)** During the year under reference, no fund was raised through preferential allotment or QIP by the Corporation.
- i) Disqualification for being a Director is governed by Section 12 of the State Financial Corporations Act, 1951. Corporation, being a body corporate, provisions of Section 164 of Companies Act, 2013 are not attracted to the Directors of the Corporation. Therefore, certificate from Company Secretary in Practice is not obtained with regard to disqualification of Directors.
- j) During the year under reference, there was no instance where Board of Directors not accepting any recommendation of the Committees constituted by it.
- k) During the year under reference, Corporation paid ₹ 1,18,676/- to M/s. Pankaj R Shah & Associates, Chartered Accountants, Ahmedabad, present statutory auditors, towards audit fee and other expenses for FY 2022-23. Corporation also remitted ₹ 37,809/- for obtaining Limited Review Reports during the year and also made provision of ₹ 1,05,020/- towards audit fee for FY 2023-24 payable to M/s. Pankaj R Shah & Associates, Chartered Accountants, Ahmedabad which will be remitted in FY 2024-25.
- During the year under reference, no complaint under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 was received by the Corporation.
- **m)** Corporation has no subsidiaries and not made any loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.
- **n)** Corporation has no material subsidiaries.
- 11. The affairs of the Corporation are inspected by SIDBI under Section 37-A of the SFCs Act, 1951 from time to time, commercial as well as compliance audit by Comptroller and Auditor General of India under Section 37 of the said Act besides statutory audit by a firm of Chartered Accountants selected from the panel of list furnished by Reserve Bank of India and eligibility and suitability are confirmed by RBI. Keeping in view the fact that the affairs are being audited and inspected by the aforesaid authorities, Corporation has not opted for Secretarial Audit as provided under Regulation 24A of SEBI (LODR) Regulations, 2015. Nevertheless, Corporation has obtained Annual Secretarial Compliance Report from a Practicing Company Secretary and filed the same with BSE Ltd.
- 12. The extent of implementation of discretionary requirements as specified in Part E of Schedule II is furnished as under:-

	Requirement	Compliance
A	The Board:	
	A non-executive chairperson may be entitled to	Not applicable to the Corporation
	maintain a chairperson's office at the listed entity's	
	expense and also allowed reimbursement of expenses incurred in performance of his duties	
	expenses medited in performance of his duties	
В	Shareholder Rights:	Half yearly financial results are
	A half-yearly declaration of financial performance	uploaded on the website of the
	including summary of the significant events in last	Corporation, submitted to BSE
	six months, may be sent to each household of	Ltd and also published in the
	shareholders	newspapers.
С	Modified opinion(s) in audit report:	The audit opinions are of
	The listed entity may move towards a regime of	technical in nature inspite of
	financial statements with unmodified audit opinion	which efforts are made to
		comply with the qualifications.



	Requirement	Compliance
D	Reporting of internal auditor	Internal Auditor's Reports are
	The Internal Auditor may report directly to the audit	
	committee.	Audit Committee for suitable
		consideration. Directions of
		the Committee are promptly
		complied with.

- 13. The disclosures with regard to compliance with corporate governance requirements have been uploaded and available on the website of the Corporation at <a href="http://gsfc.gujarat.gov.in">http://gsfc.gujarat.gov.in</a> under INVESTOR RELATIONS Corporate Governance Reports.
- 14. Pursuant to Corporation's Code of Conduct policy, Directors and senior management personnel have affirmed compliance with the Code for the Financial Year 2023-24. Declaration regarding compliance of Code of Conduct by the Board members and Senior Management Personnel by the Managing Director forms part of this Report.
- 15. Compliance certificate from M/s. K.K. Patel & Associates, Practicing Company Secretaries, Gandhinagar regarding compliance of conditions of corporate governance also forms part of this Report. Observations contained in the Certificate are dealt with in para 10 (b) and for brevity, it is not repeated.
- **16.** Disclosure with respect to demat suspense account/unclaimed suspense account Not applicable.

#### **CODE OF CONDUCT DECLARATION**

As required under Regulation 34 (3) read with Clause D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the members of Board of Directors and the senior management personnel of the Corporation have affirmed compliance with the Code of Conduct of Board of Directors and senior management for the year ended March 31, 2024.

Place: Gandhinagar (Sandip J. Sagale, IAS)

Dated: 20/05/2024 Managing Director



# K.K. PATEL & ASSOCIATES COMPANY SECRETARIES

508, 5th Floor, Skyline Building, Sector 11, Gandhinagar 382 011

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CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF REGULATIONS 17, 18, 19, 20, 21, 22, 23, 24, 24[A], 25, 26, 27 AND CLAUSE (B) TO (I) OF SUB -REGULATION (2) OF REGULATION 46 AND PARA C, D AND E OF SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR THE YEAR ENDED MARCH 31, 2024.

To,
The Members of
Gujarat State Financial Corporation
Gandhinagar

- 1. We have examined the compliance of conditions of Corporate Governance by Gujarat State Financial Corporation for the year ended on 31st March, 2024, as stipulated in Regulations (R.W. Regulation 15 (2) (b)), 17, [17A,] 18, 19, 20, 21,22, 23, 24, [24A,] 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Corporation with stock exchanges in India.
- 2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Corporation for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Corporation. We report that;

During the year under reference, BSE Ltd imposed fine on the Corporation in each quarter as per details below:-

Sr. No.	Quarter ended	Non-compliance - Regulations under SEBI (LODR) Regulations, 2015	Amount of fine ₹
1	March 31, 2023	17 (1), 18(1), 19 (1)/19 (2) and 20 (2)/(2A) – Corporate Governance – Absence of independent directors	11,68,200/-
2	June 30, 2023	17 (1), 18(1) and 19 (1)/19 (2) Corporate Governance – Absence of independent directors	9,66,420/-
3	September 30, 2023	17 (1), 18(1), 19 (1)/19 (2) and 20 (2)/(2A) – Corporate Governance – Absence of independent directors	11,94,160/-
4	March 31, 2023	Regulation 23 (9) – Related Party Transactions -	94,400/-
5	December 31, 2023	17 (1), 18(1), 19 (1)/19 (2) and 20 (2)/(2A) – Corporate Governance – Absence of independent directors	11,94,160/-
		46,17,340/-	



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 20<sup>th</sup> 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 27<sup>th</sup> December, 2021 and is following up for amendments to SFCs Act, 1951. The matter is pending as on 31<sup>st</sup> 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** 

7<sup>th</sup> 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 31<sup>st</sup> 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 mayinvolve 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**

### **BALANCE SHEET AS AT 31ST MARCH, 2024**

Particulars	Note. No.	As at 31st March 2024	As at 31st March 2023
CAPITAL/LIABILITIES		₹	₹
SHARE CAPITAL	1	89,11,40,000	89,11,40,000
SHARE FORFEITED	1-A	4,60,48,000	4,60,48,000
RESERVES & SURPLUS	2	2,71,16,87,779	2,73,36,66,913
BORROWINGS	3	6,61,68,42,633	6,61,68,42,633
OTHER LIABILITIES & PROVISIONS	4	24,79,48,99,567	23,42,19,75,903
Total ₹		35,06,06,17,979	33,70,96,73,449
ASSETS		₹	₹
CASH & BANK BALANCES	5	1,23,87,278	1,99,51,263
INVESTMENTS	6	1,93,93,03,024	1,79,15,52,997
LOANS & ADVANCES	7	-	-
FIXED ASSETS	8	2,17,37,684	2,39,66,805
OTHER ASSETS	9	8,90,08,303	6,81,04,458
PROFIT & LOSS ACCOUNT		32,99,81,81,691	31,80,60,97,924
Total ₹		35,06,06,17,979	33,70,96,73,448
NOTES TO ACCOUNTS	15		

Notes referred to above and notes attached there to form an integral part of the Financial Statements

### FOR AND ON BEHALF OF THE BOARD,

(M.R.Malpani) (Raveendran Nair) (Naresh Babuta) (Leena D Katdare) (Sandip J. Sagale, IAS)

Executive Officer (A/cs) Secretary (Board) Director Director Managing Director

As per our Report of even date.

FOR PANKAJ R. SHAH & ASSOCIATES

CHARTERED ACCOUNTANTS

ICAI Firm Reg. No.: 107367W

**CA NILESH SHAH** 

**PARTNER** 

Membership No.:107414

PLACE: AHMEDABAD PLACE: GANDHINAGAR

DATED: 28-05-2024 DATED: 28-05-2024



GUJARAT STATE FINANCIAL CORPORATION			
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2024			
	Nata	For the Year	
Particulars	Note. No.	Ended 31st	For the Year Ended
	110.	March, 2024	31st March, 2023
INCOME		₹	₹
INTEREST ON LOANS & ADVANCES		4,65,68,069	55,12,745
INTEREST ON DEPOSITS		12,94,01,245	9,59,42,742
PROVISION AGAINST NPA WRITTEN BACK		2,70,80,411	3,61,88,318
OTHER INCOME	10	13,02,964	45,34,188
DIMINUTION IN THE VALUE OF INVESTMENTS			
WRITTEN BACK		1,06,01,891	14,50,428
TOTAL INCOME ₹		21,49,54,580	14,36,28,421
EXPENDITURE			
INTEREST ON BONDS, DEPOSITS & OTHER			
BORROWINGS	11	1,37,48,09,254	1,35,62,33,716
FINANCIAL EXPENSES & COMMITMENT			
CHARGES	12	3,577	7,037
EMPLOYEE'S COST	13	1,49,25,148	2,26,84,982
OTHER EXPENSES	14	1,50,05,946	1,36,25,756
DEPRECIATION	8	22,94,422	25,66,204
TOTAL EXPENDITURE		1,40,70,38,347	1,39,51,17,695
NET LOSS FOR THE YEAR		-1,19,20,83,767	-1,25,14,89,274
ADD: OPENING BALANCE OF PROFIT & LOSS			
ACCOUNT		-31,80,60,97,924	-30,55,46,08,650
BALANCE CARRIED FORWARD TO BALANCE			
SHEET		-32,99,81,81,691	-31,80,60,97,924
EARNINGS PER SHARE (BASIC AND DILUTED)		-13.38	-14.04
NOTES TO ACCOUNTS	15		

Notes referred to above and notes attached there to form an integral part of the Financial Statements FOR AND ON BEHALF OF THE BOARD,

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

As per our Report of even date.

FOR PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS ICAI Firm Reg. No.: 107361W

**CA NILESH SHAH** 

Membership No.: 107414

PLACE: AHMEDABAD
DATED: 28-05-2024
PLACE: GANDHINAGAR
DATED: 28-05-2024



# GUJARAT STATE FINANCIAL CORPORATION CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	For the Year Ended 31st March, 2024 ₹	For the Year Ended 31st March, 2023 ₹
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before tax as per Profit & Loss A/c	-1,19,20,83,767	-1,25,14,89,274
Adjustments:		
Depreciation	22,94,422	25,66,204
Reserves for Bad and Doubtful debts written back	-2,19,79,133	
Diminution/(Reverse Diminution) in Value of Investments	-1,06,01,891	-14,50,428
Profit on sale of Investments	-	-
Dividend Income	-5,11,435	-55,314
Interest Income	-12,94,01,245	-9,59,42,743
Interest on Finance Cost	-	-
Operating Loss before working capital	-1,35,22,83,049	-1,34,63,71,555
Adjusted for:		
i) Other Assets	-13,64,45,591	-9,02,76,662
ii) Other Liabilites & Provisions	1,37,29,23,664	1,35,54,78,809
NET CASH USED FROM OPERATING ACTIVITES (A)	-11,58,04,975	-8,11,69,408
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purcahse of Fixed Assets (After changes in Capital W-I-P)	-65,301	0
Sale of Fixed Assets	-	-
Decrease in Investments		
Dividend Income	5,11,435	55,314
Interest Income	10,77,94,855	9,31,19,622
NET CAS USED FROM INVESTING ACTIVITES (B)	10,82,40,990	9,31,74,936
C) CASH FLOW FROM FINANCING ACTIVITES		-
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	-	-
Net Increase in Cash & Cash Equivalents (A+B+C)	-75,63,985	1,20,05,528
Opening Balance of Cash & Cash Equivalents	1,99,51,263	79,45,735
Closing Balance of Cash & Cash Equivalents	1,23,87,278	1,99,51,263
Components Depecting Closing Cash and Cash Equivalents		
Cash on hand and as Imprest	78,861	78,431
BALANCE WITH BANKS	75,76,527	71,40,942
LIQUID DEPOSIT WITH GSFS	47,31,890	1,27,31,890
Total	1,23,87,278	1,99,51,263

NOTE: The above Cash Flow is prepared in accordance with Accounting Standard - 3 (indirect method). FOR AND ON BEHALF OF THE BOARD,

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

As per our Report of even date.

FOR PANKAJ R. SHAH & ASSOCIATES

**CHARTERED ACCOUNTANTS ICAI Firm Reg. No.: 107361W** 

CA NILESH SHAH

**PARTNER** 

Membership No. :107414

PLACE: AHMEDABAD

DATED: 28-05-2024

PLACE: GANDHINAGAR

DATED: 28-05-2024



### **GUJARAT STATE FINANCIAL CORPORATION**

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

## Note: 1 Share Capital

Sr. No	Particulars	As at 31st March 2024 ₹	As at 31st March 2023 ₹
1	AUTHORIZED CAPITAL		
	10,00,00,000 Equity Shares of ₹ 10/- each.	1,00,00,00,000	1,00,00,00,000
		1,00,00,00,000	1,00,00,00,000
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL		
	A) 8,66,14,000 SHARES	86,61,40,000	86,61,40,000
	(PREVIOUS YEAR 8,66,14.000 SHARES OF		
	₹10/- EACH)		
	B) 25,00,000 SHARES OF ₹10/- EACH	2,50,00,000	2,50,00,000
	SPECIAL CAPITAL ( PREVIOUS YEAR		
	25,00,000 OF ₹10/- EACH)		
	ISSUED U/S 4-A OF THE SFC'S ACT,1951		
	Total in₹	89,11,40,000	89,11,40,000

### Note: 1-A Share Forfeited

Sr. No	Particulars	As at 31st March 2024 ₹	As at 31st March 2023 ₹
	SHARE FORFEITED 92,09,600 EACH OF ₹ 10/- (ORIGINALLY PAID UP VALUE 5/-)	4,60,48,000	4,60,48,000
	Total in ₹	4,60,48,000	4,60,48,000

### Note: 2 Reserves & Surplus

Sr. No	Particulars	As at 31st March 2024	As at 31st March 2023
	CDECIAL DECEDATE (LI/C 2//1/V/III) OF THE LT	₹	₹
A	SPECIAL RESERVE (U/S 36(1)(VIII) OF THE I.T.	(4 24 16 722	(4 2 4 1 ( 722
	ACT 1961	64,34,16,722	64,34,16,722
В	RESERVE FOR BAD AND DOUBTFUL DEBTS		
	B/f 4,75,35,006	2,55,55,872	4,75,35,006
	Deduction during the year $\underline{2,19,79,134}$		
	Balance carried forward 2,55,55,872		
C	SECURITIES PREMIUM	18,89,88,000	18,89,88,000
D	CAPITAL RESERVE - GAIN ON RESTRUCTURING		
	OF PRINCIPAL DEBTS	1,82,87,27,185	1,82,87,27,185
E	SPECIAL RESERVE ( CREATED U/S.35 A OF THE		
	SFC'S ACT,1951)	2,50,00,000	2,50,00,000
	(DIVIDEND FOREGONE BY GOVT.OF GUJARAT &		
	IDBI)		
	Total in ₹	2,71,16,87,779	2,73,36,66,913



Note: 3 Borrowings

Sr. No	Particulars	As at 31st March 2024 ₹	As at 31st March 2023 ₹
(a)	LONG TERM BORROWINGS		
	UNSECURED		
	FROM STATE GOVT.FOR MARGIN LOAN		
	TO BALISANA PROJECT	2,10,000	2,10,000
	FROM STATE GOVT.SALES TAX INT.FREE		
	LOAN	1,76,86,346	1,76,86,346
	SALES TAX INT. FREE DEEMED LOAN		
	(CONTRA)	31,49,32,320	31,49,32,320
	FROM STATE GOVT.FOR HERITAGE		
	HOTEL FUND (INTEREST 5%)	1,00,00,000	1,00,00,000
	SOFT LOAN FROM GOVT.OF GUJARAT	6,21,36,80,000	6,21,36,80,000
	LOAN IN LIEU OF SHARE CAPITAL FROM		
	GOVT OF GUJARAT.	6,03,33,967	6,03,33,967
	(INTEREST 3.5% & 7.5%)		
	Total in ₹	6,61,68,42,633	6,61,68,42,633

- Note:3(i) Soft loan received from Government of Gujarat (21 accounts) during the years from 2004-05 to 2011-12 are repayable in 10 years in quarterly installments from the date of disbursement carrying interest ranging from 12% to 15%.
  - 3(ii) On account of consistent operational losses, the Corporation has continuously defaulted in repayment of Government of Gujarat's long term loans/borrowings.

Note · 4 Other Liabilities & Provisions

Note: 4	Other Liabilities & Provisions		
Sr. No	Particulars	As at 31st March 2024 ₹	As at 31st March 2023 ₹
		2024 (	2023
	TAX DEDUCTED AT SOURCE PAYABLE	77,500	1,18,771
	SECURITY DEPOSIT	1,45,406	1,45,406
	GST PAYABLE	-31,686	-37,313
	UNPAID GUARANTEE FEE	35,60,39,833	
	INTEREST PAYABLE ON BORROWINGS	24,39,50,70,918	23,02,02,61,664
	INTEREST PAYABLE ON SECURITY	21,33,30,70,310	25,02,02,01,001
	DEPOSITS	57,491	57,491
	UNCLAIMED DIVIDEND	3,51,048	3,51,048
		- )- )	- ,- ,
	SUBSIDY FROM GOVT.(AS AN AGENCY)	2,05,97,36,976	2,05,97,36,976
	LESS :DISBURSED UPTO END OF THE	, , , , ,	, , , ,
	YEAR	-2,04,27,11,180	-2,04,27,11,180
		'	
	OTHER DEPOSITS	62,91,616	63,41,616
	SUNDRIES (OTHER LIABILITIES)	1,75,34,732	1,93,34,678
	SUBVENTION FROM STATE GOVT		
	BALANCE AS PER LAST BALANCE SHEET	16,69,56,010	16,69,56,010
	LESS: DIVIDEND DEFICIT A/C	-16,46,19,096	-16,46,19,096
	Total in ₹	24,79,48,99,567	23,42,19,75,903



### Note: 5 Cash & Bank Balances

Sr. No	Particulars		As at 31st March 2024 ₹	As at 31st March 2023 ₹
A	Cash-on-Hand			
	Cash on hand and as Imprest		78,861	78,431
		Sub Total (A)	78,861	78,431
В	<b>Bank Balance with Scheduled Banks</b>			
	BALANCE WITH BANKS		75,76,527	71,40,942
	(IN CURRENT ACCOUNTS )			
		Sub Total (B)	75,76,527	71,40,942
	Others (Deposits with GSFS)			
	LIQUID DEPOSIT WITH GSFS		47,31,890	1,27,31,890
		Sub Total (C)	47,31,890	1,27,31,890
	Total in ₹[A + B + C]		1,23,87,278	1,99,51,263

### Note: 6 Investments (At Cost)

Sr. No	: 6 Investments (At Cost)  Particulars	As at 31st March 2024 ₹	As at 31st March 2023 ₹
(i)	SHARES ACQUIRED UNDER UNDERWRITING		
	AGREEMENT U/S 25(1) ( C ) OF THE SFC'S		
	ACT,1951		
	PREFERENCE SHARES, FULLY PAID-UP		
	(UNQUOTED)	7,40,500	7,40,500
	A EQUITY SHARES, FULLY PAID		
	(UNQUOTED)	1,14,84,000	1,14,84,000
	B EQUITY SHARES, PARTLY PAID		
	(UNQUOTED)	3,00,000	3,00,000
(ii)	PREFERENCE SHARES ACQUIRED UNDER		
	SPECIAL CAPITAL SCHEME	2,00,000	2,00,000
	(2000 Shares of ₹100/- each fully paid up)		
	(UNQUOTED)		
(iii)	EQUITY SHARES FULLY PAID-UP (QUOTED)		
	285440 (PREVIOUS YEAR 285440) EQUITY		
	SHARES OF ₹10 EACH FULLY PAID-UP IN IDBI		
	BANK LTD	2,31,92,000	2,31,92,000
	165 (PREVIOUS YEAR 165) EQUITY SHARES OF		
	₹2 EACH FULLY PAID-UP IN UNION BANK OF		
	INDIA	8,000	8,000
	409000 (PREVIOUS YEAR 409000) EQUITY		
	SHARES OF ₹10 EACH FULLY PAID-UP IN KUSH		
	INDUSTRIES LIMITED (FORMERLY KNOWN AS		
	SNS TETILES LTD)	61,35,000	61,35,000
	220417 (PREVIOUS YEAR 220417) EQUITY	, ,	
	SHARES OF ₹10 EACH FULLY PAID-UP IN SAR		
	AUTO PRODUCTS LTD	22,04,170	22,04,170
	150000 (PREVIOUS YEAR 150000) EQUITY		,- , , · ·
	SHARES OF ₹10 EACH FULLY PAID-UP IN		
	OMKAR PHARMA LTD	15,00,000	15,00,000



(iv)	EQUITY SHARES FULLY PAID-UP		
	( UNQUOTED)		
	1 (PREVIOUS YEAR 1) EQUITY SHARE OF		
	G.S.F.C STAFF CO.OP CREDIT SOCIETY LTD.		
	OF ₹ 10/-	10	10
	1100 (PREVIOUS YEAR 1100) EQUITY SHARES		
	OF ₹100/- OF GUJARAT INDUSTRIAL&		
	TECHNICAL CONSULTANCY (GITCO)	1,10,000	1,10,000
	1446470(PREVIOUS YEAR 1446470) EQUITY		
	SHARES OF ₹10 EACH FULLY PAIDUP IN		
	JAGADIA COPPER LTD.	1,44,64,700	1,44,64,700
(v)	OTHERS - GSFS INTER CORPORATE DEPOSIT	1,90,98,88,130	1,77,27,39,994
	LESS:		
	INVESTMENT DEPRECIATION PROVIDED	(3,09,23,486)	(4,15,25,377)
	Total in ₹	1,93,93,03,024	1,79,15,52,997

Aggregate cost of quoted securities - ₹ 3,30,39,170/Market value of quoted securities - ₹44,27,56,816/Aggregate cost of unquoted securities - ₹1,80,00,39,204/-

### Note: 7 Loans and Advances

Sr. No	Particulars	As at 31st March 2024 ₹	<i>As at 31st March</i> 2023 ₹
	PRINCIPAL AMOUNT (TERM LOAN , HIRE PURCHASE & LEASE	3,99,93,11,923	4,02,63,92,335
	FINANCE ) LESS: PROVISION FOR NPA	(3,99,93,11,923)	(4,02,63,92,335)
	Total in ₹	-	-

<sup>7 (</sup>i) No loans and advances due to Directors or other officers of the Corporation in which they are partner or member



# GUJARAT STATE FINANCIAL CORPORATION

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

$N_{o}$	Note-8 Fixed Assets										(in ₹)
			Gros	Gross Block			Depreciation	ation		Net I	Net Block
Sr.	Particulars	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 Depriciation 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	ı		3,27,68,630 2,14,85,392	2,14,85,392		11,28,324	2,26,13,716	2,26,13,716 1,01,54,914 1,12,83,238	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
e	Office Vehicles	45,18,014	ı		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	ı		3,94,45,116 2,97,42,823	2,97,42,823		7,03,348	3,04,46,171	89,98,945	97,02,293
w	Computers	2,32,91,120	52,928		2,33,44,048 2,32,78,642	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	ı	1	15	1	1	ı	1	15	15
	Total in ₹ [B]	15	1	1	15	•	•	ı	-	15	15
	Total in ₹ [A] + [B]	10,96,79,974	65,301	1	10,97,45,275	8,57,13,169	•	22,94,422	8,80,07,591	8,80,07,591 2,17,37,684 2,39,66,805	2,39,66,805



### Note: 9 Other Assets

Sr. No	Particulars	As at 31st March 2024 ₹	As at 31st March 2023 ₹
1	LOANS & ADVANCES TO EMPLOYEES	3,14,086	3,14,086
	ADD : INTEREST ACCRUED THEREON	6,29,587	7,98,187
2	CAPITAL SUBSIDY RECEIVABLE	5,80,971	5,80,971
3	SUNDRIES	78,27,908	77,94,908
4	TAX DEDUCTED SOURCES	7,18,349	6,67,204
5	ADVANCE TAX	6,12,689	6,12,050
6	INTEREST ACCRUED BUT NOT DUE ON ICD AND LQDS EXCESS TDS DEPOSITED TO BE ADJUSTED	7,69,51,923	5,53,45,533
	AGAINST EXPENSES	77,790	6,96,520
8	DEPOSIT FROM LOANEES	12,95,000	12,95,000
	Total in ₹	8,90,08,303	6,81,04,458

### Note: 10 Other Income

Sr. No	Particulars	For the Year Ended 31st March 2024 ₹	For the Year Ended 31st March 2023 ₹
1	BAD DEBTS RECOVERED	4,23,164	36,93,510
2	INTEREST ON LOANS TO EMPLOYEES	-	1
3	DIVIDEND INCOME	5,11,435	55,314
4	MISCELLANEOUS INCOME	3,68,365	7,85,363
	Total in ₹	13,02,964	45,34,188

## Note:11 Interest on Bonds, Deposits & Other Borrowings

Sr.	Particulars	For the Year Ended 31st March	For the Year Ended 31st March
No	1 at ucuiais	Enaea 31st March 2024 ₹	2023 ₹
1	INTEREST ON GOVT.LOAN	92,92,91,998	92,93,01,998
2	INTEREST ON HERITAGE HOTEL FUND		
	LOAN	5,00,000	5,00,000
3	INTEREST ON LOAN TOWARDS SHARE		
	CAPITAL	41,11,689	41,11,689
4	INTEREST ON DELAYED PAYMENT ON		
	GOVT.LOANS	44,09,05,567	42,23,20,029
	Total in ₹	1,37,48,09,254	1,35,62,33,716

# Note:12 Financial Charges & Commitment Charges

Sr. No	Particulars	For the Year Ended 31st March 2024 ₹	For the Year Ended 31st March 2023 ₹
1	BANK CHARGES AND COMMISSION	3,577	7,037
	Total in ₹	3,577	7,037



Note: 13 Employee's Cost

Sr. No	Particulars	For the Year Ended 31st March 2024 ₹	For the Year Ended 31st March 2023 ₹
1	SALARY, BONUS & ALLOWANCES	1,27,96,786	1,85,38,585
	CONTRIBUTION TO STAFF PROVIDEND		
2	FUND	18,07,042	25,76,690
3	GRATUITY	21,074	12,90,596
4	LEAVE ENCASHMENT	8,631	13,517
5	STAFF WELFARE EXPENSES	2,91,615	2,65,594
	Total in ₹	1,49,25,148	2,26,84,982

Note: 14 Other Expenses

Sr. No	Particulars	For the Year Ended 31st March 2024 ₹	For the Year Ended 31st March 2023 ₹
1	TRAVELLING & OTHER ALLOWANCES	1,56,509	2,59,002
2	DIRECTORS SITTING FEES	2,000	2,000
3	RENT, RATES, TAXES & ELECTRICITY	14,83,614	12,24,184
4	POSTAGE STAMP,TELEGRAMS & TELEPHONE	1,37,841	1,59,567
5	PRINTING & STATIONERY	2,77,181	3,57,402
6	PUBLICITY & ADVERTISEMENT	82,959	78,937
7	REPAIRS & RENEWALS	13,12,695	4,68,906
8	LEGAL CHARGES	10,970	68,755
9	VEHICLES MAINTENANCE EXPENSES	1,39,373	1,78,824
10	OTHER EXPENSES	64,68,956	51,79,738
11	COMPUTERISATION EXPENSES	1,69,752	2,23,267
12	FUEL AND CONVEYANCE CHARGES	7,45,874	7,68,652
13	SERVICE TAX & GST EXPENSES	22,67,003	18,89,527
14	PROFESSIONAL FEES	16,46,199	25,46,415
15	PAYMENT TO AUDITORS'	1,05,020	2,20,580
	Total in ₹	1,50,05,946	1,36,25,756



### **NOTE - 15**

# NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS AND BALANCE SHEET AS AT $31^{\rm ST}$ 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.



Keeping in view the fact that all loan assets are NPAs and 100% provision is made, the aforesaid policy has been changed with effect from 1st April, 2018 as under:

"In case of loanees opted for OTS, amount received from the loanee is apportioned in the following order:-

- 1. Principal and capitalized expenses
- 2. Interest
- 3. Penalty and other charges

At the time of issuance of No Due Certificate, the shortfall in principal account, if compensated by write off of the same amount."

The aforesaid policy has again been revisited by the Audit Committee and as decided by the Board of Directors at their respective meetings held on December 19, 2022, it has been decided to change the Accounting Policy in case of OTS receipts with effect from April 01, 2022 as under:-

"In case of loanees opted for OTS, amount received from loanee is first apportioned as per normal practice as under:-

- (1) Penalty
- (2) Interest
- (3) Principal and capitalized expenses"

Due to the above changes in Accounting Policy, ₹ 331.05 lakh (previous year ₹ 13.11 lakh) received as recovery from OTS accounts pertaining to the NDC given during the period under reference, ₹32.99 lakh (previous year ₹10.74 lakh) has been recognized as interest income and balance amount of ₹298.06 (previous year ₹2.37 lakh) has been credited towards principal. Therefore, during the year under reference, interest income is reduced by ₹ 298.06 lakh (previous year ₹ 2.37 lakh) and write-back of NPA provision increased by the same amount.

### (03)**FIXED ASSETS**

Fixed assets including the assets given on lease are recorded at the cost of acquisition including incidental expenses in connection thereto. All fixed assets are stated at cost less depreciation and in case of leased assets, after taking into consideration the lease adjustments account.

All leased assets are shown at Re.1/- book value since lease terms of all the assets have expired.

### **DEPRECIATION:** (04)

Depreciation on assets is provided under Written Down Value Method in accordance [a] with rates prescribed under Income Tax Act, 1961 as under:-

Furniture & Fixtures	: 10%
Office Equipment	: 15%
Motor cars	: 15%
Office Building	: 10%
Residential building	: 5%
Computers	: 40%



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

- Al 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 OCCURING 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



### (12) PROVISION:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources even though the amount cannot be determined with certainty and represents only a best estimate in the light of available information. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

### **B. NOTES ON ACCOUNTS:**

- (01) All Government guaranteed bonds have been redeemed and Government in Industries & Mines Department, vide Resolution No. PRC/102015/1126/P dated 07-10-2021, vacated the Government Guarantee of ₹ 43,299.00 lakh thereby making nil outstanding guarantee amount. However, Corporation is in default of guarantee fee of ₹ 35,60,39,833/- (Previous year ₹ 35,60,39,833/-) to Government of Gujarat.
- (02) While writing off principal amount as bad debts in certain cases, the value of securities available has not been ascertained and deducted from the principal amount. The sale proceeds of the securities will be accounted as bad debts recovered under the head "Other Income" as and when the amount is realized.

During the year under review, Corporation recovered an amount of ₹ 4,23,164/-(previous year ₹ 36,93,510/-) from Bad Debts written off.

### (03) **CONTINGENT LAIBILITES:**

Contingent liabilities are not recognized as there is no present obligation as a result of past events and it is probable that there will be an outflow of resources. However, contingent liabilities are disclosed as under:

(i) During the year under reference, BSE Ltd imposed aggregate fine of ₹ 46,17,340/- (previous year ₹ 49,14,700/-) for non-compliance with the provisions contained in SEBI (LODR) Regulations, 2015 as under:-

Sr. No.	Quarter ended	Non-compliance - Regulations under SEBI (LODR) Regulations, 2015	Amount of fine ₹
1	March 31, 2023	17 (1), 18(1), 19 (1)/19 (2) and 20 (2)/(2A) – Corporate Governance – Absence of independent directors	11,68,200/-
2	June 30, 2023	17 (1), 18(1) and 19 (1)/19 (2) Corporate Governance – Absence of independent directors	9,66,420/-
3	September 30, 2023	17 (1), 18(1), 19 (1)/19 (2) and 20 (2)/(2A) – Corporate Governance – Absence of independent directors	11,94,160/-
4	March 31, 2023	Regulation 23 (9) – Related Party Transactions -	94,400/-
5	December 31, 2023	17 (1), 18(1), 19 (1)/19 (2) and 20 (2)/(2A) – Corporate Governance – Absence of independent directors	11,94,160/-
		Total	46,17,340/-



Since Corporation has represented to appropriate authorities for amendments in SFCs Act, 1951 as advised by SEBI vide letter dated December 20, 2021 and waiver of fine to BSE Ltd, fine imposed has been recognized as contingent liability.

(ii) Details of Income Tax disputes against which appeals have been preferred are given below. The quantum of disputed tax liability is not ascertainable.

### (a) Pending before Income Tax Appellate Tribunal:

Assessment Year	Particulars
2013-14	Appeal No. 1931/A/16 - Addition u/s 2 (24)(x) read with Section 36 (1)(va)

### (b) Pending before Hon'ble High Court of Gujarat:

Assessment Year	Particulars
2012-13	Disallowance under Section 14A of Income Tax Act, 1961
2015-16	-do-

Both the appeals have been filed by Income Tax Department against the orders of Income Tax Appellate Tribunal.

### Additional disclosures:-

### (a) Availing Vivad se Vishvas Scheme:-

Pursuant to Corporation availing of the Vivad se Vishvas Scheme introduced by the Income Tax Department in respect of demand raised for Assessment Year 2000-01, Income Tax Department issued Form No. on 27<sup>th</sup> May, 2021. Vide order giving effect to the Scheme dated 11.01.2023, refund of ₹24,79,448/- is still awaited.

### (04) **Details of pending reconciliation**:

- (i) In some of the cases, the balances as per the General Ledger are not tallied with the respective subsidiary ledgers.
- (ii) The outstanding balance of borrowings, other liabilities and provisions and other assets are subject to confirmation and adjustment, if any.
- (iii) The difference in Sales Tax Deferment Deemed loan between Subsidiary Ledger and General Ledger stands un-reconciled.
- (05) The figures of previous year have been regrouped and rearranged wherever necessary to make them comparable with the figures of the current year.
- (06) Corporation has made provision as per the prudential norms prescribed by SIDBI on the principal outstanding and other expenses incurred and shown as receivables. The provision made is subject to the Note No. B-4 regarding non reconciliation of general ledger balances as per the subsidiary ledger. During the year under reference, all loan accounts are treated as doubtful for more than three years or loss assets. Accordingly, 100% provision has been made. Corporation has written back excess provision of ₹2,70,80,411/- in the current year and shown separately in the Statement of Profit and Loss (Previous year ₹3,61,88,318/-).



- (07) Corporation's operations are solely in the Financial Service Industry including Investment Operation. As majority of Corporation's total revenue consists of interest income, separate segment reporting as per Accounting Standard -17 is not considered necessary.
- (08) Board of Directors at its meeting held on 3.10.2012 decided to recommend to Government of Gujarat to make the loan of ₹ 621,36,80,000/- as interest free from 1.7.2012. A proposal dated 17<sup>th</sup> October, 2012has been submitted to Government through Industries & Mines Department and decision is awaited. Since then, interest on Government loan is charged to Statement of Profit & Loss on simple interest basis from 1.7.2012. Further, penal interest @ 2 per cent is also being charged to Statement of Profit & Loss on delayed payment of interest.
- (09) Financial Corporations are established to financing medium and small scale industries as Regional Development Banks for accelerating the industrial growth in States. SFCs are created as statutory Corporations pursuant to Entry No. 43 of the Union List by Parliament as a special Act. GSFC being body corporate established under SFCs Act, 1951, remedial measures available to companies are not available to the Corporation. The Corporation has suffered immense losses till date. However, it is continuing its recovery functions. The Government has been moved to make the loan advanced to the Corporation interest-free, which is under consideration. Corporation, being a statutory body, thus prepares accounts on "going concern" assumption and it is appropriate under the aforesaid circumstances.

### (10) Disclosure related to Prior Period Items:

(i) During the year under reference, Corporation withdrawn an amount of ₹2,19,79,134/- from "Reserves for Bad and Doubtful Debts" against bad debts written off out of which ₹17,00,000/- pertaining to FY 2022-23.

### (11) EARNINGS PER SHARE

Basic & diluted earnings per share

Particulars	2023-24	2022-23
Tarticulars	₹	₹
Earning attributable to equity shareholders (₹) (A)	(1,19,20,83,767)	(1,25,14,89,274)
Weighted average number of shares outstanding (B)	8,91,14,000	8,91,14,000
Basic & Diluted EPS (₹) [(A)/(B)]	(13.38)	(14.04)

Basic and diluted earnings per share are computed in accordance with Accounting Standard 20 – Earnings per share. Basic and diluted earnings per share are calculated by dividing the net loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.



### **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 PLACE: GANDHINAGAR

DATE: 28/05/2024 DATE: 28/05/2024



# Disclosure requirement for SFCs (Financial Year 2023-24)

### A. CAPITAL

(a) Capital to Risk Assets Ratio (CRAR)

-733.86%

(b) The Amount of subordinated debt raised and outstanding as

-29,34,93,05,912

Tier-I and Tier -II Capital

SHARE CAPITAL	89,11,40,000
SHARE FORFEITED	4,60,48,000
RESERVES & SURPLUS	2,71,16,87,779
PROFIT & LOSS ACCOUNT	-32.99.81.81.691

(c) Risk weighted assets- separately for on and off balance sheet items 3,99,93,11,923

PRINCIPAL AMOUNT	
(TERM LOAN , HIRE PURCHASE	
& LEASE FINANCE)	

3,99,93,11,923

### B. Shareholding pattern as on 31-3-2024

SR NO.	Category	No. of shares held	Percentage of
		(of ₹10 each)	Shareholding
1	Govt. of Gujarat *	4,90,90,400	55.09%
2	SIDBI*	2,53,20,000	28.41%
3	Banks & Insurance Co.	4,00,000	0.45%
4	Others	1,43,03,600	16.05%
	TOTAL	8,91,14,000	100.00%

 $<sup>\</sup>ast$  Includes special class of shares of 18,00,000 & 7,00,000 held by Govt. of Gujarat & SIDBI repectively

### C. Assets quality and credit concentration

### (a) Percentage of net NPA's to net loans and advances - 100%

	Amount (₹ in crore)	Percentage
Net NPA =	399.93	100%
Net Loans & Advances=	0	0

# (b) Amount and percentage of net NPA's under the prescribed assets classification categories

	Amount (₹ in crore)	Percentage
Standard assets	0	0

# D. Amount of provision made/written back during the year towards standard asstes, NPA's Investment

(other than those in the nature of an advance)

SR NO.	Assets	Amount (₹ in Crore)	NPA Provision Required FY 22-23	NPA Provision Required FY 23-24	Provision (+)/ Write back (-)
1	NPAs		402.64	399.93	-2.71



### E. Particulars of accounts restructured: Nil

### F. Movement in net NPA's Amount (In crore)

Opening Balance of Net NPA's 402.64 Closing Balance of Net NPA's 399.93 Movement in Net NPA's -2.71

### G. Credit Exposure as percentage to capital fund and as percentage to total assets in respect of

credit exposure as a percentage of	Capital Funds (₹ in crore)	Total Assets %
The largest single borrower	2.13	0.52
The largest single group	3.79	0.94
The 10 largest single borrower	27.49	6.83

# H. Credit Exposure to the five largest industrial sector as percentage to total Loan Assets Industriwise gross sanction/disbursement/outstanding as on 31.03.2024

(Amount in Cr.)

Industry	Sanction FY 2022-23	Disb. FY 2022-23	Principal O/S as on 31.03.23	Ind. Wise O/S %
Chem & Chemical				
Prod	0	0	64.22	15.94
Textiles	0	0	53.64	13.32
Food Mfg.	0	0	29.02	7.20
Plastic Ind.	0	0	23.38	5.70
Service	0	0	3.98	0.98
Total	0	0	174.24	43.14

I. Liquidity (₹ in Cr.)

Items	Less than	More than	More than	More than	More than	More than	Total
	OR equal	to 1 Year	to 3 Year	to 5 Year	to 7 Year	10 years	
	1 Year	Upto	Upto	Upto	Upto		
		3 Years	5 Years	7 Years	10 Years		
Total Assets	399.93	0.00	0.00	0.00	0.00	0.00	399.93
Liabilites							
foreign currency	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Liabilites	621.37	0.00	0.00	0.00	0.00	0.00	621.37

J.	Ope	rating results	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
	(A)	Interest income as a percentage to average working funds =	2.56%	0.33%
	<b>(B)</b>	Non-Interest income as a percentage to average working funds =	7.19%	5.96%
	<b>(C)</b>	Operating Loss as a percentage to average working funds =	-65.43%	-79.03%
	<b>(D)</b>	Return on Average Assets Employed =	-65.56%	-74.19%
	<b>(E)</b>	Net loss per employee (₹ Crore)	7.45	5.21





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

652.30 219.48 80.00 130 227.96 174.73 4.36 26.29 1482.14 1935.50 4479 5385.60 28.62 18168 (₹ in Crore) 46646.00 45170 3000.599759 574.47 13599 61756.00inception Since 13 2018-19 2019-20 2020-21 2021-22 2022-23 2023-24 ---| -| 1 -1 --| ----------- ---| -| ļ ---| | 2 ----- ------| ---|  $\infty$ 1 -- ----1 -1 ---------2017-18 2016-17 -----S 2015-16 ---| | --4 2014-15 ---------- -------No. Šo. No. No. No. No. No. ₩ No. No. ► No. No. No. No. Šo. h~ h~ **₩** ₩ h~ **h**~ h/ h. Fund Based Merchant Banking Activity 1. Flow of Applications Term Loans m. Trible Area/Talukas Pockets Working Capital Term Loan **Particulars** Small Scale Units (SSI) Short Term Finance k. Backward Talukas **Backward District** 2. Loan Sanctioned Bill discounting b. Lease Finance d. Line of Crefit g. N.H.F.D.C. Rural Areas a. Term Loan Assistance (F) Sr. No.

(₹ in Crore)

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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	9	7	8	6	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 Crefit	₩	-	-	-			-			-	-	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	3.53	1.61	5.21	5.58	3512.73
	b. Lease Finance	₹											14.64
	c. Short Term Finance	*											208.16
	d. Line of Crefit	*											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	0.03				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	0.42	0.85	0.55	4.66	
	b. Other Income	¥	6.84	12.01	6.87	8.58	10.12	11.33	10.58	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	6	10	11	12	13	
2	Expenditure											
а	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
ф	Financial Expenses & Commitment Charges	₩	0.00	0.00	0.01	0	0.001	0.00	0.00	0.00	0.00	0.00
ပ	Personnel Expenses	₩~	5.10	4.08	3.95	3.22	3.00	2.99	3.19	3.28	2.27	1.49
р	Other expnses	₩	11.88	14.88	7.10	3.75	5.16	3.52	1.94	1.63	1.36	1.50
ပ	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
(L)	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	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)											
	Paid up capital	₩~	89.11	89.11	89.11	89.11	89.11	89.11	89.11	89.11	89.11	89.11
2	2 Share Forfieted	₩	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60
(a)	3 Reserves	₩	(1961.36)	273.37	273.37	273.37	273.37	273.37	273.37	273.37	273.37	271.17
4	4 Borrowings	₩	661.68	66168.00	661.68	661.68	661.68	661.68	661.68	661.68	661.68	661.68
а	Market Bonds	₩	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Р	Govt. Loan	₩~	621.37	621.37	621.37	621.37	621.37	621.37	621.37	621.37	621.37	621.37
ပ	SIDBI Loan	₩~	-		-	-	-		-			-
þ	Refinance	₩			-		-					-
e	Fixed Deposits	*										-
J	Line of Credit from Banks	*										-
50	Priority Sector Bond	*					-	-				-
h	Loan from NHFDC	₩	-		-	-	-		-			-
1	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

2.



### **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, 1<sup>st</sup> Floor, Sector-11, Gandhinagar-382010 on Thursday, **the 25<sup>th</sup> 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
b	peing a Member/Members of the above of	named Corporation hereby appoint
or failing him	of in the district for me/us and on my/our behalf at the SIXT he Office of the Corporation at Head Office at Thursday, the 25 <sup>th</sup> July, 2024 at 1:00 p.m. and	ofas TY FOURTH ANNUAL GENERAL Udyog Bhavan Block No.10, 1st Floor
Signed this	day of	2024.
	Folio No.	
	DP ID	
	Client ID	
	No. of shares	
		Affix ₹ 1 Revenue Stamp Signature
	be be effective, should be duly stamped, ead Office of the Corporation at Gandhi ing.	

GOVERNMENT CENTRAL PRESS, GANDHINAGAR.

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