



# 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 Email: sec-cell-gsfc@gujarat.gov.in

GSFC/SEC.CELL/C-2/

June 29, 2020

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

Sub: **Outcome of the Board meeting held on June 29, 2020**

Ref: **Stock Code 532160**

Dear Sirs,

Further to our notice dated June 18, 2020, the Board of Directors of the Corporation at its meeting held today, i.e., 29<sup>th</sup> June, 2020, inter alia, has considered and approved the Audited Financial Results of the Corporation for the quarter and financial year ended 31<sup>st</sup> March, 2020. Board also decided to recommend to Members in the ensuing 60<sup>th</sup> Annual General Meeting to re-appoint M/s. Priyam R Shah & Associates, Chartered Accountants, Ahmedabad, as statutory auditors of the Corporation for the FY 2020-21 for the third term. In view of loss, Board of Directors has not recommended dividend for the FY 2019-20.

The Board meeting commenced at 12.30 PM and concluded at 2.30 PM.

We now forward herewith the following:-

1. Audited financial results for the quarter and year ended March 31, 2020 together with Statement of Assets & Liabilities and Cash Flow Statement as on that date.
2. Auditor's Report on quarterly financial results and the year to date results and Independent Auditor's Report for the year ended March 31, 2020.
3. Statement on Impact of audit qualifications for the FY 2019-20 together with qualifications and Management's views thereon in Annexure-A.
4. Extract of audited financial results for the quarter and year ended March 31, 2020 as per Regulation 33 of SEBI (LODR) Regulations, 2015 for publication.

However, pursuant to Securities and Exchange Board of India circulars No. SEBI/HO/CFD/CMD1/ CIR/P/2020/48 dated March 26, 2020 and No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and keeping in view the present situation, Corporation is refraining from publication of extract of the financial results in newspapers. The financial results and all other aforesaid documents are available on the website of the Corporation [www.gsfc.gujarat.gov.in](http://www.gsfc.gujarat.gov.in)

Thanking you,

Yours faithfully,  
for Gujarat State Financial Corporation

Secretary (Board)

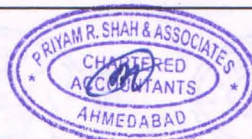
**GUJARAT STATE FINANCIAL CORPORATION  
GANDHINAGAR  
AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020**

(Rs in Lakh)

PARTICULARS	Quarter ended			Year ended	
	31.03.2020 (Audited)	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1 Interest earned	77.36	7.55	207.26	212.87	242.50
2 Other Income	283.57	288.00	285.04	1133.25	1012.10
3 Total Income ( 1+2 )	360.93	295.55	492.30	1346.12	1254.60
4 Interest Expended	3223.23	3282.78	3175.97	12999.51	12805.02
5 Operating Expenditure (i)+(ii)+(iii)	147.19	120.54	188.20	608.58	799.99
(i) Employees cost	76.75	65.12	80.17	298.96	299.89
(ii) Other operating expenses	62.43	50.90	82.41	227.32	261.10
(iii) Bad debt Written Off	8.01	4.52	25.62	82.30	239.00
6 Total Expenditure (4+5)	3370.42	3403.32	3364.17	13608.09	13605.01
7 Operating Profit before provisions & contingencies (3-6)	(3009.49)	(3107.77)	(2871.87)	(12261.97)	(12350.41)
8 Provisions (other than tax) & Contingencies	0.00	0.00	0.00	0.00	0.00
9 Exceptional items (i)+(ii)+(iii)+(iv)	(90.85)	55.82	35.20	518.07	863.87
(i) Profit on Sale of assets	0.00	0.00	0.53	0.00	0.53
(ii) Profit on Sale of Investment	0.00	0.00	0.00	0.00	0.00
(iii) Diminution in the value of investment written back	(78.77)	0.00	(57.13)	(78.77)	(57.13)
(iv) Provision for NPA written back	(12.08)	55.82	91.80	596.84	920.47
10 Profit(+)/Loss(-) from Ordinary Activities before Tax (7-8-9)	(3100.34)	(3051.95)	(2836.67)	(11743.90)	(11486.54)
11 Tax expenses	0.00	0.00	0.00	0.00	0.00
12 Net Profit(+)/Loss(-) from Ordinary Activities after Tax (10-11)	(3100.34)	(3051.95)	(2836.67)	(11743.90)	(11486.54)
13 Extraordinary items (net of tax expenses)	0.00	0.00	0.00	0.00	0.00
14 Net Profit(+)/Loss(-) for the period (12-13)	(3100.34)	(3051.95)	(2836.67)	(11743.90)	(11486.54)
15 Paid-up Equity Share Capital (Face value Rs. 10/- each)	8911.40	8911.40	8911.40	8911.40	8911.40
16 Reserves excluding Revaluation Reserves as at 31st March,	---	---	---	(253136.89)	(241392.99)
17 Analytical ratios					
i Percentage of Share held by Govt. of Gujarat	55.09	55.09	55.09	55.09	55.09
ii Basic and diluted Earning Per Share (Not annualized) Rs.	(3.48)	(3.42)	(3.18)	(13.18)	(12.89)
iii NPA Ratio					
a Gross NPA	40942.36	40930.28	41539.20	40942.36	41539.20
b Net NPA	40942.36	40930.28	41539.20	40942.36	41539.20
c % of Gross NPA to Gross advances	100%	100%	100%	100%	100%
d % of Net NPA to Net advances	100%	100%	100%	100%	100%
e Return on assets	0.00	0.00	0.00	0.00	0.00

**STATEMENT OF ASSETS AND LIABILITIES AS ON MARCH 31, 2020**

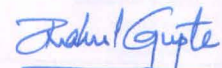
PARTICULARS	As at	As at
	31.03.20 Audited	31.03.19 Audited
<b>CAPITAL AND LIABILITIES</b>		
Capital	9371.88	9371.88
Reserve and Surplus	-253136.89	-241392.99
Deposits	0.00	0.00
Borrowings	66168.42	66168.43
Other liabilities & Provisions	194122.58	181167.85
<b>Total</b>	<b>16525.99</b>	<b>15315.17</b>
<b>ASSETS</b>		
Cash on hand	0.91	1.03
Balance with Banks / GSFS	117.00	126.79
Investment	15310.48	14106.58
Loan & Advances	0.00	0.00
Fixed Assets	326.34	362.59
Other Assets	771.26	718.18
	<b>16525.99</b>	<b>15315.17</b>



**Notes:**

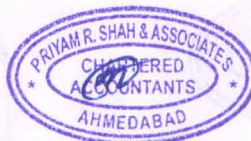
- 1 The above audited financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on June 29, 2020.
- 2 Previous period figures have been regrouped or rearranged wherever considered necessary. The figures for the three months ended 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019 are the balancing figures between the audited figures in respect of the full financial year and the published year-to-date figures up to the third quarter of the relevant financial year.
- 3 Corporation is primarily engaged in the business of term lending. All activities of the Corporation revolve around main business. Hence there are no reportable segments as per AS-17 "Segment Reporting".
- 4 NPA provision of Rs.12.08 lakh has been made for the quarter ended March 31, 2020 as against write back of Rs.91.80 lakh in the corresponding quarter of previous year. However, during the year under reference, as a whole, loan assets reduced by Rs.596.84 lakh which was written back as against Rs.920.47 lakh written back in the financial year ended 31<sup>st</sup> March, 2019 and disclosed it as exceptional item.
5. Corporation has changed the Accounting Policy in respect of recovery from NPA accounts with effect from 01-04-2018 whereby receipts are first accounted for Principal and capitalized expenses and thereafter in the order of interest, penalty and other charges. As a result of adoption of the said accounting policy, during the year under reference, out of an amount of Rs.9.68 lakh (previous year Rs.434.08 lakh) received as recovery from OTS accounts pertaining to the period prior to 01-04-2018, only Rs.5.41 lakh (previous year Rs.242.50 lakh) has been recognized as interest income and balance amount of Rs.4.27 lakh (previous year Rs.192.58 lakh) has been credited towards Principal. Therefore, during the year under reference, interest income is reduced by Rs.4.27 lakh (previous year Rs.242.50 lakh) and write back of NPA provision increased by the same amount.
6. Statutory Auditors in the Auditor's Report on quarterly financial results and year-to-date results for the quarter and year ended March 31, 2020 made qualified opinion which along with Management's views are given in **Annexure-A** as part of Statement of Impact of Audit Qualifications.
7. The outbreak of Corona virus pandemic globally and in India is causing significant disturbance and slowdown in economic activity. Corporation is not making fresh loans and advances since last two decades and concentrating on recovery of dues only. Recovery performance of the Corporation will be adversely affected for the next few quarters.

By order of the Board of Directors,



(Rahul Gupta, IAS)  
Managing Director

Place: Gandhinagar  
Date : June 29, 2020



**GUJARAT STATE FINANCIAL CORPORATION**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Loss before tax as per Profit & Loss A/c	-1,17,43,90,440	-1,14,86,54,640
Adjustments :		
Depreciation	36,46,025	41,06,440
Provision for NPA written back		
Diminution/(Reverse Diminution) in Value of Investments	78,77,215	57,13,195
Profit on sale of Investments	-	-
Profit on Sale of Assets	0	-52,903
Dividend Income	-11,000	-
Interest Income	-11,02,86,990	-9,42,73,853
Interest on Finance Cost	-	-
<b>Operating Loss before working capital</b>	<b>-1,27,31,65,190</b>	<b>-1,23,31,61,761</b>
Adjusted for :		
i) Other Assets	-53,08,259	-69,89,721
ii) Other Liabilities & Provisions	1,29,54,73,655	1,28,55,08,501
<b>NET CASH USED FROM OPERATING ACTIVITIES (A)</b>	<b>1,70,00,206</b>	<b>4,53,57,019</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (After changes in Capital W-I-P)	-20,800	-12,239
Sale of Fixed Assets	0	69,499
Decrease in Investments	-12,82,67,407	-15,94,27,292
Dividend Income	11,000	-
Interest Income	11,02,86,990	9,42,73,854
<b>NET CASH USED FROM INVESTING ACTIVITIES (B)</b>	<b>-1,79,90,217</b>	<b>-6,50,96,179</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>-</b>	<b>-</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>-9,90,011</b>	<b>-1,97,39,160</b>
Opening Balance of Cash & Cash Equivalents	1,27,81,332	3,25,20,492
Closing Balance of Cash & Cash Equivalents	1,17,91,321	1,27,81,332

NOTE: The above Cash Flow is prepared in accordance with Accounting Standard - 3 (indirect method).

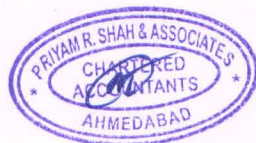
FOR AND ON BEHALF OF THE BOARD,

*Rahul Gupta*

(RAHUL GUPTA, IAS)  
MANAGING DIRECTOR

Place : Gandhinagar

Date : 29-06-2020



# Priyam R. Shah & Associates

CHARTERED ACCOUNTANTS

202, Pelican, Gujarat Chamber of Commerce Compound, Ashram Road, Ahmedabad-380 009.  
Tele (O) 079-40042700-01-02-03 • E-mail : rmshah@rmshah.net



## Auditor's Report on Quarterly Financial Results and Year to Date Results of Gujarat State Financial Corporation Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
The Board of Directors,  
Gujarat State Financial Corporation

1. We have audited the quarterly financial results of Gujarat State Financial Corporation ("the Corporation") for the quarter ended on March 31, 2020 and the year to date financial results for the period from April 01, 2019 to March 31, 2020, attached herewith, being submitted by the Corporation pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued by the Institute of Chartered Accountants of India read with other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and the significant estimates made by the Management. We believe that our audit provides a reasonable basis for our opinion.
3. **Basis for qualified conclusion**
  - a. The financial results 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 results is not ascertainable.
  - b. Dues payable to Government of Gujarat is subject to confirmation and adjustment, if any. Pending such confirmation, the effect thereof on interest and penal interest is not ascertainable.
  - c. Interest income on loans and advances on account of recovery from the parties are made on actual receipt basis since beginning of financial year 2018-19, as a result of change in accounting policy adopted by the Corporation. However, in respect of receipts prior to 1-4-2018, the then prevailing policy is kept intact. Therefore, the



# Priyam R. Shah & Associates

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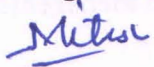


actual effect on write back of NPA, bad debt provision and any other items of financial results could not be ascertained.

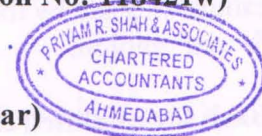
- d. The balances in parties' accounts in subsidiary ledgers with general ledgers of loans and advances are not reconciled. The effect thereof on loans and advances is not ascertainable.
  - e. Borrowings, Other Liabilities and Provisions Other Assets and Loans and Advances are subject to confirmation and adjustments, if any and the effect of the same on the financial statements is not ascertainable.
4. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in Basis for Qualified Opinion paragraph, these quarterly financial results as well as the year to date results:
- i. are presented in accordance with the requirements Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
  - ii. give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2020 as well as the year to date results for the period from April 01, 2019 to March 31, 2020.

**Place: Ahmedabad**  
**Date: 29-06-2020**

**For, Priyam R Shah & Associates**  
**Chartered Accountants**  
**Firm Registration No: 118421w)**

  
**(Mitesh M. Nagar)**  
**(Partner)**

**Membership Number: 173787**  
**UDIN: 20173787AAAAED4243**



**Priyam R. Shah & Associates**

**CHARTERED ACCOUNTANTS**

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**Independent Auditor's Report**

To,

The Members of

**GUJARAT STATE FINANCIAL CORPORATION**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **GUJARAT STATE FINANCIAL CORPORATION ('the Corporation')** which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

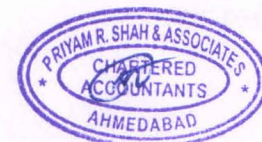
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and in accordance with the State Financial Corporations Act, 1951 (the Act). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Corporation's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Corporation has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Corporation's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



#### 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.
- c. Interest income on loans and advances on account of recovery from the parties are made on actual receipt basis since beginning of financial year 2018-19, as a result of change in accounting policy adopted by the Corporation. However, in respect of receipts prior to 1-4-2018, the then prevailing policy is kept intact. Therefore, the actual effect on write back of NPA, bad debt provision and any other items of financial results could not be ascertained.
- d. The balances in parties’ accounts in subsidiary ledgers with general ledgers of loans and advances are not reconciled. The effect thereof on loans and advances is not ascertainable.
- e. Borrowings, Other Liabilities and Provisions Other Assets and Loans and Advances are subject to confirmation and adjustments, if any and the effect of the same on the financial statements is not ascertainable.

#### Qualified Opinion

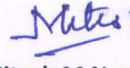
In our opinion and to the best of our information and according to the explanation given to us, except for the possible effects of the matter described in Basis for Qualified Opinion paragraph, the aforesaid financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India of the state of affairs of the corporation as at 31st March, 2019, and its loss and its cash flow for the year ended on that date.


#### 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.

Place: Ahmedabad  
Date: 29-06-2020

For, Priyam R Shah & Associates  
Chartered Accountants  
Firm Registration No. 118421W

  
Mitesh M Nagar  
Partner



Membership No. 173787

UDIN: 20173787AAAAEE9079





# Gujarat State Financial Corporation

(Established under State Financial Corporations Act, 1951)

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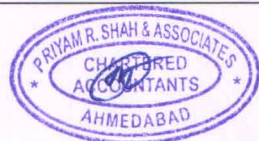
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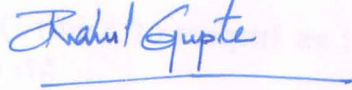

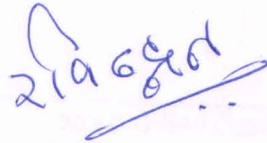

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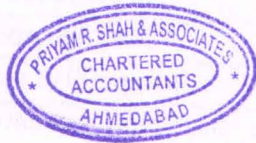
## Statement on Impact of Audit Qualifications for the financial year ended March, 31, 2020

(Rs. in lakh except Earnings Per Share)

I	Sr, No.	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualifications)
	1	Turnover/Total Income	1,942.96	1,942.96
	2	Total expenditure	13,686.87	13,686.87
	3	Net profit/(Loss)	(11,743.90)	(11,743.90)
	4	Earnings Per Share	(13.18)	(13.18)
	5	Total Assets	16,525.99	16,525.99
	6	Total Liabilities	16,525.99	16,525.99
	7	Net Worth	(2,43,765.01)	(2,43,765.01)
	8	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL
II	<b>Audit qualification (each qualification separately)</b>			
	a.	Details of audit qualification	As per Annexure A	
	b.	Type of audit qualification	Qualified opinion	
	c.	Frequency of qualifications	Repetitive since last six years	
	d.	For audit qualifications(s) where the impact is quantified by the auditor, Management's views	Not quantified, Management's view as per Annexure A	
	e.	For audit qualification(s) where the impact is not quantified by the auditor; (i) Management's estimation on the impact of audit qualification	Qualifications being general in nature, the impact on financial statements cannot be quantified.	
		(ii) If management is unable to estimate the impact, reasons for the same	Qualifications are general in nature with regard to the procedures followed by the Corporation and eroding of capital. Impact on financial statement cannot be ascertained. Management's views/response are given in Annexure A	



	(iii) Auditors' comments on (i) or (ii) above	No additional comments other than what is stated in our Report of even date.
III	<b>Signatories:</b>	
	Rahul Gupta, IAS Managing Director	
	M.R. Malpani Executive Officer (Accounts)	
	Ravindran A.L. Chairman, Audit Committee	
	Mitesh M Nagar Partner Priyam R Shah & Associates Statutory Auditors	
Place : Gandhinagar Date : 29-06-2020		





# Gujarat State Financial Corporation

(Established under State Financial Corporations Act. 1951)

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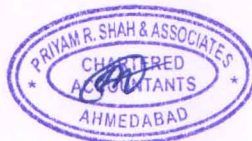
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E-mail: [sec-cell-gsfc@gujarat.gov.in](mailto:sec-cell-gsfc@gujarat.gov.in)

## Annexure A

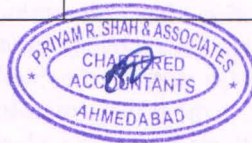
**Qualifications contained in the Independent Auditor's Report on financial results for the financial year ended 31<sup>st</sup> March, 2020 on annual financial statements and management response thereto on qualifications:**

Sr. No.	Audit qualification	Management's view
1	The financial results 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 Polices". The effect of the same on the financial results 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 balance 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 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.
2	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 vide letter dated 17 <sup>th</sup> October, 2012 which 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 reconciled with other authorities also from time to time. In view of this, separate confirmation is not obtained.



Annexure A

3	<p>Interest income on loans and advances on account of recovery from the parties are made on actual receipt basis since the beginning of financial year from 1<sup>st</sup> April, 2018, as a result of change in accounting policy adopted by the Corporation. However, in respect of receipts prior to 1-4-2018, the then prevailing policy adopted by the Corporation. Therefore, the actual effect on written back of NPA, bad debt provision and any other item of financial results could not be ascertained.</p>	<p>Till 31<sup>st</sup> March, 2018, the practice followed was that installments received under OTS Scheme is apportioned in the order of penalty, interest and other charges and lastly in principal. OTS amount received from time to time of an account is initially apportioned in the manner stated above. After receiving settlement amount in full, interest and penalty already received is credited to principal and the same amount of shortfall in principal and other account is written off. Therefore, interest income reported in P&amp;L A/c and write off may not be of that particular year. In short, interest income already recognized in a particular year is affected in the subsequent year(s). This policy has been changed from 1<sup>st</sup> April, 2018 and now receipts are first accounted for Principal and capitalized expenses and thereafter in the order of interest, penalty and other charges. As a result of adoption of the said accounting policy, interest income decreases and write back of NPA provisions increases correspondingly in case of settlement of NPA accounts from 1<sup>st</sup> April, 2018. Once the OTS accounts prior to 1<sup>st</sup> April, 2018 are settled, no discrepancy will arise.</p>
4	<p>The balances in parties' accounts in subsidiary ledgers with general ledgers of loans and advances are not reconciled. The effect thereof on loans and advances is not ascertainable.</p>	<p>Reconciliation of assets and liabilities is an on-going process and wherever lacuna is found out, necessary rectification is resorted to. Corporation has not adopted the practice of obtaining balance confirmation from loanees. Efforts are still on to reconcile the accounts.</p>
5	<p>Borrowings, Other Liabilities and Provisions, Other Assets and Loans and Advances are subject to confirmation and adjustments, if any and the effect of the same on the financial statements is not ascertainable.</p>	<p>Large number of accounts is too old and transaction details as well as address of the units are not available. It is, therefore, practically difficult to obtain balance confirmation from individual parties. Borrowings are from Government of Gujarat only which are supported by Government Resolutions and periodic confirmation is resorted to.</p>





# Gujarat State Financial Corporation

(Established under State Financial Corporations Act, 1951)

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

Phone No.: (079) 23256766 Fax (079) 23252204

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E-mail: [sec-cell-gsfc@gujarat.gov.in](mailto:sec-cell-gsfc@gujarat.gov.in)

## EXTRACT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(Rs. in lakh except per share data)

Particulars	Quarter ended 31-03-2020	Year ended 31-03-2020	Quarter ended 31-03-2019
Total income from Operations (net)	348.85	1,942.96	584.10
Net profit/loss from ordinary activities after tax (before extra-ordinary items)	(3,100.34)	(11,743.90)	(2,836.67)
Net profit/loss from ordinary activities after tax (after extraordinary items)	(3,100.34)	(11,743.90)	(2,836.67)
Paid-up Equity Share Capital (Face value of Rs.10/-)	8,911.40	8,911.40	8,911.40
Reserves (excluding Revaluation Reserve) as on March 31	(2,53,136.89)	(2,53,136.89)	(2,41,392.99)
Earnings Per Share (EPS) (before and after extraordinary items)			
Basic & diluted	*(3.48)	(13.18)	*(3.18)

\* Not annualized

### Note:-

1. The audited financial results for the quarter and year ended 31<sup>st</sup> March, 2020 along with Limited Review Report/Independent Auditor's Report thereon issued by the statutory auditors have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on June 29, 2020.
2. The above is an extract of the detailed format of Quarterly/Annual Financial Results filed with the BSE Limited under Regulation 33 of SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly/Annual Financial Results is available on BSE Ltd website: [www.bseindia.com](http://www.bseindia.com) and also on Corporation's website: [www.gsfc.gujarat.gov.in](http://www.gsfc.gujarat.gov.in)
3. The Independent Auditor's Report for the audited financial statements for the year ended 31<sup>st</sup> March, 2020 contains qualified opinion. The qualifications and the response of the Management thereon are available as part of the detailed Regulation 33 formats posted on websites of the Corporation and BSE Ltd.

For and on behalf of Board of Directors,

(RAHUL GUPTA, IAS)

Managing Director

Place : Gandhinagar

Date : 29-06-2020

