



# 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: [www.gsfc.gujarat.gov.in](http://www.gsfc.gujarat.gov.in) Email: [sec-cell-gsfc@gujarat.gov.in](mailto:sec-cell-gsfc@gujarat.gov.in)

GSFC/SEC.CELL/C-2/

February 07, 2022

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

Sub: **Outcome of the Board meeting – Unaudited financial results for the quarter and nine months ended December 31, 2021.**

Ref: **Stock Code 532160**

Dear Sirs,

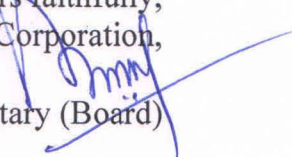
Further to our notice dated January 29, 2022, it is to be informed that the Audit Committee of the Corporation reviewed the unaudited financial results of the Corporation for the quarter and nine months ended 31<sup>st</sup> December, 2021 together with Limited Review Report issued by the statutory auditors and the Board of Directors, inter alia, considered and approved the said results together with Limited Review Report at their respective meetings held today, the 7<sup>th</sup> February, 2022. The Board meeting commenced at 12.00 Noon and concluded at 12.50 p.m. We now forward herewith the following:-

1. Unaudited financial results for the quarter and nine months ended December 31, 2021 as approved by the Board of Directors and duly executed by the Managing Director;
2. Limited Review Report of even date on the said quarterly and nine months financial results issued by Statutory Auditors, M/s. Priyam R Shah & Associates, Chartered Accountants,
3. Extract of unaudited financial results for the quarter and nine months ended December 31, 2021 to be released in daily "Financial Express", both Gujarati and English editions of Ahmedabad.

Kindly take the above on record.

Thanking you,

Yours faithfully,  
for Gujarat State Financial Corporation,

  
Secretary (Board)

**GUJARAT STATE FINANCIAL CORPORATION**  
**GANDHINAGAR**

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021**

(Rs in Lakh)

PARTICULARS	Quarter ended			Nine months ended		Year ended
	31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2021 (Unaudited)	31.12.2020 (Unaudited)	31.03.2021 (Audited)
1 Interest earned	5.48	16.34	-72.11	75.34	-19.28	42.86
2 Other Income	244.60	238.60	257.14	739.09	802.74	1057.80
3 Total Income ( 1+2 )	250.08	254.94	185.03	814.43	783.46	1100.66
4 Interest Expended	3377.51	3365.53	3330.19	10058.32	9919.78	13189.33
5 Operating Expenditure (i)+(ii)+(iii)	113.21	189.68	191.78	399.20	425.10	545.76
(i) Employees cost	63.59	131.60	124.42	253.81	258.03	319.36
(ii) Other operating expenses	45.62	52.45	66.69	135.76	158.94	218.27
(iii)Bad Debt written off	4.00	5.63	0.67	9.63	8.13	8.13
6 Total Expenditure (4+5)	3490.72	3555.21	3521.97	10457.52	10344.88	13735.09
7 Operating Profit before provisions & contingencies (3-6)	(3240.64)	(3300.27)	(3336.94)	(9643.09)	(9561.42)	(12634.43)
8 Provisions (other than tax) & Contingencies	0.00	0.00	0.00	0.00	0.00	0.00
9 Exceptional items (i)+(ii)+(iii)+(iv)	46.73	25.16	105.14	34.46	236.57	342.68
(i) Profit on Sale of assets	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Profit on Sale of Investment	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Diminution in the value of investment written back	0.00	0.00	0.00	0.00	0.00	58.57
(iv) Provision for NPA written back	46.73	25.16	105.14	34.46	236.57	284.11
10 Profit(+)/Loss(-) from Ordinary Activities before Tax (7-8-9)	(3193.91)	(3275.11)	(3231.80)	(9608.63)	(9324.85)	(12291.75)
11 Tax expenses	0.00	0.00	0.00	0.00	0.00	0.00
12 Net Profit(+)/Loss(-) from Ordinary Activities after Tax (10-11)	(3193.91)	(3275.11)	(3231.80)	(9608.63)	(9324.85)	(12291.75)
13 Extraordinary items (net of tax expenses)	0.00	0.00	0.00	0.00	0.00	0.00
14 Net Profit(+)/Loss(-) for the period (12-13)	(3193.91)	(3275.11)	(3231.80)	(9608.63)	(9324.85)	(12291.75)
15 Paid-up Equity Share Capital (Face value Rs. 10/- each)	8911.40	8911.40	8911.40	8911.40	8911.40	8911.10
16 Reserves excluding Revaluation Reserves as at 31st March,	---	---	---	---	---	(265428.64)
17 Analytical ratios						
i Percentage of Shares held by Govt.of Gujarat	55.09	55.09	55.09	55.09	55.09	55.09
ii Basic and diluted Earnings Per Share (Not annualized) Rs.	(3.58)	(3.68)	(3.63)	(10.78)	(10.46)	(13.79)
iii NPA Ratio						
a Gross NPA	40623.79	40670.52	40705.79	40623.79	40705.79	40658.25
b Net NPA	40623.79	40670.52	40705.79	40623.79	40705.79	40658.25
c % of Gross NPA to Gross advances	100%	100%	100%	100%	100%	100%
d % of Net NPA to Net advances	100%	100%	100%	100%	100%	100%
e Return on assets	0.00	0.00	0.00	0.00	0.00	0.00

P.T.O.





**Notes:**

- 1 The above un-audited financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 07, 2022.
- 2 Figures for the previous periods have been reclassified to conform to the presentation adopted in this statement.
- 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 During the quarter under reference, due to decrease in Loan Assets, NPA provision no longer required of Rs.46.73 lakh written back and shown as exceptional item.
- 5 Corporation has changed the Accounting Policy in respect of recovery from NPA with effect from 01-04-2018 whereby receipts are first accounted for Principal and capitalized expenses and thereafter the amount left out, if any, is apportioned in the order of interest, penalty and other charges. As a result of adoption of the said accounting policy, interest income decreased and write back of NPA provision increased. The impact on overall financial results consequent to adoption of change in said accounting policy is negligible in respect of the period under reference.
- 6 While settling and issuing NDC to the units which have paid part payment before 1.4.2018, accounts of such units were required to be recast and payment already credited to interest and other dues in the past were transferred to Principal. Taking the effect of the same into consideration, an amount of Rs.5.48 lakh is reported as interest income for the quarter ended December 31, 2021 and Rs.75.34 lakh for the nine months of current financial year.
- 7 Statutory Auditors, in the Limited Review Report on the said results, made qualified opinion which along with Management's views is given below:-

Sr. No.	Audit qualification	Management 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, a Parliament statute as a special Act pursuant to Entry No. 43 of the Union List. Corporation is, thus, a body corporate and a 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 discontinued its main functions of sanction and disbursement since FY 2001-02. Corporation has so far suffered immense loss but it is still continuing its recovery function. Corporation, being a statutory body, thus, prepares accounts on "going concern" assumptions and it is appropriate under the aforesaid circumstances.



Result 31 Dec 2021





2	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.	Government loans are granted as a result of provisions made in the Budgets of Government of Gujarat from time to time and subsequent issuance of Government Resolutions. Due to paucity of funds to meet with the liabilities, Government has been moved vide letter dated 17 <sup>th</sup> October, 2012 followed by submission of various data, as required, to make the loan advanced to the Corporation as interest free from 1 <sup>st</sup> July, 2012 which is still under consideration. However, pending decision, interest and penal interest 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 also from time to time and no observation was made. In view of this, separate confirmation is not obtained.
3	Interest income on loans and advances on account of recovery from the parties are made on actual receipt basis since beginning of financial year starting 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 is kept intact. Therefore, the actual effect on written back of NPA, bad debt provision and any other item of financial results could not be ascertained.	Till 31 <sup>st</sup> March, 2018, the practice followed was that installments received under OTS Scheme was apportioned in the order of penalty, interest and other charges and lastly in principal. After receiving settlement amount in full, interest and penalty already received is credited to principal and the amount of shortfall in principal and other account is written off. Therefore, interest income reported in P&L A/c and written off was not fully of that particular year. This policy is discontinued from Financial Year 2018-19. Accordingly, with effect from 1 <sup>st</sup> April, 2018, receipts from OTS cases are first apportioned against principal and capitalized expenses and excess, if any, is apportioned in the order of interest and penalty. As a result of change in accounting policy, the decrease in interest will be reflected by increase in write back. Once the old cases are settled and issued No Due Certificates, the discrepancy will not arise.

By order of the Board of Directors,



(Dr. Rahul Gupta, IAS)  
Managing Director

Place: Gandhinagar  
Date : February 07, 2022







**Independent Auditor's Limited Review Report**

To,  
The Board of Directors,  
Gujarat State Financial Corporation

**Introduction**

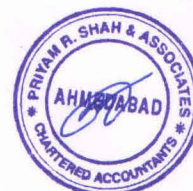
We have reviewed the accompanying statement of un-audited financial results of Gujarat State Financial Corporation ('the Corporation') for the third quarter and nine months period ended as on 31<sup>st</sup> December, 2021 (the Statement). This statement is the responsibility of Corporation's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statements based on our review.

**Scope of Review**

We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

**Basis for qualified conclusion**

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 Policies". The effect of the same on the financial results is not ascertainable.
2. 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.
3. Interest income on loans and advances on account of recovery from the parties are made on actual receipt basis since beginning of financial year starting from 1st 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 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.



# Priyam R. Shah & Associates

**CHARTERED ACCOUNTANTS**

202, Pelican, Gujarat Chamber of Commerce Compound, Ashram Road, Ahmedabad-380 009.

Tele (0) 079-40042700-01-02-03 • E-mail : rmshah@rmshah.net



## Qualified Conclusion

Based on our review conducted as above, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with applicable Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 including the manner in which it is to be disclosed or that it contains any material misstatement.

Place: Ahmedabad

Date: 07-02-2022

For, Priyam R Shah & Associates  
Chartered Accountants

FRN: 0118421W



*Mitesh*

Mitesh M. Nagar)

(Partner)

Membership Number: 173787

UDIN: 22173787AAPYPU6342







# Gujarat State Financial Corporation

(Established under State Financial Corporations Act, 1951)

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Website : <http://gsfc.gujarat.gov.in>

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

## EXTRACT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED 31<sup>ST</sup> DECEMBER, 2021 (Rs. in lakh except per share data)

Particulars	Quarter ended 31-12-2021	Nine months ended 31-12-2021	Corresponding three months ended 31.12.2020
	(Reviewed)	(Reviewed)	(Reviewed)
Total income from Operations (net)	296.81	848.89	290.17
Net profit/loss from ordinary activities after tax (before extra-ordinary items)	(3,193.91)	(9,608.63)	(3,231.80)
Net profit/loss from ordinary activities after tax (after extraordinary items)	(3193.91)	(9,608.63)	(3,231.80)
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	-	-	-
Earnings Per Share (EPS) (before and after extraordinary items)			
(a) Basic	(3.58)	(10.78)	*(3.63)
(b) Diluted	(3.58)	(10.78)	*(3.63)

\*\* Not annualized.

### Note:-

1. The unaudited financial results for the quarter and nine months ended 31<sup>st</sup> December, 2021 along with Limited Review 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 February 07, 2022.
2. The above is an extract of the detailed format of the quarterly financial results filed with BSE Limited under Regulation 33 of SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the quarterly financial results is available on BSE Ltd website [www.bseindia.com](http://www.bseindia.com) as also on Corporation's website <https://gsfc.gujarat.gov.in>
3. The Limited Review Report in respect of the said un-audited financial results contains qualified opinion. The qualifications and the response of the management thereon are available as part of the detailed Regulation 33 formats posted on both websites named above.

For and on behalf of Board of Directors,

(Dr. Rahul Gupta, IAS)  
Managing Director

Place : Gandhinagar

Date : 07-02-2022



Results 31-12-21