



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/Q-1 CGR

November 22, 2023

The Listing Compliance Department
BSE Ltd
1st Floor, Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001

Sub: **Disclosure of event or information under Regulation 30 of SEBI (LODR) Regulations, 2015**

Ref: **Stock code 532160**

Dear Sirs,

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, we would like to inform that Corporation has received letter imposing fine for non-compliance with Corporate Governance requirements for the quarter ended September 30, 2023 vide letter dated November 21, 2023 as under:-

LODR Regulation No.	Non-compliance	Fine imposed (including GST) ₹
17 (1)	Composition of Board of Directors	5,42,800/-
18 (1)	Constitution of Audit Committee	2,17,120/-
19 (1)	Constitution of Nomination and Remuneration Committee	2,17,120/-
20(2)/(2A)	Constitution of Stakeholders Relationship Committee	2,17,120/-
	Total	11,94,160/-

Non-compliance is with regard to absence of Independent Directors on the Board of Directors as well as its Committees. Constitution of Board of Directors of the Corporation is governed by Sections 10, 15 and 17 read with Section 4 (3) of the State Financial Corporations Act, 1951 according to which Directors are nominees of shareholders thereby not having Independent Directors. Thus, Corporation is non-compliant to that extent in regard to SEBI (LODR) Regulations, 2015. Prior to omitting proviso to Regulation 15 (2) (b) of SEBI (LODR) Regulations, 2015 with effect from September 01, 2021, Corporation, being a body corporate established under Section 3 (1) of State



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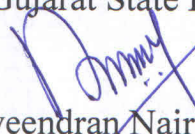
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Financial Corporations Act, 1951, a Parliament statute, was enjoying the exemptions and relaxations granted thereunder. Upon representation to continue the Corporation to avail of the said exemptions and relaxations, Securities and Exchange Board of India, vide letter dated December 20, 2021 advised the Corporation to take up the matter of amendments to SFCs Act, 1951 so as to align it with LODR Regulations. Accordingly, Corporation took up with Government for amendments to SFCs Act, 1951 vide letter dated December 27, 2021 and following up the matter but outcome is still awaited. Corporation has been receiving notices imposing fine in the previous quarters also. As such Induction of independent directors in the present circumstances being inconsistent with the provisions of State Financial Corporations Act, 1951 and Corporation has already initiated action for amendments to SFCs Act, 1951, BSE Ltd was requested on each occasion to waive the fine or keep in abeyance action till SFCs Act, 1951 is amended suitably.

The above facts may please be taken on record.

Thanking you,

Yours faithfully,
for Gujarat State Financial Corporation,


(Raveendran Nair)
Secretary (Board)