



Gujarat State Financial Corporation

(Established under State Financial Corporations Act, 1951)

SECRETARIAL CELL

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

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GSFC/SEC.CELL/C-2

August 08, 2023

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

**Sub: Unaudited financial results for the quarter
ended 30th June, 2023 – Outcome of Board meeting.**
Ref: Stock Code: 532160

Dear Sirs,

Pursuant to Regulations 30 and 33 of SEBI (LODR) Regulations, 2015 and Board meeting intimation on July 21, 2023, it is to be informed that the Board of Directors of the Corporation at its meeting held today, i.e., August 08, 2023, inter alia, considered and approved the unaudited financial results of the Corporation for the quarter ended June 30, 2023 together with Limited Review Report on the said results issued by Statutory Auditors. The Board meeting commenced at 4.00 PM and concluded at 4.50 PM. We now forward herewith the following:-

1. Unaudited financial results for the quarter ended June 30, 2023 subjected to Limited Review by the statutory auditors, duly reviewed by Audit Committee and approved by Board of Directors at their respective meetings held today i.e., 8th August, 2023.
2. Limited Review Report dated August 08, 2023 on the said un-audited financial results issued by Statutory Auditors, M/s. Pankaj R Shah & Associates, Chartered Accountants, Ahmedabad.
3. Extract of the said unaudited financial results being released in daily "Financial Express", Gujarati and English editions of Ahmedabad.

Kindly take the above on record.

Thanking you,

Yours faithfully,
for Gujarat State Financial Corporation

(Raveendran Nair)
Secretary (Board)

GUJARAT STATE FINANCIAL CORPORATION
GANDHINAGAR
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

(Rs in Lakh)

PARTICULARS	Quarter ended			Year ended
	30.06.2023 (Unaudited)	31.03.2023 (Audited)	30.06.2022 (Unaudited)	31.03.2023 (Audited)
1 Interest earned	304.20	4.80	11.94	55.13
2 Other Income	284.86	271.41	237.94	1004.77
3 Total Income (1+2)	589.06	276.21	249.88	1059.90
4 Interest Expended	3410.15	3361.46	3363.91	13562.34
5 Operating Expenditure (i)+(ii)+(iii)	74.78	97.89	105.96	388.84
(i) Employees cost	39.07	52.41	67.69	226.85
(ii) Other operating expenses	35.15	45.48	38.27	161.99
(iii)Bad Debt written off	0.56	0.00	0.00	0.00
6 Total Expenditure (4+5)	3484.93	3459.35	3469.87	13951.18
7 Operating Profit before provisions & contingencies (3-6)	(2895.87)	(3183.14)	(3219.99)	(12891.28)
8 Provisions (other than tax) & Contingencies	0.00	0.00	0.00	0.00
9 Exceptional items (i)+(ii)	60.33	116.39	(29.37)	376.39
(i) Diminution in the value of investment written back	0.00	14.51	0.00	14.51
(ii) Provision for NPA written back/(provided)	60.33	101.88	(29.37)	361.88
10 Profit(+)/Loss(-) from Ordinary Activities before Tax (7-8-9)	(2835.54)	(3066.75)	(3249.36)	(12514.89)
11 Tax expenses	0.00	0.00	0.00	0.00
12 Net Profit(+)/Loss(-) from Ordinary Activities after Tax (10-11)	(2835.54)	(3066.75)	(3249.36)	(12514.89)
13 Extraordinary items (net of tax expenses)	0.00	0.00	0.00	0.00
14 Net Profit(+)/Loss(-) for the period (12-13)	(2835.54)	(3066.75)	(3249.36)	(12514.89)
15 Paid-up Equity Share Capital (Face value Rs. 10/- each)	8911.40	8911.40	8911.40	8911.40
16 Reserves excluding Revaluation Reserves as at 31st March,	---	---	---	---
17 Analytical ratios				
i Percentage of Shares held by Govt.of Gujarat	55.09	55.09	55.09	55.09
ii Basic and diluted Earnings Per Share (Not annualized) Rs.	(3.18)	(3.44)	(3.65)	(14.04)
iii NPA Ratio				
a Gross NPA	40203.59	40263.92	40655.17	40263.92
b Net NPA	40203.59	40263.92	40655.17	40263.92
c % of Gross NPA to Gross advances	100%	100%	100%	100%
d % of Net NPA to Net advances	100%	100%	100%	100%
e Return on assets	0.00	0.00	0.00	0.00

P.T.O.

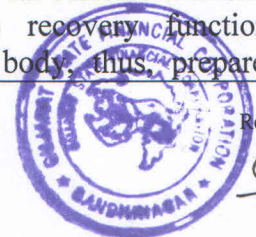
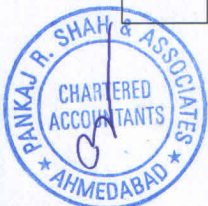


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Notes:

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 August 08, 2023.
2. Figures for the previous periods have been reclassified to conform to the presentation adopted in this statement. The figures for the three months ended 31st March, 2023 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 said financial year.
3. Corporation is primarily engaged in the business of term lending. All activities of the Corporation revolve around the said main business. Hence there are no reportable segments as per AS-17 "Segment Reporting".
4. Corporation decided to restore the accounting policy followed till March 31, 2018 with effect from April 01, 2022 in respect of One Time Settlement receipts. Accordingly, receipts received shall be apportioned in the order of (i) Penalty and other charges, (ii) interest and (iii) Principal. The said changed accounting policy was made effective in respect of the unaudited financial results for the quarter and half year ended September 30, 2022 onwards keeping the unaudited financial results for the quarter ended June 30, 2022 intact. Due to the change in accounting policy, out of ₹1,14,733/- received as recovery from OTS account pertaining to the NDC given during the period under reference, ₹53,242/- has been recognized as interest income and balance amount of ₹61,491/- has been credited towards principal. Therefore, during the period under reference, interest income is reduced by ₹61,491/- and write back of NPA provision increased by the same amount.
5. During the quarter under reference, due to decrease in Loan Assets, Corporation wrote back NPA provision no longer required of ₹60.33 lakh and shown as exceptional item whereas NPA provision of ₹29.37 lakh was made during the quarter ended June 30, 2022. Write back of NPA provision during the immediately preceding quarter ended March 31, 2023 was ₹101.88 lakh.
6. 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'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	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 but it is continuing its recovery function. Corporation, being a statutory body, thus prepares



Result

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	same on the financial results is not ascertainable.	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 and subsequent issuance of Government Resolutions. The Government has been moved to make the loan advanced to the Corporation interest free from 1-7-2012 vide letter dated 17 th October, 2012. The request 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 and no observation was made. In view of this, separate confirmation is not obtained.

For and on behalf of the Board of Directors,

Place: Gandhinagar
Date : 08-08-2023


(Sandip J. Sagale, IAS)
Managing Director



Pankaj R Shah & Associates

Chartered Accountants

CA. DR. Pankaj Shah
B.Com., F.C.A., Ph. D. (Commerce)

CA. Chintan Shah
B.Com., LL.B., F.C.A.

CA. Nilesh Shah
B.Com., LL.B., F.C.A.

CA. Manali Shah
B.Com., F.C.A.

CA. Sandip Gupta
B.Com., F.C.A.

7th Floor, Regency Plaza, Opp. Rahul Tower, Nr. Madhur Hall, Anandnagar Cross Road, Satellite, Ahmedabad-380015. India. Phone : +91 79 - 4603 1545, 4603 1546, 4032 1025. URL : <http://www.prsca.in>

Independent Auditor's Review Report on unaudited standalone financial results for quarter ended 30th June, 2023, Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

**To
The Board of Directors,
Gujarat State Financial Corporation**

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Gujarat State Financial Corporation** ("the Company") quarter ended 30th June, 2023, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. These quarter ended financial results have been prepared on the basis of the 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 as per applicable Accounting Standard for Interim Financial Reporting, read with relevant rules issued there under, as applicable and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent possible.

4. **Basis for qualified conclusion:**

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.

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.

5. **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.

For, Pankaj R. Shah & Associates
Chartered Accountants
Registration No.:107361W

N. R. Shah

CA Nilesh Shah

Partner

Membership No.107414

UDIN: 23107414BGUZDV2911



Place: Ahmedabad

Date: 08-08-2023



Gujarat State Financial Corporation

(Established under State Financial Corporations Act, 1951)

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Extract of unaudited Financial Results for the quarter ended on 30th June, 2023

(Rs. in lakh except EPS data)

Particulars	Quarter ended	Year ended	Quarter ended
	30.06.2023	31.03.2023	30.06.2022
	(un-audited)	(audited)	(un-audited)
Total income from Operations (net)	649.39	1,421.78	220.51
Net profit/loss from ordinary activities after tax (before extra ordinary items)	(2,835.54)	(12,514.89)	(3,249.36)
Net profit/loss from ordinary activities after tax (after extraordinary items)	(2,835.54)	(12,514.89)	(3,249.36)
Paid-up Equity Share Capital (Face value of Rs.10)	8,911.40	8,911.40	8,911.40
Reserves (excluding Revaluation Reserves) as on March 31	-	(2,90,724.31)	-
Earnings Per Share (EPS) (before and after extraordinary items)			
(a) Basic	** (3.18)	(14.04)	** (3.65)
(b) Diluted	** (3.18)	(14.04)	** (3.65)

** Not annualized.

Note:-

1. The unaudited financial results for the quarter ended 30th June, 2023 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 August 08, 2023.
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 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,

(Sandip J. Sagale, IAS)
Managing Director

Place : Gandhinagar

Date : 08/08/2023

