



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

GSFC/SEC.CELL/C-2

September 25, 2020

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

Sub: Proceedings of 60th Annual General Meeting

Ref: Stock Code 532160

Dear Sirs,


Pursuant to Notice dated 10th August, 2020 convening 60th Annual General Meeting of the Corporation, it is to be informed that the Annual General Meeting is held today, the 25th September, 2020 at 1.00 PM through Video Conferencing/Other Audio Visual Means facility provided by Central Depository Services (India) Ltd.

The Proceedings of the Meeting and Chairman's Speech are attached herewith.

Kindly take the above on record.

Thanking you,

Yours faithfully,
for Gujarat State Financial Corporation


Secretary (Board)



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Proceedings of 60th Annual General Meeting of Gujarat State Financial Corporation held on Friday, the 25th September, 2020 through Video Conferencing/Other Audio Visual Means.

1. 60th Annual General Meeting of the Corporation was held on September 25, 2020 at 1.00 pm through Video Conferencing (VC)/Other Audio Visual Means (OAVM). The meeting commenced at 1.00 p.m. and concluded at 1.45 p.m.
2. Shri Manoj Kumar Das, IAS, Chairman could not remain present in the meeting due to pre-occupation. In exercise of the powers conferred on him under Regulation 26 (i) of GSFC General Regulations, he has authorized Shri Kamleshbhai K Patel, Director and Chairman of Stakeholders Relationship Committee as well as Member, Audit Committee of the Corporation, to chair the meeting. Accordingly, Shri Kamleshbhai K Patel, Director, acted as Chairman of the AGM.
3. 46 members attended the meeting.
4. Shri Ravindran AL, Director and Chairman of Audit Committee, Shri KR Balasubramaniyan, Director, Shri MR Malpani, Executive Officer (HRD & Accounts), Shri Mitesh Nagar, Partner, M/s. Priyam R Shah & Associates, Statutory Auditors, Shri Kirankumar Patel, Scrutinizer and Secretary (Board) also remained present in the meeting. Dr. Rahul B Gupta, IAS, Managing Director and Smt. Mamta Verma, IAS, Director could not attend the meeting as they are engaged in Covid-19 duties.
5. Chairman of the meeting addressed the members and dwelt with economic scenario, performance of the Corporation in the year under report, the year in prospect etc.
6. Secretary (Board) read out the Notice, Auditor's Report and explained to the members of the instructions related to e-voting. He further informed about the procedures for venue e-voting and that the facility of venue e-



voting will be available till 15 minutes after the conclusion of the meeting wherein members who have not availed of the facility of remote e-voting facility could exercise franchise.

7. Chairman explained the Resolutions for consideration of the members, facility available for venue e-voting and that the authorization of Secretary (Board) to receive and disseminate the results.
8. A member has registered as speaker but has not attended the meeting.
9. Secretary (Board) informed that the results will be published within 48 hours of the meeting on the websites of the Corporation, BSE Ltd and CDSL. He also informed that Resolutions assented to by required majority shall be deemed to have been duly passed in this AGM and the proceedings of the AGM shall be deemed to be conducted at the Head Office of the Corporation which shall be the deemed venue of the AGM.
10. Chairman then thanked one and all for sparing their valuable time and attending the meeting. Since there being no other business, Chairman then declared the Meeting as concluded.

Place: Gandhinagar
Date : September 25, 2020


(Raveendran Nair)
Secretary (Board)



GUJARAT STATE FINANCIAL CORPORATION
BLOCK No. 10, SECTOR 11, GANDHINAGAR

Chairman's Speech at 60th Annual General Meeting of the shareholders of Gujarat State Financial Corporation held on Friday, the 25th September, 2020 at 1.00 P.M. through Video Conferencing/Other Audio Visual Means on Webex platform facilitated by M/s. Central Depository Services (I) Ltd.

Ladies and Gentlemen,

Good afternoon.

It gives me great pleasure to welcome you all to the 60th Annual General Meeting of your Corporation on my behalf as well as on behalf of my colleagues on the Board.

At the outset, in these trying times, I wish you and your family good health and a safe passage through the current crisis. This year, in keeping with statutory protocols, this meeting is being conducted virtually to ensure maximum convenience and minimum risk for all those who are part of the meeting. The audited financial statements for the year ended 31st March, 2020 together with the Auditors' Report, Directors' Report, Addendum to Directors' Report and other documents have already been with you and with your permission, I take them as read. Before we get to the financials, let me briefly dwell on macro-economic scenario.

ECONOMIC SCENARIO

The International Monetary Fund projected that the global GDP growth would be about 3.3 per cent in 2020 as against 2.9 per cent recorded in 2019. However, global economy has hit the worst recession since the Great Depression in the 1930s due to the furious pandemic that has nearly stalled all economic



activities across the world for some time. Global economic growth which decelerated to 2.9 per cent in 2019 is projected to contract sharply by minus 3 per cent in 2020.

The Indian economy exhibited signs of a slowdown during the early part of the year with GDP growth declining to 4.8 per cent in first half of 2019-20 bogged down with muted demand in core sectors. Signs of a revival were evident from November to January 2020 on the back of supportive policy intervention by the Government. India's economy grew at a paltry 3.1 per cent in the quarter ended March 2020, the lowest in 44 quarters. The slump has covered all the sectors. The output from construction activities was 6 per cent lower than what it had been estimated. The economic slump has shown no signs of recovery until end of Financial Year 2019-20.

The spread of Covid-19 virus has caused unimaginable crisis and the economic shock would play over and above the pre-existing slowdown. The toll on the economy is likely to be heavier than previously estimated because of the impact of the disruption. The Indian economy contracted by 23.9 per cent in the first quarter of the current fiscal year. The decline in output was higher than expected. The continued rise in infection will affect both demand and supply. In fact, the economy has entered severe stagflation i.e., slow economic growth and relatively high unemployment or economic stagnation which is at the same time accompanied by rising inflation rates. Since the economy needed action, the Union Government has played an admirable role in dealing with the crisis by announcing Rs.20 lakh crore special package as well as various concessions and reforms to meet with the challenges. The gradual re-opening of the economy



over the months since July 2020 will have had a positive impact on the economy.

PERFORMANCE OF THE CORPORATION AT A GLANCE

As informed to the members in the previous meetings, Corporation has discontinued its main activities of sanction and disbursement since almost last two decades. Corporation's activities shirked to dealing with recovery of dues and allied matters from financial year 2001-02. It is but natural that as of now, Corporation is left with sticky accounts making it difficult to recover its dues in the ordinary course of business. Corporation has thus introduced various One Time Settlement Schemes to attract such loanees in spite of which the recovery performance is declining from year to year. The arduous efforts made by the Corporation resulted into recovery of Rs.7.95 crore in the year under reference as against Rs.11.71 crore recovered in the previous year.

Corporation's interest income for the financial year 2019-20 decreased to Rs.2.13 crore compared to Rs.2.42 crore reported in the previous year. Interest on deposits for the year under reference registered a growth of 17.09 per cent to Rs.11.03 crore over Rs. 9.42 crore reported a year ago. Write back against NPA provision no longer required amounted to Rs.5.97 crore during the year under reference as against Rs.9.20 crore reported in the previous year. Total income of the Corporation under reference reduced by 10.71 per cent to Rs.19.43 crore compared to Rs.21.76 crore reported in the previous year. During the year under reference, interest on bonds, deposits and other borrowings increased by 1.52 per cent to Rs.129.99 crore as against Rs.128.05 crore reported a year ago. Personnel expenses stood flat at Rs.2.99 crore during the year under reference. Other expenses were just 59.68 per cent at Rs.2.73 crore during the year under



reference of Rs.4.59 crore reported in the previous year. Total expenditure for the year under report also remained almost flat at Rs.136.87 crore as against Rs.136.62 crore a year ago. Net loss for the year under reference increased by 2.23 per cent to Rs.117.44 crore compared to Rs.114.87 crore reported in the previous year. Accumulated loss as on 31st March, 2020 stood at Rs.2,804.74 crore as against Rs.2,687.30 crore of the previous year.

THE FINANCIAL YEAR 2020-21 IN PROSPECT:-

The economic disruption caused by the pandemic has colossal effect on the recovery efforts of the Corporation in the current financial year 2020-21. In absence of live contact with the loanee units and as a result of slowdown in the economy, it is expected that Corporation will face severe setback in recovery front as is evident during the first quarter of the year when the recovery stood at a meager of Rs.0.03 crore as against Rs.3.77 crore recovered in the corresponding period of previous year. During the first quarter of the financial year 2020-21, Corporation's total income from operations stood at Rs.2.83 crore as against Rs.7.09 crore reported in the corresponding quarter a year ago. Total expenditure stood at Rs.33.79 crore for the quarter under reference whereas it was Rs.33.62 crore in the quarter ended 30th June, 2019. Corporation registered a net loss of Rs.30.96 crore in the first quarter of Financial Year 2020-21 as against Rs.26.53 crore reported in the corresponding quarter a year ago.

CORPORATE GOVERNANCE

It was reported to members in the last meeting that though Corporation is complying with all provisions of SEBI (LODR) Regulations, 2015 in such a manner that it does not violate the provisions of State Financial Corporations



Act, 1951 and the Regulations made thereunder, it received letters imposing fine from BSE Ltd for non-compliance with Regulations 17 to 20 of said Regulations. Corporation, being a body corporate established under a Parliament statute, is entitled to avail of the exemptions/relaxations as stipulated under the proviso to Regulation 15 (2) (b) of said Regulations. In spite of bringing to the notice of BSE Ltd of the facts and their reply that they shall revert to us on receiving guidelines from SEBI, Corporation continued to receive letters imposing fine for the first two quarters of the financial year 2019-20. Corporation repudiated the claim of imposition of fine again drawing attention of the provisions of SEBI (LODR) Regulations, 2015.

ACKNOWLEDGEMENT

I would like to place on record my deepest appreciation for the contributions of all my colleagues on the Board for their guidance and steadfast support. I would also like to acknowledge and thank the shareholders, customers and well-wishers for their support and reposing the trust on the Corporation. I am also grateful to the valuable guidance and support received from the Government of Gujarat and in particular, Finance and Industries & Mines Departments, Reserve Bank of India, Small Industries Development Bank of India, SEBI and BSE Ltd. I also acknowledge our appreciation for the services rendered by all the employees of the Corporation.

My best wishes to you and your families. Stay safe, stay healthy.

Once again thank you.

