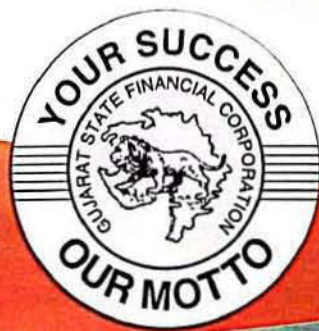


62nd

Annual Report

2021-22



Gujarat State Financial Corporation
Gandhinagar



Gujarat State Financial Corporation

Secretarial Cell

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

BOARD OF DIRECTORS

(As on March 31, 2022)

CHAIRMAN

Dr. Rajiv Kumar Gupta, IAS

DIRECTORS

Ms. Ardra Agarwal, IAS

Smt. Ankita R Christian

Shri C.V. Arun Kumar

Shri Sanjeev Mehta

MANAGING DIRECTOR

Dr. Rahul B Gupta, IAS

SECRETARY (BOARD)

Raveendran Nair

AUDITORS

M/s. Priyam R Shah & Associates

Chartered Accountants, Ahmedabad

HEAD OFFICE

**Block No. 10, 1st Floor, Sector 11,
Udyog Bhavan, Gandhinagar 382 010**

REGIONAL OFFICES AT

Gandhinagar, Surat & Rajkot



CONTENTS

Sr. No.		Page
1.	Notice	01
2.	Director's Report	09
3.	Management Discussion & Analysis Report	16
4.	Report on Corporate Governance	18
5.	Auditor's Report	35
6.	Balance Sheet	39
7.	Statement of Profit & Loss	40
8.	Cash Flow Statement	41
9.	Performance of the Corporation at a glance during last decade	58



Gujarat State Financial Corporation

(Established under State Financial Corporations Act. 1951)

SECRETARIAL CELL

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

Phone: 23256766, Fax 23252204 Email: sec-cell-gsfc@gujarat.gov.in

NOTICE

Notice under Regulation No. 23 of General Regulations of the Corporation is hereby given that the 62nd Annual General Meeting of the shareholders of the Corporation will be held on **Friday, the 29th July, 2022 at 1.00 p.m. in the Office of the Corporation at Head Office at Udyog Bhavan, Block No. 10, 1st Floor, Sector – 11, Gandhinagar 382 010** to transact the following business:

- (i) To receive, consider and adopt the audited financial statements of the Corporation for the Financial Year ended March 31, 2022 including the Balance Sheet as at March 31, 2022, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- (ii) To appoint M/s. Pankaj R. Shah & Associates, Chartered Accountants, (Firm Reg. No. 107361W), Ahmedabad as Statutory Auditors of the Corporation to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting as recommended by RBI and to fix their remuneration.

By order of the Board of Directors,
for Gujarat State Financial Corporation,

Place : Gandhinagar

Date : 06-06-2022

(Raveendran Nair)

Secretary (Board)

NOTES:

1. Pursuant to Regulation 28-B of GSFC General Regulations, a shareholder shall be entitled for one vote for each share held by him/her for the whole period of six months prior to the date of 62nd Annual General Meeting.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE CORPORATION.
3. **No proxy shall be valid unless it is duly stamped and unless it together with the power of attorney or other authority, if any, under which it is signed or a copy of that power of authority certified by a notary public or Magistrate, is deposited at the Head Office of the Corporation not less than 7 (seven) clear days before the date fixed for the meeting.**
4. Pursuant to Regulation 12 of the GSFC General Regulations, the Register of Members and Share Transfer Books will **remain closed from 27.07.2022 to 29.07.2022 (both days inclusive).**



5. Shareholders seeking any information with regard to accounts are requested to write to the Corporation at least 10 days before the meeting so as to enable the management to keep the information ready.
6. Vide Circular No. SEBI/HO/MIRSD/MIRSO_RTAMB/P/CIR/2021/655 dated November 03, 2021 and clarifications vide Circular No. SEBI/HO/MIRSD/MIRSO_RTAMB/P/CIR/2021/687 dated December 14, 2021, SEBI prescribed Common and Simplified Norms for processing Investor's Service Requests by RTAs whereby SEBI mandated furnishing PAN, Address with PIN code, Email address, Mobile number, Bank account details, specimen signature & Nomination by holders of physical securities. With effect from January 1, 2022, RTAs shall not process any service requests or complaints received from holder(s)/claimant(s) till KYC and other details are received. KYC forms and other details are available on the website of the Corporation at <http://gsfc.gujarat.gov.in> under INVESTOR RELATIONS – KYC DETAILS. Members holding shares in physical form are requested to download the requisite forms and submit the mandatory details to the Corporation/RTA immediately.
7. In terms of relaxations granted by SEBI vide Circular No. SEBI/HO/CFD/CMD2/CIR/2022/62 dated May 13, 2022, sending hard copy of the Annual Report for the financial year 2021-22 to shareholders who have not registered their email ids with the Corporation/RTA/DPs has been dispensed with. Therefore, Annual Report 2021-22 including Notice shall be sent by email to those shareholders whose email ids are registered with the Corporation/RTA/DPs. Members may download the Annual Report from the website of the Corporation. Corporation shall send hard copy of the Annual Report 2021-22 to members who request for the same in writing.
8. **Disclosure under Regulation 36 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :**

M/s. Priyam R Shah & Associates, Chartered Accountants, Ahmedabad are completing four years of statutory audit of the Corporation on conclusion of 62nd Annual General Meeting. As per Reserve Bank of India stipulations, a firm of Chartered Accountants may continue for a term of four years in one spell. The appointment will, however, have to be made on an annual basis subject to it fulfilling the eligibility norms and suitability, as may be confirmed by RBI. Therefore, the said firm is not eligible for further re-appointment. They were initially offered Rs.81,000/- towards basic audit fee plus GST plus TA/HA (actual) and 12% of basic audit fee for obtaining other certifications which was raised from time to time and the basic fee payable for FY 2021-22 was Rs.1,00,000/-. Corporation, after complying with the requirements of RBI and Listing Regulations, on recommendation of Audit Committee and Board of Directors, proposing to members in the 62nd Annual General Meeting to appoint M/s. Pankaj R. Shah & Associates, Chartered Accountants, Firm Reg. No. 107361W, Ahmedabad, as Statutory Auditors of the Corporation to hold office for the first time from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at a basic audit fee of Rs.89,000/- plus GST plus TA/HA (actual) and 12% of basic audit fee for obtaining other certifications on terms and conditions in line with RBI norms. The said fee is well within the limit prescribed by RBI.
9. **Voting through electronic means :**

In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporation is pleased to provide e-voting facility through M/s. Central Depository Services Ltd (CDSL) as an alternative in respect of the business to be transacted at the 62nd Annual General Meeting to be held on July 29, 2022.



The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The e-voting facility will be available during the following voting period :

Commencement of e-voting	09.00 Hours of Tuesday, 26th July, 2022
End of e-voting period	17.00 Hours of Thursday, 28th July, 2022

E-voting shall not be allowed beyond 17.00 hours on 28th July, 2022. The e-voting module shall be disabled by CDSL for voting thereafter. During the e-voting period, shareholders of the Corporation holding shares either in physical form or in dematerialized form, as on the Cut-off-Date may cast their votes electronically. **Cut-off-Date for the purpose of e-voting is 28th January, 2022.**

10. INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (ii) The voting period begins on **Tuesday, the 26th July, 2022 at 9.00 a.m. (IST) and ends on Thursday, the 28th July, 2022 at 5.00 p.m. (IST)**. During this period shareholders' of the Corporation, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Friday, the 28th January, 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iv) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (v) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding



securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" "Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp



Type of shareholders	Login Method
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (vi) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**
 - 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,



- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Corporation/Depository Participant are requested to use the sequence number sent by RTA or contact Corporation/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.



- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xviii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Corporation at the email address viz; sec-cell-gsfc@gujarat.gov.in , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE CORPORATION/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Corporation/RTA email id**.
2. For Demat shareholders’ Please update your email id & mobile no. with your respective Depository Participant (DP)



3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33

11. Board of Directors appointed Mr. Kiran Kumar Patel, Company Secretary of M/s. K. K. Patel & Associates, Gandhinagar, Gujarat (Membership No. FCS 6384 & Certificate of Practice No. 6352) as Scrutinizer to scrutinize the e-voting and poll process in the AGM in a fair and transparent manner.
12. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of “Ballot Paper/Polling Paper” for all those members who are present at the AGM but have not cast their vote by availing of the facility of remote e-voting.
13. The Scrutinizer shall after the conclusion of voting at the general meeting will first count the votes cast in the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two witnesses who are not in the employment of the Corporation and shall make, not later than forty-eight hours of the conclusion of the AGM, a consolidated Scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
14. The results declared along with the report of the Scrutinizer shall be placed on the website of the Corporation at <http://gsfc.gujarat.gov.in> and on the website of CDSL immediately after declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Ltd.
15. Resolutions assented to by the requisite majority of the members by means of venue voting and remote e-voting shall be deemed to have been duly passed at the AGM.



GUJARAT STATE FINANCIAL CORPORATION DIRECTORS' REPORT

To the Members,

The Board of Directors is pleased to place before you the 62nd Annual Report of the Corporation containing audited Balance Sheet as at March 31, 2022, Statement of Profit and Loss, Cash Flow Statement and other financial statements for the year ended March 31, 2022.

1. Economic Scenario:

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. No doubt that the Covid-19 pandemic of 2020-21 and its concomitant lockdowns delivered a huge blow to the Indian economy. Real GDP is estimated to have fallen by 6.6 per cent in 2020-21 and it bounced by 8.95 per cent in 2021-22. In absolute terms, the GDP (in terms of prices of a rather ancient basket of things in 2011-12) was Rs.147.7 trillion in 2021-22 compared to Rs.145.2 trillion in 2019-20, before the pandemic. Real GDP in 2021-22 was, therefore, about 1.7 per cent higher in constant prices than it was before the pandemic was full-blown. A 7.5 per cent growth in real GDP on top of an 8.9 per cent growth is impressive even after discounting the fact that the 8.9 per cent was a recovery from a fall. The overall sharp rebound and recovery of the economy from the adverse effects of the pandemic is a reflective of our country's strong resilience.

The Government of India has taken several initiatives to improve the economic condition of the country with particular emphasis to MSME sector. The growth oriented Union Budget of 2022-23 presented by the Hon'ble Finance Minister on February 1, 2022 had four priorities viz. PM GatiShakti, Inclusive Development, Productivity Enhancement and Financing of investments. In order to boost the MSME sector, the Emergency Credit Line Guarantee Scheme (ECLGS) has provided much needed additional credit to more than 130 lakh MSMEs to help them mitigate the adverse impact of the pandemic. Considering that the hospitality and related services, especially those by micro and small enterprises, are yet to regain their pre-pandemic level of business and after considering these aspects, the ECLGS is extended up to March, 2023. The guarantee cover is expanded by Rs.50,000 crore to total cover of Rs.5 lakh crore, with the additional amount being earmarked exclusively for the hospitality and related enterprises. Similarly, Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) scheme is being revamped with required infusion of funds. This will facilitate additional credit of Rs.2 lakh crore for Micro and Small Enterprises and expand employment opportunities. The year ahead poised for a pick-up in private sector investment with the financial system in good position to provide support for economy's revival. The economic impact of second wave of COVID-19 was much smaller than during the full lockdown phase in 2020-21. The emphasis being on sustained rapid growth and the economy is not in a fragile position, inspite of ongoing war and high inflation fear, it is expected that the Indian economy shall bounce back better and stronger in coming years.

2. Financial results:

Corporation's financial performance for the financial year ended March 31, 2022 is summarized below:



(₹ in lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on Loans and Advances	85.11	42.86
Interest on deposits	944.99	1,053.67
Other income (including exceptional items)	82.96	346.81
Total income	1,113.06	1,443.34
Interest on Borrowings	13,373.91	13,189.32
Employee's cost	328.22	319.36
Other expenses	191.71	226.41
Total Expenditure	13,893.84	13,735.09
Loss for the year under reference	12,780.77	12,291.75
Accumulated loss carried forward	3,05,546.08	2,92,765.31

3. Performance:

During the year under reference, interest on Loans and Advances has increased, mainly due to reduction in settlement under old OTS schemes, by 98.58% to Rs.85.11 lakh as against Rs.42.86 lakh reported in the previous year. Nevertheless, total income, including non-cash items, stood at Rs.1,113.06 lakh, a reduction of 22.88 per cent, compared to Rs.1,443.34 lakh reported in the previous year. The reduction is attributable to factors like low rates of interest on deposits, less write back of provisions etc.

Interest on loans granted by the Government increased marginally and stood at Rs.13,373.91 lakh during the year under reference as against Rs.13,189.32 lakh reported a year ago. Employees cost for the year under reference stood at Rs.328.22 lakh as against Rs.319.36 lakh reported in the previous year. Employees cost includes gratuity premium of Rs.73.08 lakh (previous year Rs.64.05 lakh) remitted to LIC of India during the year to take care of gratuity liability. Total expenditure for the year under report increased marginally and stood at Rs.13,893.84 lakh as against Rs.13,735.09 lakh reported a year back. In spite of taking austerity measures to reduce the expenses, loss for the year under reference increased to Rs.12,780.77 lakh compared to Rs.12,291.75 lakh registered in the previous year. The accumulated loss of Rs.3,05,546.08 as on March 31, 2022 (previous year Rs.2,92,765.31 lakh) was carried forward to Balance Sheet.

4. Borrowings:

Borrowings from Government of Gujarat during the year under report remained constant at Rs.66,168.43 lakh. Corporation is not resorting to borrowings since financial year 2012-13.

5. Recovery:

The entire machinery of the Corporation is geared for the only activity of recovery of dues and other allied services for the last two decades. The COVID-19 pandemic, more preciously the second wave, affected recovery performance adversely. Even after continuing liberal One Time Settlement Schemes, Corporation could recover a paltry sum of Rs.160.79 lakh during the year under reference as against Rs.353.52 lakh recovered a year ago.

6. Human Resource:

During the year under report, the staff strength of the Corporation reduced to 30 from 38 reported in the previous year. The break-up of staff strength is as under:-



Sr. No.	Category	Total
1	'A' Grade officers	3
2	'B' Grade employees	22
3	'C' Grade employees	5
Total		30

Of the total staff strength of 30, one employee is on loan service and 10 are on deputation with other Government departments. The effective staff strength of the Corporation, thus, stood at 19 spread over three Regional Offices and Head Office.

7. Corporate Governance:

The Corporation has been ensuring transparency, fairness and accountability in all its dealings. The detailed Corporate Governance Report containing all relevant information and the certificate regarding compliance of corporate governance are forming part of the Annual Report.

Management Discussion and Analysis Report and declaration by Managing Director that the Board of Directors and Senior Management Personnel have complied with the Code of Conduct also form part of Annual Report.

8. Auditors:

M/s. Priyam R Shah & Associates, Chartered Accountants (FRN/Mem. No. 118421W), are re-appointed for the fourth term as the statutory auditors of the Corporation to hold office from the conclusion of 61st Annual General Meeting till the conclusion of ensuing Annual General Meeting by the members at the AGM held on 30th September, 2021 pursuant to 37 (1) of SFCs Act, 1951. Since an auditor can be continued for four years as per Reserve Bank of India norms, M/s. Priyam R Shah & Associates, Chartered Accountants, shall not be eligible for re-appointment. Corporation has obtained list of Chartered Accountants available on the panel of Reserve Bank of India and after due process selected M/s. Pankaj R Shah & Associates, Chartered Accountants, Firm Reg. No. 107361W, Ahmedabad for considering appointment as Statutory Auditors of the Corporation for FY 2022-23. Reserve Bank of India confirmed their eligibility and suitability for appointment. Proposal to appoint the said auditors for the first term as recommended by the Board is being placed before the shareholders at the ensuing Annual General Meeting for consideration.

M/s. Priyam R Shah & Associates, Chartered Accountants, statutory auditors have submitted Independent Auditor's Report on the financial statements of the Corporation for the year ended 31st March, 2022. The Independent Auditor's Report contains qualifications. Qualifications being reiteration of previous years, it along with comments thereon are given in Addendum to this Report and also form part of the Annual Report.

9. Board of Directors:

The following are the changes in chronological order in the Directorate during the financial year ended March 31, 2022:

- a. Life Insurance Corporation of India, Mumbai, vide letter dated 22nd June, 2021, nominated Shri Sanjeev Mehta, Senior Divisional Manager, LIC of India, Gandhinagar Regional Office as a Director on the Board of Directors of the Corporation to succeed Shri K R Balasubramaniyan.



- b. Government in Industries & Mines Department, vide Notification dated 4th August, 2021, nominated Ms. Ardra Agarwal, IAS as a Director on the Board of Directors of the Corporation in place of Smt. Mamta Verma, IAS.
- c. Small Industries Development Bank of India, vide letter dated 6th August, 2021, informed Govt. in Industries & Mines Department the nomination of Dr. Rajiv Kumar Gupta, IAS as Non-Executive Chairman of the Corporation which was communicated to the Corporation by Industries & Mines Department vide letter dated 24th August, 2021. Accordingly, Dr. Rajiv Kumar Gupta, IAS assumed the position of Chairman of the Board of Directors of the Corporation with effect from 26th August, 2021 succeeding Shri Manoj Kumar Das, IAS.
- d. Shri C.V. Arun Kumar, Deputy General Manager and Branch in-charge of Ahmedabad Branch of Small Industries Development Bank of India assumed office on 6th October, 2021 from Shri Ravindran A.L. as nominee on the Board of Directors of the Corporation pursuant to his nomination by SIDBI, Mumbai, vide letter dated 30th September, 2021.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief resume of Directors joined on the Board of Directors during the year under report as well as those who joined the Board after the close of the year under reference but before this Report is furnished in the Corporate Governance Report, forming part of the Annual Report.

10. Directors' Responsibility Statement

The Directors, based on the representations received from the Operations Departments and to the best of their knowledge and ability, hereby confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation at the end of the financial year ended 31st March, 2022 and of the profit and loss of the Corporation for that period;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the regulatory provisions for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities;
4. the annual accounts for the year ended 31st March 2022 has been prepared on a going concern basis,
5. they have laid down internal financial controls to be followed by the Corporation and that such internal financial controls are adequate and were operating effectively during the year ended 31st March, 2022; and
6. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended 31st March, 2022.

11. Acknowledgement:

The Board of Directors wishes to place on record its sincere thanks to Government of India, Ministry of Finance, Department of Financial Services, Government of Gujarat and its various departments,



Small Industries Development Bank of India, Mumbai and Ahmedabad offices, Reserve Bank of India, SEBI and BSE Ltd for their support and guidance. The Board also places on record its appreciation to the commendable services rendered and guidance provided by Shri Manoj Kumar Das, IAS as Chairman, Smt. Mamta Verma, IAS, Shri Ravindran A.L. and Shri K.R. Balasubramaniyan in their roles as Directors of the Corporation. The Board also wishes to thank the stakeholders, valued customers and well-wishers for their goodwill, patronage and support. Finally, the Board acknowledges with thanks the dedicated services rendered by the staff at all levels.

For and on behalf of the Board of Directors,

Place : Gandhinagar
Date : 27-05-2022

(Rahul Gupta, IAS)
Managing Director



ADDENDUM TO THE DIRECTORS' REPORT

EXPLANATORY NOTES OF THE BOARD OF DIRECTORS ON QUALIFIED OPINION OF STATUTORY AUDITORS

Point No. (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.

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 and its net worth is already eroded 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.

Point No. (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.

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 followed by submission of information and data from time to time, as may be called for. The request 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 subjected to verification by other authorities from time to time. In view of this, separate confirmation is not obtained.

Point No. (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.

Till 31st 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&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 discontinued with effect from FY 2018-19. Accordingly, with effect from 1st 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.

Point Nos. (d) The balances in parties' accounts in subsidiary ledgers with general ledgers of loan and advances are not reconciled. The effect thereof on loans and advances is not ascertainable.

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 continuing to reconcile the accounts.

Point No. (e) Borrowings, Other Liabilities and Provisions, Other Assets and Loans and Advances are subject to confirmation and adjustment, if any and the effect of the same on the financial statements is not ascertainable.

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 verification is also resorted to.



MANAGEMENT DISCUSSION AND ANALYSIS

1. (a) Industry structure and developments:

Gujarat State Financial Corporation is a statutory Corporation established under the State Financial Corporations Act, 1951 to act as Regional Development Bank for accelerating industrial growth of the State by providing financial assistance mainly to small and smaller of the medium scale industries and to generate employment. Corporation played active role in promotion of industrial activity in the sectors earmarked for it for forty years from the beginning. However, due to deregulation and liberalization of economy during the nineties, Banks and other institutions entered into financing MSMEs. Fortune of SFCs started diminishing since then and most of the Corporations turned into red by the year 2000. SFCs have to encounter many bottlenecks like competition from banks and NBFCs, non-availability of cheap resources, stopping refinance, SLR quota etc.

The case of GSFC is not an exception. It started making loss from FY 2000-01 and defaulted in repayment of debts. Due to tough financial circumstances, Corporation was compelled to discontinue its main activities of sanction and disbursement of loan since Financial Year 2001-02 and then onwards floating with recovery of dues only.

(b) Opportunities and Threats

Gujarat is an industrially developed State and exists entrepreneurship at the highest level. As such there is no dearth for opportunities to the business of the Corporation but the state of affairs of the Corporation does not permit it to encourage and extend financial help to entrepreneurs. Having net-worth eroded long back and being unable to source cheap funds coupled with manpower shortage pose threat to the Corporation in re-entering the business in a matured manner.

(c) Segment-wise performance:

Corporation is primarily engaged in the business of term lending. All activities of the Corporation revolve around the said main business. Since discontinuance of sanction and disbursement, Corporation is concentrating on recovery of dues only. During the year under report, Covid-19 pandemic condition adversely affected recovery of dues. Corporation's recovery of dues during the year under report stood at Rs.1.61 crore compared to Rs.3.53 crore reported in the previous year.

(d) Outlook:

With the passage of time, almost all good accounts backed by securities have been settled either in the normal course of business or through One Time Settlement Schemes. The residual accounts are entangled with legal and other issues. The pandemic condition also affected recovery performance. In such circumstances, recovery of dues from the loanees is expected to be contracted in the years to come.

(e) Risks and concerns:

Risk is an inherent part of business and the Corporation not free from various risks associated with the business. Over and above the normal risks, the COVID-19 pandemic added more concern to the economy and that is reflecting in the performance of the Corporation. Risk



increases when recovery attempted from 100% Non-Performing Asset Portfolio. The concern of the Corporation lies in the fact that inspite of introducing various client oriented attractive One Time Settlement Schemes, expected level of response is not forthcoming which results into lower recovery of dues and mounting losses.

(f) Internal control system and their adequacy:

Corporation’s internal control system provides for budgetary control and cost monitoring system. Corporation engaged services of an external firm of Chartered Accountants for internal audit so as to provide timely information to management. Regular management reviews are undertaken to ensure conformity with targets. The internal control system of the Corporation is adequate commensurate with the size of the Corporation.

(g) Financial Performance:

(₹ crore)

Particulars	Year ended	
	31/03/2022	31/03/2021
Total Income	11.13	14.43
Interest expenses	133.74	131.89
Other expenses	4.91	5.13
Loss before depreciation & tax	127.52	122.59
Depreciation	0.29	0.33
Loss before tax	127.81	122.92
Loss after depreciation & tax	127.81	122.92
Balance carried over to balance sheet	(3,055.46)	(2,927.65)

(h) Material developments in Human Resources:

There is no reportable material development in human resources during the year under reference. Corporation’s staff strength, including employees on deputation/ loan services, reduced to 30 as on 31st March, 2022 compared to 38 reported in the previous year.

(i) Details of significant changes in key financial ratios:

No significant change in key financial the financial ratios during the year under report as compared to immediately preceding financial year.

2. Disclosure of Accounting Treatment:

There is no change in accounting policies during the year under report compared to previous year.

3. Cautionary statement:

Statements in the Management Discussion and Analysis describing the Corporation’s objective, projections, estimates and expectations may be “forward looking” within the meaning of applicable laws or regulations. Actual results may differ from those expressed or implied.

REPORT ON CORPORATE GOVERNANCE FOR FY 2021-22

1. PHILOSOPHY ON CODE OF GOVERNANCE

The corporate governance philosophy of Gujarat State Financial Corporation is founded upon assisting the management of the Corporation in the efficient conduct of its business and in meeting its obligations to the stakeholders and is guided by emphasis on transparency, accountability and integrity. The policies, procedures and practices that are installed in the organization aim at achieving twin objectives of enhancing customer satisfaction and shareholders value.

2. BOARD OF DIRECTORS

(a) Composition of Board

GSFC is a body corporate established by Government of Gujarat under State Financial Corporations Act, 1951. The composition of Board of Directors is governed by Section 10 read with Sections 4 (3), 15 and 17 of the said Act. As on March 31, 2022, Board comprises of six Directors viz. Chairman nominated by Small Industries Development Bank of India, Managing Director appointed by Government of Gujarat, two Directors nominated by Govt. of Gujarat and one Director each nominated by Small Industries Development Bank of India and Life Insurance Corporation of India.

(b) Details of composition, category of Directors, Directorships/ Committee positions in other companies, number of meetings held and attended during the year, and the attendance in the last Annual General Meeting are as follows:

Sr. No.	Name of Director & category	No. of Board meetings			No. of Directorship in other companies/body corporates	Number of memberships/posts of Chairperson in Audit/ Stakeholders Relationship Committee held in listed entities including this listed entity	
		held during the tenure	attended	Attendance at last AGM		Member	Chairman
1	Shri Manoj Kumar Das, IAS* (From 31.5.2017 to 25.08.2021) Nominated by SIDBI under Section 15 read with Section 10 (a) of SFCs Act, 1951 Non-executive – Nominee Director Chairperson	2	2	Not Applicable	10	1	Nil
2	Dr. Rajiv Kumar Gupta, IAS (From 26.08.2021 onwards) Nominated by SIDBI under Section 15 read with Section 10 (a) of SFCs Act, 1951 Non-executive – Nominee Director Chairperson	2	1	Not Present	10 [#]	Nil	Nil
3	Smt. Mamta Verma, IAS* (From 29.6.2015 to 29.06.2021) Nominated by Govt. of Gujarat under Section 10 (b) of SFCs Act, 1951 Non-Executive – Nominee Director	0	0	Not Applicable	6	1	Nil



Sr. No.	Name of Director & category	No. of Board meetings			No. of Directorship in other companies/body corporates	Number of memberships/posts of Chairperson in Audit/ Stakeholders Relationship Committee held in listed entities including this listed entity	
		held during the tenure	attended	Attendance at last AGM		Member	Chairman
4	Ms. Ardra Agarwal, IAS (From 04.08.2021 onwards) Nominated by Govt. of Gujarat under Section 10 (b) of SFCs Act, 1951 Non-Executive – Nominee Director	3	1	Not Present	0	0	Nil
5	Dr. Rahul B Gupta, IAS (From 05-09-2019 onwards) Ex-officio Managing Director pursuant to Order No. AIS/35.2009/3/G dated 29 th April, 2017 of GAD, Govt. of Gujarat Executive Director	4	4	Not Present	11@	2	Nil
6	Smt. Ankita R Christian (From 06-10-2020 onwards) Nominated by State Government u/s 10 (b) of SFCs Act, 1951 Non-Executive – Nominee Director	4	4	Present	5	2	1
7	Shri Ravindran A.L. * (From 17.7.2019 to 05.10.2021) Nominated by SIDBI u/s 10 (c) of SFCs Act, 1951 Non-Executive – Nominee Director	2	1	Present	2	2	1
8	Shri C.V. Arun Kumar (From 06.10.2021 onwards) Nominated by SIDBI u/s 10 (c) of SFCs Act, 1951 Non-Executive – Nominee Director	2	2	Not Applicable	1	2	1
9	Shri KR Balasubramanian* (From 6.6.2019 to 21.06.2021) Nominated by LIC of India u/s 10 (d) of SFCs Act, 1951 Non-Executive – Nominee Director	0	0	Not Applicable	Nil	Nil	Nil
10	Shri Sanjeev Mehta (From 22.06.2021 onwards) Nominated by LIC of India u/s 10 (d) of SFCs Act, 1951 Non-Executive – Nominee Director	4	1	Not Applicable	Nil	Nil	Nil

*Ceased to Chairman or Director, as the case may be, during the year under reference.

#including Non-Executive Non-Independent Director on the Boards of listed entities of Gujarat Gas Ltd, Gujarat State Petronet Ltd and Chairman of Gujarat Mineral Development Corporation Ltd.

@including Non-Executive Non- Independent Director on the Board of Gujarat Siddhi Cement Ltd, listed entity.



c) **Number of meetings of the Board of Directors held and dates on which held:**

During the financial year ended 31st March, 2022, Board of Directors met four times on 30th June, 2021, 13th August, 2021, 11th November, 2021 and 7th February, 2022.

d) **Disclosure of relationships between directors inter-se**

None of the Directors are related to each other or to any Key Managerial Personnel of the Corporation.

e) **Number of shares and convertible instruments held by non- executive Directors:**

Nil

Change in composition of Board of Directors during the year:

1. In exercise of the powers vested under Section 15 (1) read with Section 10 (a) of the State Financial Corporations Act, 1951, Small Industries Development Bank of India, Mumbai, vide letter dated August 06, 2021 approved nomination of Dr. Rajiv Kumar Gupta, IAS as Non-Executive Chairman of the Corporation. Government in Industries & Mines Department, vide letter dated 24th August, 2021 communicated the nomination to the Corporation. Accordingly, Dr. Rajiv Kumar Gupta, IAS assumed the position of Chairman of the Board of Directors of the Corporation with effect from 26th August, 2021 in place of Shri Manoj Kumar Das, IAS. Brief resume of Dr. Rajiv Kumar Gupta, IAS is given as under:-

Dr. Rajiv Kumar Gupta, IAS is an officer of 1986 batch of Indian Administrative Services. He is presently the Additional Chief Secretary of Industries & Mines Department, Government of Gujarat and the Managing Director of Sardar Sarovar Narmada Nigam Ltd. Dr. Gupta holds degree in Political Science and is a Gold Medalist. He also holds post graduate degree in Political Science and Ph.D in International Law in addition to having done specialized courses in Law, International Trade and Environment from United Nations University and University of Melbourne. Dr. Gupta worked in various Government departments, both in Government of Gujarat and Government of India. Dr. Gupta has also headed foreign assignments and worked as Advisor Director at GAP Regional Dev. Administration (UNDP), Turkey. He possesses vast experience of heading Government Public Sector Undertakings, both listed and unlisted, various Government regulatory bodies etc. He is not holding any equity shares of the Corporation in his personal capacity and is not related to any Key Managerial Personnel. He is a Director on the Boards of ten public companies including Chairmanship of Gujarat Mineral Development Corporation Ltd and directorship of Gujarat Gas Ltd and Gujarat State Petronet Ltd, three listed entities.
2. Pursuant to proviso to Section 11 (2) of the State Financial Corporations Act, 1951, on completion of six years of directorship, Smt. Mamta Verma, IAS demitted office of Director of the Corporation on 29th June, 2021. Government in Industries and Mines Department, vide Notification dated 4th August, 2021, nominated Ms. Ardra Agarwal, IAS, the then Commissioner of Relief and Ex-Officio Additional Secretary to Government, Revenue Department as a Director on the Board of Directors of the



Corporation to succeed Smt. Mamta Verma, IAS. She assumed office on 4th August, 2021. Brief resume of Ms. Ardra Agarwal, IAS is as under:

Ms. Ardra Agarwal, IAS, aged 40 years, Commissioner of Relief and Additional Secretary, Government of Gujarat and also holds the additional charge of Chief Executive Officer, Gujarat State Disaster Management Authority, joined the Board of Directors of the Corporation pursuant to Notification No. GSFC/102017/139368/P (Part-1) dated August 04, 2021 of Industries and Mines Department of Government of Gujarat. She is holding Post Graduate degree of Arts and M.Phil in Political Science. She joined Indian Administrative Service on 18th August, 2007 in Gujarat cadre. She worked in various capacities with different departments of the State Government like District Development Officer, Bharuch, Director, ICDS, Managing Director, Dakshin Gujarat Vij Company Ltd etc. Prior to joining the present posting as Commissioner of Relief and Additional Secretary, she was Collector of Navsari. She is not holding any shares of the Corporation in her individual capacity and is not related to any Director or Key Managerial Personnel of the Corporation. She does not hold Directorship in any other company.

3. In conformity with Section 10 (d) of SFCs Act, 1951, Life Insurance Corporation of India, Mumbai, vide letter dated 22nd June, 2021, nominated Shri Sanjeev Mehta, Senior Divisional Manager of LIC, Gandhinagar as a Director on the Board of the Corporation in place of Shri K.R. Balasubramaniyan. Shri Sanjeev Mehta joined the Board of the Corporation with effect from 22nd June, 2021 and brief resume of him is as under:-

Shri Sanjeev Mehta, aged 55 years, is nominated on the Board of Directors of the Corporation by Life Insurance Corporation of India pursuant to Section 10 (d) of the State Financial Corporations Act, 1951 vide letter No. IMA/ND CELL/CDS dated 22.6.2021. He holds post graduate degrees of Arts and Philosophy. He started his career as a direct recruit officer of 19th batch with Life Insurance Corporation of India in 1992. He possesses 29 years' of experience in various departments of LIC of India in different capacities. Prior to joining as Senior Divisional Manager at Gandhinagar Divisional Office of LIC of India, he was holding the same position at LIC, Thane. He is not holding Directorship in any other company or organization or any shares of the Corporation in his individual capacity. He is not related to any Director or Key Managerial Personnel of the Corporation.

4. Small Industries Development Bank of India, Mumbai, vide letter dated September 30, 2021, nominated Shri C.V. Arun Kumar, Deputy General Manager and Branch in-charge of its Ahmedabad Office as a Director on the Board of Directors of the Corporation in place of Shri Ravindran A.L. in terms of Section 10 (c) of the SFCs Act, 1951. Shri C.V. Arun Kumar assumed the position of Director of the Corporation on 6th October, 2021. Brief resume of Shri C.V. Arun Kumar is as under:-

Shri C.V. Arun Kumar, aged 49 years, is the Deputy General Manager of Small Industries Development Bank of India and in-charge of its Ahmedabad Branch. He has been nominated as a Director on the Board of Directors of the Corporation by SIDBI in exercise of the powers vested in it pursuant to Section 10 (c) of State Financial



Corporations Act, 1951. He holds Masters Degrees in Science and Business Management. He joined SIDBI as Assistant Manager on 5th December, 1995. He has rich and varied experience in financial sector concerning micro, small and medium scale industries and held positions as Manager, Assistant General Manager and Deputy General Manager with SIDBI. He is not holding any equity shares of the Corporation in his personal capacity and is not related to any Key Managerial Personnel of the Corporation. He is a Director on the Board of Rajasthan Asset Management Company Pvt. Ltd.

Change in directorate after close of FY 2021-22:

1. In exercise of the powers conferred under Section 10 (c) of SFCs Act, 1951, Small Industries Development Bank of India, vide letter dated April 06, 2022, nominated Shri Sanjay Gupta, General Manager, Regional Office, SIDBI, Ahmedabad as second Nominee Director on the Board of the Corporation with immediate effect. As per Section 10 (c) of the SFCs Act, 1951, SIDBI can nominate two Directors on the Board of Directors of the Corporation. With the nomination as Director and assuming office on April 12, 2022 by Shri Sanjay Gupta, SIDBI has two nominee Directors on the Board of Directors of the Corporation. Brief resume of Shri Sanjay Gupta, Director is as under:-

Shri Sanjay Gupta, aged 55 years, is the General Manager of Regional Office at Ahmedabad of Small Industries Development Bank of India. He has been nominated as a Director on the Board of Directors of the Corporation by SIDBI in exercise of the powers vested in it under Section 10 (c) of State Financial Corporations Act, 1951 vide letter No. AIE/No. 2023APR06/L000263719/ GSFC/Nom. Dir. dated April 06, 2022. He possess of Bachelors' degree in Commerce, ICWA (Inter) and CAIIB. He joined SIDBI as Assistant Manager on October 09, 1991. He has vast experience in financial sector concerning micro, small and medium scale industries and held positions as Deputy General Manager in HR, Accounts, Branch Operations and operations of Regional Office with SIDBI. He is not holding any equity shares of the Corporation in his personal capacity and is not related to any Key Managerial Personnel of the Corporation. He is a Director on the Board of Gujarat Industrial & Technical Consultancy Organization Ltd.

2. Pursuant to the powers conferred under Section 10 (b) of State Financial Corporation Act, 1951, Government of Gujarat in Industries & Mines Department, vide Notification No. GSFC/102017/139368/P(Part-I) dated April 26, 2022, nominated Ms. Leena Katdare, Dy. Manager, Gujarat Industrial Investment Corporation Ltd and officiating as Officer-on-Special Duty with Industries & Mines Department, Govt. of Gujarat as a Director on the Board of Directors of the Corporation in place of Ms. Ardra Agarwal, IAS. Ms Leena Katdare complied with the formalities required of a Director on April 27, 2022 and assumed office with effect from that date. Consequently, Ms. Ardra Agarwal, IAS ceased to be a Director on the Board of Directors of the Corporation from April 26, 2022 (AN). Brief resume of Ms. Leena Katdare is as under:

Ms. Leena Katdare, aged 48 years, is the Deputy Manager of Gujarat Industrial Investment Corporation Ltd and on loan service with Government of Gujarat holding the position of Officer-on-Special Duty since 2010. She has been nominated as a



Director on the Board of Directors of the Corporation by Government of Gujarat in exercise of the powers vested in it pursuant to Section 10 (b) of State Financial Corporations Act, 1951 vide Notification No. GSFC/102017/139368/p (Part-I) dated April 26, 2022. She holds Degree in Commerce, Diploma in Commercial Practice and a member of Institute of Chartered Accountants of India. She joined GIIC Ltd as Deputy Manager on 22nd December, 1998. She has over 24 years of experience in corporate finance, treasury and accounting. She has been associated with various sections such as accounting, finance, projects, recovery, credit rating, BIFR, NCLT, RTI etc. She has rich and varied experience in financial sector concerning micro, small and medium scale industries. She is not holding any equity shares of the Corporation in her personal capacity and is not related to any Key Managerial Personnel of the Corporation. She is a Nominee Director on the Board of Directors of listed entities of Gujarat Lease Financing Ltd and Gujarat Poly Electronics Ltd besides being Nominee Director on the Boards of Gujarat State Machine Tools Corporation Ltd and CED Gujarat Ltd. She is also holding membership in Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee of Gujarat Lease Financing Ltd.

3. AUDIT COMMITTEE

a) Brief description of terms of reference:

The terms of reference of the Audit Committee of the Corporation is in line with Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which inter alia include (i) review of quarterly and annual financial statements with the management before submission to the Board for approval, (ii) recommendation for appointment, remuneration and terms and conditions of Internal as well as Statutory Auditors etc.

b) Composition, name of members and Chairperson:

Audit Committee of the Corporation consists of three Directors viz. Director representing Small Industries Development Bank of India as Chairperson, Director representing Finance Department of Government of Gujarat and Managing Director as Members. Secretary (Board) acts as Secretary to the Committee. Since the Board of Directors consists of nominees of shareholders, Audit Committee does not have an independent director.

c) Name of members and chairperson and meetings attended during the year:-

The names of members and Chairperson as well as the meetings held and attended during the year under reference are as under:-

Name	Designation	No. of meetings	
		Held	Attended
Shri Ravindran A.L.* ¹	Chairman	2	1
Shri C.V. Arun Kumar* ²	Chairman	2	2
Smt. Ankita R Christian	Member	4	4
Dr. Rahul B Gupta, IAS	Member	4	4



*1 Ceased to be Chairman with effect from 5th October, 2021 (AN).

*2 Chairman with effect from 6th October, 2021.

d) Number of meetings and dates on which held:

Audit Committee met four times during the year under reference on 30th June, 2021, 13th August, 2021, 11th November, 2021 and 7th February, 2022.

4. Nomination and Remuneration Committee:

Remuneration to Directors is governed by Section 16 of the SFCs Act, 1951 read with Regulation 40 of the GSFC General Regulations according to which Directors other than the Managing Director and Directors not being servants of the Government shall be paid such fees as may be prescribed for attending meetings of the Board and if they are members of the Executive Committee or any other committee appointed by the Financial Corporation for attending such committee meetings. At present Director representing LIC of India on the Board of the Corporation is entitled to receive sitting fee of Rs.1,000/- per meeting attended. Managing Director, being holding ex-officio position, is not drawing salary or any other remuneration from the Corporation. Salary and allowances of employees are governed by Section 23 of the SFCs Act, 1951 and linked to such benefits as are available to the employees of the State Government and adopted by the Corporation from time to time after consultation with Small Industries Development Bank of India and with previous sanction of State Government. In view of this, Corporation has not constituted Nomination and Remuneration Committee.

5. Stakeholders' Relationship Committee:

a) Name of non-executive director heading the Committee:

Stakeholders' Relationship Committee is headed by the representative of Finance Department on the Board of Directors of the Corporation. Presently, Smt. Ankita R Christian, Director, is the Chairperson of the Committee.

The constitution of the Committee and details of meeting attended during the year under reference are given as under:-

Name	Designation	No. of meetings Held Attended	
Smt. Ankita R Christian	Chairperson	1	1
Dr. Rahul B Gupta, IAS	Member	1	1
Shri Ravindran A.L.*1	Member	0	0
Shri C.V. Arun Kumar*2	Member	1	1

*1 Member till 5th October, 2021.

*2 Member since 6th October, 2021.

Keeping in view the provisions contained in the State Financial Corporations Act, 1951, Board of Directors comprises of nominees of shareholders only. Therefore, Stakeholders Relationship Committee does not consist of an independent director.

Stakeholders Relationship Committee met once during the year under reference on 11th November, 2021.



In order to expeditiously deal with day-to-day requirements of investors' matters, a Sub-Committee consisting of Secretary (Board) as Chairman and Executive Officer (Accounts) as member was constituted by the Board of Directors. The sub-Committee holds meetings frequently to attend to matters related investors like dematerialization of shares etc., and met 19 times during the year under reference.

b) Name and designation of Compliance Officer:

Raveendran Nair, Secretary (Board)

c) Number of shareholders' complaints received so far : 0

d) Number not solved to the satisfaction of shareholders: 0

e) Number of pending complaints: Nil

5A. Risk Management Committee:-

As per Regulation 21 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Risk Management Committee is required to be constituted by the top 1000 listed entities, determined on the basis of market capitalization as at the end of the immediate preceding financial year and high value debt listed entities. Corporation does not fall within the said criteria and hence not constituted Risk Management Committee.

6. Remuneration of Directors:

a) All pecuniary relationship or transactions of the non- executive directors vis-a-vis the Corporation:

None of the non-executive directors have entered into any pecuniary relationship or transactions with the Corporation during the year under reference.

b) Criteria of making payments to non-executive directors:

Sitting fee prescribed for attending Board meetings to non-executive directors, not being servants of the Government, has been stated at Point No. 4 above. No payment other than sitting fee is paid by the Corporation.

c) Disclosures with respect to remuneration:

During the year under reference, Director representing Life Insurance Corporation of India was paid sitting fee of Rs.1,000/- for attending a Board meeting. No remuneration was paid to other Directors during the year.

7. GENERAL BODY MEETINGS

a) Location and time where last three AGMs were held:-

Year	Date	Time	Location of holding AGM
2018-19	20-09-2019	11.30 AM	Office of Chairman at Head Office at Udyog Bhavan, Block No. 10, 1 st Floor, Sector-11, Gandhinagar
2019-20	25-09-2020	01.00 PM	AGM through VC/OAVM. Deemed venue being Head Office of the Corporation at above address
2020-21	30-09-2021	01.00 PM	-do-



- b) Whether any special resolutions passed in the previous three general meetings:
Not applicable
- c) Whether any special resolution passed last year through postal ballot:-
Not applicable
- d) Whether any special resolution is proposed to be conducted through postal ballot:
Not applicable

8. MEANS OF COMMUNICATION

a) Quarterly results:

Quarterly results are published on or before due dates stipulated under SEBI (LODR) Regulations, 2015, submitted to BSE Ltd and uploaded on the website of the Corporation.

b) Newspapers wherein results normally published:

Extracts of quarterly/half yearly and yearly financial results are normally published in “Financial Express”, both English and Gujarati editions of Ahmedabad.

c) Any website, where displayed:

Full formats of the results together with extracts are uploaded on the website of the Corporation <http://gsfc.gujarat.gov.in> under Investor Relations – Financial Results.

d) Whether it also displays official news releases:

No such occasion arose.

e) Presentations made to institutional investors or to analysts: Nil

9. GENERAL SHAREHOLDER INFORMATION]

- a) Date, time & venue of the Annual General Meeting : Friday, the 29th July, 2022
at 1.00 p.m in the Office of the Corporation at Head Office, at Udyog Bhavan, Block No. 10, 1st Floor, Sector 11, Gandhinagar 382 010
- b) Financial year : 1st April to 31st March
- c) Dividend payment date : Not applicable
- d) Listing on Stock-Exchanges : BSE Ltd
Phiroz Jeejeebhoy Towers
Dalal Street, Fort, Mumbai 400 001.
It is confirmed that Annual Listing Fee for FY 2022-23 has been remitted to BSE Ltd on 22-04-2022.
- e) Stock Code : 532160
- f) Market price data

Monthly high and low quotation of shares traded on BSE during Financial Year 2021-22 were as under:



from 1st September, 2021 thereby depriving of the relaxations and exemptions hitherto available to bodies corporate. Corporation represented to SEBI vide letters dated 4th June, 2021 and 23rd November, 2021 for continuation of the said relaxations/exemptions keeping in view its special status but it suggested, vide letter dated 20th December, 2021, to take up the matter of amendment to SFCs Act, 1951 so as to align it with that of LODR requirements with Government. Accordingly, Corporation, vide letter dated 27th December, 2021 represented to appropriate authorities to consider amendments to SFCs Act, 1951. Government of Gujarat in Industries & Mines Department, vide letter dated 4th January, 2022, also recommended to Government of India, Ministry of Finance, Department of Financial Services for amending the SFCs Act, 1951 as suggested by SEBI and the response is awaited.

During the year under reference, BSE Ltd sought for clarification vide email dated 27th January, 2022 with regard to non-compliance with Regulation 17 (2A) of SEBI (LODR) Regulations, 2015 for the quarter ended December 31, 2021. Since the said Regulation is applicable to top 2000 listed entities, Corporation does not fall within that category and BSE Ltd waived the fine imposed on same issue in the past, the position was communicated to BSE Ltd on 27th January, 2022 and no further communication was received from them. Except the same, during the year under reference, no strictures or penalties with regard to non-compliance was received by the Corporation from any of the agencies.

- c) A well established vigil mechanism for Directors and employees to report concerns about unethical behaviors, actual or suspected fraud or violation of its code of conduct is in vogue in the Corporation. During the year, no personnel has been denied access to the Audit Committee. Whistle Blower Policy is also in vogue in the Corporation. Pursuant to Corporation's Code of Conduct policy, Directors and senior management personnel have affirmed compliance with the Code for the Financial Year 2021-22, a declaration to this effect signed by Managing Director forms part of this Report.
- d) Mandatory and non-mandatory requirements have been complied with in such a manner and to the extent that it does not violate the provisions of State Financial Corporations Act, 1951, under which it is established, and the Regulations made thereunder as well as the guidelines or directives issued by the State Government or other relevant authorities from time to time.
- e) Corporation has no material subsidiaries and hence the policy is not displayed on the website of the Corporation.
- f) Corporation has discontinued its main activities of sanction and disbursement since last two decades and concentrating on recovery of dues only. No material related party transaction is entered into by the Corporation with any of the related parties and hence neither policy for related party transactions is framed nor displayed on the website of the Corporation.
- g) Corporation has not entered into any commodity hedging activities during the year.
- h) During the year under reference, no fund was raised through preferential allotment or QIP by the Corporation.
- i) Disqualification for being a Director is governed by Section 12 of the State Financial Corporations Act, 1951. Corporation, being a body corporate, provisions of Section 164 of Companies Act, 2013 are not attracted to the Directors of the Corporation. Therefore, certificate from Company Secretary in Practice is not obtained with regard to disqualification of Directors.



- j) During the year under reference, there was no instance where the Board had not accepted any recommendation of any Committee of the Board.
- k) During the year under reference, Corporation paid Rs.1,39,004/- towards obtaining two Limited Review Reports and statutory audit fees of FY 2020-21 and Rs.41,772/- for three quarterly Limited Review Reports of FY 2021-22 to M/s. Priyam R Shah & Associates, Chartered Accountants, statutory auditors. Corporation has also made provision of Rs.1,18,000/- towards audit fee for FY 2021-22 which will be remitted in FY 2022-23.
- l) During the year under reference, no complaint under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 was received by the Corporation.
11. The affairs of the Corporation are inspected by SIDBI under Section 37-A of the SFCs Act, 1951 from time to time, commercial as well as compliance audit by Comptroller and Auditor General of India under Section 37 of the said Act besides statutory audit by a firm of Chartered Accountants selected from the panel of list furnished by Reserve Bank of India and eligibility and suitability are confirmed by RBI. Keeping in view the fact that the affairs are being audited and inspected by the aforesaid authorities, Corporation has not opted for Secretarial Audit as provided under Regulation 24A of SEBI (LODR) Regulations, 2015. Nevertheless, Corporation has obtained Annual Secretarial Compliance Report from a Practicing Company Secretary and filed the same with BSE Ltd.
12. The extent of implementation of discretionary requirements as specified in Part E of Schedule II is furnished as under:-

	Requirement	Compliance
A	The Board: A non-executive chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties	Not applicable to the Corporation
B	Shareholder Rights: A half-yearly declaration of financial performance including summary of the significant events in last six months, may be sent to each household of shareholders	Half yearly financial results are uploaded on the website of the Corporation, submitted to BSE Ltd and also published in the newspapers.
C	Modified opinion(s) in audit report: The listed entity may move towards a regime of financial statements with unmodified audit opinion	The audit opinions are of technical in nature inspite of which efforts are made to comply with the qualifications.
D	Reporting of internal auditor The Internal Auditor may report directly to the audit committee.	Internal Auditor's Reports are periodically placed before the Audit Committee for suitable consideration. Directions of the Committee are promptly complied with.



13. The disclosures with regard to compliance with corporate governance requirements have been uploaded and available on the website of the Corporation at <http://gsfc.gujarat.gov.in> under INVESTOR RELATIONS – Corporate Governance Reports.
14. Declaration regarding compliance of Code of Conduct by the Board members and Senior Management Personnel by the Managing Director forms part of this Report.
15. Compliance certificate from M/s. K.K. Patel & Associates, Practicing Company Secretaries, Gandhinagar regarding compliance of conditions of corporate governance also forms part of this Report.
16. Disclosure with respect to demat suspense account/unclaimed suspense account – Not applicable.

CODE OF CONDUCT DECLARATION

In compliance with Regulation 34 (3) read with Clause D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that members of Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct of Board of Directors and senior management for the year ended 31st March, 2022.

Place: Gandhinagar
Dated: 21-04-2022

(Rahul Gupta, IAS)
Managing Director



K K PATEL & ASSOCIATES,

PRACTICING COMPANY SECRETARIES

CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF REGULATIONS 17, 18, 19, 20, 21, 22, 23, 24, 24[A], 25, 26, 27 AND CLAUSE (B) TO (I) OF SUB -REGULATION (2) OF REGULATION 46 AND PARA C, D AND E OF SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR THE YEAR ENDED MARCH 31, 2022.

To,

The Members of

Gujarat State Financial Corporation

Gandhinagar

1. We have examined the compliance of conditions of Corporate Governance by Gujarat State Financial Corporation for the year ended on 31st March, 2022, as stipulated in Regulations (R.W. Regulation 15 (2) (b)), 17, [17A,] 18, 19, 20, 21, 22, 23, 24, [24A,] 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Corporation with stock exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Corporation for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Corporation. We report that;
 - i) BSE Ltd, vide email communication dated 27th January, 2022, brought to the notice of the Corporation that it has not complied with Regulation 17(2A): Non-compliance with the requirements pertaining to quorum of Board meetings for the quarter ended on 31.12.2021.

Corporation has made communications with respect to aforementioned communication and brought to the notice of BSE Ltd that the said Regulation is applicable to top 2000 listed entities and also drawn their attention to waiver of penalty vide BSE email dated April 19, 2021 for the Regulation 17(2A).

No communication has been received by the Corporation from BSE Ltd during the year under review.

Further, pursuant to BSE letters dated 31st October 2018 vide letter No. LIST/COMP/Reg. 27(2) & Reg. 17 to 21/ Sept- 18/532160/960/2018-19, dated 31st January 2019 vide letter No. LIST/COMP/Reg. 27(2) & Reg. 17 to 21/ Dec- 18/532160/1093/2018-19 & dated 2nd May 2019 vide letter No. LIST/COMP/Reg. 27(2) & Reg. 17 to 21/ March- 19/532160/37/ 2019-20, vide letter No. LIST/COMP/Reg. 27(2) & Reg. 17 to 21/June-19/ 532160/157/ 2019-20 dated 19th August, 2019 and vide letter No. LIST/COMP/Reg.27(2) & Reg. 17 to 21/Sep-19/532160/219/2019-20 dated 31st October, 2019, BSE Ltd had imposed penalty



of Rs. 9,77,040/- for each quarter ended on 30.09.2018, 31.12.2018, Rs.9,55,800/- for the quarter ended 31.03.2019, Rs.9,66,420/- for the quarter ended 30.6.2019 and Rs.3,96,480/- for the quarter ended 30.9.2019 for non-compliance of SEBI (LODR) Regulations, 2015

Corporation has made several communications with respect to aforementioned violations and sought for exemption/relaxation pursuant to Proviso of Regulation 15(2) (b) of SEBI (LODR) Regulations, 2015 and in response to those communications Corporation has received a reply vide BSE email dated February 11, 2019 that BSE is making representation to SEBI and once their guidance is sought on this matter, BSE will revert to GSFC. As reported, so far no communication has been received from BSE Ltd in the matter.

In absence of specific guidance from BSE, we are unable to comment on the same.

Securities & Exchange Board of India, vide Notification dated 5th May, 2021 amended SEBI (LODR) Regulations, 2015 whereby the proviso to Regulation 15 (2) has been omitted with effect from 31st August, 2021. Corporation represented to SEBI to restore the exemptions and relaxations available under the said proviso to bodies corporate. SEBI, vide letter dated December 20, 2021, advised Corporation to take up the matter of amendment to SFCs Act, 1951 with Government so as to align the said Act with that of LODR Regulations. Accordingly, GSFC, through Government of Gujarat, requested Government of India, Ministry of Finance, Department of Financial Services to initiate suitable amendments to SFCs Act, 1951. The matter is pending as on 31st March, 2022.

In our opinion and to the best of our information and according to the explanations given to us, considering exemptions and relaxations available under the proviso to Regulation 15(2) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 till 31st August, 2021, SEBI letter dated December 20, 2021 and that the correspondence with appropriate authorities made by the Corporation, the Corporation has complied with the conditions of corporate governance to the extent that it is not violate the provisions of State Financial Corporations Act, 1951 and the guidelines or directives issued by the relevant authorities and subject to what is stated above, we certify that Corporation has complied with the conditions of Corporate Governance, as stipulated in the above-mentioned Listing Regulations.

3. We further state that such compliance is neither an assurance as to the future viability of the corporation nor the efficiency or effectiveness with which the management has conducted the affairs of the Corporation.

FOR KK PATEL & ASSOCIATES,

CS KIRAN KUMAR PATEL
PRACTICING COMPANY SECRETARIES
FCS NO.6384 C.P. No: 6352
UDIN: F006384D000253378

Date: 02/05/2022

Place: Gandhinagar



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



Independent Auditor's Report

To,

The Members of

GUJARAT STATE FINANCIAL CORPORATION

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of **GUJARAT STATE FINANCIAL CORPORATION ('the Corporation')**, which comprise the balance sheet as at 31st March, 2022 and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, 2022, and its loss and its cash flow for the year ended on that date.

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.

Information other than the financial statements and auditors' report thereon

Management is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

Management is responsible for the matters stated 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 principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those management is also responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it



exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. We are also responsible for expressing our opinion on whether the corporation has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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.

For, Priyam R Shah & Associates

Chartered Accountants

Firm Registration No. 118421W

Mitesh M Nagar

Partner

Membership No. 173787

UDIN:22173787AJSGCJ9168

Place: Ahmedabad

Date: 27/05/2022



GUJARAT STATE FINANCIAL CORPORATION				
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2022				
Particulars	Note. No.	For the Year Ended 31st March, 2022 ₹	For the Year Ended 31st March, 2021 ₹	
INCOME				
INTEREST ON LOANS & ADVANCES		85,10,600	42,86,213	
INTEREST ON DEPOSITS		9,44,99,522	10,53,67,460	
PROVISION AGAINST NPA WRITTEN BACK		32,44,428	2,84,10,665	
OTHER INCOME	10	31,10,542	4,12,689	
DIMINUTION IN THE VALUE OF INVESTMENTS WRITTEN BACK		19,41,485	58,57,249	
TOTAL INCOME ₹		11,13,06,577	14,43,34,276	
EXPENDITURE				
INTEREST ON BONDS, DEPOSITS & OTHER BORROWINGS	11	1,33,73,91,220	1,31,89,32,611	
FINANCIAL EXPENSES & COMMITMENT CHARGES	12	6,700	6,100	
EMPLOYEE'S COST	13	3,28,22,342	3,19,36,198	
OTHER EXPENSES	14	1,62,74,731	1,93,77,620	
DEPRECIATION	8	28,88,927	32,56,566	
TOTAL EXPENDITURE ₹		1,38,93,83,920	1,37,35,09,095	
NET LOSS FOR THE YEAR		-1,27,80,77,343	-1,22,91,74,819	
ADD: OPENING BALANCE OF PROFIT & LOSS ACCOUNT		-29,27,65,31,307	-28,04,73,56,488	
BALANCE CARRIED FORWARD TO BALANCE SHEET		-30,55,46,08,650	-29,27,65,31,307	
EARNINGS PER SHARE (BASIC AND DILUTED)		-14.34	-13.79	
NOTES TO ACCOUNTS	15			
Notes referred to above and notes attached there to form an integral part of the Financial Statements				
FOR AND ON BEHALF OF THE BOARD,				
(M.R.Malpani) Executive Officer (A/cs) Director	(Raveendran Nair) Secretary (Board)	(C.V.Arun Kumar) Director	(Ankita R Christian) Director	(Rahul Gupta, IAS) Managing
As per our Report of even date.				
FOR PRIYAM R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS ICAI Firm Reg. No.: 118421W				
MITESH NAGAR PARTNER Membership No. :173787 PLACE: AHMEDABAD DATED: 27 -05-2022				
PLACE: GANDHINAGAR DATED: 27 -05-2022				



GUJARAT STATE FINANCIAL CORPORATION		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022		
Particulars	For the Year Ended 31st March, 2022 ₹	For the Year Ended 31st March, 2021 ₹
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before tax as per Profit & Loss A/c	-1,27,80,77,343	-1,22,91,74,819
Adjustments :		
Depreciation	28,88,927	32,56,566
Provision for NPA written back		
Diminution/(Reverse Diminution) in Value of Investments	-19,41,485	-58,57,249
Profit on sale of Investments	-	-
Dividend Income	-11,000	-11,000
Interest Income	-9,45,04,896	-10,53,85,026
Interest on Finance Cost	-	-
Operating Loss before working capital	-1,37,16,45,797	-1,33,71,71,528
Adjusted for :		
i) Other Assets	49,43,167	72,22,017
ii) Other Liabilities & Provisions	1,33,64,41,277	1,31,77,97,614
NET CASH USED FROM OPERATING ACTIVITIES (A)	-3,02,61,352	-1,21,51,898
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (After changes in Capital W-I-P)	0	-45,000
Sale of Fixed Assets	0	-
Decrease in Investments	-6,88,83,202	-9,24,16,056
Dividend Income	11,000	11,000
Interest Income	9,45,04,896	10,53,85,026
NET CASH USED FROM INVESTING ACTIVITIES (B)	2,56,32,694	1,29,34,970
C) CASH FLOW FROM FINANCING ACTIVITIES		
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	-	-
Net Increase in Cash & Cash Equivalents (A+B+C)	-46,28,658	7,83,072
Opening Balance of Cash & Cash Equivalents	1,25,74,393	1,17,91,321
Closing Balance of Cash & Cash Equivalents	79,45,735	1,25,74,393
Components Depecting Closing Cash and Cash Equivalents		
Cash on hand and as Imprest	1,00,868	94,589
BALANCE WITH BANKS	35,60,327	34,84,503
LIQUID DEPOSIT WITH GSFS	42,84,540	89,95,301
Total ₹	79,45,735	1,25,74,393

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

FOR AND ON BEHALF OF THE BOARD,

(M.R.Malpani)
Executive Officer (A/cs)

(Raveendran Nair)
Secretary (Board)

(C.V.Arun Kumar)
Director

(Ankita R Christian)
Director

(Rahul Gupta, IAS)
Managing Director

As per our Report of even date.

FOR PRIYAM R. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
ICAI Firm Reg. No.: 118421W

MITESH NAGAR
PARTNER
Membership No. :173787
PLACE: AHMEDABAD
DATED: 27 -05-2022

PLACE: GANDHINAGAR
DATED: 27 -05-2022



GUJARAT STATE FINANCIAL CORPORATION

Notes to the Financial Statements for the year ended on 31st March, 2022

Note : 1 Share Capital

Sr. No	Particulars	As at 31st March 2022 ₹	As at 31st March 2021 ₹
1	<u>AUTHORIZED CAPITAL</u>		
	10,00,00,000 Equity Shares of Rs. 10/- each.	1,00,00,00,000	1,00,00,00,000
		1,00,00,00,000	1,00,00,00,000
2	<u>ISSUED, SUBSCRIBED & PAID UP CAPITAL</u>		
	A) 8,66,14,000 SHARES (PREVIOUS YEAR 8,66,14,000 SHARES OF Rs.10/- EACH)	86,61,40,000	86,61,40,000
	B) 25,00,000 SHARES OF Rs.10/- EACH SPECIAL CAPITAL (PREVIOUS YEAR 25,00,000 OF Rs.10/- EACH) ISSUED U/S 4-A OF THE SFC'S ACT,1951	2,50,00,000	2,50,00,000
	Total in ₹	89,11,40,000	89,11,40,000

Note : 1-A Share Forfeited

Sr. No	Particulars	As at 31st March 2022 ₹	As at 31st March 2021 ₹
1	SHARE FORFEITED 92,09,600 EACH OF Rs. 10/- (ORIGINALLY PAID UP VALUE ` 5/-)	4,60,48,000	4,60,48,000
	Total in ₹	4,60,48,000	4,60,48,000

Note : 2 Reserves & Surplus

Sr. No	Particulars	As at 31st March 2022 ₹	As at 31st March 2021 ₹
A	SPECIAL RESERVE (U/S 36(1)(VIII) OF THE I.T. ACT 1961	64,34,16,722	64,34,16,722
B	RESERVE FOR BAD AND DOUBTFUL DEBTS	4,75,35,006	4,75,35,006
C	SECURITIES PREMIUM	18,89,88,000	18,89,88,000
D	CAPITAL RESERVE - GAIN ON RESTRUCTURING OF PRINCIPAL DEBTS	1,82,87,27,185	1,82,87,27,185
E	SPECIAL RESERVE (CREATED U/S.35 A OF THE SFC'S ACT,1951) (DIVIDEND FOREGONE BY GOVT.OF GUJARAT & IDBI)	2,50,00,000	2,50,00,000
	Total in ₹	2,73,36,66,913	2,73,36,66,913



Note : 3 Borrowings

Sr. No	Particulars	As at 31st March 2022 ₹	As at 31st March 2021 ₹
(a)	LONG TERM BORROWINGS		
	UNSECURED		
	FROM STATE GOVT.FOR MARGIN LOAN TO BALISANA PROJECT	2,10,000	2,10,000
	FROM STATE GOVT.SALES TAX INT.FREE LOAN	1,76,86,346	1,76,86,346
	SALES TAX INT. FREE DEEMED LOAN (CONTRA) FROM STATE GOVT.FOR HERITAGE HOTEL FUND (INTEREST 5%)	31,49,32,320	31,49,32,320
	SOFT LOAN FROM GOVT.OF GUJARAT LOAN IN LIEU OF SHARE CAPITAL FROM GOVT OF GUJARAT. (INTEREST 3.5% & 7.5%)	6,21,36,80,000	6,21,36,80,000
		6,03,33,967	6,03,33,967
	Total in ₹	6,61,68,42,633	6,61,68,42,633

Note Soft loan received from Government of Gujarat (21 accounts) during the years from 2004-05 to 2011-12 are repayable in 3(i) 10 years in quarterly installments from the date of disbursement carrying interest ranging from 12% to 15%.

3(ii) On account of consistent operational losses, the Corporation has continuously defaulted in repayment of Government of Gujarat's long term loans/borrowings.

Note : 4 Other Liabilities & Provisions

Sr. No	Particulars	As at 31st March 2022 ₹	As at 31st March 2021 ₹
	TAX DEDUCTED AT SOURCE PAYABLE	1,06,001	98,580
	SECURITY DEPOSIT	1,45,406	1,45,406
	GST PAYABLE	-38,654	-22,914
	UNPAID GUARANTEE FEE	35,60,39,833	35,60,39,833
	INTEREST PAYABLE ON BORROWINGS	21,66,40,27,948	20,32,66,36,728
	INTEREST PAYABLE ON SECURITY DEPOSITS	57,491	57,491
	UNCLAIMED DIVIDEND	3,51,048	3,51,048
	SUBSIDY FROM GOVT.(AS AN AGENCY) LESS :DISBURSED UPTO END OF THE YEAR	2,05,97,36,976 -2,04,27,11,180	2,05,97,36,976 -2,04,27,11,180
	OTHER DEPOSITS	74,59,616	77,63,616
	SUNDRIES (OTHER LIABILITIES) LESS : STD NO LIEN A/C (CONTRA NOTE -9)	1,89,85,695 0	2,34,31,568 -38,08,250
	SUBVENTION FROM STATE GOVT		
	BALANCE AS PER LAST BALANCE SHEET	16,69,56,010	16,69,56,010
	LESS: DIVIDEND DEFICIT A/C	-16,46,19,096	-16,46,19,096
	Total in ₹	22,06,64,97,093	20,73,00,55,816



Note : 5 Cash & Bank Balances

Sr. No	Particulars	As at 31st March 2022 ₹	As at 31st March 2021 ₹
A	Cash-on-Hand		
	Cash on hand and as Imprest	1,00,868	94,589
	Sub Total (A)	1,00,868	94,589
B	Bank Balance with Scheduled Banks		
	BALANCE WITH BANKS (IN CURRENT ACCOUNTS)	35,60,327	34,84,503
	Sub Total (B)	35,60,327	34,84,503
C	Others (Deposits with GSFS)		
	LIQUID DEPOSIT WITH GSFS	42,84,540	89,95,301
	Sub Total (C)	42,84,540	89,95,301
	Total in ₹ [A + B + C]	79,45,735	1,25,74,393

Note : 6 Investments (At Cost)

Sr. No	Particulars	As at 31st March 2022 ₹	As at 31st March 2021 ₹
(i)	SHARES ACQUIRED UNDER UNDERWRITING AGREEMENT U/S 25(1) (C) OF THE SFC'S ACT,1951		
	PREFERENCE SHARES,FULLY PAID-UP (UNQUOTED)	7,40,500	7,40,500
	A EQUITY SHARES,FULLY PAID (UNQUOTED)	1,14,84,000	1,14,84,000
	B EQUITY SHARES, PARTLY PAID (UNQUOTED)	3,00,000	3,00,000
(ii)	PREFERENCE SHARES ACQUIRED UNDER SPECIAL CAPITAL SCHEME		
	(2000 Shares of Rs.100/- each fully paid up) (UNQUOTED)	2,00,000	2,00,000
(iii)	EQUITY SHARES FULLY PAID-UP (QUOTED)		
	285440 (PREVIOUS YEAR 285440) EQUITY SHARES OF RS.10 EACH FULLY PAID-UP IN IDBI BANK LTD	2,31,92,000	2,31,92,000
	165 (PREVIOUS YEAR 165) EQUITY SHARES OF RS.2 EACH FULLY PAID-UP IN UNION BANK OF INDIA	8,000	8,000
	409000 (PREVIOUS YEAR 409000) EQUITY SHARES OF RS.10 EACH FULLY PAID-UP IN KUSH INDUSTRIES LIMITED (FORMERLY KNOWN AS SNS TETILES LTD)	61,35,000	61,35,000
	220417 (PREVIOUS YEAR 220417) EQUITY SHARES OF RS.10 EACH FULLY PAID-UP IN SAR AUTO PRODUCTS LTD	22,04,170	22,04,170
	150000 (PREVIOUS YEAR 150000) EQUITY SHARES OF RS.10 EACH FULLY PAID-UP IN OMKAR PHARMA LTD	15,00,000	15,00,000
(iv)	EQUITY SHARES FULLY PAID-UP (UNQUOTED)		
	1 (PREVIOUS YEAR 1) EQUITY SHARE OF G.S.F.C STAFF CO.OP CREDIT SOCIETY LTD. OF Rs. 10/-	10	10
	1100 (PREVIOUS YEAR 1100) EQUITY SHARES OF RS.100/- OF GUJARAT INDUSTRIAL& TECHNICAL CONSULTANCY (GITCO)	1,10,000	1,10,000
	1446470(PREVIOUS YEAR 1446470) EQUITY SHARES OF RS.10 EACH FULLY PAIDUP IN JAGADIA COPPER LTD.	1,44,64,700	1,44,64,700

GUJARAT STATE FINANCIAL CORPORATION

Notes to the Financial Statements for the year ended on 31st March, 2022

Note-8 Fixed Assets

(in ₹)

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		As on 01-04-2021	Addition during 2021-22	Deduction during 2021-22	Closing Balance as on 31-03-2022	Provided upto 31-03-2021	Writtenback during 2021-22	Provided during 2021-22	Total Depreciation as on 31-03-2022	As on 31-03-2022	As on 31-03-2021
A.	OWN ASSETS										
1	Furniture & Fixtures	3,27,68,630			3,27,68,630	1,88,38,707		13,92,992	2,02,31,699	1,25,36,931	1,39,29,923
2	Office Equipments	96,57,080	-		96,57,080	66,03,165		4,58,087	70,61,252	25,95,828	30,53,915
3	Office Vehicles	45,18,014			45,18,014	34,62,887		1,58,269	36,21,156	8,96,858	10,55,127
4	Land & Building	3,94,45,116			3,94,45,116	2,80,96,821		8,65,714	2,89,62,535	1,04,82,581	1,13,48,295
5	Computers	2,32,91,120	-		2,32,91,120	2,32,56,458		13,865	2,32,70,323	20,797	34,662
	Total in ₹ [A]	10,96,79,960	-	-	10,96,79,960	8,02,58,038	-	28,88,927	8,31,46,965	2,65,32,995	2,94,21,922
B.	LEASE ASSETS										
1	Machinery & Equipments	15	-	-	15	-	-	-	-	15	15
	Total in ₹ [B]	15	-	-	15	-	-	-	-	15	15
	Total in ₹ [A] + [B]	10,96,79,975	-	-	10,96,79,975	8,02,58,038	-	28,88,927	8,31,46,965	2,65,33,010	2,94,21,937



**Note : 9 Other Assets**

Sr. No	Particulars	As at 31st March 2022 ₹	As at 31st March 2021 ₹
1	LOANS & ADVANCES TO EMPLOYEES	3,14,566	3,90,766
	ADD : INTEREST ACCRUED THEREON	11,59,570	16,67,414
2	CAPITAL SUBSIDY RECEIVABLE	5,80,971	5,80,971
3	SUNDRIES	77,84,908	1,15,92,629
	LESS : STD ON LIEN A/C (CONTRA NOTE.4)	-	(38,08,250)
4	TAX DEDUCTED SOURCES	6,61,672	6,60,572
5	ADVANCE TAX	5,75,442	5,38,876
6	INTEREST ACCRUED BUT NOT DUE ON ICD AND LQDS EXCESS TDS DEPOSITED TO BE ADJUSTED AGAINST EXPENSES	5,25,22,412	5,69,12,589
7		66,430	73,571
8	DEPOSIT FROM LOANEES	12,95,000	12,95,000
	Total in ₹	6,49,60,970	6,99,04,137

GUJARAT STATE FINANCIAL CORPORATION**Note : 10 Other Income**

Sr. No	Particulars	For the Year Ended 31st March 2022 ₹	For the Year Ended 31st March 2021 ₹
1	BAD DEBTS RECOVERED	18,15,791	1,41,990
2	INTEREST ON LOANS TO EMPLOYEES	5,374	17,566
3	DIVIDEND INCOME	11,000	11,000
4	MISCELLANEOUS INCOME	12,78,377	2,42,133
	Total in ₹	31,10,542	4,12,689

Note :11 Interest on Bonds Deposits & Other Borrowings

Sr. No	Particulars	For the Year Ended 31st March 2022 ₹	For the Year Ended 31st March 2021 ₹
1	INTEREST ON GOVT.LOAN	92,90,91,998	92,92,91,188
2	INTEREST ON HERITAGE HOTEL FUND LOAN	5,00,000	5,00,000
3	INTEREST ON LOAN TOWARDS SHARE CAPITAL	41,11,689	41,11,689
4	INTEREST ON DELAYED PAYMENT ON GOVT.LOANS	40,36,87,533	38,50,29,734
	Total in ₹	1,33,73,91,220	1,31,89,32,611

Note :12 Financial Charges & Commitment Charges

Sr. No	Particulars	For the Year Ended 31st March 2022 ₹	For the Year Ended 31st March 2021 ₹
1	BANK CHARGES AND COMMISSION	6,700	6,100
	Total in ₹	6,700	6,100



GUJARAT STATE FINANCIAL CORPORATION

Note: 13 Employee's Cost

Sr. No	Particulars	For the Year Ended 31st March 2022 ₹	For the Year Ended 31st March 2021 ₹
1	SALARY , BONUS & ALLOWANCES	2,06,67,511	2,20,68,509
2	CONTRIBUTION TO STAFF PROVIDEND FUND	29,84,933	31,84,207
3	GRATUITY	73,08,542	64,05,298
4	LEAVE ENCASHMENT	18,550	20,403
5	STAFF WELFARE EXPENSES	18,42,806	2,57,781
	Total in ₹	3,28,22,342	3,19,36,198

Note : 14 Other Expenses

Sr. No	Particulars	For the Year Ended 31st March 2022 ₹	For the Year Ended 31st March 2021 ₹
1	TRAVELLING & OTHER ALLOWANCES	3,18,431	2,22,794
2	DIRECTORS SITTING FEES	1,000	3,000
3	RENT,RATES,TAXES & ELECTRICITY	15,23,083	10,44,932
4	POSTAGE STAMP,TELEGRAMS & TELEPHONE	2,14,921	2,20,896
5	PRINTING & STATIONERY	3,42,175	3,21,722
6	PUBLICITY & ADVERTISEMENT	50,751	41,386
7	REPAIRS & RENEWALS	5,07,747	9,65,440
8	LEGAL CHARGES	6,75,620	7,73,200
9	VEHICLES MAINTENANCE EXPENSES	2,98,324	2,86,302
10	OTHER EXPENSES	53,60,567	57,25,343
11	BAD DEBT WRITTEN OFF	17,13,210	8,12,921
12	COMPUTERISATION EXPENSES	1,97,904	2,84,182
13	FUEL AND CONVEYANCE CHARGES	8,84,107	7,49,669
14	OUTSOURCING CHARGES	-	15,37,547
15	SERVICE TAX & GST EXPENSES	17,74,113	23,12,155
16	PROFESSIONAL FEES	21,92,198	38,55,551
17	PAYMENT TO AUDITORS'	2,20,580	2,20,580
	Total in ₹	1,62,74,731	1,93,77,620



NOTE – 15

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS AND BALANCE SHEET AS AT 31ST MARCH, 2022

A ACCOUNTING POLICIES AND METHOD OF ACCOUNTING:

(01) These financial statements have been prepared on accrual basis, unless otherwise stated, as a going concern under historic cost convention, in accordance with the requirements of the State Financial Corporations Act, 1951; regulations framed thereunder and generally accepted accounting principles.

(02) REVENUE RECOGNITION:

(a) The Corporation recognizes income by way of interest, penalty and other charges after realization of cheques as intimated by banks. Interest income includes penal interest received. The said income recognition is applicable only to interest earned from operational activities and not on interest income earned through investing or financing activities.

(b) In view of the prudential norms prescribed by SIDBI, no income is recognized in respect of Non-Performing Assets (NPA). Income on such assets shall be recognized as and when received. Provision for NPA has been made as per the norms prescribed by SIDBI. All assets have been classified as doubtful for more than three years or loss assets and accordingly 100% provision has been made.

(c) Amount received from the loanees are credited in the books in the following order :

[1] Penalty & other charges

[2] Interest

[3] Principal

(d) Where the unit of the loanees or collateral security is sold, the amount realized is first credited towards principal and if there is any surplus, it is credited towards other dues. However, where the amount realized in respect of the units which were written off in previous year/years and subsequently sold out, the amount is credited to Bad Debts Recovery A/c. under the group of "Other Income".

(e) Prior to 1.4.2018, in case loanees opted for OTS, amount received from the loanee is first apportioned as per normal practice as under:

[1] Penalty & other charges

[2] Interest

[3] Principal

At the time of issuance of No Due Certificate, the effect of OTS scheme is given whereby amount credited to interest/penalty account during recovery period of OTS which otherwise was principal recovery as per OTS scheme is being given effect. The shortfall in principal account is compensated by crediting interest income and write off of the same amount.

Keeping in view the fact that all loan assets are NPAs and 100% provision is made, the aforesaid policy has been changed with effect from 1st April, 2018 as under:



“In case of loanees opted for OTS, amount received from the loanee is apportioned in the following order:-

1. Principal and capitalized expenses
2. Interest
3. Penalty and other charges

At the time of issuance of No Due Certificate, the shortfall in principal account, if any, is compensated by write off of the same amount.”

As a result of adoption of the said accounting policy, during the year under reference, out of an amount of Rs.19.63 lakh (previous year Rs.156.79 lakh) received as recovery from OTS accounts pertaining to the period prior to 01-04-2018, only Rs.9.39 lakh (previous year Rs.37.15 lakh) has been recognized as interest income and balance amount of Rs.10.24 lakh (previous year Rs.119.64 lakh) has been credited towards Principal. Therefore, during the year under reference, interest income is reduced by Rs.10.24 lakh (previous year Rs.119.64 lakh) and write back of NPA provision increased by the same amount.

(03) FIXED ASSETS

Fixed assets including the assets given on lease are recorded at the cost of acquisition including incidental expenses in connection thereto. All fixed assets are stated at cost less depreciation and in case of leased assets, after taking into consideration the lease adjustments account.

All leased assets are shown at Re.1/- book value since lease terms of all the assets have expired.

(04) DEPRECIATION:

[a] Depreciation on assets is provided under Written Down Value Method in accordance with rates prescribed under Income Tax Act, 1961 as under:-

Furniture & Fixtures	: 10%
Office Equipment	: 15%
Motor cars	: 15%
Office Building	: 10%
Residential building	: 5%
Computers	:40%

In case of additions to fixed assets, depreciation is provided for full year where additions are made on or before 30th September and at 50% of the rates for assets acquired after 30th September. In respect of sale/disposal of fixed assets, no depreciation is provided in the year of sale/disposal.

(05) EMPLOYEE BENEFITS:

(a) Salaries and non-monetary benefits are accrued in the year in which the services are rendered by the employees. Contribution to employees' provident fund are recognized as an expense and charged to Statement of Profit and Loss.

(b) For gratuity and leave encashment liabilities, Corporation took policies with Life Insurance Corporation of India which takes care of liabilities on both the counts. The entire premium paid to LIC is charged to Statement of Profit and Loss. The ceiling



limit of maximum amount of gratuity is increased from Rs.10.00 lakh to Rs.20.00 lakh with effect from 29.3.2018. Employee's cost for the year under reference includes Rs.73.09 lakh (previous year Rs.64.05 lakh) remitted to LIC of India towards premium for the gratuity liability of the Corporation.

(06) INVESTMENTS:

Investment is classified as "Available for sale" for the purpose of valuation and provision for net diminution in value of investment is made as per the guidelines issued by SIDBI.

(07) BORROWING COST :

Borrowing cost is recognized as expense and charged to Statement of Profit and Loss.

(08) WRITE OFFS :

While writing off loans, the Corporation takes into consideration the following where

- A] Assets of the loanees are lost
- B] Loanees are not in existence
- C] To the extent of deficit on sale of loanee assets
- D] The units are closed and no recovery is forthcoming
- E] Waiver/sacrifice on account of One Time Settlement/ any other settlement.

(09) TAXATION :

Deferred Tax Asset is not recognized in view of Corporation not being virtually certain of realizing adequate profits in the foreseeable future.

(10) IMPAIRMENT OF ASSETS:

A substantial portion of Corporation's assets comprise of 'financial assets' to which Accounting Standard-28 "Impairment of assets" is not applicable. In respect of assets to which Standard applies, in the opinion of the management, there are no indications, internal or external, which could have the effect of impairing the value of the assets to any material extent as at 31st March, 2022 requiring recognition in terms of the said standard.

(11) EVENTS OCCURRING AFTER THE BALANCE SHEET DATE :

Material adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Non adjusting events (that are indicative of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the report of the Board of Directors.

(12) PROVISION:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources even though the amount cannot be determined with certainty and represents only a best estimate in the light of available information. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.



B. NOTES ON ACCOUNTS:

(01) All Government guaranteed bonds have been redeemed and Government in Industries & Mines Department, vide Resolution No. PRC/102015/1126/P dated 07-10-2021, vacated the Government Guarantee of Rs.43,299.00 lakh thereby making nil outstanding guarantee amount. However, Corporation is in default of guarantee fee of Rs.35,60,39,833/- (Previous year Rs.35,60,39,833/-).

(02) While writing off principal amount as bad debts in certain cases, the value of securities available has not been ascertained and deducted from the principal amount. The sale proceeds of the securities will be accounted as bad debts recovered under the head "Other Income" as and when the amount is realized.

During the year under review, Corporation recovered an amount of Rs.18,15,791/- (previous year Rs.1,41,990/-) from Bad Debts written off.

(03) CONTINGENT LAIBILITES :

Contingent liabilities are not recognized as there is no present obligation as a result of past events and it is probable that there will be an outflow of resources. However, contingent liabilities are disclosed as under:

(i) During the year under reference, no fine was imposed by BSE Ltd in regard to non-compliance with corporate governance requirements (previous year Rs.4,53,120/-).

(ii) Details of Income Tax disputes against which appeals have been preferred are given below. The quantum of disputed tax liability is not ascertainable.

(a) Pending before Income Tax Appellate Tribunal:

Assessment Year	Particulars
2013-14	Appeal No. 1931/A/16 -Addition u/s 2 (24)(x) read with Section 36 (1)(va)

(b) Pending before Hon'ble High Court of Gujarat:

Assessment Year	Particulars
2012-13	Disallowance under Section 14A of Income Tax Act, 1961
2015-16	-do-

Both the appeals have been filed by Income Tax Department against the orders of Income Tax Appellate Tribunal.

(c) Availing Vivad se Vishvas Scheme:-

Corporation availed of the Vivad se Vishvas Scheme introduced by the Income Tax Department in respect of demand raised for Assessment Year 2000-01 and filed Declaration and Undertaking with the department on December 24, 2020. As a part of the Scheme, appeal preferred by the Corporation before Income Tax Appellate Tribunal bearing ITA. No. 1360/Ahd/2016 was withdrawn vide Order of ITAT dated 31st May, 2021. Form No. 5 issued by the Income Tax Department on 27th May, 2021 determined the amount of Rs.24,79,448/-refundable to the Corporation. Further action from the department is awaited.

(04) Details of pending reconciliation:



- (i) In some of the cases, the balances as per the General Ledger are not tallied with the respective subsidiary ledgers.
- (ii) The outstanding balance of borrowings, other liabilities and provisions and other assets are subject to confirmation and adjustment, if any.
- (iii) The difference in Sales Tax Deferment Deemed loan between Subsidiary Ledger and General Ledger stands un-reconciled.
- (05) The figures of previous year have been regrouped and rearranged wherever necessary to make them comparable with the figures of the current year.
- (06) Corporation has made provision as per the prudential norms prescribed by SIDBI on the principal outstanding and other expenses incurred and shown as receivables. The provision made is subject to the Note No. B-4 regarding non reconciliation of general ledger balances as per the subsidiary ledger. During the year under reference, all loan accounts are treated as doubtful for more than three years or loss assets. Accordingly, 100% provision has been made. Corporation has written back excess provision of Rs.32,44,428/- in the current year and shown separately in the Statement of Profit and Loss (Previous year Rs.2,84,10,665/-).
- (07) Corporation's operations are solely in the Financial Service Industry including Investment Operation. As majority of Corporation's total revenue consists of interest income, separate segment reporting as per Accounting Standard -17 is not considered necessary.
- (08) Board of Directors at its meeting held on 3.10.2012 decided to recommend to Government of Gujarat to make the loan of Rs.621,36,80,000/- as interest free from 1.7.2012. A proposal dated 17th October, 2012 has been submitted to Government through Industries & Mines Department and decision is awaited. Till then, interest on Government loan is charged to Statement of Profit & Loss on simple interest basis from 1.7.2012.
- (09) Financial Corporations are established to financing medium and small scale industries as Regional Development Banks for accelerating the industrial growth in States. SFCs are created as statutory Corporations in pursuance to Entry No. 43 of the Union List by Parliament as a special Act. GSFC being body corporate established under SFCs Act, 1951, remedial measures available to companies are not available to the Corporation. The Corporation has suffered immense losses till date. However, it is continuing its recovery functions. The Government has been moved to make the loan advanced to the Corporation interest-free, which is under consideration. Corporation, being a statutory body, thus prepares accounts on "going concern" assumption and it is appropriate under the aforesaid circumstances.

(10) **EARNINGS PER SHARE**

Basic & diluted earnings per share

Particulars	2021-22	2020-21
	₹	₹
Earning attributable to equity shareholders (Rs.) (A)	(1,27,80,77.343)	(1,22,91,74,819)
Weighted average number of shares outstanding (B)	8,91,14,000	8,91,14,000
Basic & Diluted EPS (Rs.) [(A) / (B)]	(14.34)	(13.79)



Basic and diluted earnings per share are computed in accordance with Accounting Standard 20 – Earnings per share. Basic and diluted earnings per share are calculated by dividing the net loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

GENERAL DISCLOSURE:-

(i) Corporation was directed by Oral Order dated 25th March, 2010 by Hon'ble High Court of Gujarat in Letters Patent Appeal No. 517 of 2000 of Neetaben U Chokshi, through PO Falgunbahi Patel Versus GSFC that the appellant shall deposit Rs.20.25 lakh with the first respondent which the first respondent will keep it in separate interest bearing account. Accordingly, the appellant deposited Rs.20.25 lakh with the Corporation which was placed with Corporation Bank (now Union Bank of India) as Fixed Deposit on 19th April, 2010 initially for a term of one year and renewed thereafter from time to time. Pursuant to oral order dated 24.03.2021 of Hon'ble High Court of Gujarat, Record of Proceedings of Hon'ble Supreme Court of India dated 20-04-2021 and as directed vide office note dated 07.12.2021 by Regional Manager, Ahmedabad RO, premature withdrawal of the fixed deposit was effected on 08.12.2021 and Rs.34,40,407/- was remitted to Smt. Neetaben U Choksi and balance amount of Rs.6,14,280/- has been accounted towards "other income".

(ii) Corporation, while acting as an agency to Sales Tax Department, Government of Gujarat, had sanctioned loans being the amount of sales tax payable by loanee units to Sales Tax Department (part of loans and advances depicted under Note 7) and created a liability for the same amount under the head "Long Term Borrowings" (Note 3). The amount recovered from the loanee units is paid to Sales Tax Department. Though the Corporation was only an agency for sanctioning of the loans, it has made provision for NPA of Rs.31.49 crore on the said loan on a conservative basis.

Signatories to Notes "1" to "15"

FOR AND ON BEHALF OF THE BOARD,

(M.R. Malpani) Executive Officer (Accounts)	(Raveendran Nair) Secretary (Board)	(C.V. Arun Kumar) Director	(Ankita R Christian) Director	(Rahul Gupta, IAS) Managing Director
--	---	--------------------------------------	---	--

As per our Report of even date
FOR PRIYAM R SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
ICAI Firm Reg. No. : 118421W

MITESH M NAGAR
PARTNER
Membership No. 173787

PLACE: AHMEDABAD
DATE: 27-05-2022

PLACE: GANDHINAGAR
DATE: 27-05-2022



Disclosure requirement for SFCs
(Financial Year 2021-22)

A. CAPITAL

(a) Capital to Risk Assets Ratio (CRAR)	-661.74%
(b) The Amount of subordinated debt raised and outstanding as Tier-I and Tier -II Capital	(26,883,753,737)
SHARE CAPITAL	891,140,000
SHARE FORFEITED	46,048,000
RESERVES & SURPLUS	2,733,666,913
PROFIT & LOSS ACCOUNT	(30,554,608,650)
(c) Risk weighted assets- separately for on and off balance sheet items	4,062,580,653
PRINCIPAL AMOUNT (TERM LOAN , HIRE PURCHASE & LEASE FINANCE)	4,062,580,653

B. Shareholding pattern as on 31-3-2022

SR NO.	Category	No. of shares held (of ₹10 each)	Percentage of Shareholding
1	Govt. of Gujarat *	49,090,400	55.09%
2	SIDBI*	25,320,000	28.41%
3	Banks & Insurance Co.	400,000	0.45%
4	Others	14,303,600	16.05%
	TOTAL	89,114,000	100.00%

* Includes special class of shares of 18,00,000 & 7,00,000 held by Govt. of Gujarat & SIDBI respectively

C. Assets quality and credit concentration

(a) Percentage of net NPA's to net loans and advances - 100%

	Amount (₹ in crore)	Percentage
Net NPA =	406.26	100%
Net Loans & Advances=	0	0

(b) Amount and percentage of net NPA's under the prescribed assets classification categories

	Amount (Rs. in crore)	Percentage
Standard assets	0	0

D. Amount of provision made/written back during the year towards standard asstes, NPA's Investment (other than those in the nature of an advance)

SR NO.	Assets	Amount (₹ in Crore)	NPA Provision Required FY 20-21	NPA Provision Required FY 21-22	Provision (+)/ Write back (-)
1	NPAs		406.58	406.26	-0.32



E. Particulars of accounts restructured: Nil

F. Movement in net NPA's	Amount (In crore)
Opening Balance of Net NPA's	406.58
Closing Balance of Net NPA's	406.26
Movement in Net NPA's	-0.32

G. Credit Exposure as percentage to capital fund and as percentage to total assets in respect of

credit exposure as a percentage of	Capital Funds (₹ in crore)	Total Assets %
The largest single borrower	2.13	0.52
The largest single group	3.79	0.93
The 10 largest single borrower	27.49	6.77

H. Credit Exposure to the five largest industrial sector as percentage to total Loan Assets Industrywise gross sanction/disbursement/outstanding as on 31.03.2022

(Amount in Cr.)

Industry	Sanction FY 2021-22	Disb. FY 2021-22	Principal O/S as on 31.03.22	Ind. Wise O/S %
Chem & Chemical Prod	0	0	67.60	16.64
Textiles	0	0	53.65	13.21
Food Mfg.	0	0	29.12	7.17
Plastic Ind.	0	0	23.38	5.75
Service	0	0	3.98	0.98
Total	0	0	177.73	43.75

I. Liquidity

Items	Less than OR equal 1 Year	More than 1 Year Upto 3 Years	More than	More than	More than	More than 10 years	Total
			to 3 Year	to 5 Year	to 7 Year		
			Upto 5 Years	Upto 7 Years	Upto 10 Years		
Total Assets	406.26	0.00	0.00	0.00	0.00	0.00	406.26
Liabilites foreign currency	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Liabilites	621.37	0.00	0.00	0.00	0.00	0.00	621.37

I. Operating results

For the Year For the Year
Ended 31st Ended 31st
March, 2022 March, 2021

(A) Interest income as a percentage to average working funds =	0.53%	1.87%
(B) Non-Interest income as a percentage to average working funds =	6.08%	7.80%
(C) Operating Loss as a percentage to average working funds =	-79.41%	-88.15%
(D) Return on Average Assets Employed =	-79.59%	-88.46%
(E) Net loss per employee (Rs. Crore)	4.26	2.34

GUJARAT STATE FINANCIAL CORPORATION

PERFORMANCE OF THE CORPORATION AT A GLANCE DURING THE LAST DECADE

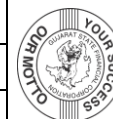
(₹ in Crore)

Sr.No.	Particulars		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Since inception
1	2		3	4	5	6	7	8	9	10	11	12	13
(A)	Assistance												
	1. Flow of Applications Term Loans	No.	----	----	----	----	----	----	----	----	----	----	61756.00
		Rs.	----	----	----	----	----	----	----	----	----	----	5385.60
	2. Loan Sanctioned												
	a. Term Loan	No.	----	----	----	----	----	----	----	----	----	----	46646.00
		Rs.	----	----	----	----	----	----	----	----	----	----	3732.10
	b. Lease Finance	No.	----	----	----	----	----	----	----	----	----	----	41
		Rs.	----	----	----	----	----	----	----	----	----	----	28.62
	c. Short Term Finance	No.	----	----	----	----	----	----	----	----	----	----	299
		Rs.	----	----	----	----	----	----	----	----	----	----	219.48
	d. Line of Crefit	No.	----	----	----	----	----	----	----	----	----	----	11
		Rs.	----	----	----	----	----	----	----	----	----	----	80.00
	e. Bill discounting	No.	----	----	----	----	----	----	----	----	----	----	130
		Rs.	----	----	----	----	----	----	----	----	----	----	227.96
	f. Working Capital Term Loan	No.	----	----	----	----	----	----	----	----	----	----	225
		Rs.	----	----	----	----	----	----	----	----	----	----	174.73
	g. N.H.F.D.C.	No.	----	----	----	----	----	----	----	----	----	----	1113
		Rs.	----	----	----	----	----	----	----	----	----	----	4.36
	h. Fund Based Merchant Banking Activity	No.	----	----	----	----	----	----	----	----	----	----	20
		Rs.	----	----	----	----	----	----	----	----	----	----	26.29
	i. Small Scale Units (SSI)	No.	----	----	----	----	----	----	----	----	----	----	45170
		Rs.	----	----	----	----	----	----	----	----	----	----	3000.59
	j. Backward District	No.	----	----	----	----	----	----	----	----	----	----	18168
		Rs.	----	----	----	----	----	----	----	----	----	----	1482.14
	k. Backward Talukas	No.	----	----	----	----	----	----	----	----	----	----	9759
		Rs.	----	----	----	----	----	----	----	----	----	----	1574.47
	l. Rural Areas	No.	----	----	----	----	----	----	----	----	----	----	13599
		Rs.	----	----	----	----	----	----	----	----	----	----	1935.50
	m. Tribble Area/Talukas Pockets	No.	----	----	----	----	----	----	----	----	----	----	4479
		Rs.	----	----	----	----	----	----	----	----	----	----	652.30



(₹ in Crore)

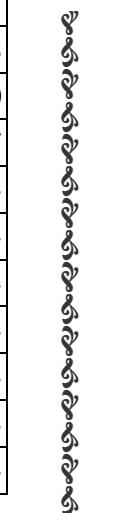
Sr.No.	Particulars		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Since Inception
1	2		3	4	5	6	7	8	9	10	11	12	13
	3. Disbursement												
	a. Term Loan	Rs.	----	----	----	----	----	----	----	----	----	----	2748.92
	b. Lease Finance	Rs.	----	----	----	----	----	----	----	----	----	----	23.14
	c. Short Term Finance	Rs.	----	----	----	----	----	----	----	----	----	----	187.49
	d. Line of Credit	Rs.	----	----	----	----	----	----	----	----	----	----	65.79
	e. Bill discounting	Rs.	----	----	----	----	----	----	----	----	----	----	200.72
	f. Working Capital Term Loan	Rs.	----	----	----	----	----	----	----	----	----	----	154.42
	g. Fund Based Merchant Banking Activity	Rs.	----	----	----	----	----	----	----	----	----	----	11.52
	h. N.H.F.D.C.	Rs.	----	----	----	----	----	----	----	----	----	----	12.31
	4. Recovery												
	a. Term Loan	Rs.	26.14	21.58	12.51	12.74	6.53	7.61	10.86	7.92	3.53	1.61	3501.94
	b. Lease Finance	Rs.	----	----	----	----	----	----	----	----	----	----	14.64
	c. Short Term Finance	Rs.	----	----	----	----	----	----	----	----	----	----	208.16
	d. Line of Credit	Rs.	----	----	----	----	----	----	----	----	----	----	60.53
	e. Bill discounting	Rs.	3.01	3.29	0.24	2.31	----	----	----	----	----	----	209.99
	f. Working Capital Term Loan	Rs.	5.40	3.25	0.89	1.79	0.46	1.04	0.54	0.03	----	----	115.85
	g. Fund Based Merchant Banking Activity	Rs.	----	----	----	----	----	----	----	----	----	----	0.11
	h. N.H.F.D.C.	Rs.	----	----	----	0.02	0.03	0.01	0.31	----	----	----	1.85
	5. Loan Outstanding(at year end)	No.	----	----	----	----	----	----	----	----	----	----	----
(B)	Working Results												
	1. Earning												
	a. Interest	Rs.	25.06	18.03	7.97	11.67	3.18	6.46	2.42	2.13	0.42	0.85	
	b. Other Income	Rs.	6.35	6.88	6.84	12.01	9.87	8.58	10.12	11.33	10.58	9.76	



KARNATAKA GOVT. BANK

(₹ in Crore)

Sr.No.	Particulars		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
1	2		3	4	5	7	8	9	10	11	12	13
2	Expenditure											
a	Interest on bond,deposits & Other Borrowings	Rs.	145.71	115.21	118.26	121.09	123.66	125.99	128.05	129.99	131.89	133.74
b	Financial Expenses & Commitment Charges	Rs.	0.00	0.00	0.00	0.00	0.01	0	0.001	0.00	0.00	0.00
c	Personnel Expenses	Rs.	4.33	4.53	5.10	4.08	3.95	3.22	3.00	2.99	3.19	3.28
d	Other expnses	Rs.	27.37	14.71	11.88	14.88	7.10	3.75	5.16	3.52	1.94	1.63
e	Depreciation	Rs.	0.20	0.31	0.42	0.43	0.52	0.47	0.41	0.36	0.33	0.29
f	Provision against NPA	Rs.	-33.04	-15.90	-8.85	-11.81	-4.85	-2.94	-9.20	-5.97	-2.84	0.33
3	Profit/(Loss) before tax	Rs.	-113.16	-112.76	-121.64	-104.99	-117.18	-115.53	-114.87	-117.44	-122.92	127.81
4	Profit/(Loss) after tax	Rs.	-113.16	-112.79	-121.64	-104.99	-117.18	-115.53	-114.87	-117.44	-122.92	127.81
(C)	Capital & Resources (as at the end of)											
1	Paid up capital	Rs.	89.11	89.11	89.11	89.11	89.11	89.11	89.11	89.11	89.11	89.11
2	Share Forfieted	Rs.	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60
3	Reserves	Rs.	(1753.77)	(1866.55)	(1961.36)	273.37	273.37	273.37	273.37	273.37	273.37	273.37
4	Borrowings	Rs.	661.69	661.69	661.68	661.68	661.68	661.68	661.68	661.68	661.68	661.68
a	Market Bonds	Rs.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b	Govt. Loan	Rs.	621.37	621.37	621.37	621.37	621.37	621.37	621.37	621.37	621.37	621.37
c	SIDBI Loan	Rs.	---	---	---	---	---	---	---	---	---	---
d	Refinance	Rs.	---	---	---	---	---	---	---	---	---	---
e	Fixed Deposits	Rs.	---	---	---	---	---	---	---	---	---	---
f	Line of Credit from Banks	Rs.	---	---	---	---	---	---	---	---	---	---
g	Priority Sector Bond	Rs.	0.00	---	---	---	---	---	---	---	---	---
h	Loan from NHFDC	Rs.	---	---	---	---	---	---	---	---	---	---
i	Short Term Loan GIDC	Rs.	---	---	---	---	---	---	---	---	---	---





HEAD OFFICE

GUJARAT STATE FINANCIAL CORPORATION

SECTOR-11, GH-4, UDYOG BHAVAN, GANDHINAGAR-382 010

TELE. NO. (079) 23256761 to 66, 23256772-74, FAX NO. (079) 23252204

E-mail : webmaster-gsfc@gujarat.gov.in, **Web site :** <http://www.gsfc.gujarat.gov.in>

REGIONAL OFFICES
<p><u>AHMEDABAD REGIONAL OFFICE</u></p> <p>BLOCK NO. 10, FIRST FLOOR, UDYOG BHAVAN, GANDHINAGAR-382 010</p> <p>TELE. NO. (079) 232 21594, 232 52209</p> <p>FAX NO. (079) 232 21625</p>
<p><u>SURAT REGIONAL OFFICE</u></p> <p>2ND FLOOR, MIRAMBICA COMPLEX, OPP. GANDHI BAUG, CHOWK BAZAR, SURAT.</p> <p>TELE. NO. (0261) 2460546/47</p> <p>FAX NO. (0261) 2460543</p>
<p><u>RAJKOT REGIONAL OFFICE</u></p> <p>RACE COURSE, RING ROAD, NEAR LIFE BUILDING, RAJKOT-360 001.</p> <p>TELE. NO. (0281) 2443664, 2442715</p> <p>FAX NO. (0281) 2479292</p>



GUJARAT STATE FINANCIAL CORPORATION

Head Office : UDYOG BHAVAN, 1st FLOOR, BLOCK NO.10,
SECTOR-11, GH-4, GANDHINAGAR-382 010.

ATTENDANCE SLIP

Folio No.	
DP ID	
Client ID	
No. of shares	

I certify that I am a registered shareholder of the Corporation. I hereby record my presence at the SIXTY SECOND ANNUAL GENERAL MEETING of the Corporation in the Office of the Corporation at Head Office at Udyog Bhavan, Block No. 10, 1st Floor, Sector-11, Gandhinagar-382010 on Friday the 29th July, 2022 at 1:00 p.m.

**Signature of the attending
Member / Proxy**

Note : A Shareholder / Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.

GUJARAT STATE FINANCIAL CORPORATION

Head Office : UDYOG BHAVAN, 1st FLOOR, BLOCK NO.10,
SECTOR-11, GH-4, GANDHINAGAR-382 010.

PROXY FORM

I / We..... of
..... in the district of
..... being a Member/Members of the above named Corporation hereby
appoint..... of in the district
of or failing him of in the district
of as my/our proxy to attend and vote for me/us and on my/our behalf
at the SIXTY SECOND ANNUAL GENERAL MEETING of the Corporation in the Office of the
Corporation at Head Office at Udyog Bhavan Block No.10, 1st Floor Sector-11, Gandhinagar-382010
on Friday the 29th July, 2022 at 1:00 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2022.

Folio No.	
DP ID	
Client ID	
No. of shares	

**Affix ₹ 1
Revenue
Stamp
Signature**

1. This form, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Head Office of the Corporation at Gandhinagar not less than 7 clear days before the date of the meeting.
2. A Proxy need not be a member of the Corporation.

Gujarat State Financial Corporation

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

Gandhinagar - 382010

Designed, Processed & Printed @ Government Central Press, Gandhinagar