

**GUJARAT STATE FINANCIAL CORPORATION
SECRETARIAL CELL**

MINUTES OF THE 53RD ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF GUJARAT STATE FINANCIAL CORPORATION HELD ON FRIDAY, THE 13TH DECEMBER, 2013 AT 4.00 P.M. IN THE OFFICE OF THE CHAIRMAN AT HEAD OFFICE AT UDYOG BHAVAN, BLOCK NO. 10, FIRST FLOOR, SECTOR-11, GANDHINAGAR – 382017.

In attendance :

Board of Directors

1. Shri Arvind Agarwal, IAS, Managing Director

Class 'A' Shareholders

2. Shri Anand Bihola, Under Secretary, Industries & Mines Department, Gandhinagar, to represent the Governor of Gujarat (authorization vide order No. GFC/(AGM)/102012/658312/2011/P dated 19/11/2013 of Industries & Mines Department, Sachivalaya, Gandhinagar).

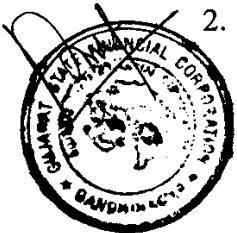
Class 'D' Shareholders

3. 22 shareholders belonging to class 'D' category remained present in person.

In presence :

1. Shri Rashmibhai Shah, Chartered Accountant, Partner – M/s. Mahendra N Shah & Company, Ahmedabad – Statutory Auditor

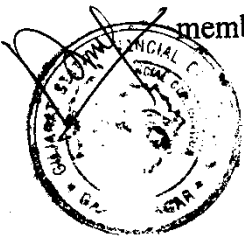
2. Shri Raveendran Nair, Secretary (Board)



At the outset, Secretary (Board) welcomed the shareholders and informed that ten members present in person or by proxy constitute a valid quorum and that the necessary quorum was present for the meeting. He further informed the members that since the Chairman could not attend the meeting, in accordance with Regulation 26 (i) of the GSFC General Regulations, the shareholders could elect any one of the Directors present to hold the office as Chairman of this meeting. Shri Anand Bihola, representative of Governor of Gujarat, proposed the name of Shri Arvind Agarwal, IAS, Managing Director, as Chairman of this Annual General meeting. Shri Kamal Bhatt, shareholder, seconded the proposal. The proposal was put to vote by show of hands and Shri Arvind Agarwal, IAS, Managing Director, was unanimously elected as Chairman of the meeting. Thereafter, Secretary (Board) requested Chairman to occupy the chair and regulate the meeting. Accordingly Chairman occupied the Chair. Secretary (Board), thereafter, announced commencement of the meeting.

With the permission of the members present, Chairman took the Statement of Profit and Loss of the Corporation for the year ended 31st March 2013 and the Balance Sheet as on that date along with the Auditor's Report thereon and the report of the Board of Directors as read. Thereafter, Chairman addressed the members highlighting the performance of the Corporation for the financial year 2012-13.

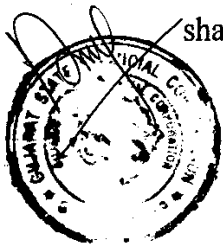
Secretary (Board) read before the members the agenda items as per the notice to be transacted in the meeting. With the unanimous approval of members, the Auditor's Report was taken as read.



Chairman thereafter moved Resolution of agenda item No. 1 regarding adoption of Statement Profit & Loss of the Corporation for the year 2012-13 and the Balance Sheet as on that date along with Auditor's report thereon and report of the Board of Directors. Shri N S. Bhatia, shareholder, seconded the Resolution. The Resolution was put to vote by show of hands. As no one voted against the Resolution, the following Resolution was passed unanimously:

‘RESOLVED THAT THE STATEMENT OF PROFIT AND LOSS AND BALANCE SHEET OF THE CORPORATION FOR THE YEAR ENDED ON 31ST MARCH 2013 ALONG WITH AUDITORS' REPORT THEREON AND THE REPORT OF THE BOARD OF DIRECTORS BE AND ARE HEREBY RECEIVED, CONSIDERED AND ADOPTED.’

Chairman thereafter informed the shareholders that as per Section 37 (1) of the SFCs Act, 1951, the auditors shall be required to be appointed or re-appointed in the General Meeting out of the panel of auditors approved by Reserve Bank of India. He further informed that RBI vide letter dated 12TH June 2013 confirmed eligibility for reappointment of M/s. Mahendra N Shah & Company, Chartered Accountants, Ahmedabad as Auditors of the Corporation and left to the Corporation to fix their remuneration keeping in view the past trend and the actual work-load involved. He also informed that the said firm of Chartered Accountants consented to act as statutory auditors at a remuneration of Rs.1,17,250/- plus service tax etc. as was paid to them in the last year. Chairman informed the members that as recommended by Audit Committee, the Board recommends to members to continue to pay audit fee on same lines as was paid during the previous financial year 2011-12. He thereafter moved the Resolution for reappointment of said firm of auditors and Shri Somsinh Hathila, shareholder, seconded the Resolution. The Resolution was put to vote by

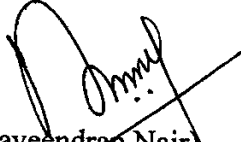


show of hand. As no one voted against the Resolution, the following Resolution was passed unanimously.

'RESOLVED THAT M/S. MAHENDRA N SHAH & COMPANY, CHARTERED ACCOUNTANTS, E-BLOCK, CAPITAL COMMERCIAL CENTRE, ASHRAM ROAD, AHMEDABAD 380 009 BE AND ARE HEREBY REAPPOINTED AS AUDITORS OF THE CORPORATION TO HOLD OFFICE FROM THE CONCLUSION OF 53RD ANNUAL GENERAL MEETING TILL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AT A FEE OF RS.1,17,250/- PLUS TAXES PLUS HALTING AND TRAVELLING EXPENSES ON ACTUAL BASIS AS ALSO 12% OF AUDIT FEE FOR OBTAINING LIMITED REVIEW CERTIFICATES ETC.

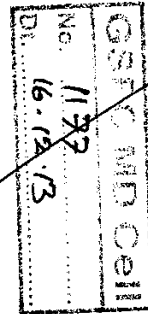
Secretary (Board) thanked the Chairman and shareholders for sparing their valuable time and attending the meeting.

As there was no other business to be transacted, Secretary (Board), with the permission of the Chair, declared the meeting as concluded.


(Raveendran Nair)
Secretary (Board)

(Arvind Agarwal)
Chairman of the meeting


16/12



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

Speech of the Chairman at 53rd Annual General Meeting of the shareholders of Gujarat State Financial Corporation held on 13th December, 2013 at 4.00 PM in the office of the Chairman, GSFC, Head Office, Udyog Bhavan, 1st Floor, Block 10, Sector 11, Gandhinagar.

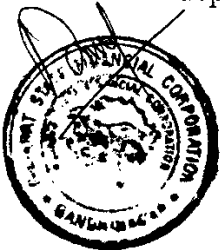
Ladies and Gentlemen,

It is my great pleasure to welcome you all to the 53rd AGM of your Corporation. I thank you all for making it convenient to attend the meeting.

The Directors' Report and the Corporation's Annual accounts for the financial year ending 31st March, 2013 have already been circulated to you. With your kind permission, I take them as read. I take this opportunity to share my views on the economic scenario as well as to present the performance highlights of your Corporation.

ECONOMIC OVERVIEW

Indian economy witnessed a slowdown in growth in 2012-13 in line with the global economy. However, its rate of growth still remains relatively higher than the western nations, supported by its better domestic demand. The twin deficits – fiscal deficit and current account deficit – together with high inflation have posed the problems on both monetary policy and fiscal policy front limiting the ability of the Government to support GDP growth. During the year 2012-13, Indian economy recorded mere 5% growth, the lowest in the last decade. It is a matter of concern that India's competitiveness, both in the global and domestic markets, is being adversely impacted due to high cost structure arising from a host of factors, inter alia, including high interest rates, increasing power and fuel costs, absence of labour reforms and more particularly, inadequate infrastructure. The fluctuations in exchange rate, rising oil and coal prices, power shortages, weak growth in traditionally strong economies, debt contagion, rise in interest rates, high inflation rate and high current account deficit has created a challenging situation. The market also witnessed unprecedented rupee depreciation triggered primarily by the news of possible tapering in quantitative



easing programme of the US. The recent policy actions taken by the Government, declining inflation, reduction in fiscal deficit and improving global economic environment are supportive of higher growth rate in Financial Year 2013-14.

PERFORMANCE OF GSFC DURING 2012-13

Though there was little improvement, the performance of the Corporation has not been different from past years. You are aware that Corporation has discontinued its main functions of sanction and disbursement for more than a decade and presently confined to recovery of dues only. In spite of adverse circumstances, your Corporation's recovery performance has improved slightly compared to the previous year. During the year under reference, Corporation recovered Rs.34.55 crore as against Rs.31.69 crore during the previous year. The total income, including exceptional income, for the year under reference stood at Rs.64.44 crore whereas the same for the last year was Rs.56.71 crore. Your Corporation incurred total expenditure of Rs.177.61 crore during the year under reference as against Rs.265.63 crore during the last year. The net loss reported by your Corporation stood at Rs.113.16 crore during the year as against Rs.208.92 crore in the previous year. The accumulated loss of the Corporation as on balance sheet date stood at Rs.2027.13 crore.

I am also happy to share the half yearly results of the Corporation for the current financial year 2013-14. During the first half of the current financial year, Corporation's total income stood at Rs.6.97 crore as against Rs.16.02 crore of the corresponding period of last year. Total expenditure for the period under reference was Rs.64.38 crore while the same for the first half of the last year was Rs.98.99 crore. The net loss for the six months upto 30th September, 2013 stood at Rs.57.41 crore as against Rs.82.97 crore during the corresponding period of last year.

I am happy to inform the members that Corporation has tried to contain the loss to the maximum possible extent. I am also happy to place before you that Corporation has repaid all external debts during the year except that of Government of Gujarat.



ACKNOWLEDGEMENT

On behalf of the Corporation and all of you, I take this opportunity to thank our valued customers, investors, bankers and consultants for their continued support. I sincerely thank the Government of Gujarat, particularly the Industries & Mines Department and Finance Department, for their unstinted support and valuable guidance. My grateful thanks are also due to the Reserve Bank of India and SIDBI and their local offices for their co-operation. I would also like to thank all my colleagues on the Board for their valuable guidance and contribution. I sincerely acknowledge the support and co-operation of my colleagues and thank all the employees of the Corporation for their untiring efforts.

Thank you.

