

53<sup>rd</sup>

**Annual Report**  
.....  
**2013**



**GUJARAT STATE FINANCIAL CORPORATION**  
**GANDHINAGAR**



## **BOARD OF DIRECTORS**

(As on 25<sup>th</sup> July, 2013)

### **CHAIRMAN**

**SHRI M. SAHU, IAS**

(Nominated as Director by Government of Gujarat & appointed as  
Chairman by SIDBI)

### **DIRECTORS**

**MISS S. APARNA, IAS**

(Nominated by State Government)

**SHRI K. C. BHANOO**

(Nominated by SIDBI)

### **MANAGING DIRECTOR**

**SHRI ARVIND AGARWAL, IAS**

### **SECRETARY (BOARD)**

**SHRI RAVEENDRAN NAIR**

### **AUDITORS**

**M/S. MAHENDRA N. SHAH & CO.**

**CHARTERED ACCOUNTANTS,**

**AHMEDABAD**

### **HEAD OFFICE**

**Udyog Bhavan, Block No. 10, 1<sup>st</sup> Floor, Sector-11, GH-4,**

**Gandhinagar-382 017**

### **REGIONAL OFFICES**

**Ahmedabad, Surat, Rajkot**



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## NOTICE

Notice under Regulation No. 23 of General Regulations of the Corporation is hereby given that the 53<sup>rd</sup> Annual General Meeting of the shareholders of the Corporation will be held on **Friday, the 13<sup>th</sup> December, 2013 at 4.00 P.M. in the Office of the Chairman at Head Office at Udyog Bhavan, Block No. 10, 1<sup>st</sup> Floor, Sector-11, Gandhinagar-382 017** to transact the following business :

- (i) To receive, consider and adopt the Statement of Profit and Loss and Balance Sheet of the Corporation for the year ended 31<sup>st</sup> March, 2013 along with Auditor's Report thereon and the report of the Board of Directors.
- (ii) To reappoint M/s. Mahendra N. Shah & Co. Chartered Accountants, Ahmedabad as 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.

### Note :

1. A shareholder shall be entitled for one vote for each share held by him for the whole period of six months prior to the date of 53<sup>rd</sup> Annual General Meeting.
2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Corporation.**
3. The instrument(s) appointing proxy, if any, shall be delivered at the Head Office of the Corporation not less than 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 11.12.2013 to 13.12.2013 (both days inclusive).
5. Shareholders desirous of having any information are requested to send their queries to the Corporation at least seven days before the date of the meeting so that the requisite information is made available at the meeting.
6. Shareholders are requested to bring their copies of Annual Report to the Annual General Meeting.

By order of the Board of Directors,

Place : Gandhinagar  
Date : 05-10-2013

**(ARVIND AGARWAL)**  
MANAGING DIRECTOR



## DIRECTOR'S REPORT

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To the Members,

Your Directors present the 53rd Annual Report of the Corporation together with the audited statements of Accounts for the year ended 31st March 2013.

### 1.0 Economy :

Fiscal 2013 has been a challenging year for the Indian economy. During the FY 2012-13, both domestic and global factors affected growth of Indian economy. Moderation in GDP growth, high inflation and fiscal deficit as well as widening Current Account Deficit were the major concerns of the economy. Macro-economic climate showed a downward trend. While India's recent slowdown is partly rooted in external causes, domestic causes are also important. The strong post financial crisis stimulus led to stronger growth in previous years. The slowdown, especially in 2012-13, has been across the board, with no sector of the economy unaffected. Wholesale price index (WIP) inflation has declined and stayed within 4 to 5% but Consumer Price Indices (CPI) remained elevated at close to double digits during the year. The economic growth during FY 2012-13 has come down to 5% from 6.2% in the FY 2011-12. The softening global commodity prices, improved economic conditions in the US, pickup in Indian export prospects and good monsoon augur well for Indian economy and are expected to contribute positively to better numbers this current fiscal.

### 2.0 Operational Results/Financial Highlights :

Corporation's main source of income is recovery from dues. During the year under reference, the total income, including exceptional item, stood at ₹ 64.44 crore compared to ₹ 56.71 crore during the previous year 2011-12. The total expenditure for the period under reference came to ₹ 177.61 crore as against ₹ 265.63 crore in 2011-12. Loss of the Corporation for the year under reference stood at ₹ 113.16 crore while that of the previous year was ₹ 208.92 crore. The accumulated loss of the Corporation as on 31st March, 2013 stood at ₹ 2027.13 crore.

Corporation redeemed the last trench of bonds guaranteed by the State Government totaling face value of ₹ 1.25 crore while that of Public Sector Bonds amounting to ₹ 1.10 crore. There are no guaranteed or un-guaranteed bonds outstanding as on date of report.

### 3.0 Resources :

Corporation is receiving active support of Government of Gujarat by way of budgetary allocation of funds to meet its liabilities. During the year under report, Corporation has not availed of loan from Government of Gujarat.

### 4.0 Recovery :

Corporation has put in place strong systems for resolution and recovery of non-performing loans. The One Time Settlement schemes for term loans and BIFR cases were operative upto 30th September, 2012. As a result of concerted efforts, Corporation recovered an amount of ₹ 34.55 crore during the year 2012-13 as against ₹ 31.69 crore recovered during FY 2011-12.



## 5.0 Human Resource :

In order to boost the morale of the staff, promotions to ten officers/employees to the next higher cadres have been granted in FY 2012-13. The process of upliftment of human resources through imparting training to appropriate employees has also been undertaken. During the year under reference, 15 staff of various cadres has been nominated for external training programs at the institutions of national repute. Severance of 29 personnel took place during the year under reference due to retirement etc. The total staff strength as on 31/03/2013 is as under :

1.	Grade 'A' Officers	11
2.	Grade 'B' officers	74
3.	Grade 'C' employees	21
<b>Total</b>		<b>106</b>

Out of 106 employees, 35 staff is on deputation/loan service to other offices of the Government.

## 6.0 Auditors :

The statutory audit was carried out by M/s. Mahendra N. Shah & Co., Chartered Accountants, Ahmedabad. Their report is being annexed and forms part of this report. The statutory auditors will retire at the ensuing Annual General Meeting. As recommended by RBI under the provisions of Section 37 (1) of the SFCs Act, 1951, followed by recommendation by the Audit Committee, the Board has proposed the re-appointment of M/s. Mahendra N Shah & Co., Chartered Accountants, as statutory auditors for financial year 2013-14. Their re-appointment is being placed before the shareholders for approval.

## 7.0 Board of Directors :

The following changes have taken place in the Board of Directors of the Corporation during the year ended 31st March, 2013:

SIDBI, vide its letter dated 7.8.2012, withdrawn the nomination of Shri R. D.Silva as Director on the Board of the Corporation and further informed vide letter dated 21.8.2012 that they have decided to appoint only one nominee on the Board of the Corporation for the present.

Government of Gujarat in Finance Department vide Notification dated 3rd October, 2012, withdrawn the nomination of Shri D. N. Pandey, IAS on the Board of the Corporation and nominated Miss. S. Aparna, IAS, Commissioner (Bureau of Public Enterprises) & Principal Secretary, Finance Department, in his place.

The Board places on record its gratitude for the valuable contribution rendered by Shri R. D. Silva and Shri D. N. Pandey, IAS, during their tenure of office as Directors on the Board.

As per Clause 49 of the Listing Agreement, brief resume of the Director, who has been nominated by Government of Gujarat during the period under reference, is furnished in the Corporate Governance Report attached to this Directors' Report.



## 8.0 Corporate Governance :

Management Discussion and Analysis Report, Corporate Governance Report and Certificate regarding compliance of conditions of Corporate Governance are annexed hereto and form part of the Annual Report in compliance of Clause 49 of the Listing Agreement with Stock Exchanges.

## 9.0 Directors' Responsibility Statement :

The Directors, based on the representations received from the Accounts Department, hereby confirm that :

1. in the preparation of the annual accounts for the year ended 31st March 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
2. such accounting policies as mentioned in Note 16 of the Annual Accounts have been selected and applied consistently and judgments and estimates that are reasonable and prudent are made 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 2013 and of the loss of the Corporation for that year.
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 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 2013 has been prepared on a going concern basis.

## 10.0 Acknowledgement :

The Board of Directors is pleased to place on record its gratitude to the Government of Gujarat for continuous support. The Board takes this opportunity to thank the Industries & Mines Department and Finance Department of Government of Gujarat for their timely help, support and guidance. The Board gratefully acknowledges the assistance and support provided by RBI, SIDBI and its Ahmedabad office to the Corporation. The Board also acknowledges with thanks the commercial banks for their support and co-operation.

The Board is also pleased to place on record its gratitude to the Members for their continued support and confidence. The Board also appreciates the dedicated efforts made by the employees of the Corporation at all levels during the year.

For and on behalf of the Board

Place : Gandhinagar  
Date : 25/07/2013

(Arvind Agarwal)  
Managing Director





## ADDENDUM TO THE DIRECTOR'S REPORT

### EXPLANATORY NOTES OF THE BOARD OF DIRECTORS ON QUALIFICATIONS/ OBSERVATIONS OF STATUTORY AUDITORS

#### Point No. (IV)

Regarding dues payable to Government of Gujarat, Corporation has been availing assistance by way of loan from Government of Gujarat till 2011-12 to repay Government guaranteed obligations. Corporation is not generating adequate funds to meet with all liabilities. Due to weak financial condition, default in dues payable to Government of Gujarat has taken place.

#### Point No. (V) Reconciliation of General Ledgers and Sub-ledgers

In some loan accounts, credit balances are shown since long. Reconciliation of most of the accounts have already been undertaken with both the General Ledger and Subsidiary Ledgers. The difference during the year under reference has reduced. Since reconciliation of accounts has been undertaken as an ongoing process, the difference will be set right in due course.

#### POINT NO. (VI) FIXED ASSETS

Corporation has already entrusted the work of physical verification of fixed assets and preparation of Fixed Assets Register to a professional firm of Chartered Accountants. The work is in progress and will be completed in the current year 2013-14.

#### POINT NO. (VII) INVESTMENT

The securities under question are acquired long back. Some companies are not in existence. The shares are not tradable in the open market. Under these circumstances, Corporation could not dispose off the securities though more than 7 years have passed. However, Corporation has made provision for diminution in value on investment keeping aside a token value of ₹ 1/- in abeyance.

#### POINT NO. (VIII) UNCLAIMED/UNPAID DIVIDEND

The provisions of SFCs Act, 1951 are applicable to the Corporation instead of Companies Act, 1956. Further, Regulation 58 (iv) empowers the Corporation to retain the dividend. Since there is a specific provision under the governing regulations framed under the applicable Act, it is not considered necessary to transfer unpaid dividend to Investor Education & Protection Fund.

#### POINT NO. (IX) LOAN & ADVANCES AND NPA PROVISION

Corporation has 5659 units/accounts as on 31.3.2013 under doubtful category scattered all over the State of Gujarat where valuation of each unit is not feasible. Moreover, Corporation has already made provision for 99.50% of the loan assets. Since 100% provision is made against doubtful assets, the difference between General Ledger and Subsidiary Leger may not have much impact on provision made.







## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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### (1) Term Lending Institutions :

The Micro, Small and Medium Enterprises (MSMEs) play an essential role in the overall industrial economy of the country. The MSME sector not only plays a critical role in providing employment opportunities at a comparatively lower capital cost than large industries but also helps in industrialization of rural and backward areas, reducing regional imbalances and assuring more equitable distribution of national income and wealth. In order to provide financial assistance to entrepreneurs who set up industrial units in MSME sector and for balanced regional growth, State Financial Corporations were set up at State levels in fifties. Though the SFCs contributed significantly to value addition, employment generation and overall growth and development of India's economy, its fortunes have declined due to liberalization of economy and financial sector reforms. Banks and NBFCs, hitherto reluctant to extend financial assistance to the sector, have vigorously lined up for garnering business with attractive terms. Availability of cheap funds also helped them to extend financial assistance at competitive rates. Most SFCs could not withstand competition from banks and NBFCs. On the other hand, SFCs avenues to get funds at competitive rates diminished affecting adversely its operations. As a result of combined adverse factors, SFCs are either compelled to withdraw from operational activities or diversify into new areas of business.

### (2) Corporation's Performance :

Corporation could not withstand competition and found it difficult to carry on its operations. Due to adverse factors distressing its operations, Corporation was compelled to discontinue main operations of sanction and disbursement since 2001. The asset quality has also declined significantly. As on date of report, Corporation's NPA stood at 99.5%. In spite of difficult circumstances, the recovery made by the Corporation registered a modest increase of 9% over the previous year and stood at ₹ 34.55 crore as against ₹ 31.69 crore during 2011-12.

### (3) Opportunities & Threats :

The MSME sector has been accorded high priority by banks and financial institutions for term lending. MSMEs have outperformed IIP and GDP growth rates in the recent years. Though there is potential to serve the sector from close quarters by SFCs, due to adverse financial position and its inability to raise funds, Corporation's activities are limited to recovery of dues only.

### (4) Internal control system and their adequacy :

The Corporation has proper and adequate system of internal controls proportionate to its size and business. The regular internal audit of the Corporation is carried out by an external firm of Chartered Accountants to ensure that the systems are adequate. The internal control system of the Corporation is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.



**(5) Human Resources :**

As on 31st March, 2013, the Corporation has 106 employees on its pay-roll. 15 officials of the Corporation were nominated to various external training programs and promotions to 11 staff were granted in Class “A” cadres during the year. Industrial relations continued to be cordial and harmonious.

**(6) Financial Performance :**

**Share Capital**

The share capital of the Corporation comprises of equity shares of ₹ 10/- each of different categories in line with provisions Section 4(3) and 4-A of the SFCs Act, 1951. The paid-up equity capital of the Corporation consists of 8,91,14,000 equity shares of ₹ 10/- each out of which 1,43,03,600 Class “d” equity shares issued to the general public are listed with National and Bombay Stock Exchanges.

**Long term borrowings**

Government guaranteed bonds having face value of ₹ 1.25 crore were repaid during the year. Corporation also repaid Priority Sector Bonds (Non-guaranteed) worth ₹ 1.10 crore in the same period. No PSB/SLR bonds remain to be redeemed as on 31.3.2013. During the year under reference, Corporation has not availed soft loan from Government of Gujarat. The principal dues payable to Government of Gujarat under Soft Loan portfolio remained same at ₹ 621.37 crore as on 31/03/2013.

**Financial Results**

(₹ in Crore)

Particulars	Year ended 31/03/2013	Year ended 31/03/2012
Total Income	64.44	56.71
Interest expenses	145.71	220.42
Other expenses	31.70	44.79
Loss before depreciation & tax	113.36	208.51
Depreciation	0.20	0.17
Loss before tax	113.16	208.68
Tax (of previous years)	0	0.24
Loss after depreciation & tax	113.16	208.92
Balance carried over to balance sheet	2027.13	1913.97

**(7) Cautionary Statements :**

The Management Discussion and Analysis Report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statements as important factors could influence the Corporation’s operations such as Government policies and economic developments.





## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2012-13

### 1. PHILOSOPHY ON CODE OF GOVERNANCE

The corporate governance philosophy of Gujarat State Financial Corporation encompasses regulatory and legal requirements such as accountability, transparency and fairness in its all transactions so as to enhance long-term shareholder value while safeguarding the interest of all the stakeholders. The policies, procedures and practices that are installed in the organization aim at courtesy and dignity in all transactions within and outside the Corporation with customers, employees, investors, competitors, the Government and the society.

### 2. BOARD OF DIRECTORS

#### Composition of Board

The composition of the Board is governed by the provisions of Section 10 of the State Financial Corporations Act, 1951. As at March 31, 2013, the Board of Directors consisted of four Directors viz., two nominees of Govt. of Gujarat, one nominee of Small Industries Development Bank of India and the Managing Director appointed by Govt. of Gujarat. One of the Directors nominated by the Government of Gujarat has been appointed as Chairman by Small Industries Development Bank of India.

#### A. Attendance of each Director at the Board meetings and the last AGM

Details of Board meetings, attendance of Directors etc., are as under :

Sr. No.	Name of Director	No. of meetings			No. of other companies BODS/Board/Committee where he/she is a Member/ Director/ Chairman
		Held during the tenure	Attended	Attendance at the AGM held on 8-11-2012	
1	<b>Shri M. Sahu, IAS</b> (As Director from 2-4-09 & as Chairman from 9-9-09 onwards)	5	5	Not present	07
2	<b>Shri Arvind Agarwal, IAS</b> Managing Director (From 7-5-2007 onwards)	5	5	Present	01
3	<b>Shri D. N. Pandey, IAS*</b> (From 17-9-2011 to 2-10-2012)	2	0	Not present	07
4	<b>Shri K. C. Bhanoo</b> (From 10-6-2010 onwards)	5	3	Present	03
5	<b>Shri R. D'Silva*</b> (From 10-6-2010 to 6-8-2012)	2	1	N.A.	1
6	<b>Miss S. Aparna, IAS</b> (From 3-10-2012 onwards)	2	0	Not present	12

\* Ceased to be Directors during the year.



During the year under reference, Government of Gujarat in Finance Department vide Notification dated 3rd October, 2012, withdrawn nomination of Shri D. N. Pandey, IAS, and in his place Miss. S. Aparna, IAS, Commissioner (Bureau of Public Enterprises) & Secretary, Finance Department, was nominated.

The nomination of Shri R. D.Silva, Deputy General Manager, SIDBI, on the Board of the Corporation was withdrawn vide SIDBI letter dated 7th August, 2012. SIDBI further informed vide letter dated 21.8.2012 that they have decided to appoint only one nominee on the Board of the Corporation for the present.

**INFORMATION ABOUT DIRECTOR JOINED THE BOARD DURING THE YEAR UNDER THE CODE OF CORPORATE GOVERNANCE CLAUSE :**

Name of Director	Miss. S. Aparna, IAS
Date of birth	14.10.1963
Date of appointment	3.10.2012 (Nomination by Government of Gujarat)
Qualification	M.Sc. (Zoology) M.Phil. (Energy & Environment) M.B.A. (International Finance)
Expertise in specific functional area	Rich and varied experience in public administration. Worked in various departments/offices of Government of Gujarat. Presently Principal Secretary (Economic Affairs) in Finance Department, Government of Gujarat.
Directorship held in other companies/Corporations	1. Gujarat State Electricity Corporation 2. Gujarat State Civil Supplies Corpn. 3. Gujarat State Financial Services Ltd. 4. GSFS Caps 5. Gujarat State Police Housing Corpn. 6. Gujarat State Investment Ltd. 7. Gujarat Mineral Development Corpn. 8. Gujarat Informatics Ltd. 9. Gujarat Urban Development Co. Ltd. 10. Gujarat Agro Industries Corpn. Ltd 11. Gujarat State Energy Generation Ltd. 12. Gujarat Energy Transmission Corpn. Ltd.



## **B. Board Meetings**

Board of Directors met five times during the year on 16.5.2012, 3.8.2012, 3.10.2012, 27.12.2012 and 26.3.2013 at Gandhinagar.

## **C. Code of Conduct**

The Code of Conduct for Board of Directors and Senior Management Personnel of the Corporation has been approved by the Board of Directors in compliance with Clause 49 of the Listing Agreement with Stock Exchanges. The said Code of Conduct is posted on the website of the Corporation [www.gsfc.gujarat.gov.in](http://www.gsfc.gujarat.gov.in). The Board members and Senior Management Personnel have affirmed compliance with the aforesaid code and confirmation to this effect from the Managing Director forms part of the Annual Report.

## **D. CEO/CFO Certification**

In terms of Clause 49 of the Listing Agreement, CEO/CFO certificate on the financial statements and internal controls relating to financial reporting forms part of this Report.

## **3. AUDIT COMMITTEE**

### **Composition, names of members and Chairman :**

The Audit Committee has adequate powers and detailed terms of reference to play an effective role as required under the provisions of Clause 49 of the Listing Agreement. The Audit Committee has been last reconstituted by the Board of Directors at its meeting held on 27.12.2012 which comprises of following members as on 31st March, 2013 :

- |   |                                 |   |             |
|---|---------------------------------|---|-------------|
| 1 | <b>Miss S. Aparna, IAS</b>      | - | Chairperson |
| 2 | <b>Shri KC Bhanoo</b>           | - | Member      |
| 3 | <b>Shri Arvind Agarwal, IAS</b> | - | Member      |

Secretary (Board) is acting as Secretary to Audit Committee.

During the year under reference, the Audit Committee met on 3.8.2012, 3.10.2012, 27.12.2012 and 26.3.2013.

## **4. REMUNERATION COMMITTEE**

Corporation has not constituted Remuneration Committee as none of the Directors is entitled to remuneration other than Managing Director. The Managing Director is holding additional charge and hence he is drawing salary from his parent department. Directors, other than Managing Director and other Directors who are employees of the State Government/RBI,



are entitled to sitting fees as fixed by the Government of Gujarat and travel expenses on actual basis.

**Sitting fee paid to other Directors is as under :**

Sr. No.	Name of the Director	Sitting Fee
1	Shri K. C. Bhanoo	2,000/-
2	Shri R. D' Silva	1,000/-

**Details of equity shares of the Corporation held by the Directors as on 31<sup>st</sup> March, 2013 :**

None of the Directors is holding equity shares of the Corporation.

**5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE :**

The Shareholders'/Investors' Grievance Committee was last reconstituted on 3.8.2012. As on 31st March, 2013, the said Committee known as "Share Transfer Committee" consisted of following members :

i	Shri R. K. Patel, Executive Officer (Planning)	Chairman
ii	Shri L. N. Parmar, Executive Officer (Accounts)	Member
iii	Shri Raveendran Nair, Secretary (Board)	Member & Convener

During the year under reference, Share Transfer Committee met on ten occasions to approve share transfer requests and to attend to other shareholders/investor related matters.

Details of approval given by the Committee, during the year under report, are as under :

Sr. No.	Particulars	No. of shares
1	Dematerialization	6,150
2	Transfer	3,100
3	Transmission	900
4	Rematerialization	2,400



## 6. **STATEMENT OF SHAREHOLDERS COMPLAINTS RECEIVED AND DISPOSED OFF :**

No. of complaints at the beginning of the year	NIL
No. of complaints received during the year	9
No. of complaints resolved during the year	9
No. of complaints pending at the end of the year	NIL

### **Name and designation of Compliance Officer :**

Shri Raveendran Nair, Secretary (Board)

## 7. **GENERAL BODY MEETING**

The details of the General Meetings of the shareholders of the Corporation viz. Annual General Meetings held during the last three years are given below :

Year	Date	Time	Location of holding AGM
2009-10	02-12-2010	4.00 PM	Office of Chairman at Head Office at Udyog Bhavan, Block No. 10, 1 <sup>st</sup> Floor, Sector-11, Gandhinagar-382 017
2010-11	30-12-2011	4.00 PM	-do-
2011-12	08-11-2012	4.00 PM	-do-

No resolution was put through postal ballot during the year and no special resolution was passed at any of the last three AGMs.

## 8. **DISCLOSURES**

- Corporation has not entered into any materially significant transactions with any of the related parties in conflict with the interest of the Corporation during the year under review.
- Corporation has received communications from BSE and NSE for delay in compliance with Clause 41 of the Listing Agreement.

## 9. **MEANS OF COMMUNICATION**

Quarterly, half yearly and annual financial results of the Corporation are duly approved by the Board and published in one English daily newspaper and one Gujarati daily newspaper. Results are normally published in "The Economic Times" in English and Gujarati editions of Ahmedabad. Results are also displayed on the web-site of the Corporation. The Annual Report is also uploaded on BSE and NSE websites.

Management Discussion and Analysis forms part of the Directors' Report and is given separately.



## 10. GENERAL SHAREHOLDER INFORMATION

<b>AGM date, time and venue</b>	Friday, the 13 <sup>th</sup> December, 2013 at 4-00 p.m. in the Office of the Chairman at Head Office at Udyog Bhavan, Block No. 10, 1 <sup>st</sup> Floor, Sector-11, Gandhinagar-382 017.		
<b>Financial Calendar</b>	1 <sup>st</sup> April to 31 <sup>st</sup> March		
<b>Date of Book closure</b>	11-12-2013 to 13-12-2013 (both days inclusive)		
<b>Dividend payment date</b>	Not applicable		
<b>Listing on Stock-Exchange</b>	<b>Bombay            NSE</b>		
<b>Stock Code</b>	<b>532160        GUJSTATFIN</b> Listing fee has been paid to BSE and NSE based on listed capital for the year 2013-14. However, the demand of NSE to remit Listing fee on paid up capital excluding holding of Government of Gujarat is still pending for resolution.		
<b>Demat ISIN Number (NSDL)</b>	<b>INE944A01011</b>		
<b>Market price data</b>	<b>High/Low price quoted at Bombay Stock Exchange</b> (as collated) during each month in last financial year 2012-13 is as under : (In ₹)		
	<b>2012-13</b>	<b>High</b>	<b>Low</b>
	April, 2012	2.88	2.32
	May	2.67	2.10
	June	2.88	2.10
	July	2.78	2.30
	August	3.20	2.30
	September	2.81	2.22
	October	3.27	2.66
	November	4.20	2.62
	December	5.60	3.84
	January, 2013	4.45	2.53
	February	2.54	1.99
	March	2.57	1.77
	There was no transaction reported at National Stock Exchange during the year.		
<b>Registrar &amp; Transfer Agents</b>	M/s. MCS Ltd. Satdal Complex, 1 <sup>st</sup> Floor, Ashram Road, Ahmedabad-380 009.		
<b>Share Transfer System</b>	Corporation has constituted a Share Transfer Committee consisting of three officials. The Committee is empowered to approve transfer, transmission, dematerialization etc. The Share Transfer Committee ensures disposal of requests expeditiously.		





### 11. Shareholdings Pattern as on 31<sup>st</sup> March 2013

Sr. No.	Particulars of shareholding	No. of shares held (₹ 10/- each)	Percentage share
1	Government of Gujarat		
	“a” Class of shares	4,72,60,000	53.03
	“c” Class of shares	250	-
	“d” Class of shares	30,150	0.03
	Special Class of shares	18,00,000	2.02
2	Small Industries Development Bank of India		
	“b” Class of shares	2,46,20,000	27.63
	Special Class of shares	7,00,000	0.79
3	Scheduled Banks, Co. Op. Banks, Insurance Cos.		
	“c” Class of shares	4,00,000	0.45
4	Others (Public Shareholders)		
	“d” Class of shares	1,43,03,600	16.05
	<b>TOTAL</b>	<b>8,91,14,000</b>	<b>100.00</b>

### 12. Dematerialization of shares and Liquidity

The equity shares of the Corporation are actively traded at BSE. Out of the total equity capital, 1,43,03,600 Class “d” shares issued pursuant to Section 4 (3) (d) of the SFCs Act, 1951, are allowed for dematerialization through National Securities Depository Ltd. As on 31.3.2013, 91,68,740 shares held in electronic mode consisting 64.10% of Class “d” shares.

<b>Plant Location</b>	Not applicable
<b>Regional Offices at</b>	<b>Ahmedabad, Surat &amp; Rajkot</b>
<b>Other office at</b>	<b>Mumbai</b>
<b>Address for Correspondence</b>	The Compliance Officer Gujarat State Financial Corporation Secretarial Cell Udyog Bhavan, Block No.10, Sector-11, GANDHINAGAR-382 017 Ph. : 079-23256766 Fax: 23252204 E mail : sec-cell-gsfc@gujarat.gov.in.





**Kishor Dudhatra**

Company Secretaries

B.B.A., A.C.S.

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S).**

To,

The Members of  
Gujarat State Financial Corporation  
Gandhinagar.

1. We have examined the compliance of the conditions of Corporate Governance by Gujarat State Financial Corporation for the year ended 31st March, 2013, as stipulated in amended Clause 49 of the Listing Agreement of the said Corporation with the Stock Exchange.
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 compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Corporation.
3. We further state that such compliance is neither an assurance as to future viability of the Corporation nor the efficiency or effectiveness with which the Management has conducted the affairs of the Corporation.
4. We hereby report that :
  - (a) Corporation has not complied with the conditions of Clause 49 II (A) (iv), 49 II (B) & 49 IV (G) (iii) during the year.
  - (b) Except subject 4(a) above, in our opinion and to the best of our information and according to the explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement(s) with the Stock Exchange(s) have been complied with by the Corporation.
5. As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances are pending for a period exceeding one month against the Corporation as per the records maintained by the Corporation which are presented to shareholders/investors.

Place : Ahmedabad

Date : 06-07-2013



Sd/-

**Kishor Dudhatra**

Company Secretary

ACS-12439 (C.P. 3959)

101,1st Floor, Shanti Arcade, 132 Ft. Ring Road, Nr. Akash-III, Naranpura, Ahmedabad - 380 013.

Phone : (O) 27430594/595, (Mobile) 98250 12960



## GUJARAT STATE FINANCIAL CORPORATION

To,

**The Board of Directors,  
GSFC.**

### **CEO & CFO Certificate under clause 49 of the Listing Agreement**

This is to certify that

- (a) We have reviewed financial statements and the cash flow statement of Gujarat State Financial Corporation for the year 2012-13 and that to the best of our knowledge and belief :
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Corporation's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Corporation during the year which are fraudulent, illegal or violative of the Corporation's codes of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Corporation pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee
  - (i) Significant changes in internal control over financial reporting during the year.
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Corporation's internal control system over financial reporting.

Place : Gandhinagar  
Date : 25/07/2013

Sd/-  
**(L. N. Parmar)**  
Executive Officer (A/cs.)

Sd/-  
**(Arvind Agarwal)**  
Managing Director



# GUJARAT STATE FINANCIAL CORPORATION

Secretarial Cell, Udyog Bhavan, Gandhinagar.

## Affirmation of compliance with the “Code of Conduct” for Board of Directors and Senior Executives.

I confirm that all Directors and members of the senior management have affirmed compliance with “Code of Conduct” for the year ended 31<sup>st</sup> March, 2013.

Place : Gandhinagar

Date : 25-07-2013

Sd/-

**Arvind Agarwal**

Managing Director





## AUDITORS' REPORT

**The Members,  
Gujarat State Financial Corporation,  
Gandhinagar (Gujarat)**

We have audited the accompanying financial statements of Gujarat State Financial Corporation ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management Responsibility for the Financial Statements :**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

### **Auditors' Responsibility :**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion :**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act and the State Financial Corporations Act, 1951 as amended by the State Financial Corporations (Amendment) Act, 2000 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :



- a) in the case of the Balance Sheet, of the state of affairs of the Corporation as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on other Legal & Regulatory Requirements :**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company 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) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Date : 25/07/2013  
Place : Ahmedabad

For Mahendra N. Shah & Co.  
Chartered Accountants  
FRN 105775W

Chirag M. Shah  
Partner  
M. No. F 045706



## ANNEXURE

### SYSTEM OF ACCOUNTING, INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT

- (I) The day to day transactions of the Corporation are recorded on cash system of accounting in order to account for income and expenses on mercantile basis, at the year end provisions are made for income and expenses on the basis of information and estimates available. (Refer note no. A (2) (a) of Note (16).
- (II) The value of securities under possession is accounted on realization instead of adjusting at the time of writing off bad debts. (Refer note no. A (2) (d) of Note 16).
- (III) The Corporation has incurred cash losses during the year and in the immediately preceding 5 years. For the time being it has discontinued the business of lending and due to the liquidity problems defaulted in repayment obligations and its networth is completely eroded. In spite of that accounts of the Corporation have been prepared on going concern basis (Refer note no. A (1) of Note 16) which is not in accordance with AS-1 "Disclosure of Accounting Policies", where in one of the fundamental accounting assumption is going concern, and since the quantification of the same on realization and settlement basis is not done, it is not possible to ascertain its impact on profit and loss and balance sheet of the Corporation.
- (IV) As per information given by the management, details of default position as on 31/03/2013 are as under :

	Principal Default	Interest & Penalty default	Total Default
Loan from Government	4,096,059,000	10,056,092,000	14,152,151,000
Guarantee fees payable	-	-	35,60,39,833

#### (V) Reconciliation of General Ledger and Subsidiary Ledgers :

Refer Note No. B (4) Note 16, regarding non reconciliation of the general ledger balances with the balances of the subsidiary ledgers and differences of Rs.13,36,268/- found. In few cases, credit balances are also disclosed in the accounts. Hence, we are unable to express our opinion as to correctness of these balances.

#### (VI) Fixed Assets :

- (a) (Refer Note No. A (3 & 4) of Note 16) Till year ended on 31.3.2002, in case of disposal of fixed assets, the Corporation neither eliminated the assets from financial statements nor recognized gain or loss arising from disposal of fixed assets in Statement of Profit & Loss, which practice was contrary to the Accounting Standard 10 "Accounting for Fixed Assets" issued by ICAI. Due to this practice followed by the Corporation, both the gross block and the net block are over



stated/under stated to the extent of loss/gain on disposal of assets. As a result, the depreciation provision during the year is also erroneous, which is not in accordance with AS-6 "Depreciation Accounting". In absence of sufficient information, effect of this practice on the value of assets and the correct depreciation is not quantified by the management. Moreover, estimated life of assets is not ascertained by the Corporation hence correct depreciation could not be ascertained, hence due to the lack of details, quantification and its impact on the profit and loss and balance sheet of the Corporation could not be ascertained.

- (b) Corporation has not properly maintained the record of fixed assets to exhibit complete details of gross and net value, item wise original cost, accumulated depreciation and depreciation for the year including quantitative details and location of fixed assets.
- (c) There is no specific programme for physical verification of fixed assets as compared to the book records.

**(VII) INVESTMENTS :**

To fulfill its underwriting liability, Corporation acquired shares for ₹ 2,18,86,000/- of various companies which have not been disposed off, though the period of 7 years has been expired, that extent provisions of SFCs Act, 1951, have not been complied with.

**(VIII) UNCLAIMED/UNPAID DIVIDEND :**

There is an outstanding of ₹ 14,07,151/- in unclaimed and unpaid dividend account which should have been transferred to Investor Education and Protection Fund.

**(IX) LOAN & ADVANCES AND NPA PROVISION :**

The provision for NPA is subject to the note no. B (4) of Note 16, regarding non reconciliation of difference in general ledger balance and subsidiary ledger balance in the case of advances.

The effect of our observation in foregoing paras and consequential effect of the above on the Loss/Assets/Liabilities as on business ratios for Capital, asset quality and credit, liquidity, operating results and disclosure requirements of SIDBI has not been ascertained by the management and are subject to consequential adjustment.

Date: 25/07/2013  
Place: Ahmedabad

For Mahendra N. Shah & Co.  
Chartered Accountants  
FRN 105775W

CHIRAG M. SHAH  
Partner  
M. No. F 045706





**GUJARAT STATE FINANCIAL CORPORATION**  
**BALANCE SHEET AS AT 31st March 2013**

Particulars	Note. No.	As at 31st March 2013	As at 31st March 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholder's Funds</u></b>			
(a) Share Capital	1	937,188,000	937,188,000
(b) Reserves and Surplus	2	(17,537,660,559)	(16,406,028,990)
<b><u>(2) Non-Current Liabilities</u></b>			
(a) Long-Term Borrowings	3	6,616,913,633	6,616,913,633
(b) Other Non-Current Liabilities		10,780,207,296	9,327,266,267
<b><u>(3) Current Liabilities</u></b>			
(a) Short-Term Borrowings Secured	4	0	12,500,000
(b) Short-Term Borrowings Unsecured		0	11,000,000
(c) Other Current Liabilities		34,666,361	27,660,651
<b>Total Equity &amp; Liabilities</b>		<b>831,314,732</b>	<b>526,499,560</b>
<b>II. ASSETS</b>			
<b><u>(1) Non-Current Assets</u></b>			
<b><u>(a) Fixed Assets</u></b>			
(i) Gross Block	5	140,222,924	139,520,176
(ii) Depreciation		(110,588,268)	(110,547,351)
(iii) Net Block		29,634,656	28,972,831
(b) Non-current investments	6	48,434,597	48,434,597
(c) Long term loans and advances	7	19,911,807	6,956,494
(d) Other Non-current assets	8	47,186,295	51,595,722
<b><u>(2) Current Assets</u></b>			
(a) Cash and cash equivalents	9	686,147,377	390,539,917
<b>Total Assets</b>		<b>831,314,732</b>	<b>526,499,561</b>
<b>NOTES TO ACCOUNTS</b>	16		

NOTES REFERRED TO ABOVE AND NOTES ATTACHED THERETO FORM AN INTEGRAL PART OF BALANCE SHEET

FOR AND ON BEHALF OF THE BOARD,

Sd/-  
L. N. PARMAR  
Executive Officer (A/cs)

Sd/-  
RAVEENDRAN NAIR  
Secretary (Board)

Sd/-  
ARVIND AGARWAL, IAS  
Managing Director

Sd/-  
K. C. BHANOO  
Director

This is the Balance Sheet referred to in our Report of even date.

Sd/-  
For Mahendra N. Shah & Co. Chartered Accounts  
FRN 105775 W

Chirag M. Shah, Partner  
M. No. F45706

Date : 25/07/2013  
Place : Ahmedabad

Date : 25/07/2013  
Place : Gandhinagar



**GUJARAT STATE FINANCIAL CORPORATION**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON**  
**31ST MARCH, 2013**

Sr. No	Particulars	Note No.	2012-13 ₹	2011-12 ₹
I	Revenue from operations	10	250,615,091	262,393,256
II	Other Income	11	63,467,410	31,520,404
III	<b>Total Revenue (I +II)</b>		<b>314,082,501</b>	<b>293,913,660</b>
IV	<b><u>Expenses:</u></b>			
	Employee Benefit Expense	12	43,283,644	124,379,623
	Financial Costs	13	1,457,138,741	2,204,187,798
	Depreciation and Amortization Expense	14	1,961,697	1,740,264
	Other Administrative Expenses	15	273,685,566	32,578,274
	<b>Total Expenses (IV)</b>		<b>1,776,069,648</b>	<b>2,653,885,959</b>
V	<b>Loss before exceptional items and tax</b>	(III - IV)	<b>(1,461,987,147)</b>	<b>(2,359,972,299)</b>
VI	<b><u>Exceptional Items</u></b>			
	Provision against Non - Performing Assets (NPA) Written Back		330,355,578	273,050,355
	Excess Depreciation Written Back		0	137,424
VII	<b>Loss before tax</b>	(V + VI)	<b>(1,131,631,569)</b>	<b>(2,086,784,520)</b>
VIII	<b><u>Tax expense:</u></b>			
	(1) Tax paid for the earlier years		0	2,410,052
IX	<b>Loss after tax</b>	(VII-VIII)	<b>(1,131,631,569)</b>	<b>(2,089,194,572)</b>
X	<b>Earning per equity share:</b>			
	(1) Basic & diluted		(12.70)	(23.44)
NOTES TO ACCOUNTS		<b>16</b>		

Notes referred to above and notes attached thereto form an integral part of Statement of Profit & Loss

FOR AND ON BEHALF OF THE BOARD,

Sd/-  
L. N. PARMAR  
Executive Officer (A/cs)

Sd/-  
RAVEENDRAN NAIR  
Secretary (Board)

Sd/-  
ARVIND AGARWAL, IAS  
Managing Director

Sd/-  
K. C. BHANOO  
Director

This is the Balance Sheet referred to in our Report of even date.

Sd/-  
For Mahendra N. Shah & Co. Chartered Accounts  
FRN 105775 W

Chirag M. Shah, Partner  
M. No. F45706

Date : 25/07/2013  
Place : Ahmedabad

Date : 25/07/2013  
Place : Gandhinagar



**GUJARAT STATE FINANCIAL CORPORATION**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

Particulars	2012-2013 ₹		2011-12 ₹	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax as per Profit & Loss A/c		(1,131,631,569)		(2,086,784,520)
Adjustments :				
Depreciation	1,961,697		1,740,264	
OTS Scheme sacrifice income	(253,052,236)		(253,910,970)	
OTS Waiver	253,052,236		253,910,970	
Profit on sale of Fixed Assets	(14,001)		-	
Loss on sale of Fixed Assets	-		-	
Provision for NPA and ascertained bad debt	-		44,514,154	
Provision for NPA written back	(330,355,578)		(273,050,355)	
Profit on sale of Investment	-		-	
Dividend Income	(843,763)		(1,908,444)	
		(329,251,645)		(228,704,381)
Operating Profit before working capital		(1,460,883,214)		(2,315,488,901)
Adjusted for :				
i) Other Non - Current Receivables	4,478,445		56,831,241	
ii) Other Current & Non - Current Liabilities	1,459,946,739	1,464,425,184	2,215,967,952	2,272,799,193
		3,541,970		(42,689,708)
Less : Tax Paid		-		(2,410,052)
Cash generated from Operations		3,541,970		(45,099,760)
<b>NET CASH USED FROM OPERATING ACTIVITIES (A)</b>		<b>3,541,970</b>		<b>(45,099,760)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(2,692,019)		(12,259,100)	
Sale of Fixed Assets	82,500		51,210	
Other Deduction in Fixed Assets	-		-	
Purchase of Investments	-		-	
Sale of Investments	-		-	
Dividend Income	843,763		1,908,444	
<b>NET CASH USED FROM INVESTING ACTIVITIES (B)</b>		<b>(1,765,756)</b>		<b>(10,350,656)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Borrowing of Funds	-		42,000,000	
Repayment of Borrowings	(23,500,000)		(52,396,345)	
Movement in Lending	317,331,247		231,113,943	
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>		<b>293,831,247</b>		<b>220,717,598</b>
<b>Net Increase in Cash &amp; Cash Equivalents (a+b+c)</b>		<b>295,607,461</b>		<b>165,267,182</b>
Opening Balance of Cash & Cash Equivalents		390,539,916		225,221,524
Closing Balance of Cash & Cash Equivalents		686,147,377		390,539,916
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>295,607,461</b>		<b>165,318,392</b>

FOR AND ON BEHALF OF THE BOARD,

Sd/-  
L. N. PARMAR  
Executive Officer (A/cs)

Sd/-  
RAVEENDRAN NAIR  
Secretary (Board)

Sd/-  
ARVIND AGARWAL, IAS  
Managing Director

Sd/-  
K. C. BHANOO  
Director

This is the Balance Sheet referred to in our Report of even date.

Sd/-  
For Mahendra N. Shah & Co. Chartered Accounts  
FRN 105775 W

Chirag M. Shah, Partner  
M. No. F45706

Date : 25/07/2013  
Place : Ahmedabad

Date : 25/07/2013  
Place : Gandhinagar



## GUJARAT STATE FINANCIAL CORPORATION

Notes forming integral part of the Balance Sheet as at 31st March, 2013

### Note : 1 - Share Capital

Sr. No	Particulars	As at 31st March 2013 ₹	As at 31st March 2011 ₹
1	<b><u>AUTHORIZED CAPITAL</u></b> 10,00,00,000 Equity Shares of ₹ 10/- each	1,000,000,000 1,000,000,000	1,000,000,000 1,000,000,000
2	<b><u>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</u></b> <i>To the Subscribers of the Memorandum</i> A 8,66,14,000 SHARES (PREVIOUS YEAR 8,66,14,000 SHARES OF ₹ 10/- EACH) B 25,00,000 SHARES OF ₹ 10/- EACH SPECIAL CAPITAL ( PREVIOUS YEAR 25,00,000 OF ₹ 10/- EACH) ISSUED U/S 4-A OF THE SFC'S ACT,1951	866,140,000  25,000,000	866,140,000  25,000,000
3	SHARE FORFEITED 92,09,600 EACH OF ₹ 10/- ORIGINALLY PAID UP VALUE ₹ 5/-	46,048,000	46,048,000
<b>Total</b>		<b>937,188,000</b>	<b>937,188,000</b>

Note 1 (i) Shareholders holding more than 5% equity shares in the Corporation

	No. of shares	Percentage of shares	No. of shares	Percentage of shares
1. The Governor of Gujarat	49090400	55.08%	49090400	55.08%
2. Small Indl. Dev. Bank of India	25320000	28.42%	25320000	28.42%

### Note : 2 - Reserves & Surplus

Sr. No	Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
A	CAPITAL RESERVE - GAIN ON RESTRUCTURING OF PRINCIPAL DEBTS	1,828,727,185	1,828,727,185
B	SHARE PREMIUM	188,988,000	188,988,000
C	OTHERS		
1	SPECIAL RESERVE (U/S 36(1)(VIII) OF THE I.T. ACT 1961 BALANCE AS PER LAST BALANCE SHEET	643,416,722	643,416,722
2	BAD DEBTS RESERVE (U/S 36(1)(VII) OF THE INCOME TAX ACT) BALANCE AS PER LAST BALANCE SHEET	46,988,000	46,988,000
3	BAD DEBTS RESERVE : BALANCE AS PER LAST BALANCE SHEET	547,006	547,006
4	SPECIAL RESERVE (CREATED U/S. 35 A OF THE SFC'S ACT, 1951) (DIVIDEND FOREGONE BY GOVT. OF GUJARAT & IDBI) BALANCE AS PER LAST BALANCE SHEET	25,000,000	25,000,000
5	<b><u>SURPLUS</u></b> DEBIT BALANCE OF PROFIT & LOSS OP. DEBIT BALANCE OF STATEMENT OF PROFIT & LOSS	19,139,695,903	
	ADD : LOSS DURING THE YEAR	1,131,631,569	
	CLOSING DEBIT BALANCE	(20,271,327,472)	(19,139,695,903)
<b>Total</b>		<b>(17,537,660,559)</b>	<b>(16,406,028,990)</b>



**Notes forming integral part of the Balance Sheet as at 31st March, 2013**

**Note : 3 - Non-Current Liabilities**

Sr. No.	Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
(a)	<b>LONG TERM BORROWINGS</b>		
	<b><u>UNSECURED</u></b>		
	FROM STATE GOVT. FOR MARGIN LOAN TO BALISANA PROJECT	210000	210000
	FROM STATE GOVT. SALES TAX INT. FREE LOAN	17686346	17686346
	SALES TAX INT. FREE DEEMED LOAN (CONTRA)	314932320	314932320
	FROM STATE GOVT. FOR HERITAGE HOTEL FUND (INTEREST 5%)	10000000	10000000
	SOFT LOAN FROM GOVT. OF GUJARAT	6213680000	6213680000
	SIDBI LOAN	71000	71000
	LOAN IN LIEU OF SHARE CAPITAL FROM GOVT. OF GUJARAT (INTEREST 3.5% & 7.5%)	60333967	60333967
	<b>Sub Total (a)</b>	<b>6,616,913,633</b>	<b>6,616,913,633</b>
(b)	<b>OTHER NON CURRENT LIABILITIES</b>		
	SECURITY DEPOSIT (HP/LEASE FINANCE)	821,406	821,406
	UNPAID GUARANTEE FEE	356,039,833	355,914,833
	INTEREST PAYABLE ON BORROWINGS AND UNPAID EXPENSES	10,393,442,625	8,940,271,447
	INTEREST PAYABLE ON SECURED DEPOSITS	57,491	57,491
	UNCLAIMED DIVIDEND	1,407,151	1,407,151
	SUBSIDY FROM GOVT. (AS AN AGENCY)	2,059,736,976	2,059,736,976
	LESS : DISBURSED UPTO END OF THE YEAR	(2,042,711,180)	(2,042,711,180)
	LOAN APPLICATION DEPOSITS & OTHER DEPOSITS	11,412,994	11,768,143
	<b>Sub Total (b)</b>	<b>10,780,207,296</b>	<b>9,327,266,267</b>
	<b>Total [a+b]</b>	<b>17,397,120,929</b>	<b>15,944,179,900</b>

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

(ii) On account of weak financial condition and consistent operational losses, the Corporation has continuously defaulted in repayment of Government of Gujarat's long term loans/borrowings. In view of huge accumulated losses and inadequate resources, there is a mis-match in revenue and repayment of liabilities. Hence all loans and interest thereon are classified as Non-Current Liabilities.



**Notes forming integral part of the Balance Sheet as at 31st March, 2013**

**Note : 4 - Current Liabilities**

Sr. No.	Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
	<b>SHORT TERM BORROWINGS</b>		
A	<b><u>SECURED</u></b>		
	7.92% BONDS OF ₹ 100/- EACH REDEEMABLE IN 2012-V SERIES	0	12,500,000
	<b>Sub Total (a)</b>	<b>0</b>	<b>12,500,000</b>
B	<b><u>UNSECURED</u></b>		
	PRIORITY SECTOR BOND SERIES IV	0	11,000,000
	<b>Sub Total (b)</b>	<b>0</b>	<b>11,000,000</b>
C	<b><u>OTHER CURRENT LIABILITIES</u></b>		
	TAX DEDUCTED AT SOURCE PAYABLE	240,419	161,955
	SUNDRIES (OTHER LIABILITIES) 20590233		
	LESS : STD NO LIEN A/C (CONTRA Note 8) ( RAJOO COTEX LTD, NEETA U CHOKSHI NO LIEN)	(3031521)	(3031521)
	SALES TAX ON H.P. COLLECTED	8,467,274	3,613,274
	SUBVENTION RECEIVED FROM STATE GOVT. ON A/C OF DIVIDEND (U/S 6 read with Sec. 35 of SFCs Act,1951)		
	BALANCE AS PER LAST BALANCE SHEET	166,956,010	166,956,010
	LESS : DIVIDEND DEFICIT A/C	(164,619,096)	(164,619,096)
	<b>Sub Total (c)</b>	<b>34,666,361</b>	<b>27,660,651</b>
	<b>Total [a+b+c]</b>	<b>34,666,361</b>	<b>51,160,651</b>
(i) Secured borrowings are guaranteed by State Govt. U/S 7(1) of the SFCs Act 1951			

**GUJARAT STATE FINANCIAL CORPORATION**

**Notes forming integral part of the Balance Sheet as at 31st March, 2013**

**NOTE : 5 - FIXED ASSETS & DEPRICIATION**

Sr. No.	Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
		BALANCE AS ON 01.04.2012	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	BALANCE AS ON 31.03.2013	BALANCE AS ON 01.04.2012	CHARGED DURING THE YEAR	DEDUCTION DURING THE YEAR	BALANCE AS ON 31.03.2013	WDV AS ON 31.03.2013	WDV AS ON 31.03.2012
(I)	<b>TANGIBLE ASSETS</b>										
1	FURNITURE & FIXTURES	42,509,723	8,800	0	42,518,523	36,553,492	596,074	0	37,149,566	5,368,957	5,956,231
2	OFFICE EQUIPMENTS	25,429,871	3,13,853	1,102,291	24,641,433	24,056,683	229,051	1,080,228	23,205,506	1,435,927	1,373,188
3	OFFICE VEHICLES	4,653,464	2,306,066	886,982	6,072,548	4,090,441	336,993	840,546	3,586,888	2,485,660	563,023
4	LAND & BUILDINGS	44,548,985	0	0	44,548,985	23,587,183	709,450	0	24,296,633	20,252,352	20,961,802
5	COMPUTERS	22,378,118	63,300	0	22,441,418	22,259,553	90,129	0	22,349,682	91,745	118,565
	<b>TOTAL (I)</b>	<b>139,520,161</b>	<b>2,692,019</b>	<b>1,989,273</b>	<b>140,222,909</b>	<b>110,547,352</b>	<b>1,961,697</b>	<b>1,920,774</b>	<b>110,588,268</b>	<b>29,634,641</b>	<b>28,972,809</b>
(II)	<b>LEASE ASSETS</b>										
1	MACHI / EQUIP.	15	0	0	15	0	0	0	0	15	15
	<b>TOTAL (II)</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>15</b>
	<b>TOTAL OF (I + II)</b>	<b>139,520,176</b>	<b>2,692,019</b>	<b>1,989,273</b>	<b>140,222,924</b>	<b>110,547,352</b>	<b>1,961,697</b>	<b>1,920,774</b>	<b>110,588,268</b>	<b>29,634,656</b>	<b>28,972,824</b>





## GUJARAT STATE FINANCIAL CORPORATION

**Notes forming integral part of the Balance Sheet as at 31st March, 2013**

### **Note : 6 - Non-current Investments**

Sr. No	Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
<b>1</b>	<b>QUOTED EQUITY INSTRUMENTS :</b>		
	285440 (PREVIOUS YEAR 285440) EQUITY SHARES OF ₹ 10/- EACH FULLY PAIDUP IN IDBI BANK LTD.	23,192,000	23,192,000
	167800 (PREVIOUS YEAR 167800) EQUITY SHARES OF ₹ 10/- EACH FULLY PAIDUP IN INDUSIND BANK LTD.	7,551,000	7,551,000
	1446470 (PREVIOUS YEAR 1446470) EQUITY SHARES OF ₹ 10/- EACH FULLY PAIDUP IN JAGADIA COPPER LTD.	14,464,700	14,464,700
	29595 (PREVIOUS YEAR 29595) EQUITY SHARES OF ₹ 10/- EACH FULLY PAIDUP IN JK PAPER LTD.	986,500	986,500
	100 (PREVIOUS YEAR 100) EQUITY SHARES OF ₹ 10/- EACH FULLY PAIDUP IN CORPORATION BANK	8,000	8,000
	409000 (PREVIOUS YEAR 409000) EQUITY SHARES OF ₹ 10/- EACH FULLY PAIDUP IN SNS TEXTILES LTD.	6,135,000	6,135,000
	228000 (PREVIOUS YEAR 228000) EQUITY SHARES OF ₹ 10/- EACH FULLY PAIDUP IN SAR AUTO PRODUCTS LTD.	2,280,000	2,280,000
	150000 (PREVIOUS YEAR 150000) EQUITY SHARES OF ₹ 10/- EACH FULLY PAIDUP IN OMKAR PHARMA LTD.	1,500,000	1,500,000
<b>2</b>	<b>UNQUOTED (NON-TRADE)</b>		
(i)	SHARES ACQUIRED UNDER UNDERWRITING AGREEMENT U/S 25(1) (C) OF THE SFC'S ACT, 1951		
	PREFERENCE SHARE, FULLY PAID UP	740,500	740,500
	A EQUITY SHARES, FULLY PAID	11,484,000	11,484,000
	B EQUITY SHARES, PARTLY PAID	300,000	300,000
(ii)	PREFERENCE SHARE ACQUIRED UNDER SPECIAL CAPITAL SCHEME (2000 Shares of ₹ 100/- each fully paid up)	200,000	200,000
(iii)	1 (PREVIOUS YEAR 1) EQUITY SHARE OF G.S.F.C. STAFF CO. OP. CREDIT SOCIETY OF ₹ 10/-	10	10
(iv)	1100 (PREVIOUS YEAR 1100) EQUITY SHARE OF ₹ 100/- OF GUJARAT INDUSTRIAL & TECHNICAL CONSULTANCY (GITCO)	110,000	110,000
(v)	1500 (PREVIOUS YEAR 1500) NCDS OF ₹ 1000/- EACH FULLY PAID UP IN MODERN DENIM LTD.	14,775,000	14,775,000
	LESS :		
	INVESTMENT DEPRECIATION PROVIDED (AS PER CONTRA)	(35,292,113)	(35,292,113)
	<b>Total</b>	<b>48,434,597</b>	<b>48,434,597</b>

Aggregate cost of quoted securities	-	₹ 56,117,200/-
Market value of quoted securities	-	₹ 95,498,960/-
Aggregate cost of unquoted securities	-	₹ 27,609,510/-





**Notes forming integral part of the Balance Sheet as at 31st March, 2013**

**Note : 7 - Long Term Loans and Advances**

Sr. No.	Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
	<b>TRADE RECEIVABLES</b>		
	PRINCIPAL AMOUNT (TERM LOAN, HIRE PURCHASE & LEASE FINANCE) (DETAILS AS PER NOTE-17 ANNEXED)	4,705,776,320	5,023,107,565
	LESS : 1 PROVISION FOR NPA	(3,196,055,931)	(3,466,332,981)
	2 PROVISION FOR ASCERTAINED BAD DEBTS	(1,493,491,782)	(1,553,570,308)
	ADD : INTEREST ACCRUED THEREON	3,683,200	3,752,218
	<b>Total</b>	<b>19,911,807</b>	<b>6,956,494</b>

- 7 (i) No loans and advances due to Directors or other officers of the Corporation in which they are partner or member.  
(ii) Bifurcation of Trade Receivables is not attempted.  
(iii) 99.5% of Trade Receivables are NPA since many years and hence sub-classification of such Trade Receivables is not made.

**Note : 8 - Other Current Assets**

Sr. No	Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
1	LOANS & ADVANCES TO EMPLOYEES	6,089,564	8,270,508
	ADD : INTEREST ACCRUED THEREON	25,734,228	28,504,587
2	CAPITAL SUBSIDY RECEIVABLE	580,971	580,971
3	SUNDRIES	13,860,950	12,896,207
	LESS : STD NO LIEN A/C (CONTRA NOTE.4)	(3,031,521)	(2,608,654)
4	TDS FROM INVESTMENT INCOME	659,747	659,747
5	ADVANCE TAX	68,145	68,145
6	DEPOSITS FROM LONEES	3,224,211	3,224,211
	<b>Total</b>	<b>47,186,295</b>	<b>51,595,722</b>



**Notes forming integral part of the Balance Sheet as at 31st March, 2013**

**Note : 9 - Cash & Cash Equivalent**

Sr. No	Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
<b>A</b>	<b><u>Cash-in-Hand</u></b>		
	CASH IN HAND AND AS IMPREST	209,143	131,369
	<b>Sub Total (A)</b>	<b>209,143</b>	<b>131,369</b>
<b>B</b>	<b><u>Bank Balance</u></b>		
	BALANCE WITH BANKS (IN CURRENT ACCOUNTS)	27,030,592	48,113,006
	<b><u>Others (Deposits With GSFS)</u></b>		
	LIQUID DEPOSIT WITH GSFS	22,162,648	49,520,968
	GSFS INTER CORPORATE DEPOSIT	636,744,944	276,270,496
	SHORT TERM DEPOSIT WITH GSFS	0	16,504,078
	<b>Sub Total (B)</b>	<b>685,938,234</b>	<b>390,408,548</b>
	<b>Total [A + B]</b>	<b>686,147,377</b>	<b>390,539,917</b>

- 9 (i) Cash received from the loanees after closing of the banking hours as on 31st March, 2013 has been shown as cash balance.
- (ii) As per the policy in vogue, Corporation is regularly depositing funds with GSFS Ltd., a Government of Gujarat organisation, which is encashable on demand. Therefore, such deposits are treated as cash equivalents.

**Notes forming integral part of the Statement of Profit & Loss  
as at 31st March, 2013**

**Note : 10 - Revenue from Operations**

Sr. No	Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
1	INTEREST ON TRADE RECEIVABLES	250,615,091	262,393,256
	<b>Total</b>	<b>250,615,091</b>	<b>262,393,256</b>



**Notes forming part of the Statement of Profit & Loss as at 31st March, 2013**

**Note : 11 - Other Income**

Sr. No	Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
1	COMMITMENT CHARGES	61,876	0
2	BAD DEBTS RECOVERED	14,596,037	9,038,977
3	DIVIDEND RECEIVED	843,763	1,908,444
4	INTEREST ON ICD & LQDS WITH GSFS	17,582,896	10,569,494
5	INTEREST ON LOANS TO EMPLOYEES	774,670	744,621
6	INTEREST ACCURED ON TERM DEPOSIT	27,301,615	7,824,527
7	MISCELLANEOUS INCOME	2,288,932	1,418,791
8	PROFIT ON SALE OF ASSETS	21,751	0
9	RENT RECEIVED FROM EMPLOYEES (NET)	(4,130)	15,550
	<b>Total</b>	<b>63,467,410</b>	<b>31,520,404</b>

**Note : 12 - Employee Benefit Expenses**

Sr. No	Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
1	SALARY BONUS & ALLOWANCES	35,507,035	37,991,610
2	CONTRIBUTION TO STAFF PROVIDENT FUND	4,749,173	4,615,290
3	GRATUITY	24,168	71,959,012
4	LEAVE ENCASHMENT	2,271,319	9,512,241
5	STAFF WELFARE EXPENSES	731,949	301,470
	<b>Total</b>	<b>43,283,644</b>	<b>124,379,623</b>

**Note : 13 - Financial Cost**

Sr. No.	Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
1	BANK CHARGES AND COMMISSION	34,766	49,520
2	GURANTEE FEES	125,000	421,152
3	INTEREST ON GOVT. LOAN	1,241,412,720	1,990,426,316
4	INTEREST ON BONDS	3,381,460	5,585,751
5	INTEREST ON HERITAGE HOTEL FUND LOAN	500,000	501,370
6	INTEREST ON LOAN TOWARDS SHARE CAPITAL	4,111,689	4,122,953
7	INTEREST ON NHFDC LOAN	0	51,306
8	INTEREST ON DELAYED PAYMENT ON GOVT. LOANS	207,573,106	203,029,430
	<b>Total</b>	<b>1,457,138,741</b>	<b>2,204,187,798</b>



## Notes forming part of the Statement of Profit & Loss as at 31st March, 2013

### Note : 14 - Depreciation & Amortisation

Sr. No.	Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
1	DEPRECIATION	1,961,697	1,740,264
	<b>Total</b>	<b>1,961,697</b>	<b>1,740,264</b>

### Note : 15 - Other Administrative Expenses

Sr. No.	Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
1	TRAVELLING & OTHER ALLOWANCES	930,181	891,764
2	DIRECTORS & COMMITTEE MEMBERS SITTING FEES	3,000	7,000
3	RENT, RATES, TAXES, INSURANCE & TELEPHONE	3,966,456	3,775,940
4	POSTAGE STAMP, TELEGRAMS	819,125	741,692
5	PRINTING STATIONERY	411,647	612,174
6	PUBLICITY & ADVERTISEMENT	2,448,653	144,025
7	REPAIRS & RENEWALS	1,130,799	1,772,861
8	AUDIT FEES	156	7,012
9	LEGAL CHARGES	67,539	73,221
10	VEHICLES MAINTENANCE EXPENSES	1,020,175	902,510
11	OTHER EXPENSES	8,683,788	14,800,730
12	BAD DEBT WRITTEN OFF	253,052,236	253,910,970
13	COMPUTERISATION EXPENSES	216,619	100,482
14	CONVEYANCE CHARGES	752,109	701,693
15	OUTSOURCING CHARGES TO INDEXTb	175,333	622,047
16	PROVISION FOR ASCERTAINED BAD DEBTS	0	44,514,154
17	LOSS ON SALE OF ASSETS	7,750	0
	<b>Total</b>	<b>273,685,566</b>	<b>323,578,274</b>

### 15(i) - Auditor's Remuneration

Sr. No.	Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
1	STATUTORY AUDIT FEES	131,742	131,742
	<b>Total</b>	<b>131,742</b>	<b>131,742</b>

Audit fees paid is treated under the head of Professional charges.



## NOTE – 16

### NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS AND BALANCE SHEET AS AT 31.03.2013

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#### A. ACCOUNTING POLICIES AND METHOD OF ACCOUNTING :

(01) Accounts are prepared on accrual basis as a going concern under historic cost convention, in accordance with the requirements of the State Financial Corporations Act, 1951 and the rules framed thereunder and generally accepted accounting principle.

#### (02) REVENUE RECOGNITION :

(a) The Corporation recognizes income by way of interest, penalty and other charges after realization of cheques as intimated by banks. Adequate provision is made in the year end in respect of income to be recognized on mercantile basis on all standard assets. The provisions are reversed on first day of the new financial year. Interest income includes penal interest received.

(b) In view of the prudential norms prescribed by RBI/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.

(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 loanee is sold 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, the amount is credited to Bad Debts Recovery A/c. under the group of Other Income.

(e) In case of loanees under 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.



**(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 :**

Depreciation of all assets is provided on Written Down Value Method as per rates prescribed in the Income Tax Act 1961.

Furniture & Fixtures	:	10%
Office Equipments	:	15%
Motor cars	:	15%
Land & Building	:	10%
Computers	:	60%

In case of additions to fixed assets, depreciation is provided for full year in case all additions are made on or before 30<sup>th</sup> September and depreciation is provided @ 50% of the rates for assets acquired after this date during the year. In case of sale of fixed assets, profit or loss on fixed assets is recognized on the same lines.

**(05) EMPLOYEE BENEFITS :**

- (a) Salaries and non monetary benefits are accrued in the year in which the services are rendered by the employees.
- (b) For gratuity and leave encashment liabilities, Corporation took policies with Life Insurance Corporation of India, which takes care of liabilities of both the accounts. The entire premium paid to LIC is charged to Statement of Profit & Loss.

**(06) INVESTMENTS :**

Investment is valued in accordance with SIDBI guidelines (investment classification & valuation). All investments are classified in one category viz. "Available for sale" for the purpose of valuation and accordingly provision has been made for diminution in the value wherever applicable.

**(07) BORROWING COST :**

Borrowing cost is recognized as expense and charged to Statement of Profit & 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 31<sup>st</sup> March, 2013 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)** The State Government vide Circular NO. BHD/1098/3764 dated 9<sup>th</sup> December, 1998 has increased the rate of guarantee fees on bonds from 0.25% to 1.00% on the bonds guaranteed by the State Government on outstanding amount as on date. Amount of ₹ 1,25,000/- is provided towards guarantee fee payable during the current year based on outstanding amount in the previous year which is charged to Statement of Profit & Loss. The default in guarantee fee as on 31.3.2013 is ₹ 35,60,39,833/-. (Previous year ₹ 35,59,14,833)

**(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 amounts are realized.

During the year under review, the Corporation has recovered an amount of ₹ 1,45,96,037/- (Previous year ₹ 90,38,977/-) towards Bad Debts written off.



### **(03) CONTINGENT LIABILITIES :**

(a) Towards partly paid up equity shares shown as investment - ₹ 3,00,000/-.

(i) Towards net amount disputed on sales tax including interest and penalty on hire purchase/lease transactions of ₹ 39,47,16,960/- for FY 1995-96 to 2001-02.

(ii) Claims in Civil suits against Corporation not acknowledged as debt estimated to ₹ 202.85 lacs (previous year ₹ 202.85 lacs).

(iii) GIIC has claimed ₹ 33,75,000/- towards rent expenses payable in respect of share of Mumbai Office and Mumbai Guest House upto 31st March, 2004 whereas Corporation has made a claim of ₹ 51,70,056/- from GIIC on account of occupation of GSFC's office premises at Rajkot. Both the claims are yet to be settled. Hence the liability/income has not been recognized by the Corporation.

(iv) Against Income Tax demand for Assessment Years 1998-1999, 1999-2000 and 2000-2001 of ₹ 45,67,768/-, ₹ 24,10,052/- paid in the previous year and balance demand for ₹ 21,57,716/- is treated as contingent liability pending final verdict of appellate authority.

(i) The Return for Assessment Year 2006-07 was reopened during the year under reference and AO added ₹ 159,46,05,271/- credited by the Corporation to Capital Reserves Account to income of the Corporation and made demand for ₹ 11,47,93,780/-. The said demand was raised without taking into account the accumulated loss carried forward. Corporation filed application for Rectification of Mistake and also preferred an appeal before CIT (Appeals)-VIII. In view of the accumulated loss and Corporation contested the addition, no provision has been made.

(ii) For Assessment Year 2009-10, Income Tax department has issued notice u/s 143(3) of Income Tax Act, 1961 and added/disallowed ₹ 61.72 crore as against the loss of ₹ 152.86 crore and for Assessment Year 2010-11, ₹ 17.99 crore was disallowed/added as against the loss of ₹ 151.59 crore. Corporation preferred appeals against the said assessment orders before appellate authority.

**(04)** In some of the cases, the balances as per the General Ledger are not tallied with the respective subsidiary ledgers. Some accounts also show odd balances. The total difference between General Ledger balances and the balances as per the subsidiary ledger is to the tune of ₹ 13,36,268/- (previous year ₹ 13,37,267/-) which is under reconciliation.

**(05)** The outstanding balance of current liabilities/ non current liabilities including the other liabilities and other assets are subject to confirmation and adjustment, if any.

**(06)** The figures of previous year have been regrouped and rearranged wherever necessary to make them comparable with figures of the current year.





- (07) Unpaid expenses of ₹ 86,14,789/- (Previous year ₹ 90,41,126/-) stands un-reconciled.
- (08) The 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. However since there is reduction in NPA on an overall net basis after considering all relevant provisions, Corporation has written back provision of NPA to the extent of ₹ 27,02,77,050/- in the current year (Previous year ₹ 27,30,50,355/-).
- (09) The Staff Advance interest accumulation of ₹ 2,57,34,228/- is un-reconciled with individual ledger balances (Previous year ₹ 2,85,04,587/-).
- (10) Corporation's operations are solely in the Financial Service Industry including Investment Operation. As interest income accounts for nearly 95% of Corporation's total revenue, separate segment reporting as per Accounting Standard-17 is not considered necessary.
- (11) Board of Directors at its meeting held on 3.10.2012 decided to recommend to Government of Gujarat to make the loan of ₹ 621.37 crores as interest free from 1.7.2012. A proposal has already been submitted to Government through Industries & Mines Department. Pending decision by Government, interest on Government loan is charged to Statement of Profit & Loss on simple interest basis from 1.7.2012.
- (12) The difference in Sales Tax deferment Deemed loan between Subsidiary Ledger and General Ledger stands un-reconciled.
- (13) Corporation has been making specific provision @ 100% of outstanding principal and other expenses on ascertained bad debts. However, due to decrease in such assets, an amount of ₹ 6,00,78,526/- has been written back and recognized as income in the Statement of Profit and Loss for the year under reference as against provision made for the previous year of ₹ 4,45,14,154/-.
- (14) Corporation has made a proposal to Government of Gujarat for settlement of Sales Tax dues. Meetings of High Power Committee constituted by the Govt. of Gujarat were held on 21.8.2012 and 11.3.2013 to decide on the issue and the final decision is awaited. Corporation has, therefore, not made specific provision for Sales Tax dues. Recovery from loanees made is separately shown as liability.





## Disclosure requirement for SFC's (Financial Year 2012-13)

### A. CAPITAL

- (a) Capital to Risk Assets Ratio (CRAR) -2274.76%
- (b) The Amount of subordinated debt raised and outstanding as Tier -II Capital Nil
- (c) Risk weighted assets- separately for on and off balance sheet items
- (d) The share holding pattern as on the date of the Balance Sheet

The Share holding pattern as on 31.03.2013 is under :

Sr. No.	Particulars of shareholding	No. of shares held (of ₹ 10 each)	Percentage of shareholding
1	Govt. of Gujarat*	49090400	55.09
2	SIDBI*	25320000	28.41
3	Banks & Insurance Co.	400000	0.45
4	Others	14303600	16.05
<b>TOTAL</b>		<b>89114000</b>	<b>100</b>

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

### B. Assets quality and credit concentration

- (e) Percentage of net NPA's to net loans and advances

	Amount (₹ In crore)	Percentage
Net NPA =	319.61	99.5
Net Loans & Advances =	1.62	0.5

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

	Amount (₹ In crore)	Percentage
Standard assets	1.62	0.5

- (g) Amount of provision made during the year towards standard asstes, NPA's Investment (other than those in the nature of an advance), Income tax

Sr. No.		Amount (₹ In Crore)	NPA Provision Required FY 11-12	NPA Provision Required FY 12-13	Difference
1	Standard Assets	1.62	0.0008	0.00405	0.00325
2	NPAs		346.63	319.61	-27.02
3	Income tax	NIL			



(h) Movement in net NPA's	Amount (₹ In Crore)
Opening Balance of Net NPA's	502.99
Closing Balance of Net NPA's	470.58
Movement in Net NPA's	-32.41

As the figure of recoveries in NPA's were not available, the addition in net NPA's has been netted by the amount of recoveries made during the year.

- (i) 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	10.00	2.13
The largest single group	5.41	1.15
The 10 largest single borrower	39.46	8.39

<b>Capital Funds :</b>	Amount (₹ In Crore)
Paid up Share Capital	89.11
Share Premium	18.90
Statutory & Free Reserves	254.47
Less :Deficit in P & L A/C	
Misc. Expense not written off	
Capital Fund	
Total Assets	
Total of Assets Side	2110.26
Less :Deficit In P & L A/C	2027.13
Dividend deficit A/C	16.46
Capital fund	66.67

- (j) Credit Exposure to the five largest industrial sector as percentage to total loan Assets  
Industry-wise gross sanction/disbursement/outstanding as on 31.03.13

(Amount ₹ In crore)

Industry	Sanction FY 2012-13	Disb. FY 2012-13	Principal O/S as on 31.03.13	Ind. Wise O/S %
Chem & Chemical Prod.	0	0	76.23	16.00
Services	0	0	4.76	1.01
Textile	0	0	63.65	13.53
Food Mfg.	0	0	36.14	7.68
Plastic ind	0	0	34.31	7.29
<b>Total</b>	<b>0</b>	<b>0</b>	<b>215.09</b>	<b>45.51</b>

Total loan outstanding ₹ 470.58 crore as on 31.03.2013.



### C. Liquidity

(k) Maturity pattern of assets and liabilities are as under

(Amount ₹ In crore)

Items	Less than OR equal to 1 Year	More than 1 Year Upto 3 Years	More than 3 Years Upto 5 Years	More than 5 Years Upto 7 Years	More than 7 Years Upto 10 Years	More than 10 years	Total
Total Assets	393.77	0.04	0.00	0.00	0.00	0.00	393.81
<b>Liabilites</b>							
Foreign currency	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Liabilites (considering restructuring)	289.54	124.40	117.31	68.27	21.84	0.00	621.37

### D. Operating results

(l) Interest income as a percentage to average working funds=11.99%

Amount (₹ In Crore)

Interest Income	25.06
Average working Capital Fund as on 31.03.2012	-36.19
Balance of total Assets as on 31.03.2012	1966.62
Less : Deficit in P & L A/C	1913.97
Misc. Expense not written off as on 31.03.12	16.46
Working Capital fund as on 31.03.12 = (A)	29.81
Balance of Total Assets as on 31.03.13	2110.26
Less : Deficit in P & L A/C	2027.13
Misc. Expense not written off as on 31.03.13	16.46
Working Capital fund as on 31.03.13 =(B)	66.67
Average working Capital Fund = (A+B)/2	48.24

(m) Non-Interest income as a percentage to Average working funds=13.16%

Amount (₹ In Crore)

Non- interest Income	6.35
Average working capital fund	48.24

(n) Operating loss as percentage to average working funds=234.18%

Amount (₹ In Crore)

Total Loss	113.16
Operating loss	112.97
Average working Capital Fund	48.24



(o) Return on average

	Amount (₹ In Crore)
Loss :	113.16
Total Average Assets	48.24
Balance of Total Assets as on 31.03.12	1966.62
Less :Deficit in P & L A/C	1913.97
Misc. Expense not written off as on 31.03.12	16.46
Assets as on 31.03.12 = (A)	24.085
Balance of Total Assets as on 31.03.13	2110.26
Less :Deficit in P & L A/C	2027.13
Misc. Expense not written off as on 31.03.13	16.46
Assets as on 31.03.13 =(B)	66.67
Average Assets = (A+B)/2	45.38

Amount (₹ In Crore)

(p) Net Loss Per Employee

No. of Employees

1.07

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**GUJARAT STATE FINANCIAL CORPORATION**

**NOTE : 17**

**NOTE SHOWING LOANS AND ADVANCES REFERRED TO IN NOTE 7 OF THE  
BALANCE SHEET AS ON 31.03.13**

<b>Sr. No.</b>	<b>PARTICULARS OF LOANS AND ADVANCES</b>	<b>PRINCIPAL AMOUNT ₹</b>
1	MARGIN LOAN TO BALISANA	364336
2	BILL DISCOUNTING LOANS	2861476
3	BANKABLE LOANS	2225952
4	GENERAL LOANS	2924009854
5	SEED CAPITAL LOANS	394415
6	CYCLONE 1983 LOANS	440591
7	CYCLONE 1982 LOANS	824797
8	EARTH QUAKE 2001 (BANK ADV)	17399935
9	DOCTOR'S SCH INSURANCE CHARGES	16060
10	EQUIPMENT FINANCE LOANS	51030223
11	FLOOD LOANS	388
12	FISHING LOANS	134945
13	HERITAGE AGRO LOANS	717685
14	HIGHER PURCHASE LOANS	406295704
15	HERITAGE HOTEL SOFT SEED	1530561
16	HARITAGE HOTEL	3778422
17	LEASE FINANCE LOANS	90923573
18	MORDENISATION LOANS	308501
19	MAR ORG LOAN PRIN ADV	11673602
20	MAHILA UDYAM NIDHI LOAN	4310819
21	N.E.S. LOAN	5137844
22	DOCTORS' FRIENDS SCHEMES	7883594
23	NURSING HOME SCH	10791155
24	HANDICAPPED PERSON'S PRIN ADV	12860764
25	PROF. LOANS	897284
26	QUALITY CONTROL LOANS	9134506
27	QUICK FINANCE LOANS	3737891
28	RIOT LOAN PRINCIPAL ADVANCE	15209
29	REHEBILATION OF BHUKAMP 2001	147357909
30	REHBLI CORP LOANS	5931004



Sr. No.	PARTICULARS OF LOANS AND ADVANCES	PRINCIPAL AMOUNT ₹
31	MINI LOAN	2950826
32	SPL CAP CORP LOANS	2448309
33	SPL CAP NES LOANS	114575
34	TRAN STG ADV PRINCIPAL ADVANCE	648989
35	SILVER LINE SCHEME	175002
36	S.T. INT FREE LOANS	4737191
37	SINGEL WINDOW LOANS	19759799
38	TRANSPORT LOANS	4652210
39	TINY LOANS	12940592
40	LINE OF CREDIT FOR FINANCE	265373924
41	TECHNOLOGY MODERNISATION LOANS	70
42	TEMP. LOAN VS. SUBS NES PRIN.	8391
43	TECHNOLOGY UPGRADATION LOANS	35735953
44	UNBANKABLE LOANS	2050099
45	WOMAN ENTERPRENEUR LOANS	5495908
46	PRINCIPAL WORKING CAPITAL LOAN	302902575
47	SMFX TRAN SOFT S	476053
48	SEMFEX GEN. LOAN	3581441
49	SMFX GEN SOFT SEED	1491521
50	SEMFEX TRANS LOAN	2327477
51	SALES TAX INT. FREE LOANS	314916416
<b>GRAND TOTAL</b>		<b>4705776320</b>

SIGNATORIES TO NOTE "1" TO "17"

FOR AND ON BEHALF OF THE BOARD,

Sd/-  
L. N. PARMAR  
Executive Officer (A/cs)

Sd/-  
RAVEENDRAN NAIR  
Secretary (Board)

Sd/-  
ARVIND AGARWAL, IAS  
Managing Director

Sd/-  
K. C. BHANOO  
Director

This is the Balance Sheet referred to in our Report of even date.

Sd/-  
For Mahendra N. Shah & Co. Chartered Accountants  
FRN 105775 W

Chirag M. Shah, Partner  
M. No. F45706

Date : 25/07/2013  
Place : Ahmedabad

Date : 25/07/2013  
Place : Gandhinagar



**GUJARAT STATE FINANCIAL CORPORATION  
PERFORMANCE OF THE CORPORATION AT A GLANCE DURING THE LAST DECADE**

Sr. No.	Particulars	2003-04 to 2012-13											Since inception
		2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13		
1	2	3	4	5	6	7	8	9	10	11	12	13	(₹ in crores)
(A)	Assistance	No.											61756.00
	1. Flow of Applications Term Loans	No.											46646.00
	2. Loan Sanctioned	₹											3732.10
	a. Term Loan	No.											41
	b. Lease Finance	₹											28.62
	c. Short Term Finance	No.											299
	d. Line of Credit	₹											219.48
	e. Bill discounting	No.											11
	f. Working Capital Term Loan	₹											80.00
	g. N.H.F.D.C.	No.	538	113	16								130
	h. Fund Based Merchant Banking Activity	₹	2.00	0.35	0.04								227.96
	i. Small Scale Units (SSI)	No.											225
	j. Backward District	₹											174.73
	k. Backward Talukas	No.											1113
	l. Rural Areas	₹											4.36
	m. Tribble Area/Talukas Pockets	No.											20
		₹											26.29
		No.											45170
		₹											3000.59
		No.											18168
		₹											1482.14
		No.											9759
		₹											1574.47
		No.											13599
		₹											1935.50
		No.											4479
		₹											652.30





Sr. No.	Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Since Inception
1	2	3	4	5	6	7	8	9	10	11	12	13
	3. Disbursement											
	a. Term Loan	₹ 3.09	---	---	---	---	---	---	---	---	---	2748.92
	b. Lease Finance	---	---	---	---	---	---	---	---	---	---	23.14
	c. Short Term Finance	---	---	---	---	---	---	---	---	---	---	187.49
	d. Line of Credit	---	---	---	---	---	---	---	---	---	---	65.79
	e. Bill discounting	---	---	---	---	---	---	---	---	---	---	200.72
	f. Working Capital Term Loan	---	---	---	---	---	---	---	---	---	---	154.42
	g. Fund Based Merchant Banking Activity	---	---	---	---	---	---	---	---	---	---	11.52
	h. N.H.F.D.C.	₹ 0.05	0.60	0.26	9.67	---	---	---	---	---	---	12.31
	4. Recovery											
	a. Term Loan	₹ 119.47	139.76	156.23	70.21	91.92	70.22	27.22	29.72	28.45	26.14	3451.14
	b. Lease Finance	₹ 0.17	0.03	0.04	0.03	0.54	---	---	---	---	---	14.64
	c. Short Term Finance	₹ 4.07	1.79	2.25	0.67	2.34	0.62	0.53	1.28	---	---	208.16
	d. Line of Credit	₹ 0.25	0.07	---	---	0.70	0.88	---	---	---	---	60.53
	e. Bill discounting	₹ 0.83	1.13	1.00	0.51	2.70	3.18	7.39	1.89	0.02	3.01	207.68
	f. Working Capital Term Loan	₹ 5.71	5.55	2.08	6.09	---	---	---	---	3.21	5.40	112.56
	g. Fund Based Merchant Banking Activity	---	---	---	---	---	---	---	---	0.01	---	0.11
	h. N.H.F.D.C.	₹ 0.22	0.24	0.31	0.27	0.24	0.23	0.08	0.02	---	---	1.79
	5. Loan Outstanding (at year end)	---	---	---	---	---	---	---	---	---	---	---
	(B) Working Results											
	1. Earning											
	a. Interest	₹ 41.05	61.78	71.14	28.32	65.61	55.29	27.11	23.57	26.24	25.06	
	b. Other Income	₹ 7.88	2.89	3.02	2.14	2.29	3.17	9.34	7.59	3.15	6.35	



Sr. No.	Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Since inception
		3	4	5	6	7	8	9	10	11	12	13
1	2. Expenditure											
	a. Interest on bond, deposits & Other Borrowings	₹ 120.85	113.39	73.17	87.79	112.55	135.05	161.44	187.25	220.37	145.71	
	b. Financial Expenses & Commitment Charges	₹ 11.26	8.18	2.73	2.06	1.75	9.88	0.61	0.20	0.05	0.00	
	c. Personnel Expenses	₹ 21.13	20.35	11.99	7.83	6.10	22.15	2.82	8.94	12.44	4.33	
	d. Other expenses	₹ 2.91	34.19	39.25	14.75	26.53	33.80	13.93	20.60	32.36	27.37	
	e. Depreciation	₹ 1.15	0.93	0.54	0.46	0.40	0.35	0.28	0.23	0.17	0.20	
	f. Provision against NPA	₹ 50.10	25.85	89.74	229.21	29.69	14.30	5.75	3.90	4.45	0.00	
	3. Profit/(Loss) before tax	₹ -158.47	-138.22	-12.01	-311.64	-109.13	-117.93	-129.38	-156.91	-208.68	-113.16	
	4. Profit/(Loss) after tax	₹ -158.47	-138.22	-12.01	-311.64	-109.13	-117.93	-129.38	-156.91	-208.92	-113.16	
	(C) Capital & Resources ( as at the end of)											
	1. Paid up capital	₹ 89.11	89.11	89.11	89.11	89.11	89.11	89.11	89.11	89.11	89.11	
	2. Share Forfeited	₹ 9.21	9.21	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	
	3. Reserves	₹ 85.89	85.89	249.95	249.95	265.29	273.36	273.36	273.36	(1640.60)	(1753.77)	
	4. Borrowings	₹ 1200.49	1155.61	927.83	942.55	965.41	1000.92	676.86	665.09	661.69	661.69	
	a. Market Bonds	₹ 348.19	196.94	97.01	77.36	67.31	60.14	18.98	4.20	1.25	0.00	
	b. Govt. Loan	₹ 48.82	187.60	288.65	412.82	532.17	592.17	612.17	617.17	621.37	621.37	
	c. SIDBI Loan	₹ ----	----	----	----	----	----	----	----	----	----	
	d. Refinance	₹ 557.66	557.36	299.87	179.87	59.87	----	----	----	----	----	
	e. Fixed Deposits	₹ 0.13	0.13	0.13	----	----	----	----	----	----	----	
	f. Line of Credit from Banks	₹ 40.13	40.13	30.00	16.00	----	----	----	----	----	----	
	g. Priority Sector Bond	₹ 182.07	162.33	141.10	116.05	76.67	8.95	5.02	3.02	1.10	0.00	
	h. Loan from NHFDC	₹ 3.49	1.12	0.68	0.38	0.37	0.37	0.37	0.37	----	----	
	i. Short Term Loan GIDC	₹ 20	10	0.00	----	----	----	----	----	----	----	



**HEAD OFFICE**  
**GUJARAT STATE FINANCIAL CORPORATION**  
**SECTOR – 11, GH – 4, UDYOG BHAVAN GANDHINAGAR – 382 017**

TELE. NO: 23256761 to 66, 23256772-74, FAX NO. 23252204-05  
E-mail : webmaster – [gsfc@gujarat.gov.in](mailto:gsfc@gujarat.gov.in), Web site : [http:// www.gsfc.gujarat.gov.in](http://www.gsfc.gujarat.gov.in)

<b>REGIONAL &amp; OTHER OFFICES</b>	
<b>AHMEDABAD REGIONAL OFFICE</b> CHILDREN'S HOSPITAL BUILDING OPP. ELLIS BRIDGE POLICE LINE, ELLIS BRIDGE, AHMEDABAD – 380006. TELE. NO. (079) 26402372, 26464480 FAX NO. (079) 26463837	<b>RAJKOT REGIONAL OFFICE</b> RACE COURSE, RING ROAD, NEAR LIFE BUILDING, RAJKOT – 360 001. TELE. NO. (0281) 2443664, 2442715 FAX NO. (0281) 2479292
<b>SURAT REGIONAL OFFICE</b> PLOT NO. 12/1, RAJ EMPIRE MULTIPACK, GROUND FLOOR, BHATAR ROAD, SURAT-395002 TELE NO. (0261) 2231005/2231006 FAX NO. (0261) 2231004	<b>MUMBAI OFFICE</b> 198, KHETAN BHAVAN, 1 <sup>ST</sup> FLOOR, 198 J-TATA ROAD, CHURCH GATE, MUMBAI – 400 020 TELE / FAX NO. (022) 22845041



## GUJARAT STATE FINANCIAL CORPORATION

Head Office : UDYOG BHAVAN, 1st FLOOR, BLOCK NO. 10,  
SECTOR-11, GH-4, GANDHINAGAR-382 017.

### 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 FIFTY THIRD ANNUAL GENERAL MEETING of the Corporation in the office of the Chairman at Head Office at Udyog Bhavan, Block No. 10, 1<sup>st</sup> Floor, Sector-11, Gandhinagar-382 017 on Friday, the 13<sup>th</sup> December, 2013 at 4.00 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-382 017.

### 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 FIFTY THRID ANNUAL GENERAL MEETING of the Corporation in the office of the Chairman at Head Office at Udyog Bhavan, Block No. 10, 1<sup>st</sup> Floor, Sector-11, Gandhinagar-382 017 on Friday, the 13<sup>th</sup> December, 2013 at 4.00 p.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

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.

# Book Post

To,

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Pincode

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If not delivered please return to :

**GUJARAT STATE FINANCIAL CORPORATION**

Udyog Bhavan, Block No. 10, GH-4, Sector-11, Gandhinagar-382 017.