

54th

Annual Report

2014



GUJARAT STATE FINANCIAL CORPORATION
GANDHINAGAR



BOARD OF DIRECTORS

(As on 31st March, 2014)

DIRECTORS

SHRI D. J. PANDIAN, IAS

(Nominated by State Government)

SHRI C. J. MACWAN

(Nominated by State Government)

SHRI BALBIR SINGH

(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, 1st Floor, Sector-11, GH-4,

Gandhinagar-382 011

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 54th Annual General Meeting of the shareholders of the Corporation will be held on Monday, the **10th November, 2014 at 4.00 p.m. in the Conference Room of Udyog Bhavan Society at Udyog Bhavan, Block No. 19, 1st Floor, Sector-11, Gandhinagar-382 011** to transact the following business :

- (i) To receive, consider and adopt the audited financial statements of the Corporation for the Financial Year ended 31st March, 2014 including the Balance Sheet as at March 31, 2014, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- (ii) To appoint M/s. Manubhai & Shah, Chartered Accountants, Ahmedabad, as Statutory Auditors of the Corporation to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting as recommended by RBI and to fix their remuneration.

By order of the Board of Directors,

Place : Gandhinagar
Date : 10-09-2014

(ARVIND AGARWAL)
MANAGING DIRECTOR

NOTES :

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 54th Annual General Meeting.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE CORPORATION.**
3. **No proxy shall be valid unless it is duly stamped and unless it together with the power of attorney or other authority, if any, under which it is signed or a copy of that power of authority certified by a notary public or Magistrate, is deposited at the Head Office of the Corporation not less than 7 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 **5-11-2014 to 10-11-2014** (both days inclusive).



5. Shareholders seeking any information with regard to accounts are requested to write to the Corporation at least 10 days before the meeting so as to enable the management to keep the information ready.
6. Members are requested to bring their copy of Annual Report at the meeting.
7. Members holding the shares in physical mode are requested to notify immediately the change of their address and e-mail id to the R & T Agent of the Corporation. In case shares held in dematerialized form, the information regarding change of address and e-mail id should be given to their respective Depository Participant.

8. Voting through electronic means :

- (a) In terms of Clause 35B of the Listing Agreement read with Rule 20 of the Companies (Management & Administration) Rules, 2014, facility is provided to the shareholders for e-Voting through Central Depository Services (India) Ltd., (CDSL) to enable them to cast their vote electronically on the resolutions mentioned in the Notice of 54th AGM. Accordingly, a member may exercise his vote by electronic means and the Corporation may pass any resolution by electronic voting system in accordance with the above provisions.
- (b) Corporation has fixed **09-05-2014** as cut-off date to record the entitlement of the shareholders to cast their votes electronically at the 54th AGM.

(c) Instructions for e-voting :

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab
- (iii) Now enter your User ID
 - a. For CDSL : 16 digits beneficiary ID,
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Corporation.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.



(vi) If you a first time user, follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Members who have not updated their PAN with the Corporation/ Depository Participant are requested to use the first two letters of their name and the Sequence Number printed in the address slip for physical shares and covering letter in respect of members receiving e-mail in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the Corporation records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Corporation records for the said demat account or folio. # Please enter the DOB or Dividend Bank Details in order to log in. If the details are not recorded with the depository or Corporation, please enter the number of shares held by you as on the cut-off date i.e. 09-05-2014 in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant GUJARAT STATE FINANCIAL CORPORATION on which you choose to vote.
- (xi) On the voting page, you will see ‘RESOLUTION DESCRIPTION’ and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK” else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
 - After receiving the login details, they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (d) The voting period begins on **03-11-2014** and ends on **05-11-2014**. During this period, shareholders of the Corporation, holding shares either in physical form or in dematerialized form, as on the cut-off date/record date of **09-05-2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (e) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.





DIRECTOR'S REPORT

To the Members,

The Board of Directors has pleasure in presenting the 54th Annual Report of the Corporation together with the audited statements of Accounts for the year ended 31st March 2014.

1.0 Economy :

India's economy expanded at 4.7 per cent in the entire 2013-14 financial year, marking a second straight year of below 5 per cent growth. The expansion was slower than an official estimate of 4.9 per cent and higher than 4.5 per cent growth a year earlier. Growth was affected by poor performance in mining and manufacturing. Stagnant growth of GDP is attributable to the continued weakness in industrial activity and supply side constraints. A moderate recovery is likely to set in 2014-15. The recovery is likely to be supported by investment activity picking up due to part resolution of stalled projects and improved business and consumer confidence. Manufacturing activity shows improvement in recent months, albeit the pick-up was too gradual. High and persistent inflation remained a key challenge facing India throughout the year 2013-14. Due to tightening of liquidity and other remedial measures taking place, it is expected that the economy may grow at a faster pace during 2014-15. International rating agency Fitch estimated the economic growth of India to 5.5 per cent during 2014-15.

2.0 Financial Results :

The income generation capacity of the Corporation is deteriorating since discontinuation of its main operations of sanction and disbursement. Further, One Time Settlement schemes for Term Loan and BIFR/GBIFR units have expired during the year. In spite of adverse circumstances, Corporation earned interest income of ₹ 18.03 crore during the year under reference as against ₹ 25.06 crore earned a year ago. Total income, including exceptional items, stood at ₹ 40.82 crore compared to ₹ 64.44 crore during the previous year. Corporation's total expenditure for the period under reference stood at ₹ 153.61 crore as against ₹ 177.61 crore in 2012-13. Corporation registered a loss of ₹ 112.79 crore during the year under reference while the same in the previous year was ₹ 113.16 crore. The accumulated loss of the Corporation as on 31st March, 2014 stood at ₹ 2139.92 crore.

3.0 Recovery :

In spite of the difficult economic conditions that prevailed during the year under report, Corporation recovered an amount of ₹ 22.88 crore during the year 2013-14 as against ₹ 34.55 crore recovered during FY 2012-13.

4.0 Human Resources :

During the year under reference, the employees of the Corporation were extended the benefit of revision of pay scales on line with VI Pay Commission recommendations from December, 2013. In order to adapt the rapidly changing environment and the challenges, nine officials were imparted external training through institutions of repute.



11 officers/employees retired during the year. The total staff strength as on 31-03-2014 is as under :

1.	Grade 'A' Officers	11
2.	Grade 'B' officers	74
3.	Grade 'C' employees	21
Total		95

Out of 95 employees, 35 staff is on deputation/loan service to other offices of the Government.

5.0 Auditors :

M/s. Mahendra N. Shah & Co., Chartered Accountants, Ahmedabad retires at the conclusion of the ensuing Annual General Meeting. They have been associated with the Corporation for the past four financial years and are not eligible for re-appointment as per the guidelines issued by Reserve Bank of India.

As recommended by RBI under the provisions of Section 37 (1) of the SFCs Act, 1951, followed by recommendation by the Audit Committee, M/s. Manubhai & Shah, Chartered Accountants, Ahmedabad, are proposed to be appointed as statutory auditors of the Corporation for financial year 2014-15 from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

6.0 Management Discussion & Analysis and Corporate Governance Reports :

Reports on Management Discussion & Analysis and Corporate Governance together with the corresponding Compliance Certificate are attached as part of this Annual Report.

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, 2014 :

SIDBI, vide its letter dated 5.8.2013, withdrawn the nomination of Shri KC Bhanoo as a Director on the Board of the Corporation and in his place, Shri Balbir Singh, Deputy General Manager, SIDBI, Ahmedabad, has been nominated.

Government of Gujarat in Finance Department, vide Office Order dated 4th March, 2014, nominated Shri C. J. Macwan, Deputy Secretary & Director (IF), Finance Department, in place of Miss S. Aparna, IAS.

Shri D. J. Pandian, IAS, Additional Chief Secretary, Industries & Mines Department, was nominated as a Director on the Board of the Corporation by Notification dated 7-3-2014 of Industries & Mines Department in place of Shri M. Sahu, IAS (Retired).

The Board places on record its gratitude for the valuable contribution rendered by Shri M. Sahu, IAS (Retd.), Shri K. C. Bhanoo and Miss S. Aparna, IAS, during their tenure of office as Chairman and Directors respectively.

In compliance with Clause 49 of the Listing Agreement, brief resume of the Directors joined on the Board of the Corporation during the period under reference, is furnished in the Corporate Governance Report attached to this Directors' Report.



8.0 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 2014, the applicable accounting standards had 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 2014 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 2014 had been prepared on a going concern basis.

9.0 Acknowledgement :

The Directors are grateful to Government of Gujarat, Reserve Bank of India and Small Industries Development Bank of India for their advise, support and guidance. The Directors are also grateful to Industries & Mines Department and Finance Department for their continuous support. The Board thanks its valued customers and other stakeholders for their patronage. The Board also conveys its appreciation to all employees of the Corporation for their contribution during the year.

For and on behalf of the Board of Directors,

Place : Gandhinagar
Date : 05-08-2014

(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. Corporation has requested for waiver of interest on Government loan, outcome of which is awaited.

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 is reducing on account of reconciliation. 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. Fixed Assets Registers in respect of Vehicles and Land & Buildings have already been updated. Due to renovation of Head Office and Ahmedabad Regional Office, old fixtures and furniture are to be replaced. Keeping this in view, the remaining Registers will be updated in the financial year 2014-15.

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 sizeable number of units 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 99.6% of the loan assets. Since 100% provision is made against doubtful assets, the difference between General Ledger and Subsidiary Ledger may not have much impact on provision made.





MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(1) Term Lending Institutions :

The Financial Corporations, established under a Parliament statute viz. the State Financial Corporations Act, 1951, have been conceived as Regional Development Banks for accelerating the industrial growth in States by providing financial assistance mainly to small and smaller of the medium scale industries when medium and long-term credit to industrial units were outside the normal activities of the commercial banks. With financial sector reforms coming into force, Banks and NBFCs took over the role played by SFCs. Since Banks and other financial institutions stepped into the shoes of SFCs and they are aggressively catering to the requirement of MSME sector, the relevance of SFCs has lost. In the present scenario, most SFCs are burdened with high NPAs thereby affecting its operations adversely.

(2) Corporation's Performance :

Corporation's operations are limited to recovery of dues. One Time Settlement schemes for term loan and BIFR units ceased to be in operation in the year under report. Since the quality of assets remained with the Corporation deteriorated, recovery of dues became a herculean task. Corporation's NPA stood at 99.6%. Even in the adverse circumstances, Corporation recovered ₹ 22.88 crore during the year under report as against recovery of ₹ 34.55 crore in the previous year.

(3) Opportunities & Threats :

Banks and financial institutions accord high priority to lend to the MSME sector and extend financial assistance at competitive rates. SFCs are not in a position to raise cheap funds for its operations. Thus, though the Corporation has the potential to serve the sector from close quarters, adverse financial position and its inability to raise funds prevent it from carrying out its main operations of sanction and disbursement. In view of this, since 2001-02, Corporation's activities are limited to recovery of dues only.

(4) Internal control system and their adequacy :

The Corporation's internal control system is structured in such a way that it is sound and adequate in proportion to its size and business. The regular internal audit of the Corporation is carried out by an external firm of Chartered Accountants. 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, 2014, the Corporation has 95 employees on its pay-roll. 9 officials were nominated to various external training programs during the year under reference. The pay scales of the employees of the Corporation are revised in accordance with recommendations of VIth Pay Commission with effect from 1-12-2013. 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 as stipulated in Sections 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 and are also available for dematerialization through both the Depositories.

Long term borrowings :

During the year under reference, Corporation has not availed any loan from Government of Gujarat. No other external borrowings are resorted to during the year under reference. The principal dues payable to Government of Gujarat under Soft Loan portfolio remained same at ₹ 621.37 crore as on 31-03-2014.

(7) Financial Results :

(₹ in Crore)

Particulars	Year ended 31/03/2014	Year ended 31/03/2013
Total Income	40.81	64.44
Interest expenses	115.21	145.71
Other expenses	38.08	31.70
Loss before depreciation & tax	112.45	112.96
Depreciation	0.31	0.20
Loss before tax	112.76	113.16
Tax (of previous years)	0.03	0
Loss after depreciation & tax	112.79	113.16
Balance carried over to balance sheet	2139.92	2027.13





REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2013-14

1. PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

a. Composition and size of the 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, 2014, 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. Except Managing Director, all other Directors are Non-Executive Directors.

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

During the year 2013-14, five Board meetings were held and the gap between two Board meetings did not exceed four months. 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 13-12-2013	
1	Shri M. Sahu, IAS (As Director from 2-4-09 & as Chairman from 9-9-09 till 6-3-2014)	5	4	Not Present	07
2	Shri Arvind Agarwal, IAS Managing Director (From 7-5-2007 onwards)	5	5	Present	01
3	Miss S. Aparna, IAS (Till 3-3-2014)	5	2	Not Present	12
4	Shri K. C. Bhanoo (From 10-6-2010 till 4-8-2013)	2	2	Not Applicable	03
5	Shri Balbir Singh (From 5-8-2013)	3	3	Not Present	0
6	Shri D. J. Pandian, IAS (From 7-3-2014)	0	0	Not Applicable	15
7	Shri C. J. Macwan (From 4-3-2014)	0	0	Not Applicable	04



During the year under reference, Government of Gujarat in Finance Department vide Notification dated 4th March, 2014, nominated Shri C. J. Macwan, Deputy Secretary, Finance Department on the Board of the Corporation thereby ceasing the directorship of Miss S. Aparna, IAS, Principal Secretary, Finance Department.

On his attaining the age of superannuation, Shri M. Sahu, IAS, tendered his resignation from the Board of the Corporation with effect from 1-2-2014. Since he is a nominee of Government of Gujarat and as per Section 11(1) of the SFCs Act, 1951, a nominated director shall hold office during the pleasure of the authority nominating him, the Board, at its meeting held on 14-2-2014, decided to forward the resignation letter to Government of Gujarat for necessary action. Government in Industries & Mines Department, vide Notification dated 7th March, 2014, nominated Shri D. J. Pandian, IAS, Additional Chief Secretary, Industries & Mines Department as Director on the Board of the Corporation in place of Shri M. Shau, IAS (Retired).

The nomination of Shri K. C. Bhanoo, General Manager, SIDBI, on the Board of the Corporation was withdrawn vide SIDBI letter dated 5th August, 2013 and in his place, Shri Balbir Singh, Dy. General Manager, SIDBI, Ahmedabad has been nominated.

DISCLOSURES IN RELATION OF THE NOMINATION OF DIRECTORS DURING THE YEAR PURSUANT TO CLAUSE 49 (IV)(G)(i) OF THE LISTING AGREEMENT:

Name of Director	Shri Balbir Singh	Shri D. J. Pandian, IAS	Shri C. J. Macwan
Date of birth	12-03-1969	11-05-1955	05-12-1957
Date of appointment	August 5, 2013	March 7, 2014	March 4, 2014
Qualification	MBA	MA (International Relations), MBA (Finance & Marketing Research)	B.B.A., LL.B.
Experience	More than 15 years with term lending institution viz. Small Industries Development Bank of India.	In various capacities with Government of Gujarat. Presently Additional Chief Secretary, Energy & Petrochemicals Department with additional charge of Industries & Mines Department	Joined Government of Gujarat in 1983 and worked in different departments. Presently working as Deputy Secretary in Finance Department.
Board membership of other Public Limited companies as on March 31, 2014	NIL	15	4
Number of shares held in the Corporation as on 31-3-2014	NIL	NIL	NIL



c. **Board Meetings**

Board of Directors met five times during the year on 22-5-2013, 25-7-2013, 25-9-2013, 20-12-2013 and 14-2-2014 at Gandhinagar.

Details of equity shares of the Corporation held by the Directors as on 31st March, 2014 :

No Director is holding equity shares of the Corporation.

Declaration of compliance with the Code of Conduct

All the Directors and Senior Management personnel have affirmed compliance with the Code of Conduct.

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**

Terms of reference

The Audit Committee has been mandated with the same terms of reference as specified in Clause 49 of the Listing Agreement with Stock Exchanges.

Composition, names of members and Chairperson :

The Audit Committee consists of three Directors. It was last reconstituted by the Board of Directors at its meeting held on 25-9-2013. The composition of the Committee and the attendance of each Member at meetings were as under :

Sr. No.	Members	No. of meetings attended
1	Miss S. Aparna, IAS – Chairperson\$	3
2	Shri Arvind Agarwal, IAS	4
3	Shri K. C. Bhanoo# Shri Balbir Singh	1 3

\$ ceased to be Chairperson with effect from 4-3-2014

ceased to be member with effect from 5-8-2013

Secretary (Board) is Secretary to Audit Committee.

Four meetings of Audit Committee were held during the year under reference on 25-7-2013, 25-9-2013, 20-12-2013 and 14-2-2014.



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.

During the year under reference, no sitting fee or TA/DA was paid to any Director.

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

The Shareholders'/Investors' Grievance 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 twelve times with full quorum in all meetings 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	4,300
2	Transfer	2,200
3	Rejection	1,070
4	Rematerialization	600

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	6
No. of complaints resolved during the year	6
No. of complaints pending at the end of the year	NIL



Name of the Compliance Officer of the Corporation :

Shri Raveendran Nair, Secretary (Board)

Phone : (079) 23256766

Fax : (079) 23252204

E-mail id : sec-cell-gsfc@gujarat.gov.in

6. 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
2010-11	30-12-2011	4.00 PM	Office of Chairman at Head Office at Udyog Bhavan, Block No. 10, 1 st Floor, Sector-11, Gandhinagar – 382 011
2011-12	08-11-2012	4.00 PM	-do-
2012-13	13-12-2013	4.00 PM	-do-

No special resolution or any resolution through postal ballot was passed during the last three AGMs.

7. DISCLOSURES :

- i. There are no materially significant related party transactions entered into by the Corporation with its Promoters, Directors or Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Corporation at large.
- ii. Corporation has received communications from BSE and NSE for delay in compliance with Clause 41 of the Listing Agreement. No penalties or strictures were imposed on the Corporation by Stock Exchanges or SEBI or any authority on any matter related to capital markets during the last three years.

8. MEANS OF COMMUNICATION :

Quarterly, half yearly and annual financial results of the Corporation duly approved by the Board are transmitted to Stock Exchanges within the stipulated time limit and published in one English daily newspaper and one Gujarati daily newspaper viz. "The Economic Times" English and Gujarati editions of Ahmedabad. The results are also displayed on the web-site of the Corporation. During the year, Corporation has not made any presentations to institutional investors or to the analysts.

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



9. GENERAL SHAREHOLDER INFORMATION

AGM date, time and venue	Monday, the 10 th November, 2014 at 4.00 p.m. in the Conference Room of Udyog Bhavan Society at Udyog Bhavan, Block No. 19, 1 st Floor, Sector-11, Gandhinagar-382 011.		
Financial year	1 st April to 31 st March		
Date of Book closure	5-11-2014 to 10-11-2014 (Both days inclusive)		
Dividend payment date	Not applicable		
Listing on Stock-Exchanges	Bombay	NSE	
Stock Code	532160	GUJSTATFIN	
	Listing fee has been paid to BSE and NSE based on listed capital for the year 2014-15. However, the demand of NSE to remit Listing fee on paid up capital excluding holding of Government of Gujarat is still pending for resolution.		
Demat ISIN Number (NSDL/CDSL)	INE944A01011		
Market price data	High/Low price quoted at Bombay Stock Exchange (as collated) during each month in last financial year 2013-14 is as under : (In ₹)		
	2013-14	High	Low
	April, 13	1.96	1.58
	May	1.65	1.43
	June	1.56	1.34
	July	1.61	1.46
	Aug.	1.57	1.46
	Sept.	1.70	1.55
	Oct.	2.04	1.55
	Nov.	2.38	1.91
	Dec.	2.53	1.82
	Jan.14	2.64	1.97
	Feb.	2.00	1.65
	March	1.86	1.45
	There was no transaction reported at National Stock Exchange during the year.		
Registrar & Transfer Agents	M/S. MCS Ltd., Shatdal Complex, 1 st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380 009. Phone (079) 26582878, 79, 80 Fax (079) 26581296 E-mail id: mcsahmd@gmail.com		
Share Transfer System	Corporation has constituted a Share Transfer Committee consisting of three officials. The Committee is empowered to deal with all matters pertaining to transfer, dematerialization etc., including investor grievance redressal. The Share Transfer Committee ensures disposal of requests expeditiously.		



10. Shareholding Pattern as on 31st March 2014 :

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
TOTAL		8,91,14,000	100.00

11. 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. and with effect from 23.6.2014 through Central Depository Services (India) Ltd. As on 31-3-2014, 91,72,440 shares held in electronic mode consisted of 64.13% of Class “d” shares.

Plant Location	Not applicable
Regional Offices at	Ahmedabad, Surat & Rajkot
Other office at	Mumbai
Address for Correspondence	The Compliance Officer Gujarat State Financial Corporation Secretarial Cell Udyog Bhavan, Block No.10, Sector-11, GANDHINAGAR-382 011 Ph. : 079-23256766 Fax : 23252204 E-mail : sec-cell-gsfc@gujarat.gov.in.





Kishor Dudhatra

Company Secretary
B.B.A., F.C.S.

CERTIFICATE OF 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 conditions of Corporate Governance by Gujarat State Financial Corporation for the year ended 31st March, 2014, 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 Corporation.
4. We hereby report that :
 - (a) Corporation has not compliance with Clause 49 II (A) (iv) Chairman of Audit Committee shall remain present at AGM and
 - (b) Clause 49 IV (G) (iii) [Shareholders Grievance Committee should consist of Board members and Chairman should be non executive director;
 - (c) Except subject 4 (a) & (b), 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 periods exceeding one month against the Corporation as per the records maintained by the Corporation which are presented to shareholders/investors.

Place : Ahmedabad

Date : 17-07-2014



Sd/-
Kishor Dudhatra
Company Secretary
FCS-7236 (C.P. 3959)

B-314, Gopal Palace, Opp. Ocean Park, Near Shiromani Complex, Shivranjani,
Nehrunagar Road, Ahmedabad-380 015.



DECLARATION

All the Board members and the Senior Management personnel have affirmed their compliance of the “Code of Conduct for Members of the Board and Senior Management” for the financial year 2013-14 in terms of Clause 49 (I)(D)(ii) of the Listing Agreement with the Stock Exchanges.

For Gujarat State Financial Corporation,

Place : Gandhinagar
Date : 05-08-2014

(Arvind Agarwal)
Managing Director





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 2013-14 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 : 05-08-2014

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

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, 2014, 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") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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, 2014;
- b) in the case of the Statement of Profit and Loss, 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 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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 : 29-05-2014
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 31-03-2014 are as under :

	Principal Default	Interest & Penalty default	Total Default
Loan from Government	₹ 4,618,083,000	₹ 11,435,682,000	₹ 16,053,765,000
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 ₹ 9,28,746/- 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 : 29-05-2014
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 2014

Particulars	Note. No.	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
I. EQUITY AND LIABILITIES			
<u>(1) Shareholder's Funds</u>			
(a) Share Capital	1	937,188,000	937,188,000
(b) Reserves and Surplus	2	(18,665,539,968)	(17,537,660,559)
<u>(2) Non-Current Liabilities</u>			
(a) Long-Term Borrowings	3(a)	6,616,913,633	6,616,913,633
(b) Other Long-Term Liabilities	3(b)	11,929,508,281	10,780,207,296
<u>(3) Current Liabilities</u>			
Other Current Liabilities	4	79,800,832	34,666,361
Total Equity & Liabilities		897,870,778	831,314,732
II. ASSETS			
<u>(1) Non-Current Assets</u>			
<u>(a) Fixed Assets</u>			
(i) Gross Block	5	140,836,730	140,222,924
(ii) Depreciation		112,645,937	(110,588,268)
(iii) Net Block		28,190,793	29,634,656
(iv) Capital Work in Progress		12,749,257	-
(b) Non-current investments	6	48,434,597	48,434,597
(c) Long term loans and advances	7	20,051,358	19,911,807
<u>(2) Current Assets</u>			
(a) Other current assets	8	54,888,623	47,186,295
(b) Cash and cash equivalent	9	733,556,150	686,147,377
Total Assets		897,870,778	831,314,732
NOTES TO ACCOUNTS	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/-
C. J. MACWAN
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

Place : Ahmedabad

Date : 29-05-2014

Place : Gandhinagar

Date : 29-05-2014



GUJARAT STATE FINANCIAL CORPORATION
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON
31ST MARCH, 2014

Sr. No	Particulars	Note No.	2013-14 ₹	2012-13 ₹
I	Revenue from operations	10	180,258,011	250,615,091
II	Other Income	11	68,829,149	63,467,410
III	Total Revenue (I +II)		249,087,160	314,082,501
IV	<u>Expenses:</u>			
	Employee Benefit Expenses	12	45,317,385	43,283,644
	Financial Cost	13	1,152,114,672	1,457,138,741
	Depreciation and Amortization Expense	14	3,083,922	1,961,697
	Other Administrative Expenses	15	147,067,444	273,685,566
	Total Expenses (IV)		1,347,583,423	1,776,069,648
V	Loss before exceptional items and tax (III - IV)		(1,098,496,263)	(1,461,987,147)
VI	<u>Exceptional Items</u>			
	Provision against Non - Performing Assets (NPA) Written Back		159,048,860	330,355,578
	Excess Depreciation Written Back		57507	-
	Sales Tax paid on HP & Lease Finance		(188175263.00)	-
VII	Loss before tax (V + VI)		(1,127,565,159)	(1,131,631,569)
VIII	<u>Tax expense:</u>			
	(1) Tax paid for the earlier years		314250	-
IX	Loss after tax (VII-VIII)		(1,127,879,409)	(1,131,631,569)
X	Earning per equity share:			
	(1) Basic & diluted		(12.66)	(12.70)
NOTES TO ACCOUNTS		16		

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/-
C. J. MACWAN
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

Place : Ahmedabad

Date : 29-05-2014

Place : Gandhinagar

Date : 29-05-2014



GUJARAT STATE FINANCIAL CORPORATION

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	2013-2014 ₹		2012-13 ₹	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax as per Profit & Loss A/c		(1127565159)		(1131631569)
Adjustments :				
Depreciation	3083922		1961697	
OTS Scheme sacrifice income	(113664830)		(253052236)	
OTS Waiver	113664830		253052236	
Profit on sale of Fixed Assets	(79386)		0	
Loss on sale of Fixed Assets	43134		0	
Provision for NPA and ascertained bad debt	0		0	
Provision for NPA written back	(159048860)		(330355578)	
Excess Depreciation Written Back	(57507)		0	
Dividend Income	(1726532)		(843763)	
Interest Income	(66556396)		(45659181)	
Interest on Finance Cost	933903694		1249405869	
		709562069		874509044
Operating Profit before working capital		(418003090)		(257122525)
Adjusted for :				
i) Other Non - Current Receivables	(7702328)		4478445	
ii) Other Current & Non - Current Liabilities	1194435456	1186733128	1459946739	1464425184
Less : Tax Paid		768730038		1207302659
Cash generated from Operations		314250		0
		768415788		1207302659
NET CASH USED FROM OPERATING ACTIVITIES (A)		768415788		1207302659
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(14395557)		(2692019)	
Sale of Fixed Assets	1032487		1989273	
Profit On sale of Assets	79386		0	
Loss on sale of Assets	(43134)		0	
Other Deduction in Fixed Assets	(968739)		(1920774)	
Purchase of Investments	0		0	
Sale of Investments	0		0	
Dividend Income	1726532		843763	
Interest Income	66556396		45659181	
Interest on Finance Cost	(933903694)		(1249405869)	
NET CAS USED FROM INVESTING ACTIVITIES (B)		(879916323)		(1205526445)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Loans and Advances				
Borrowing of Funds	0		0	
Repayment of Borrowings	0		(23500000)	
Movement in Lending	158909308		317331247	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		158909308		293831247
Net Increase in Cash & Cash Equivalents (a+b+c)		47408773		295607461
Opening Balance of Cash & Cash Equivalents		686147377		390539916
Closing Balance of Cash & Cash Equivalents		733556150		686147377
Net Increase/(Decrease) in Cash & Cash Equivalents		47408773		295607461

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/-
C. J. MACWAN
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

Place : Ahmedabad
Date : 29-05-2014

Place : Gandhinagar
Date : 29-05-2014



GUJARAT STATE FINANCIAL CORPORATION

Notes forming integral part of the Balance Sheet as at 31st March, 2014

Note : 1 - Share Capital

Sr. No	Particulars	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
1	<u>AUTHORIZED CAPITAL</u> 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	<u>ISSUED , SUBSCRIBED & PAID UP CAPITAL</u> 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
Total		937,188,000	937,188,000

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 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
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	<u>SURPLUS</u> DEBIT BALANCE OF STATEMENT OF PROFIT & LOSS	20271327472	
	ADD : LOSS DURING THE YEAR	1127879409	
	CLOSING DEBIT BALANCE	(21,399,206,881)	(20,271,327,472)
Total		(18,665,539,968)	(17,537,660,559)



Notes forming integral part of the Balance Sheet as at 31st March, 2014

Note : 3 - Non-Current Liabilities

Sr. No.	Particulars	As at 31 st March 2014 (₹)	As at 31 st March 2013 (₹)
(a)	LONG TERM BORROWINGS		
	<u>UNSECURED</u>		
	FROM STATE GOVT. FOR MARGIN LOAN TO BALISANA PROJECT	210,000	210,000
	FROM STATE GOVT. SALES TAX INT. FREE LOAN	17,686,346	17,686,346
	SALES TAX INT. FREE DEEMED LOAN (CONTRA)	314,932,320	314,932,320
	FROM STATE GOVT. FOR HERITAGE HOTEL FUND (INTEREST 5%)	10,000,000	10,000,000
	SOFT LOAN FROM GOVT. OF GUJARAT	6,213,680,000	6,213,680,000
	SIDBI LOAN	71,000	71,000
	LOAN IN LIEU OF SHARE CAPITAL FROM GOVT. OF GUJARAT (INTEREST 3.5% & 7.5%)	60,333,967	60,333,967
	Sub Total (a)	6,616,913,633	6,616,913,633
(b)	OTHER LONG TERM LIABILITIES		
	SECURITY DEPOSIT (HP/LEASE FINANCE)	821,406	821,406
	UNPAID GUARANTEE FEE	356,039,833	356,039,833
	INTEREST PAYABLE ON BORROWINGS AND UNPAID EXPENSES	11,546,016,449	10,393,442,625
	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	8,140,155	11,412,994
	Sub Total (b)	11,929,508,281	10,780,207,296
	Total [(a) + (b)]	18,546,421,914	17,397,120,929

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, 2014

Note : 4 - Current Liabilities

Sr. No.	Particulars	As at 31 st March 2014 ₹	As at 31 st March 2013 ₹
	OTHER CURRENT LIABILITES		
	<u>TAX DEDUCTED AT SOURCE PAYABLE</u>	116,248	240,419
	SUNDRIES (OTHER LIABILITIES) 73689059*		
	ADD : STD NO LIEN A/C (CONTRA NOTE-8) 3658611	77,347,670	23,621,754
	(RAJOO COTEX LTD., NEETA U CHOKSHI NO LIEN)		
	SALES TAX ON H.P. COLLECTED	-	8,467,274
	SUBVENTION RECEIVED FROM STATE		
	<u>GOVT. ON A/C OF DIVIDEND</u>		
	(U/S 6 Read with Sec. 35 of SFC's 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)
	Total	79,800,832	34,666,361

* Includes payment received against sale of properties



GUJARAT STATE FINANCIAL CORPORATION
Notes forming integral part of the Balance Sheet as at 31st March, 2014

NOTE : 5 - FIXED ASSETS & DEPRECIATION

Sr. No.	Particulars	Gross Block			Accumulated Depreciation			Net Block		
		Balance as on 01-04-2013	Addition during the year	Deduction during the year	Balance as on 01-04-2013	Charged during the year	Deduction during the year	Balance as on 31-03-2014	WDV as on 31-03-2014	WDV as on 31-03-2013
1	Own Assets									
i	Furniture & Fixture	42,518,523	20,800	0	37,149,566	543,697	57,507	37,635,756	4,903,569	5,368,957
ii	Office Equipments	24,641,433	63,200	0	23,205,506	224,611	0	23,430,103	1,274,523	1,435,927
iii	Office Vehicles	6,072,548	1,416,584	962,686	3,586,888	514,494	941,758	3,159,624	3,366,822	2,485,660
iv	Land & Buildings	44,548,985	0	69,801	24,296,633	1,675,899	26,981	25,945,551	18,533,633	20,252,352
v	Computers	22,441,418	145,716	0	22,349,682	125,221	0	22,474,903	112,231	91,745
	Total	140,222,909	1,646,300	1,032,487	110,588,268	3,083,922	1,026,246	112,645,937	28,190,778	29,634,641
2	Lease Assets									
	Machi / Equip.	15	0	0	0	0	0	0	15	15
	Total Of (2)	15	0	0	0	0	0	0	15	15
	Total Of (1 + 2)	140,222,924	1,646,300	1,032,487	110,588,268	3,083,922	1,026,246	112,645,937	28,190,793	29,634,656
	CWIP	0	12,749,257	0	0	0	0	0	12,749,257	0



GUJARAT STATE FINANCIAL CORPORATION

Notes forming integral part of the Balance Sheet as at 31st March, 2014

Note : 6 - Non-current Investments

Sr. No	Particulars	As at 31 st March 2014 ₹	As at 31 st March 2013 ₹
1	QUOTED EQUITY INSTRUMENTS :		
	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
2	UNQUOTED (NON-TRADE)		
(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 DIMUNITION PROVIDED	(35,292,113)	(35,292,113)
	Total	48,434,597	48,434,597

Aggregate cost of quoted securities	-	₹ 56,117,200/-
Market value of quoted securities	-	₹ 107,367,067/-
Aggregate cost of unquoted securities	-	₹ 27,609,510/-



Notes forming integral part of the Balance Sheet as at 31st March, 2014

Note : 7 - Long Term Loans and Advances

Sr. No.	Particulars	As at 31 st March 2014 ₹	As at 31 st March 2013 ₹
	TRADE RECEIVABLES		
	PRINCIPAL AMOUNT (TERM LOAN, HIRE PURCHASE & LEASE FINANCE) (DETAILS AS PER NOTE-17 ANNEXED)	4,546,863,612	4,705,776,320
	LESS : 1 PROVISION FOR NPA	(3,048,643,790)	(3,196,055,931)
	2 PROVISION FOR ASCERTAINED BAD DEBTS	(1,481,855,062)	(1,493,491,782)
	ADD : INTEREST ACCRUED THEREON	3,686,598	3,683,200
	Total	20,051,358	19,911,807

- 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) 99.6% 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 31 st March 2014 ₹	As at 31 st March 2013 ₹
1	LOANS & ADVANCES TO EMPLOYEES	4,251,066	6,089,564
	ADD : INTEREST ACCRUED THEREON	23,535,986	25,734,228
2	CAPITAL SUBSIDY RECEIVABLE	580,971	580,971
3	SUNDRIES**	18,471,803	13,860,950
	LESS : STD ON LIEN A/C (CONTRA NOTE.4)	3,658,611	(3,031,521)
4	TDS - FROM INVESTMENT INCOME	659,747	659,747
5	ADVANCE TAX	506,228	68,145
6	DEPOSIT FROM LOANEES	3,224,211	3,224,211
	Total	54,888,623	47,186,295

** Includes advance given for purchase of properties



Notes forming integral part of the Balance Sheet as at 31st March, 2014

Note : 9 - Cash & Cash Equivalent

Sr. No	Particulars	As at 31 st March 2014 ₹	As at 31 st March 2013 ₹
A	<u>CASH ON HAND</u>		
	CASH ON HAND AND AS IMPREST	143,922	209,143
	Sub Total (A)	143,922	209,143
B	<u>BANK BALANCE</u>		
	BALANCE WITH BANKS (IN CURRENT ACCOUNTS)	15,291,430	27,030,592
	<u>OTHERS (DEPOSITS WITH GSFS)</u>		
	LIQUID DEPOSIT WITH GSFS	16,414,283	22,162,648
	GSFS INTER CORPORATE DEPOSIT	701,706,515	636,744,994
	Sub Total (B)	733,412,228	685,938,234
	Total [(A) + (B)]	733,556,150	686,147,377

9 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, 2014**

Note : 10 - Revenue from Operations

Sr. No	Particulars	As at 31 st March 2014 ₹	As at 31 st March 2013 ₹
1	INTEREST ON TRADE RECEIVABLES	180,258,011	250,615,091
	Total	180,258,011	250,615,091



Notes forming part of the Statement of Profit & Loss as at 31st March, 2014

Note : 11 - Other Income

Sr. No	Particulars	As at 31 st March 2014 ₹	As at 31 st March 2013 ₹
1	COMMITMENT CHARGES	(3,373)	61,876
2	BAD DEBTS RECOVERED	0	14,596,037
3	DIVIDEND RECEIVED	1,726,532	843,763
4	INTEREST ON ICD & LQDS WITH GSFS	56,935,784	17,582,896
5	INTEREST ON LOANS TO EMPLOYEES	502,776	774,670
6	INTEREST ACCURED ON TERM DEPOSIT	9,117,836	27,301,615
7	MISCELLANEOUS INCOME	470,208	2,288,932
8	PROFIT ON SALE OF ASSETS	79,386	21,751
9	RENT RECEIVED FROM EMPLOYEES (NET)	-	(4,130)
Total		68,829,149	63,467,410

Note : 12 - Employee Benefit Expenses

Sr. No	Particulars	As at 31 st March 2014 ₹	As at 31 st March 2013 ₹
1	SALARY BONUS & ALLOWANCES	31,228,491	35,507,035
2	CONTRIBUTION TO STAFF PROVIDENT FUND	7,243,337	4,749,173
3	GRATUITY	676,695	24,168
4	LEAVE ENCASHMENT	5,372,447	2,271,319
5	STAFF WELFARE EXPENSES	796,415	731,949
Total		45,317,385	43,283,644

Note : 13 - Financial Cost

Sr. No.	Particulars	As at 31 st March 2014 ₹	As at 31 st March 2013 ₹
1	BANK CHARGES AND COMMISSION	34,853	34,766
2	GUARANTEE FEES	-	125,000
3	INTEREST ON GOVT. LOAN	929,292,005	1,241,412,720
4	INTEREST ON BONDS	-	3,381,460
5	INTEREST ON HERITAGE HOTEL FUND LOAN	500,000	500,000
6	INTEREST ON LOAN TOWARDS SHARE CAPITAL	4,111,689	4,111,689
7	INTEREST ON DELAYED PAYMENT ON GOVT. LOANS	218,176,125	207,573,106
Total		1,152,114,672	1,457,138,741



Notes forming part of the Statement of Profit & Loss as at 31st March, 2014

Note : 14 - Depreciation & Amortisation

Sr. No.	Particulars	As at 31 st March 2014 ₹	As at 31 st March 2013 ₹
1	DEPRECIATION	3,083,922	1,961,697
	Total	3,083,922	1,961,697

Note : 15 - Other Administrative Expenses

Sr. No.	Particulars	As at 31 st March 2014 ₹	As at 31 st March 2013 ₹
1	TRAVELLING & OTHER ALLOWANCES	709,060	930,181
2	DIRECTORS & COMMITTEE MEMBERS SITTING FEES	-	3,000
3	RENT, RATES, TAXES, INSURANCE & TELEPHONE	3,994,733	3,966,456
4	POSTAGE, STAMP, TELEGRAMS	1,044,072	819,125
5	PRINTING, STATIONERY	1,681,917	411,647
6	PUBLICITY & ADVERTISEMENT	419,825	2,448,653
7	REPAIRS & RENEWALS	1,507,371	1,130,799
8	AUDIT FEES	131,742	156
9	LEGAL CHARGES	77,686	67,539
10	VEHICLES MAINTENANCE EXPENSES	1,257,906	1,020,175
11	OTHER EXPENSES	12,770,722	8,683,788
12	CLAIM PAID	2,099,000	-
13	BAD DEBT WRITTEN OFF	113,664,830	253,052,236
14	COMPUTERISATION EXPENSES	240,168	216,619
15	CONVEYANCE CHARGES	675,395	752,109
16	OUTSOURCING CHARGES TO INDEXTb	544,381	175,333
17	LOSS ON SALE OF ASSETS	43,134	7,750
18	SERVICE TAX	1,126,268	-
19	REVERSAL OF BAD DEBTS RECOVERY OF EARLIER YEARS	5,079,234	-
	Total	147,067,444	273,685,566

Note 15 (i) - Auditor's Remuneration (Note forming part of Statement of Profit & Loss)

Sr. No.	Particulars	As at 31 st March 2014 ₹	As at 31 st March 2013 ₹
1	STATUTORY AUDIT FEES	131,742	131,742
	Total	131,742	131,742



NOTE – 16

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS AND BALANCE SHEET AS AT 31-03-2014

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 ₹ 1/- book value since lease terms of all the assets have expired.

(04) DEPRECIATION :

Depreciation of all assets is provided under Written Down Value Method in accordance with rates prescribed under Income Tax Act 1961.

Furniture & Fixtures	:	10%
Office Equipments	:	15%
Motor cars	:	15%
Office Building	:	10%
Residential building	:	5%
Computers	:	60%

In case of additions to fixed assets, depreciation is provided for full year where additions are made on or before 30th September and depreciation is provided @50% of the rates for assets acquired after this date during the year.

(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 on both the counts. 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 permanent diminution in the value wherever applicable and temporary diminution in value if any, is not considered for the purpose of provisioning.

(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 31st March, 2014 requiring recognition in terms of the said standard.

(11) EVENTS OCCURRING AFTER THE BALANCE SHEET DATE :

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

(12) PROVISION :

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

B. NOTES ON ACCOUNTS :

(01) All Government guaranteed bonds have been redeemed and since there was no Government guaranteed bonds during the previous year, no guarantee fee was payable during the year under report. However, Corporation is in default of guarantee fee of ₹ 35,60,39,833/- (Previous year ₹ 35,60,39,833/-).

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

During the year under review, the Bad Debts Recovery account shows a debit balance of ₹ 50,79,234/- due to recasting of accounts. (Previous year ₹ 1,45,96,037/-) towards Bad Debts recovery.

(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 2001-2002, Corporation has made a proposal to Government of Gujarat for



settlement of Sales Tax dues. It was decided in the meeting of High Power Committee constituted by the Government of Gujarat held on 11-3-2013 that the Committee will recommend to Government for settlement of Sales Tax dispute of GSFC by accepting ₹ 20 crore. On recommendation of High Power Committee, Government decided that GSFC will make payment of Sales Tax amount of ₹ 20 crore to Sales Tax Department. After payment of ₹ 20 crore, Government will decide for waiver of balance Sales Tax amount. Accordingly, Corporation has made payment of ₹ 20 crore on 12-3-2014. The Corporation has identified the borrowers for recovery of sales tax for ₹ 76,594,188/-. However, such due recovery is not accounted for in the books.

- (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 resolved.
- (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 ₹ 9,28,746/- (previous year ₹ 13,36,268/-) which is under reconciliation.
- (05) The outstanding balance in the composition 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 ₹ 91,08,794/- (Previous year ₹ 86,14,789/-) 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 ₹ 14,74,12,140/- in the current year (Previous year ₹ 27,02,77,050/-).
- (09) The Staff Advance interest accumulation of ₹ 2,35,35,986/- is un-reconciled with individual ledger balances (Previous year ₹ 2,57,34,228/-).
- (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 ₹ 621,36,80,000/- as interest free from 1-7-2012. A proposal has been submitted to Government through Industries & Mines Department and decision is awaited. Till then, interest on Government loan is charged to Statement of Profit & Loss on simple interest basis from 1-7-2012.
- (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 ₹ 1,16,36,720/- (Previous year ₹ 6,00,78,526/-) has been written back and recognized as income in the Statement of Profit and Loss for the year under reference.
- (14) Tax demands against which GSFC has filed appeals and no provision has been made in the books are as under :

Assessment year	Particulars	Amount ₹
2002-2003	Depreciation	69,98,367/-
2003-2004	Depreciation	52,48,755/-
2006-2007	Waiver of Loan	159,46,05,271/-
2009-2010	Bad debt w/off Cessation liabilities etc.	61,71,93,883/-
2010-2011	Bad debts provision	5,75,00,227/-
2011-2012	Bad debts provision	3,89,90,537/-

Interest Tax Act

1998-1999	Interest on loan to employees	20,34,912/-
1999-2000	- do -	84,67,704/-
2000-2001	- do -	1,09,80,707/-
Total demand		234,20,20,359/-

- (15) The Corporation has purchased new office premises and also sold office premises at Surat for which full payment is made and received respectively during the year. The conveyance deed of both the properties are executed after 31st March, 2014. Therefore no cognizance of the transactions of purchase/sale of such immovable properties are taken during the year and payments made and received for such transactions of the properties are shown as liabilities/assets respectively. The Corporation has sold Baroda Office building and received sale consideration but pending final sale deed, the amount carried in the books and no depreciation is provided on the same during the year.
- (16) Other current assets as stated in Note No. 8 includes element of non-current nature also but for want of proper information, it could not be quantified and reported separately.





Disclosure requirement for SFC's (Financial Year 2013-14)

A. CAPITAL

- (a) Capital to Risk Assets Ratio (CRAR) -2401.33%
- (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 Shareholding pattern as on 31-03-2014 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
TOTAL		89114000	100

* 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 =	453.04	99.6
Net Loans & Advances =	1.64	0.4

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

	Amount (₹ in crore)	Percentage
Standard assets	1.64	0.4

- (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 12-13	NPA Provision Required FY 13-14	Difference
1	Standard Assets	1.64	0.004	0.004	0
2	NPAs		319.61	304.86	-14.75
3	Income tax	NIL			



(h) Movement in net NPA's	Amount (₹ in crore)
Opening Balance of Net NPA's	468.95
Closing Balance of Net NPA's	453.52
Movement in Net NPA's	-15.43

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	2.2
The largest single group	5.42	1.19
The 10 largest single borrowers	28.63	6.3

Capital Funds :	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	2229.66
Less :Deficit In P & L A/C	2139.92
Dividend deficit A/C	16.46
Capital fund	73.28

- (j) Credit Exposure to the five largest industrial sector as percentage to total loan Assets Industry-wise gross sanction/disbursement/outstanding as on 31-03-14.

(Amount ₹ in crore)

Industry	Sanction FY 2013-14	Disb. FY 2013-14	Principal O/S as on 31-03-14	Ind. Wise O/S %
Chem & Chemical Prod.	0	0	75.94	16.70
Services	0	0	4.67	1.03
Textile	0	0	62.17	13.67
Food Mfg.	0	0	35.40	7.79
Plastic Ind.	0	0	31.74	6.98
Total	0	0	215.09	47.30

Total loan outstanding ₹ 454.68 crore as on 31-03-2014.



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	370.23	0.00	0.00	0.00	0.00	0.00	370.23
Liabilites Foreign currency	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Liabilites	351.74	124.40	96.04	42.26	6.92	0.00	621.36

D. Operating results

(l) Interest income as a percentage to average working funds = 25.77%

Amount (₹ in crore)

Interest Income	8.03
Average working Capital Fund as on 31-03-2013	48.24
Balance of total Assets as on 31-03-2013	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 = (A)	66.67
Balance of Total Assets as on 31-03-14	2229.66
Less : Deficit in P & L A/C	2139.92
Misc. Expense not written off as on 31-03-14	16.46
Working Capital fund as on 31-03-14 =(B)	73.28
Average working Capital Fund = (A+B)/2	69.975

(m) Non-Interest income as a percentage to Average working funds = 9.10%

Amount (₹ in crore)

Non- interest Income	6.37
Average working capital fund	69.975

(n) Operating loss as percentage to average working funds = 160.87%

Amount (₹ in crore)

Total Loss	112.79
Operating loss	112.58
Average working Capital Fund	69.98



(o) Return on average

	Amount (₹ in crore)
Loss :	112.79
Total Average Assets	69.98
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 = (A)	66.67
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 31-03-14	16.46
Assets as on 31.03.14 =(B)	73.28
Average Assets = (A+B)/2	69.98

Amount (₹ in crore)

(p) Net loss per employee

No. of employees

1.19

95





GUJARAT STATE FINANCIAL CORPORATION

NOTE : 17

**NOTE SHOWING LOANS AND ADVANCES REFERRED TO IN NOTE 7 OF THE
BALANCE SHEET AS ON 31-03-14**

Sr. No.	PARTICULARS OF LOANS AND ADVANCES	PRINCIPAL AMOUNT ₹
1	GENERAL LOANS+CF ETC. CORP LOAN	3505529357
2	N.E.S. LOAN	5043406
3	S.T. INT FREE LOAN	4689774
4	MARGIN LOAN TO BALISANA	364336
5	T.L. SUBS NES PRINCIPAL ADVANCE	8391
6	SPL CAP CORP ADVOCATE FEES	2448309
7	SPL CAP NES PRINCIPAL ADVANCE	85775
8	SPL CAP MINI PRINCIPAL ADVANCE	1100
9	S.T. INT FREE PRINCIPAL NES	47417
10	TRANSPORT LOAN	4652210
11	FISHING LOAN	134945
12	TRAN STG LOAN	648989
13	SEED CAPCORP PRINCIPAL	288670
14	SEED CAP NES PRINCIPAL	12260
15	HIRE PURCHASE LOAN	399791030
16	SEED MONEY PRINCIPAL	93485
17	MODERNISATION SCHEME	308501
18	EQUI. FIN. LOAN	51067418
19	MINI LOAN	2950826
20	REHBLI CORP. LOAN	5831469
21	RIOT LOAN	15209
22	SPL CAP TINY PRINCIPAL	27700
23	LEASE FINANCE	90938117



Sr. No.	PARTICULARS OF LOANS AND ADVANCES	PRINCIPAL AMOUNT ₹
24	QUA CONTL SRT PRIN ADVANCE	175002
25	BANK CHARGES OF HT LOAN	3778516
26	TM SCHEME PRIN ADVANCE	8949506
27	WES SRT BANK CHARGES	5495908
28	SOFT HARITAGE SCHEME	1522961
29	SW TERM LOAN PRINCIPAL LN.	19342514
30	SW WORK CAP LOAN PRINCIPAL	105
31	QF TERM LOAN PRINCIPAL LN.	3737891
32	EXPENCES OF HERITAGE AGRO	717685
33	EARTH QUAKE 2001 (BANK ADV)	15408770
34	FLOOD MORVI PRINCIPAL ADVANCE	388
35	BANK CHARGES MAHILAUDYAM NID	3154055
36	INSU PRE MAHILA SOFT SEED CA	1156764
37	PRIN.TECHNOLOGY UPGRADE FUND	36293445
38	TINY LOAN OTHER EXPENSES	12867086
39	DOCTOR'S SCH PRINCIPAL ADVANCE	16060
40	CYCLONE 1982 OTHER EXPENSES	824797
41	CYCLONE 1983 OTHER EXPENSES	440591
42	UNBANKED SRT OTHER EXPENSES	1501440
43	UNBANKED RJT PRINCIPAL ADVANCE	13454
44	UNBANKED BRD PRINCIPAL ADVANCE	514603
45	UNBANKED BHV PRINCIPAL ADVANCE	0
46	UNBANKED AHD PRINCIPAL ADVANCE	20602
47	BANKABLE RJT OTHER EXPENSES	1380
48	BANKABLE BRD ADVO FEES	640913



Sr. No.	PARTICULARS OF LOANS AND ADVANCES	PRINCIPAL AMOUNT ₹
49	BANKABLE BHV PRINCIPAL ADVANCE	337748
50	BANKABLE AHD PRINCIPAL ADVANCE	820994
51	BANKABLE VAPI BANK CHARGES	424917
52	NATIONAL EQUIT SL ADV FEES	2351379
53	NATIONAL EQUIT WC PRIN ADVANCE	93000
54	NATIONAL EQUIT TL BANK CHARGE	5227517
55	PROF LOAN ADVOCATE FEES	897284
56	MAR ORG LOAN OTHER EXPS	11843853
57	LOAN A/C SEMFX GENERAL LOAN	3581441
58	LOAN A/C SMFX GEN SOFT SEED	1491521
59	LOAN A/C SEMFEX TRANSPORT LO	2327477
60	ADVO FEE SMFX TRAN SOFT SEED	476053
61	LOAN A/C NURSING HOME SCHEME	10520883
62	SALES TAX INT. LOAN	314916416
GRAND TOTAL		4546863612

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/-
C. J. MACWAN
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

Place : Ahmedabad

Date : 29-05-2014

Place : Gandhinagar

Date : 29-05-2014



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

Sr. No.	Particulars	(₹ in crores)												
		2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Since Inception		
1	2	4	5	6	7	8	9	10	11	12	13	13		
(A)	Assistance	No.	---	---	---	---	---	---	---	---	---	---		
	1. Flow of Applications Term Loans	No.	---	---	---	---	---	---	---	---	---	61756.00		
	2. Loan Sanctioned	No.	---	---	---	---	---	---	---	---	---	5385.60		
	a. Term Loan	No.	---	---	---	---	---	---	---	---	---	46646.00		
	b. Lease Finance	No.	---	---	---	---	---	---	---	---	---	3732.10		
	c. Short Term Finance	No.	---	---	---	---	---	---	---	---	---	41		
	d. Line of Credit	No.	---	---	---	---	---	---	---	---	---	28.62		
	e. Bill discounting	No.	---	---	---	---	---	---	---	---	---	299		
	f. Working Capital Term Loan	No.	---	---	---	---	---	---	---	---	---	219.48		
	g. N.H.F.D.C.	No.	538	113	16	---	---	---	---	---	---	11		
	h. Fund Based Merchant Banking Activity	No.	2.00	0.35	0.04	---	---	---	---	---	---	80.00		
	i. Small Scale Units (SSI)	No.	---	---	---	---	---	---	---	---	---	130		
	j. Backward District	No.	---	---	---	---	---	---	---	---	---	227.96		
	k. Backward Talukas	No.	---	---	---	---	---	---	---	---	---	225		
	l. Rural Areas	No.	---	---	---	---	---	---	---	---	---	174.73		
	m. Triple Area/Talukas Pockets	No.	---	---	---	---	---	---	---	---	---	1113		
		No.	---	---	---	---	---	---	---	---	---	4.36		
		No.	---	---	---	---	---	---	---	---	---	20		
		No.	---	---	---	---	---	---	---	---	---	26.29		
		No.	---	---	---	---	---	---	---	---	---	45170		
		No.	---	---	---	---	---	---	---	---	---	3000.59		
		No.	---	---	---	---	---	---	---	---	---	18168		
		No.	---	---	---	---	---	---	---	---	---	1482.14		
		No.	---	---	---	---	---	---	---	---	---	9759		
		No.	---	---	---	---	---	---	---	---	---	1574.47		
		No.	---	---	---	---	---	---	---	---	---	13599		
		No.	---	---	---	---	---	---	---	---	---	1935.50		
		No.	---	---	---	---	---	---	---	---	---	4479		
		No.	---	---	---	---	---	---	---	---	---	652.30		



Sr. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Since Inception
		4	5	6	7	8	9	10	11	12	13	13
1	2											
	3. Disbursement											
	a. Term Loan											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.	0.60	0.26	9.67								12.31
	4. Recovery											
	a. Term Loan	139.76	156.23	70.21	91.92	70.22	27.22	29.72	28.45	26.14	21.58	3451.14
	b. Lease Finance	0.03	0.04	0.03								14.64
	c. Short Term Finance	1.79	2.25	0.67	0.54							208.16
	d. Line of Credit	0.07			2.34	0.62	0.53	1.28				60.53
	e. Bill discounting	1.13	1.00	0.51	0.70	0.88			0.02	3.01	3.29	207.68
	f. Working Capital Term Loan	5.55	2.08	6.09	2.70	3.18	7.39	1.89	3.21	5.40	3.28	112.56
	g. Fund Based Merchant Banking Activity								0.01			0.11
	h. N.H.F.D.C.	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	61.78	71.14	28.32	65.61	55.29	27.11	23.57	26.24	25.06	18.03	
	b. Other Income	2.89	3.02	2.14	2.29	3.17	9.34	7.59	3.15	6.35	6.88	



Sr. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	
1	2	3	4	5	6	7	8	9	10	11	12	13
	2. Expenditure											
	a. Interest on bond, deposits & Other Borrowings	113.39	73.17	87.79	112.55	135.05	161.44	187.25	220.37	145.71	115.21	
	b. Financial Expenses & Commitment Charges	8.18	2.73	2.06	1.75	9.88	0.61	0.20	0.05	0.00	0.00	
	c. Personnel Expenses	20.35	11.99	7.83	6.10	22.15	2.82	8.94	12.44	4.33	4.53	
	d. Other expenses	34.19	39.25	14.75	26.53	33.80	13.93	20.60	32.36	27.37	14.71	
	e. Depreciation	0.93	0.54	0.46	0.40	0.35	0.28	0.23	0.17	0.20	0.31	
	f. Provision against NPA	25.85	89.74	229.21	29.69	14.30	5.75	3.90	4.45	0.00	0.00	
	3. Profit/(Loss) before tax	-138.22	-12.01	-311.64	-109.13	-117.93	-129.38	-156.91	-208.68	-113.16	-112.76	
	4. Profit/(Loss) after tax	-138.22	-12.01	-311.64	-109.13	-117.93	-129.38	-156.91	-208.92	-113.16	-112.79	
	(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	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	
	3. Reserves	85.89	249.95	249.95	265.29	273.36	273.36	273.36	(1640.60)	(1753.77)	(1866.55)	
	4. Borrowings	1155.61	927.83	942.55	965.41	1000.92	676.86	665.09	661.69	661.69	661.69	
	a. Market Bonds	196.94	97.01	77.36	67.31	60.14	18.98	4.20	1.25	0.00	0.00	
	b. Govt. Loan	187.60	288.65	412.82	532.17	592.17	612.17	617.17	621.37	621.37	621.37	
	c. SIDBI Loan	----	----	----	----	----	----	----	----	----	----	
	d. Refinance	557.36	299.87	179.87	59.87	----	----	----	----	----	----	
	e. Fixed Deposits	0.13	0.13	----	----	----	----	----	----	----	----	
	f. Line of Credit from Banks	40.13	30.00	16.00	----	----	----	----	----	----	----	
	g. Priority Sector Bond	162.33	141.10	116.05	76.67	8.95	5.02	3.02	1.10	0.00	----	
	h. Loan from NHFDC	1.12	0.68	0.38	0.37	0.37	0.37	0.37	----	----	----	
	i. Short Term Loan GIDC	10	0.00	----	----	----	----	----	----	----	----	



HEAD OFFICE
GUJARAT STATE FINANCIAL CORPORATION
SECTOR-11, GH-4, UDYOG BHAVAN GANDHINAGAR – 382 011

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

E-mail : webmaster –gsfc@gujarat.gov.in, **Web site :** [http:// www.gsfc.gujarat.gov.in](http://www.gsfc.gujarat.gov.in)

REGIONAL & OTHER OFFICES	
<p>AHMEDABAD REGIONAL OFFICE CHILDREN'S HOSPITAL BUILDING OPP. ELLIS BRIDGE POLICE LINE, ELLIS BRIDGE, AHMEDABAD – 380006. TELE. NO. (079) 26402372, 26464480 FAX NO. (079) 26463837</p>	<p>RAJKOT REGIONAL OFFICE RACE COURSE, RING ROAD, NEAR LIFE BUILDING, RAJKOT – 360 001. TELE. NO. (0281) 2443664, 2442715 FAX NO. (0281) 2479292</p>
<p>SURAT REGIONAL OFFICE 2ND FLOOR, MIRAMBICA COMPLEX, OPP. GANDHI BAUG, CHOWK BAZAR, SURAT. TELE NO. (0261) 2460546/47 FAX NO. (0261) 2460543</p>	<p>MUMBAI OFFICE C/O. GIDC, GROUND FLOOR, SHAH HOUSE, OPP. KHAR POLICE STATION, 142, S. V. ROAD, KHAR (WEST), MUMBAI-400 052.</p>



GUJARAT STATE FINANCIAL CORPORATION

Head Office : UDYOG BHAVAN, 1st FLOOR, BLOCK NO. 10,
SECTOR-11, GH-4, GANDHINAGAR-382 011.

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 FOURTH ANNUAL GENERAL MEETING of the Corporation in the Conference Room of Udyog Bhavan Society at Udyog Bhavan, Block No. 19, 1st Floor, Sector-11, Gandhinagar-382 011 on Monday, the 10th November, 2014 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-382 011.

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 FOURTH ANNUAL GENERAL MEETING of the Corporation in the Conference Room of Udyog Bhavan Society at Udyog Bhavan, Block No. 19, 1st Floor, Sector-11, Gandhinagar-382 011 on Monday, the 10th November, 2014 at 4.00 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2014.

Folio No.	
DP ID	
Client ID	
No. of shares	

Affix ₹ 1
Revenue
Stamp
Signature

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

GUJARAT STATE FINANCIAL CORPORATION

Udyog Bhavan, Block No. 10, GH-4, Sector-11, Gandhinagar-382 011.

Designed, Processed & Printed at Government Photo Litho Press, Ahmedabad