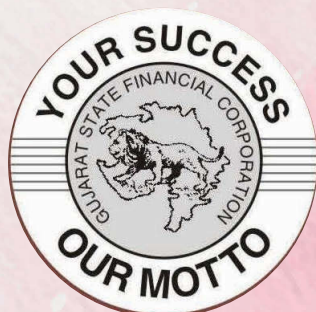

61st

Annual Report

2020-21



**GUJARAT STATE
FINANCIAL CORPORATION
GANDHINAGAR**



Gujarat State Financial Corporation

Secretarial Cell

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

BOARD OF DIRECTORS

(As on March 31, 2021)

CHAIRMAN

Shri Manoj Kumar Das, IAS

DIRECTORS

Smt. Mamta Verma, IAS

Smt. Ankita R Christian

Shri Ravindran A.L.

Shri K.R. Balasubramaniyan

MANAGING DIRECTOR

Dr. Rahul B Gupta, IAS

SECRETARY (BOARD)

Raveendran Nair

AUDITORS

M/s. Priyam R Shah & Associates

Chartered Accountants, Ahmedabad

HEAD OFFICE

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

REGIONAL OFFICES AT

Gandhinagar, Surat & Rajkot



CONTENTS

Sr. No.		Page
1.	Notice	01
2.	Director's Report	08
3.	Management Discussion & Analysis Report	14
4.	Report on Corporate Governance	16
5.	Auditor's Report	28
6.	Balance Sheet	31
7.	Statement of Profit & Loss	32
8.	Cash Flow Statement	33
9.	Performance of the Corporation at a glance during last decade	49



Gujarat State Financial Corporation

(Established under State Financial Corporations Act. 1951)

SECRETARIAL CELL

Block No.10, Udyog Bhavan, Sector-11, GH-4, Gandhinagar – 382 010
Phone: 23256766, Fax 23252204 Email: sec-cell-gsfc@gujarat.gov.in

NOTICE

Notice under Regulation No. 23 of General Regulations of the Corporation is hereby given that the 61st Annual General Meeting of the shareholders of the Corporation will be held on **Thursday, the 30th September, 2021 at 1.00 p.m. (IST)** through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) to transact the following businesses:

- (i) To receive, consider and adopt the audited financial statements of the Corporation for the Financial Year ended 31st March 2021 including the Balance Sheet as at March 31, 2021, 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 re-appoint M/s. Priyam R Shah & Associates, 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,
for Gujarat State Financial Corporation,

Place : Gandhinagar
Date : 27-08-2021

(Raveendran Nair)
Secretary (Board)

NOTES:

1. Pursuant to Regulation 28-B of GSFC General Regulations, a shareholder shall be entitled for one vote for each share held by him/her for the whole period of six months prior to the date of 61st Annual General Meeting. Accordingly, **the cut-off date for the purpose of voting is Friday, the 26th March, 2021.** Only those shareholders of the Corporation who are holding shares either in physical form or in dematerialized form, as on the cut-off date, shall be entitled to cast their vote either through remote e-voting or through venue voting through VC/OAVM at the AGM, as the case may be. Any person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
2. Pursuant to Regulation 12 of the GSFC General Regulations, the Register of Members and Share Transfer Books will **remain closed from 28.09.2021 to 30.09.2021 (both days inclusive).**
3. **Disclosure under Regulation 36 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

M/s. Priyam R Shah & Associates, Chartered Accountants, Ahmedabad, Firm Registration No. 118421W, were first appointed as statutory auditors of the Corporation by members in the 58th Annual General Meeting for FY 2018-19 held on 14th September, 2018 at a fee of Rs.81,000/- plus TA/HA plus taxes after complying with due procedures. Considering the fact that Reserve Bank of India (RBI) allows appointment of auditors for a spell of four years subject to appointment on yearly basis after obtaining eligibility and suitability from RBI, they were re-appointed for the second and third terms for FYs 2019-20 and 2020-21 by members in the respective AGMs. Having considered confirmation of eligibility and suitability by RBI vide letter dated 4th February, 2021 for re-appointment for fourth term for FY 2021-22 and on



recommendation of Audit Committee as well as Board of Directors at their respective meetings held on 30th June, 2021, it is proposed to re-appoint the said firm as statutory auditors for the year 2021-22 at a basic audit fee of Rs.1,00,000/- plus taxes plus TA/HA and 12% of basic audit fee for obtaining certifications so as to continue as statutory auditors till the conclusion of 62nd AGM.

4. In view of the situation arising due to outbreak of COVID-19 pandemic, SEBI vide Circulars No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and No. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021, permitted to hold AGM through VC/OAVM till the period December 31, 2021. In compliance with the said provisions, 61st Annual General Meeting of the Corporation being conducted through Video Conferencing (VC)/Other Audio Visual Means (OAVM). **The deemed venue for the 61st AGM shall be the Head Office of the Corporation, Gandhinagar.**
5. In accordance with the relevant SEBI circulars allowing electronic dispatch of financial statements (including Report of Board of Directors, Auditors' Report or other documents required to be attached therewith) instead of physical dispatch, such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Corporation/Registrars & Transfer Agents (RTA)/Depository Participant(s).
6. **No proxy facility:** Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice.
7. In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, Corporation is providing facility of remote e-voting to its Members in respect of the business to be transacted at the Annual General Meeting. For this purpose, Corporation has entered into an agreement with Central Depository Services (India) Ltd (CDSL) for facilitating voting through electronic means as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of Annual General Meeting will be provided by CDSL.
8. The remote e-voting period begins on **Monday, the 27th September, 2021 at 9.00 a.m.** and ends on **Wednesday, the 29th September, 2021 at 5.00 p.m.** During this period, shareholders of the Corporation holding shares either in physical form or in dematerialized form, as on the cut-off date (i.e., **Friday, the 26th March, 2021**) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E- VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on **Monday, the 27th September, 2021 at 9.00 a.m** and ends on **Wednesday, the 29th September, 2021 at 5.00 p.m.** 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) i.e., **Friday, the 26th March, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.



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

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

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed entities, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none">1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none">1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp



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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:



	For Shareholders holding shares in Demat Form other than individual 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) <ul style="list-style-type: none">Shareholders who have not updated their PAN with the Corporation/RTA/Depository Participant are requested to use the sequence number sent by RTA or contact Corporation/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">If both the details are not recorded with the depository or Corporation/RTA, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Members holding shares in physical form will then directly reach 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant GUJARAT STATE FINANCIAL CORPORATION on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.



- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Corporation at the email address viz; sec-cell-gsfc@gujarat.gov.in , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Corporation will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **seven days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at sec-cell-gsfc@gujarat.gov.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **three days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at the aforesaid email id. These queries will be replied to by the Corporation suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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



1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to RTA at mcsstaahmd@gmail.com or to the Corporation at sec-cell-gsfc@gujarat.gov.in.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting and joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

9. Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in this Notice. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Regulation 25 of the GSFC General Regulations.
10. The Board of Directors has appointed Mr. Kiran Kumar Patel, Practicing Company Secretary of M/s. K. K. Patel & Associates, Gandhinagar, Gujarat (Membership No. FCS 6384 & Certificate of Practice No. 6352) as Scrutinizer to scrutinize the remote e-voting and e-voting and the AGM in a fair and transparent manner and to submit report thereon. The Scrutinizer shall within 2 days of the conclusion of the AGM shall submit a consolidated Scrutinizer's report of the total votes cast in favour of or against, if any, to the Chairman or any other person authorized who shall countersign the same and declare the result of the voting forthwith.
11. The results declared along with Scrutinizer's Report shall be placed on the Corporation's website and on the website of Central Depository Services (India) Ltd at www.gsfc.gujarat.gov.in and www.evotingindia.com respectively within two days of passing resolutions at the AGM of the Corporation and be simultaneously communicated to BSE Ltd.