



Gujarat State Financial Corporation

(Established under State Financial Corporations Act. 1951)

1st Floor, Udyog Bhavan, Sector-11, GH-4, Gandhinagar – 382 010

Phone No.: 23256766 Fax : 23252204

Website: <http://gsfc.gujarat.gov.in> Email: sec-cell-gsfc@gujarat.gov.in

GSFC/SEC.CELL/C-2/

June 25, 2026

The Listing Department
BSE Ltd
Dalal Street, Fort, Mumbai 400 001

**Sub: 66th Annual General Meeting (AGM) – Submission of
Annual Report 2025-26.**

Ref: Stock Code: 532160

Dear Sirs,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to submit herewith Annual Report of the Corporation for FY 2025-26 containing Notice, Remote e-voting instructions, financial statements and other details in connection with **66th Annual General Meeting of the Corporation scheduled to be held in physical mode on Thursday, the 30th July, 2026 at 1.00 p.m. at the Head Office of the Corporation at Udyog Bhavan, Block No. 10, 1st Floor, Gandhinagar.** Notice and Annual Report links, as below, together with other information are simultaneously despatched to members whose email addresses are registered with the Corporation/R&T Agents/DPs as on cut-off date i.e., Friday, the 30th January, 2026. Members can download the Notice as well as Annual Report 2025-26 from following links directly:

Particulars	Website link
66 th AGM Notice	https://gsfc.gujarat.gov.in/sites/default/files/66-AGM-NOTIFICATION.pdf
Annual Report 2025-26	https://gsfc.gujarat.gov.in/sites/default/files/AR_2026.pdf

Please take the same on records.

Thanking you,

Yours faithfully,
for Gujarat State Financial Corporation,

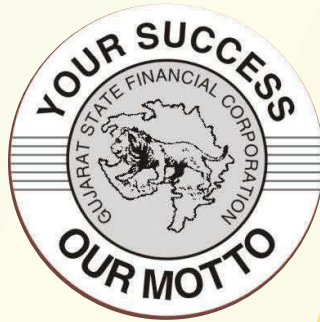
(Raveendran Nair)
Secretary (Board)

Attachment: Annual Report 2025-26

66TH

ANNUAL REPORT

2025-26



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, 2026)

CHAIRPERSON

Ms. Mamta Verma, IAS

DIRECTORS

Smt. Ankita R. Christian

Ms. Leenaben D. Katdare

Shri Naresh Babuta

Shri Dinesh Kumar

Shri Daiya P. L.

MANAGING DIRECTOR

Shri Swaroop P, IAS

SECRETARY (BOARD)

Raveendran Nair

AUDITORS

M/s. Pankaj 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





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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 66th Annual General Meeting of the shareholders of the Corporation will be held on **Thursday, the 30th July, 2026 at 1.00 p.m. in the Office of the Corporation at Head Office at Udyog Bhavan, Block No. 10, 1st Floor, Sector – 11, Gandhinagar 382 010** to transact the following business:

- (i) To receive, consider and adopt the audited financial statements of the Corporation for the Financial Year ended March 31, 2026 including the Balance Sheet as at March 31, 2026, 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. J.H. Mehta & Co., Chartered Accountants, (Firm Reg. No. 106227W), 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

(Raveendran Nair)

Date: 08-06-2026

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 66th Annual General Meeting.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE CORPORATION.
3. **No proxy shall be valid unless it is duly stamped and unless it together with the power of attorney or other authority, if any, under which it is signed or a copy of that power of authority certified by a notary public or Magistrate, is deposited at the Head Office of the Corporation not less than 7 (seven) clear days before the date fixed for the meeting.**
4. Pursuant to Regulation 12 of the GSFC General Regulations, the Register of Members and Share Transfer Books will **remain closed from 28-07-2026 to 30-07-2026 (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 avail of the Common and Simplified Norms for processing Investor's Service Requests by RTAs so as to update PAN, Address with PIN code, Email address, Mobile number, Bank account details, specimen signature etc. KYC forms and other details are available on the website of the Corporation at <http://gsfc.gujarat.gov.in> under INVESTOR RELATIONS – KYC DETAILS. Members holding shares in physical form are requested to download the requisite forms and submit the mandatory details to the Corporation/RTA immediately.
7. In terms of relaxations granted by SEBI vide various circulars, sending hard copy of the Annual Report for the financial year 2025-26 to shareholders who have not registered their email ids with the Corporation/RTA/DPs has been dispensed with. Therefore, Annual Report 2025-26 including Notice shall be sent by email to those shareholders whose email ids are registered with the Corporation/RTA/DPs. Members may download the Annual Report from the website of the Corporation <http://gsfc.gujarat.gov.in> under INVESTOR RELATIONS – ANNUAL REPORTS. Corporation shall send hard copy of the Annual Report 2025-26 to members who request for the same in writing.

8. Disclosure under Regulation 36 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

As per RBI stipulations, in the normal course, an audit firm may continue for a term of four (4) years in one spell. The appointment will, however, have to be made on an annual basis subject to confirmation of eligibility and suitability by RBI. Since the present statutory auditors are completing four years on conclusion of this Annual General Meeting, they are ineligible for consideration. Hence Corporation, after complying with the requirements stipulated by RBI and Listing Regulations, on recommendation of Audit Committee and Board of Directors, proposing to members in the 66th Annual General Meeting to appoint M/s. J.H. Mehta & Co., Chartered Accountants, Firm Reg. No. 106227W, Ahmedabad, as Statutory Auditors of the Corporation to hold office for the first term from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at a basic audit fee of ₹90,000/- plus GST plus TA/HA (actual) and 12% of basic audit fee for obtaining other certifications on terms and conditions in line with RBI norms. The said fee is below the maximum limit prescribed by RBI as well as that paid to outgoing statutory auditors.

9. Voting through electronic means:

In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporation is pleased to provide e-voting facility through M/s. Central Depository Services (India) Ltd (CDSL) as an alternative in respect of the business to be transacted at the 66th Annual General Meeting to be held on July 30, 2026.

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

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

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

Commencement of e-voting	09.00 Hours of Monday, 27th July, 2026
End of e-voting period	17.00 Hours of Wednesday, 29th July, 2026



E-voting shall not be allowed beyond 17.00 hours on 29th July, 2026. The e-voting module shall be disabled by CDSL for voting thereafter. During the e-voting period, shareholders of the Corporation holding shares either in physical form or in dematerialized form, as on the Cut-off-Date may cast their votes electronically. **Cut-off-Date for the purpose of e-voting is Friday, the 30th January, 2026.**

10. INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING:

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

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

- (i) The voting period begins on **Monday, the 27th July, 2026 at 09.00 a.m. (IST)** and ends on **Wednesday, the 29th July, 2026 at 5.00 p.m. (IST)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Friday, the 30th January, 2026** 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.

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

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



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

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



Type of shareholders	Login Method
	<p>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.</p> <p>4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 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.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911



Login type	Helpdesk details
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 : 022 - 4886 7000 and 022 - 2499 7000

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

(v) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

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

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Corporation/Depository Participant are requested to use the sequence number sent by RTA or contact Corporation/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Corporation, please enter the member id / folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on “SUBMIT” tab.



- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (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 <Company Name> 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) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Corporation at the email address viz; **sec-cell-gsfc@gujarat.gov.in** if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self- attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Corporation/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 21 09911.

11. Board of Directors appointed M/s. Spanj & Associates, Practicing Company Secretaries, Ahmedabad, Gujarat (Unique Identification No. of Partnership Firm: P2014GJ034800) as Scrutinizer to scrutinize the e-voting and poll process in the AGM in a fair and transparent manner.
12. The Chairperson shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of “Ballot Paper/Polling Paper” for all those members who are present at the AGM but have not cast their vote by availing of the facility of remote e-voting.
13. The Scrutinizer shall after the conclusion of voting at the general meeting will first count the votes cast in the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two witnesses who are not in the employment of the Corporation and shall make, not later than forty-eight hours of the conclusion of the AGM, a consolidated Scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairperson or a person authorized by her in writing, who shall countersign the same and declare the result of the voting forthwith.
14. The results declared along with the report of the Scrutinizer shall be placed on the website of the Corporation at <http://gsfc.gujarat.gov.in> and on the website of CDSL immediately after declaration of result by the Chairperson or a person authorized by her in writing. The results shall also be immediately forwarded to BSE Ltd.
15. Resolutions assented to by the requisite majority of the members by means of venue voting and remote e-voting shall be deemed to have been duly passed at the AGM.



GUJARAT STATE FINANCIAL CORPORATION

DIRECTORS' REPORT

To the Members,

The Board of Directors is pleased to place before you the 66th Annual Report of the Corporation containing audited Balance Sheet as at March 31, 2026, Statement of Profit and Loss, Cash Flow Statement and other financial statements for the year ended March 31, 2026.

1. **Financial results:** A snapshot of the performance highlights of GSFC for FY 2025-26 and FY 2024-25 is given as below:

(₹ in lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on Loans and Advances	14.32	13.81
Interest on deposits	1,615.49	1,512.03
Other income (including exceptional items)	14.36	198.87
Total income	1,644.17	1,724.71
Interest on Borrowings	14,119.81	13,933.95
Employee's cost	98.74	112.61
Other expenses	154.54	212.15
Total Expenditure	14,373.09	14,258.71
Loss for the year under reference	12,728.91	12,534.00
Accumulated loss carried forward	3,55,244.73	3,42,515.82

2. **Performance:** During the year under reference, Corporation earned interest income of ₹ 14.32 lakh, an increase of 3.69 per cent over ₹ 13.81 lakh reported in the previous year. Interest on deposits increased by 6.40 per cent to ₹ 1,615.49 lakh compared to ₹ 1,512.03 lakh reported a year ago. Other income, including non-cash items, for the year under reference stood at ₹ 14.36 lakh as against ₹ 198.87 lakh reported in the previous year. Total income for the FY 2025-26 was ₹ 1,644.17 lakh as against ₹ 1,724.71 lakh reported in the previous year.

Interest on borrowings for the year under reference stood at ₹ 14,119.81 lakh, an increase of 1.33 per cent over ₹ 13,933.95 lakh reported a year ago. Employees cost for the year under reference decreased to ₹ 98.74 lakh compared to ₹ 112.61 lakh reported in FY 2024-25. Total expenditure for the year under report registered a marginal increase and stood at ₹ 14,373.09 lakh over ₹ 14,258.71 lakh reported a year back. Loss for the FY 2025-26 stood at ₹ 12,728.91 lakh, an increase of 1.56 per cent over ₹ 12,534.01 lakh registered in the previous year. The accumulated loss carried over to Balance Sheet stood at ₹ 3,55,244.73 lakh as against ₹ 3,42,515.82 lakh reported in the previous year.



3. **Borrowings:** Corporation has not resorted to borrowings during the year under reference. Aggregate principal borrowings from Government of Gujarat remained statistic at ₹ 66,168.43 lakh as on March 31, 2026.
4. **Recovery:** Corporation made a recovery ₹ 83.04 lakh in the Financial Year 2025-26 as against ₹ 212.29 lakh recovered a year ago.
5. **Human Resource:** During the year under report, the staff strength of the Corporation reduced to 10 from 12 reported in the previous year. The break-up of staff strength is as under:-

Sr. No.	Category	Total
1	'A' Grade officers	1
2	'B' Grade employees	7
3	'C' Grade employees	2
Total		10

Of the total staff strength of 10, four employees are on deputation with other Government departments. The effective staff strength of the Corporation reduced to 6 spread over three Regional Offices and Head Office.

6. **Corporate Governance:** Corporation has put in place governance practices as required by SEBI (LODR) Regulations, 2015 and other applicable provisions in such a manner and to the extent that the same is not inconsistent with the provisions of State Financial Corporations Act, 1951 and the Regulations made thereunder. The qualifications contained in para 2 of the Certificate of compliance with the conditions of Corporate Governance Regulations are dealt with in "Other Disclosures" in para 10 of the Report on Corporate Governance for FY 2025-26 forming part of the Annual Report.

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

7. **Auditors:** Pursuant to Section 37 of the State Financial Corporations Act, 1951, the shareholders at its Annual General Meeting held on 30th July, 2025 had re-appointed M/s. Pankaj R Shah & Associates, Chartered Accountants (FRN No. 107361W), for the fourth term as the statutory auditors of the Corporation to hold office from the conclusion of 65th Annual General Meeting till the conclusion of ensuing Annual General Meeting. As per RBI guidelines, in the normal course, an audit firm may continue for a term of four years in one spell. Hence the present statutory auditors are ineligible for re-appointment for FY 2026-27. From the list furnished by Reserve Bank of India, Corporation selected M/s. J.H. Mehta & Co., CAs, Ahmedabad and requested RBI to confirm their eligibility and suitability for appointment as statutory auditors for the first term for FY 2026-27. RBI, vide email dated April 13, 2026, confirmed their eligibility and suitability for appointment. Proposal to appoint the said firm as statutory auditors for the first term as reviewed by the Audit Committee and recommended by the Board of Directors is being placed before the shareholders at the ensuing Annual General Meeting for consideration.



Existing statutory auditors, M/s. Pankaj R Shah & Associates, Chartered Accountants, have submitted Independent Auditors' Report on the financial statements of the Corporation for the year ended March 31, 2026 which contains two qualifications, both reiteration of previous years. Said qualifications along with comments thereon of the management are given in Addendum to this Report and also form part of the Annual Report.

8. Board of Directors: During the year under reference, Life Insurance Corporation of India, Mumbai, vide letter dated May 19, 2025, nominated Shri Daiya P.L., Senior Divisional Manager of its Gandhinagar DO as a Director on the Board of Directors of the Corporation in place of Shri Madhukar M Asthana. Shri Daiya P.L. assumed office of Director of the Corporation on May 22, 2025. No other change was effected in the Board of Directors during the year under reference.

9. Directors' Responsibility Statement

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

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation at the end of the financial year ended March 31, 2026 and of the profit and loss of the Corporation for that period;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the regulatory provisions for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities;
4. the annual accounts for the year ended March 31, 2026 has been prepared on a going concern basis,
5. they have laid down internal financial controls to be followed by the Corporation and that such internal financial controls are adequate and were operating effectively during the year ended March 31, 2026; and
6. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended March 31, 2026.

10. Acknowledgement: The Board acknowledges with gratitude the valuable and timely advice, guidance and support received from Government of Gujarat and its various departments. The Board thanks Reserve Bank of India and Small Industries Development Bank of India, Lucknow, Mumbai and Ahmedabad offices for extending their support and cooperation. The Board also acknowledges with thanks the commendable services rendered and guidance provided by Shri Madhukar M Asthana during his association with the Corporation as a Director. The Board also thanks the stakeholders, valued customers, well-wishers, SEBI, BSE Ltd, CDSL and NSDL for their goodwill, patronage and support. Finally, the Board places on records its deep appreciation of the valuable contribution by the staff at all levels.

For and on behalf of the Board of Directors,

Place : Gandhinagar

Date : 30-05-2026

(Swaroop P., IAS)

Managing Director.



ADDENDUM TO THE DIRECTORS' REPORT

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

Point No. (a) The financial statements of the Corporation are prepared on a going concern basis, notwithstanding the fact that its net worth is completely eroded and defaulted in repayment obligations due to liquidity problems. This is not in accordance with Accounting Standard (AS)-1 "Disclosure of Accounting Policies". The effect of the same on the financial statements is not ascertainable.

Gujarat State Financial Corporation is established under State Financial Corporations Act, 1951 by Parliament as a special Act pursuant to Entry No. 43 of the Union List. Corporation is, thus, a body corporate and statutory Corporation. The main objective of establishment of the Corporation is aimed at achieving balanced regional growth by extending financial assistance to first generation entrepreneurs to establish micro and small scale units in the State and to generate employment. Corporation has so far suffered immense loss and its net worth is already eroded but it is continuing its recovery function. Corporation, being a statutory body, thus, prepares accounts on "going concern" assumptions and it is appropriate under the aforesaid circumstances.

Point No. (b) Dues payable to Government of Gujarat is subject to confirmation and adjustment, if any, required upon such confirmation. Pending such confirmation, the effect thereof on interest and penal interest is not ascertainable.

Government loans are granted as a result of provision in the Budgets of Government of Gujarat from time to time and subsequent issuance of Government Resolutions to overcome the financial strain of the Corporation. Since Corporation has discontinued its main activities and dependent on recovery of dues, Corporation is not in a position to service the liabilities towards Government of Gujarat. Under the circumstances, Government has been moved to make the loan advanced to the Corporation interest free from 1-7-2012 followed by submission of information and data from time to time, as may be called for. In response to letter dated 18.01.2025 received from Government in Industries & Mines Department, Corporation submitted latest position to Government vide letter dated February 04, 2025. Further information called for by Industries & Mines Department vide letter dated 22.9.2025 was furnished vide letters dated 18.12.2025 and 22.01.2026. More information was called for by Industries & Mines Department vide letter dated February 09, 2026 which was replied to vide letter dated April 30, 2026. Awaiting decision on the issue, interest and interest on delayed payment on Government loan is charged to Statement of Profit & Loss. The outstanding details are submitted to administrative department on quarterly basis. The loan accounts are subjected to verification by other authorities from time to time. In view of this, separate confirmation is not obtained.



MANAGEMENT DISCUSSION AND ANALYSIS

1. (a) **Industry structure and developments:**

Gujarat State Financial Corporation is a body corporate established as statutory Corporation by Government of Gujarat pursuant to Section 3 (1) of State Financial Corporations Act, 1951 to provide medium and long term credit to small and medium scale industrial undertakings in the State of Gujarat and Union Territories of Dadra and Nagar Haveli. Corporation played a pivotal role in industrial development of the State by extending financial assistance to SMEs. With the passage of time and particularly after financial reforms, Corporation's fortune dwindled and could not withstand stiff competition from new entrants. Corporation was forced to discontinue its main activities of sanction and disbursement from FY 2001-02 and concentrating on recovery of dues since then.

(b) **Opportunities and Threats**

SFCs are established to help decentralizing economic development and to create employment opportunities by assisting first generation entrepreneurs, artisans, SSI units etc. Gujarat is one of the most industrialized States in the country with large number of MSMEs. Though there is no dearth in opportunities for an organization like GSFC to prosper, the present state of affairs does not permit it to continue with its main activities. Corporation has immense potential to serve the MSME sector from close quarters but adverse financial position and its inability to raise cheap funds prevented it from carrying out its main operations of sanction and disbursement.

(c) **Segment-wise performance:**

As members are aware, Corporation has discontinued main functions of sanction and disbursement for the last more than two decades and concentrating on recovery of dues only since then. With the passage of time, almost all good loan assets have been closed leaving only units under litigation or non-traceable/non-existing. As such, there is no reportable segment except recovery of dues from assisted units. During the year under report, Corporation recovered an amount of ₹0.83 crore as against ₹2.12 crore recovered in the previous year.

(d) **Outlook:**

Corporation is not contemplating to start its main activities in the near future. Available machinery is deployed for recovery of dues.

(e) **Risks and concerns:**

Risk is an inherent part of business and the Corporation not free from various risks associated with the business. Its utmost concern is how to effect recovery from sticky Non-Performing assets. Recovery of dues is expected to diminish from year to year considering the nature of loan assets available with the Corporation.

(f) **Internal control system and their adequacy:**

Corporation's internal control system provides for budgetary control and cost monitoring system. Corporation engaged services of an external firm of Chartered Accountants for internal audit so as to provide timely information to management. The internal control system of the Corporation is adequate commensurate with the size and operations of the Corporation.



(g) Financial Performance:

(₹ in crore)

Particulars	Year ended	
	31/03/2026	31/03/2025
Total Income	16.44	17.25
Interest expenses	141.20	139.34
Other expenses	2.35	3.04
Loss before depreciation & tax	127.10	125.14
Depreciation	0.18	0.20
Loss before tax	127.28	125.34
Loss after depreciation & tax	127.28	125.34
Balance carried over to balance sheet	(3,552.45)	(3,425.16)

(h) Material developments in Human Resources:

No reportable material development in human resources took place during the year under reference. Corporation's staff strength, including employees on deputation, reduced to 10 as on 31st March, 2026 compared to 12 reported in the previous year.

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

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

2. Cautionary statement:

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



REPORT ON CORPORATE GOVERNANCE FOR FY 2025-26

1. PHILOSOPHY ON CODE OF GOVERNANCE

Gujarat State Financial Corporation believe that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing long-term shareholder value while safeguarding the interest of all the stakeholders. The policies, procedures and practices that are installed in the organization ensure fairness, courtesy and dignity in all transactions within and outside the Corporation with customers, employees, investors, competitors, the Government and the society.

2. BOARD OF DIRECTORS

(a) Composition of Board

GSFC is a body corporate established as a statutory Corporation by Government of Gujarat under State Financial Corporations Act, 1951, a Parliament statute framed pursuant to Entry No. 43 of Union List. Composition of Board of Directors is governed by Sections 10, 15 and 17 read with Section 4 (3) of the said Act. As on March 31, 2026, Board comprises of seven Directors viz. Chairperson nominated by Small Industries Development Bank of India, Managing Director appointed by Government of Gujarat, two Directors each nominated by Govt. of Gujarat and Small Industries Development Bank of India and a Director nominated by Life Insurance Corporation of India.

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

Sr. No.	Name of Director, tenure & category	No. of Board Meetings			No. of Directorship in other companies / body corporates / AoPs	Number of memberships/ posts of Chairperson in Audit/ Stakeholders Relationship Committee held in listed entities including this listed entity	
		held during the tenure	attended	Attendance at last AGM		Member	Chairman
1	Ms. Mamta Verma, IAS (From 05.12.2024 onwards) Nominated by SIDBI under Section 15 read with Section 10 (a) of SFCs Act, 1951 Non-Executive – Nominee Director - Chairperson	4	4	Not Present	5 [#]	0	0



Sr. No.	Name of Director, tenure & category	No. of Board Meetings			No. of Directorship in other companies / body corporates / AoPs	Number of memberships/ posts of Chairperson in Audit/ Stakeholders Relationship Committee held in listed entities including this listed entity	
		held during the tenure	attended	Attendance at last AGM		Member	Chairman
2	Shri Swaroop P, IAS (From 04.02.2025 onwards) Ex-officio Managing Director pursuant to Order No. AIS/35.2009/3/G dated 29 th April, 2017 of GAD, Govt. of Gujarat Executive Director	4	4	Not Present	9	0	0
3	Smt. Ankita R Christian (From 06-10-2020 onwards) Nominated by State Government u/s 10 (b) of SFCs Act, 1951 Non-Executive – Nominee Director	4	4	Present	8	2	1
4	Ms Leenaben Katdare (From 27.04.2022 onwards) Nominated by State Government u/s 10 (b) of SFCs Act, 1951 Non-Executive – Nominee Director	4	4	Present	3 ^s	5	1
5	Shri Naresh Babuta (From 24.5.2024 onwards) Nominated by SIDBI u/s 10 (c) of SFCs Act, 1951 Non-Executive – Nominee Director	4	4	Not Present	1	1	0
6	Shri Dinesh Kumar (From 24.05.2024 onwards) Nominated by SIDBI u/s 10 (c) of SFCs Act, 1951 Non-Executive – Nominee Director	4	2	Not present	0	1	0



Sr. No.	Name of Director, tenure & category	No. of Board Meetings			No. of Directorship in other companies / body corporates / AoPs	Number of memberships/ posts of Chairperson in Audit/ Stakeholders Relationship Committee held in listed entities including this listed entity	
		held during the tenure	attended	Attendance at last AGM		Member	Chairman
7	Shri Madhukar M Asthana* (From 23-05-2023 to 21-05-2025) Nominated by LIC of India u/s 10 (d) of SFCs Act, 1951 Non-Executive – Nominee Director	0	0	Not Applicable	0	0	0
8	Shri Daiya P. L. (From 22-05-2025 onwards) Nominated by LIC of India u/s 10 (d) of SFCs Act, 1951 Non-Executive – Nominee Director	4	2	Not present	0	0	0

*Ceased to be Director during the year under reference.

#including Non-Executive Non-Independent Director on the Board of Directors of Gujarat Mineral Development Corporation Ltd, a listed entity.

§including Non-Executive Non-Independent Director of Gujarat Lease Financing Ltd, a listed entity.

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

During the financial year 2025-26, four meetings of Board of Directors were held on May 27, 2025, August 13, 2025, November 10, 2025 and February 13, 2026.

d) Disclosure of relationships between directors inter-se

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

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

Nil



Change in composition of Board of Directors during the year:

In terms of Section 10 (d) of the SFCs Act, 1951, Life Insurance Corporation of India, Mumbai, vide letter dated May 19, 2025, nominated Shri Daiya P.L., Senior Divisional Manager of its Gandhinagar DO as a Director on the Board of Directors of the Corporation in place of Shri Madhukar M Asthana. Shri Daiya P. L. assumed office of Director of the Corporation on May 22, 2025. Brief resume of Shri Daiya P. L. was already circulated to members as contained in the Corporate Governance Report in the previous year under the heading “Change in directorate after close of FY 2024-25”

3. AUDIT COMMITTEE

a) Brief description of terms of reference:

The terms of reference of the Audit Committee of the Corporation is broadly in line with Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b) Composition of Audit Committee:

Audit Committee, as last constituted, consists of two nominee Directors of Government of Gujarat and a nominee Director of SIDBI. Secretary (Board) acts as Secretary to the Committee. Consequent to absence of enabling provisions in the SFCs Act, 1951 for induction of independent directors on the Board of Directors of the Corporation, Audit Committee is not represented by independent director.

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

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

Name	Designation	<u>No. of meetings</u>	
		Held	Attended
Ms Leenaben Katdare	Chairperson	4	4
Smt. Ankita R Christian	Member	4	4
Shri Naresh Babuta	Member	4	4

d) Number of meetings and dates on which held:

Audit Committee met four times during the financial year 2025-26 on May 27, 2025, August 13, 2025, November 10, 2025 and February 13, 2026.

4. Nomination and Remuneration Committee:

Remuneration of Directors is governed by Section 16 of the SFCs Act, 1951 read with Regulation 40 of GSFC General Regulations according to which Directors other than the Managing Director and not being servants of the Government shall be paid such fees as may be prescribed for attending meetings of the Board and if they are members of the Executive Committee or any other Committee appointed by the Financial Corporation for attending such meetings. At present, Director representing LIC of India on the Board of the Corporation is entitled to receive sitting fee of ₹1,000/- per sitting. Salary and allowances of employees are governed by Section 23 of the SFCs Act, 1951 read with GSFC (Staff) Regulations, 1961. Under these circumstances, Nomination and Remuneration Committee has not been constituted by the Corporation.



5. Stakeholders' Relationship Committee:

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

Stakeholders' Relationship Committee consisted of two Directors representing Government of Gujarat and a Director of Small Industries Development Bank of India. It is headed by Smt. Ankita R Christian, nominee Director of Government of Gujarat. Details of Members of the Committee and meetings attended by them during the year under reference are given as under:-

Name	Designation	<u>No. of meetings</u>	
		Held	Attended
Smt. Ankita R Christian	Chairperson	1	1
Ms Leenaben Katdare	Member	1	1
Shri Dinesh Kumar	Member	1	1

In absence of independent directors on the Board of Directors of the Corporation, Stakeholders Relationship Committee does not consist of independent director.

Stakeholders Relationship Committee met once on November 10, 2025 during the financial year 2025-26.

In order to expeditiously deal with day-to-day requirements of investors' matters, Board at its meeting held on November 10, 2025 reviewed functioning of sub-Committee of Stakeholders Relationship Committee and delegated powers to deal with all matters related to investors to Secretary (Board) subject to the condition that Secretary (Board) shall submit a report on quarterly basis to the Board of Directors of the action taken as also apprise the matter in the progress report to Stakeholders Relationship Committee from time to time. Accordingly, Secretary (Board) is looking after the functions hereinbefore handled by the sub-Committee of Stakeholders Relationship Committee.

b) Name and designation of Compliance Officer: Raveendran Nair, Secretary (Board)

c) Number of shareholders' complaints received during the financial year : 0

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

e) Number of pending complaints : 0

5A. Risk Management Committee:-

Corporation does not fall within the criteria prescribed under Regulation 21 of SEBI (LODR) Regulations, 2015 to constitute Risk Management Committee.

6. Remuneration of Directors:

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

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



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

No payment other than sitting fee to eligible Director is paid by the Corporation. During the year under reference, Director representing Life Insurance Corporation of India was paid sitting fee of aggregate ₹2,000/- for attending two Board meetings.

c) Disclosures with respect to remuneration:

No remuneration was paid to Directors during the year under reference.

7. GENERAL BODY MEETINGS

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

Year	Date	Time	Location of holding AGM
2022-23	27-07-2023	01.00 PM	Office of the Corporation at Head Office at Udyog Bhavan, Block No. 10, 1 st Floor, Sector 11, Gandhinagar.
2023-24	25-07-2024	01.00 PM	-do-
2024-25	30-07-2025	01.00 PM	-do-

b) Whether any special resolutions passed in the previous three general meetings: No

c) Whether any special resolution passed last year through postal ballot: No

d) Person who conducted the postal ballot exercise – Not applicable

e) Whether any special resolution is proposed to be conducted through postal ballot: No

f) Procedure for postal ballot - Not applicable

8. MEANS OF COMMUNICATION

a) Quarterly results:

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

b) Newspapers wherein results normally published:

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

c) Any website, where displayed:

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

d) Whether it also displays official news releases: No such occasion arose.

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



9. GENERAL SHAREHOLDER INFORMATION

- a) Date, time & venue of the Annual General Meeting : Thursday, the 30th July, 2026 at 1.00 p.m. in the Office of the Corporation at Head Office at Udyog Bhavan, Block No. 10, 1st Floor, Sector 11, Gandhinagar 382 010
- b) Financial year : 1st April to 31st March
- c) Dividend payment date : Not applicable
- d) Listing on Stock-Exchanges : BSE Ltd
Phiroz Jeejeebhoy Towers
Dalal Street, Fort, Mumbai 400 001.
Annual Listing fee for FY 2026-27 remitted to BSE Ltd.
- e) Stock Code (BSE Ltd) : 532160
ISIN : INE944A01011

f) Market price data :

Monthly high and low quotation of shares traded on BSE during Financial Year 2025-26 were as under:

Month	High (Rs.)	Low (Rs.)	No. of trades during the month	No. of shares traded during the month
April, 2025	17.87	13.30	3157	2,76,135
May, 2025	18.15	14.62	3865	3,45,818
June, 2025	17.99	15.56	3155	3,04,575
July, 2025	16.95	14.00	2962	3,31,536
August, 2025	16.93	13.00	2774	3,48,420
September, 2025	16.31	13.45	3601	4,20,069
October, 2025	15.00	12.41	3100	4,81,447
November, 2025	13.86	11.00	2825	5,41,923
December, 2025	13.00	11.00	2865	3,31,557
January 2026	12.98	11.03	3222	3,52,208
February 2026	12.75	10.73	2936	4,06,733
March, 2026	11.57	9.00	2033	2,23,287

(Source: BSE data)

- g) Performance comparison in comparison to BSE Sensex is not attempted.
- h) During the year, the securities of the Corporation are not suspended from trading.



i) Registrars & Transfer Agents

M/s. MCS Share Transfer Agent Ltd. 201, Satdal Complex,
2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380 009.
Phone (079) 26580461/2/3, Fax (079) 26581296.
E-mail: mcsstaahmd@gmail.com

j) Share Transfer System

The Board has delegated the authority for approving transmission, dematerialization and all other shareholders/investors matters to the Secretary (Board) subject to his reporting the action taken to the Board of Directors as well as Stakeholders Relationship Committee periodically.

In terms of amended Regulation 40 of the SEBI (LODR) Regulations, 2015, with effect from April 01, 2019, transfer of listed shares of the Corporation in physical form shall not be processed unless the shares are held in demat mode with a Depository Participant. Further w.e.f. January 24, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests. SEBI, vide circular dated January 25, 2022, has clarified that listed entities/RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any investor service request.

k) Distribution schedule by size/Folliowise as on 31st March 2026

Shares held	No. of shares	Folios	%age of shares	%age of holders
1 – 500	21,34,913	20,856	2.3957	89.8849
501-1000	10,56,371	1,232	1.1854	5.3097
1001-2000	8,13,516	532	0.9129	2.2928
2001-3000	4,73,642	191	0.5315	0.8232
3001-4000	2,66,087	75	0.2986	0.3232
4001-5000	4,87,205	102	0.5467	0.4396
5001-10000	7,91,127	101	0.8878	0.4353
Above 10000	8,30,91,139	114	93.2414	0.4913
Total	8,91,14,000	23,203	100.0000	100.0000

Distribution of shareholding by ownership as on 31st March, 2026

(Pursuant to Sections 4 and 4A of SFCs Act, 1951)

Sr. No.	Particulars of shareholding	No. of shares held (Rs.10/- each)	Percentage share
1	Government of Gujarat		
	“a” Class of shares <i>(issued pursuant to Section 4(3)(a) of SFCs Act, 1951)</i>	4,72,60,000	53.03
	“c” Class of shares <i>(issued pursuant to Section 4(3)(c) of SFCs Act, 1951)</i>	250	-



Sr. No.	Particulars of shareholding	No. of shares held (Rs.10/- each)	Percentage share
	“d” Class of shares <i>(issued pursuant to Section 4(3)(d) of SFCs Act, 1951)</i>	30,150	0.03
	Special Class of shares <i>(issued pursuant to Section 4A of SFCs Act, 1951)</i>	18,00,000	2.02
2	Small Industries Development Bank of India		
	“b” Class of shares <i>(issued pursuant to Section 4(3)(b) of SFCs Act, 1951)</i>	2,46,20,000	27.63
	Special Class of shares <i>(issued pursuant to Section 4A of SFCs Act, 1951)</i>	7,00,000	0.79
3	Scheduled Banks, Co. Op. Banks, Insurance Cos.		
	“c” Class of shares <i>(issued pursuant to Section 4(3)(c) of SFCs Act, 1951)</i>	4,00,000	0.45
4	Others (Public Shareholders)		
	“d” Class of shares <i>(issued pursuant to Section 4(3)(d) of SFCs Act, 1951)</i>	1,43,03,600	16.05
	TOTAL	8,91,14,000	100.00

l) Dematerialization of shares and Liquidity

Due to restrictions contained in the SFCs Act, 1951, only 1,43,03,600 Class “d” shares issued to parties referred to in Section 4 (3) (d) of the SFCs Act, 1951 are listed for trading on the floor of Stock Exchange of which 1,14,20,940 shares are held in electronic mode as on 31st March, 2026 which consists of 79.85% of listed Class “d” shares. Class ‘d’ shares are available for dematerialization with both depositories viz. National Securities Depository Ltd and Central Depository Services (India) Ltd. ISIN Code allotted to the Corporation is INE944A01011. Listed shares are frequently traded on the floor of BSE Ltd.

m) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Nil

n) Commodity price risk or foreign exchange risk – Not applicable

o) Plant Location: Not applicable

p) Address for correspondence

The Compliance Officer
Gujarat State Financial Corporation
Secretarial Cell
Udyog Bhavan, Block No.10, Sector-11,
GANDHINAGAR-382 010
Phone : 079-23256766 Fax: 079-23252204
E-mail : sec-cell-gsfc@gujarat.gov.in

q) During the year under reference, no credit rating was obtained by the Corporation.



10. OTHER DISCLOSURES:

- a) During the year under reference, no materially significant related party transaction has been entered into with any of the related parties in conflict with the interest of the Corporation.
- b) Corporation has complied with all mandatory requirements of corporate governance in such a manner and to the extent that it does not violate the provisions of State Financial Corporations Act, 1951, under which it is established, and the Regulations made thereunder as well as the guidelines or directives issued by the State Government or other relevant authorities from time to time. Pursuant to omitting proviso to Regulation 15 (2) of SEBI (LODR) Regulations, 2015, Corporation represented to SEBI for continuation of the relaxations/exemptions but SEBI suggested, vide letter dated 20th December, 2021, to take up the matter of amendment to SFCs Act, 1951 so as to align it with that of LODR requirements with Government. Corporation took up the matter with appropriate authorities vide letter dated 27th December, 2021 and is following up for amendments to SFCs Act, 1951. In spite of the said development, during the year under reference, BSE Ltd imposed fine on the Corporation in each quarter as per details below:-

Sr. No.	Quarter ended	Non-compliance - Regulations under SEBI (LODR) Regulations, 2015	Amount of fine ₹
1	March 31, 2025	17 (1), 18(1), 19 (1)/19 (2) and 20 (2)/(2A) – Corporate Governance – Absence of independent directors	11,68,200/-
2	June 30, 2025	17 (1), 17 (2A), 18(1), 19 (1)/19 (2) and 20(2)/(2A) Corporate Governance – Absence of independent directors	11,92,980/-
3	September 30, 2025	17 (1), 17 (2A), 18(1) and 19 (1)/19 (2) – Corporate Governance – Absence of independent directors	9,88,840
4	December 31, 2025	17 (1), 17 (2A), 18(1) and 19 (1)/19 (2) – Corporate Governance – Absence of independent directors	9,88,840
Total			43,38,860/-

Though the provisions of Regulation 17 (2A) of SEBI (LODR) Regulations, 2015 are not applicable to the Corporation and in the past BSE Ltd waived fine imposed on the issue, still Corporation is receiving letters imposing fine on the said count. Corporation brought all the facts to the notice of BSE Ltd and represented to waive fine imposed on it from quarter to quarter.

- c) A well established vigil mechanism for Directors and employees to report concerns about unethical behaviors, actual or suspected fraud or violation of its code of conduct is in vogue in the Corporation. During the year, no personnel has been approached or denied access to the Audit Committee. Whistle Blower Policy is also in vogue in the Corporation.
- d) Mandatory and non-mandatory requirements have been complied with in such a manner and to the extent that it does not violate the provisions of State Financial Corporation Act, 1951, under which it is established, and the Regulations made thereunder as well as the guidelines or directives issued by the State Government or other relevant authorities from time to time.



- e) In absence of material subsidiaries, policy of determining material subsidiaries is not required to be displayed on the website of the Corporation.
- f) No material related party transaction is entered into by the Corporation with any of the related parties. Keeping in view the fact that the related parties are Government and Government agencies and exemption is available to the Corporation, policy for related party transactions is not framed.
- g) Corporation has not entered into any commodity hedging activities during the year.
- h) During the year under reference, no fund was raised through preferential allotment or QIP by the Corporation.
- i) Disqualification for being a Director is governed by Section 12 of the State Financial Corporations Act, 1951 according to which no director is disqualified during the year under reference. Corporation, being a body corporate, provisions of Section 164 of Companies Act, 2013 are not attracted. Therefore, certificate from Company Secretary in Practice is not obtained with regard to disqualification of Directors.
- j) During the year under reference, there was no instance where Board of Directors not accepting any recommendation of the Committees constituted by it.
- k) During the year under reference, Corporation paid ₹1,18,000/- to M/s. Pankaj R Shah & Associates, Chartered Accountants, Ahmedabad, present statutory auditors, towards audit fee for FY 2024-25. Corporation also remitted ₹60,410/- for obtaining Limited Review Reports during the year. Corporation made provision of ₹1,18,000/- towards audit fee for FY 2025-26 payable to M/s. Pankaj R Shah & Associates, Chartered Accountants, Ahmedabad which will be remitted in FY 2026-27.
- l) During the year under reference, no complaint under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 was received by the Corporation.
- m) Corporation has no subsidiaries and not made any loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.
- n) Corporation has no material subsidiaries.
11. The affairs of the Corporation are inspected by SIDBI under Section 37-A of the SFCs Act, 1951 from time to time, commercial as well as compliance audit by Comptroller and Auditor General of India under Section 37 of the said Act besides statutory audit by a firm of Chartered Accountants selected from the panel of list furnished by Reserve Bank of India and eligibility and suitability are confirmed by RBI. Keeping in view the fact that the affairs are being audited and inspected by the aforesaid authorities and that the provisions of Companies Act, 2013 are not applicable to it, Corporation has not opted for Secretarial Audit as provided under Regulation 24A of SEBI (LODR) Regulations, 2015. Nevertheless, Corporation has obtained Annual Secretarial Compliance Report from a Practicing Company Secretary and filed the same with BSE Ltd.
12. The extent of implementation of discretionary requirements as specified in Part E of Schedule II is furnished as under:-



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

13. The disclosures with regard to compliance with corporate governance requirements have been uploaded and available on the website of the Corporation at <http://gsfc.gujarat.gov.in> under INVESTOR RELATIONS – Corporate Governance Reports.
14. Pursuant to Corporation's Code of Conduct policy, Directors and senior management personnel have affirmed compliance with the Code for the Financial Year 2025-26. Declaration regarding compliance of Code of Conduct by the Board members and Senior Management Personnel by the Managing Director forms part of this Report.
15. Compliance certificate from M/s. K.K. Patel & Associates, Practicing Company Secretaries, Gandhinagar regarding compliance of conditions of corporate governance for FY 2025-26 also forms part of this Report. Observations contained in the Certificate are dealt with in para 10 (b) and for brevity, it is not repeated.
16. Disclosure with respect to demat suspense account/unclaimed suspense account- Not applicable.



Gujarat State Financial Corporation

Secretarial Cell

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

CODE OF CONDUCT DECLARATION

As required under Regulation 34 (3) read with Clause D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the members of Board of Directors and the senior management personnel of the Corporation have affirmed compliance with the Code of Conduct of Board of Directors and senior management for the year ended March 31, 2026.

Place: Gandhinagar

(Swaroop P, IAS)

Date : 08/05/2026

Managing Director.



K. K. PATEL & ASSOCIATES

COMPANY SECRETARIES

508, 5th Floor, Skyline Building, Sector 11, Gandhinagar 382 011

CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF REGULATIONS 17, 18, 19, 20, 21, 22, 23, 24, 24[A], 25, 26, 27 AND CLAUSE (B) TO (I) OF SUB -REGULATION (2) OF REGULATION 46 AND PARA C, D AND E OF SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR THE YEAR ENDED MARCH 31, 2026.

To,

The Members of

Gujarat State Financial Corporation

Gandhinagar

1. We have examined the compliance of conditions of Corporate Governance by Gujarat State Financial Corporation for the year ended on 31st March, 2026, as stipulated in Regulations (R.W. Regulation 15 (2) (b)), 17, [17A,] 18, 19, 20, 21,22, 23, 24, [24A,] 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Corporation with stock exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Corporation for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Corporation. We report that;

During the year under reference, BSE Ltd imposed fine on the Corporation in each quarter as per details below:-

Sr. No.	Quarter ended	Non-compliance - Regulations under SEBI (LODR) Regulations, 2015	Amount of fine ₹
1	March 31, 2025	17 (1), 18(1), 19 (1)/19 (2) and 20 (2)/(2A) – Corporate Governance – Absence of independent directors	11,68,200/-
2	June 30, 2025	17 (1), 17 (2A), 18(1), 19 (1)/19 (2), 20 (2)/(2A) - Corporate Governance – Absence of independent directors	11,92,980/-
3	September 30, 2025	17 (1), 17 (2A), 18(1), 19 (1)/19 (2) – Corporate Governance – Absence of independent directors	9,88,840/-



Sr. No.	Quarter ended	Non-compliance - Regulations under SEBI (LODR) Regulations, 2015	Amount of fine ₹
4	December 31, 2025	17 (1), 17 (2A), 18(1), 19 (1)/19 (2) – Corporate Governance – Absence of independent directors	9,88,840/-
Total			43,38,860/-

We further report that in addition to the violations of above regulations, the Corporation has not complied with regulation 24A (1), 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Corporation has made several communications with respect to aforementioned violations and sought for exemption/relaxation pursuant to Proviso of Regulation 15(2) (b) of SEBI (LODR) Regulations, 2015. Corporation represented to SEBI for continuation of the relaxations/exemptions but SEBI suggested, vide letter dated 20th December, 2021, to take up the matter of amendment to SFCs Act, 1951 so as to align it with that of LODR requirements with Government. Corporation took up the matter with appropriate authorities vide letter dated 27th December, 2021 and is following up for amendments to SFCs Act, 1951. The matter is pending as on 31st March, 2026.

In our opinion and to the best of our information and according to the explanations given to us and subject to violations as stated above and since the above non-compliance is subject to approval of appropriate authority for amendment in SFC Act, 1951 for which correspondence with appropriate authorities were made by the Corporation, the Corporation has complied with the conditions of corporate governance to the extent that it does not violate the provisions of State Financial Corporations Act, 1951 and the guidelines or directives issued by the relevant authorities and subject to what is stated above, we certify that Corporation has complied with the conditions of Corporate Governance, as stipulated in the above-mentioned Listing Regulations.

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

For K. K. Patel & Associates

Sd/-

CS Kiran Kumar Patel

Practicing Company Secretaries

FCS NO.6384 C.P. No: 6352

UDIN: F006384H000230410

Date: 29.05.2026

Place: Gandhinagar.



PANKAJ R SHAH & ASSOCIATES

Chartered Accountants

7th Floor, Regency Plaza, Opp. Rahul Tower, Nr. Madhur Hall, Anandnagar Cross
Road, Satellite, Ahmedabad 380 015

INDEPENDENT AUDITORS' REPORT

To,

The Members of

GUJARAT STATE FINANCIAL CORPORATION

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of **GUJARAT STATE FINANCIAL CORPORATION ('the Corporation')**, which comprise the balance sheet as at 31st March, 2026 and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanation given to us, except for the possible effects of the matter described in Basis for Qualified Opinion paragraph, the aforesaid financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India of the state of affairs of the corporation as at 31st March, 2026, and its loss and its cash flow for the year ended on that date.

Basis for Qualified Opinion

- a. The financial statements of the corporation are prepared on a going concern basis, notwithstanding the fact that its net worth is completely eroded and defaulted in repayment obligations due to liquidity problems. This is not in accordance with Accounting Standard (AS) – 1 “Disclosure of Accounting Policies”. The effect of the same on the financial statements is not ascertainable.
- b. Dues payable to Government of Gujarat is subject to confirmation and adjustment, if any, required upon such confirmation. Pending such confirmation, the effect thereof on interest and penal interest is not ascertainable.

Information other than the financial statements and auditors' report thereon

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

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

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

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



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

Management is responsible for the matters stated the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



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

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

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

Reports on Other Legal & Regulatory Requirements

- a. We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of accounts as required by law have been kept by the Corporation so far as appears from our examination of those books.
- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. Except the possible effect of the matter described in the Basis for Qualified opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting standards issued by ICAI.
- e. Based on our examination carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 Edition) issued by the Institute of Chartered Accountants of India, which included test checks, we report that the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention. Our examination of the audit trail was in the context of an audit of financial statements carried out in accordance with the Standard of Auditing and only to the extent required by Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014. We have not carried out any audit or examination of the audit trail beyond the matters required by the aforesaid Rule 11(g) nor have we carried out any standalone audit or examination of the audit trail.

For and on behalf of
M/s Pankaj R. Shah & Associates
Chartered Accountants
(Registration No. 107361W)

CA Nilesh Shah
Partner
Membership No. 107414
UDIN: 26107414YIGPWT4812

Place: Ahmedabad.
Date : 30-05-2026.



GUJARAT STATE FINANCIAL CORPORATION

BALANCE SHEET AS AT 31ST MARCH, 2026

Particulars	Note No.	As at 31 st March 2026	As at 31 st March 2025
CAPITAL/LIABILITIES		₹	₹
SHARE CAPITAL	1	891,140,000	891,140,000
SHARE FORFEITED	1-A	46,048,000	46,048,000
RESERVES & SURPLUS	2	2,705,019,725	2,708,453,618
BORROWINGS	3	6,616,842,633	6,616,842,633
OTHER LIABILITIES & PROVISIONS	4	27,601,497,913	26,189,389,959
Total ₹		37,860,548,271	36,451,874,210
ASSETS		₹	₹
CASH & BANK BALANCES	5	4,354,127	17,531,339
INVESTMENTS	6	2,210,835,888	2,064,178,231
LOANS & ADVANCES	7	0	-
FIXED ASSETS	8	17,867,503	19,688,116
OTHER ASSETS	9	103,017,032	98,894,060
PROFIT & LOSS ACCOUNT		35,524,473,721	34,251,582,464
Total ₹		37,860,548,271	36,451,874,210
NOTES TO ACCOUNTS	15		

Notes referred to above and notes attached there to form an integral part of the Financial Statements

FOR AND ON BEHALF OF THE BOARD,

(M.R.Malpani) (Raveendran Nair) (Naresh Babuta) (Leena D. Katdare) (Swaroop P, IAS)
 Executive Secretary (Board) Director Director Managing Director
 Officer (A/cs)

As per our Report of even date.

FOR PANKAJ R. SHAH & ASSOCIATES

CHARTERED ACCOUNTANTS

ICAI Firm Reg. No.: 107367W

CA NILESH SHAH

PARTNER

Membership No. :107414

PLACE: AHMEDABAD

DATED: 30-05-2026

PLACE: GANDHINAGAR

DATED: 30-05-2026



GUJARAT STATE FINANCIAL CORPORATION

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2026

Particulars	Note No.	For the Year Ended 31 st March, 2026	For the Year Ended 31 st March, 2025
INCOME		₹	₹
INTEREST ON LOANS & ADVANCES		1,432,071	1,380,728
INTEREST ON DEPOSITS		161,549,849	151,203,151
PROVISION AGAINST NPA WRITTEN BACK		6,095,878	19,086,523
OTHER INCOME	10	1,025,907	850,230
DIMINUTION IN THE VALUE OF INVESTMENTS WRITTEN BACK		(5,685,909)	(49,566)
TOTAL INCOME ₹		164,417,796	172,471,066
EXPENDITURE			
INTEREST ON BONDS, DEPOSITS & OTHER BORROWINGS	11	1,411,981,237	1,393,395,401
FINANCIAL EXPENSES & COMMITMENT CHARGES	12	3,846	6,527
EMPLOYEE'S COST	13	9,873,854	11,261,297
OTHER EXPENSES	14	13,629,503	19,159,046
DEPRECIATION	8	1,820,613	2,049,568
TOTAL EXPENDITURE ₹		1,437,309,053	1,425,871,839
NET LOSS FOR THE YEAR		(1,272,891,257)	(1,253,400,773)
ADD: OPENING BALANCE OF PROFIT & LOSS ACCOUNT		(34,251,582,464)	(32,998,181,691)
BALANCE CARRIED FORWARD TO BALANCE SHEET		(35,524,473,721)	(34,251,582,464)
EARNINGS PER SHARE (BASIC AND DILUTED)		(14.28)	(14.07)
NOTES TO ACCOUNTS	15		

Notes referred to above and notes attached there to form an integral part of the Financial Statements

FOR AND ON BEHALF OF THE BOARD,

(M.R.Malpani) (Raveendran Nair) (Naresh Babuta) (Leena D. Katdare) (Swaroop P, IAS)
 Executive Secretary (Board) Director Director Managing Director
 Officer (A/cs)

As per our Report of even date.

FOR PANKAJ R. SHAH & ASSOCIATES

CHARTERED ACCOUNTANTS

ICAI Firm Reg. No.: 107367W

CA NILESH SHAH

PARTNER

Membership No. :107414

PLACE: AHMEDABAD

DATED: 30-05-2026

PLACE: GANDHINAGAR

DATED: 30-05-2026



GUJARAT STATE FINANCIAL CORPORATION

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2026

Particulars	For the Year Ended 31 st March, 2026 ₹	For the Year Ended 31 st March, 2025 ₹
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before tax as per Profit & Loss A/c	(1,272,891,257)	(1,253,400,773)
Adjustments :		
Depreciation	1,820,613	2,049,568
Provision for NPA written back	(3,433,893)	(3,234,161)
Diminution/(Reverse Diminution) in Value of Investments	5,685,909	49,566
Profit on sale of Investments	-	-
Dividend Income	(800,958)	(674,054)
Interest Income	(161,549,849)	(151,203,151)
Interest on Finance Cost	-	-
Operating Loss before working capital	(1,431,169,435)	(1,406,413,005)
Adjusted for :		
i) Other Assets	(152,245,258)	(124,794,141)
ii) Other Liabilities & Provisions	1,412,107,954	1,394,490,392
NET CASH USED FROM OPERATING ACTIVITIES (A)	(171,306,739)	(136,716,754)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (After changes in Capital W-I-P)	0	0
Sale of Fixed Assets	-	-
Decrease in Investments		
Dividend Income	800,958	674,054
Interest Income	157,328,569	141,186,762
NET CASH USED FROM INVESTING ACTIVITIES (B)	158,129,527	141,860,816
C) CASH FLOW FROM FINANCING ACTIVITIES		-
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	-	-
Net Increase in Cash & Cash Equivalents (A+B+C)	(13,177,212)	5,144,062
Opening Balance of Cash & Cash Equivalents	17,531,339	12,387,278
Closing Balance of Cash & Cash Equivalents	4,354,127	17,531,340
Components Depecting Closing Cash and Cash Equivalents		
Cash on hand and as Imprest	83,016	75,833
BALANCE WITH BANKS	1,354,695	8,670,013
LIQUID DEPOSIT WITH GSFS	2,916,416	8,785,493
Total	4,354,127	17,531,339

Notes referred to above and notes attached there to form an integral part of the Financial Statements

FOR AND ON BEHALF OF THE BOARD,

(M.R.Malpani) (Raveendran Nair) (Naresh Babuta) (Leena D. Katdare) (Swaroop P, IAS)
 Executive Secretary (Board) Director Director Managing Director

Officer (A/cs)

As per our Report of even date.

FOR PANKAJ R. SHAH & ASSOCIATES

CHARTERED ACCOUNTANTS

ICAI Firm Reg. No.: 107367W

CA NILESH SHAH

PARTNER

Membership No. :107414

PLACE: AHMEDABAD

DATED: 30-05-2026

PLACE: GANDHINAGAR

DATED: 30-05-2026



GUJARAT STATE FINANCIAL CORPORATION

Notes to the Financial Statements for the year ended on 31st March, 2026

Note : 1 Share Capital

Sr. No	Particulars	As at 31 st March 2026 ₹	As at 31 st March 2025 ₹
1	<u>AUTHORIZED CAPITAL</u> 10,00,00,000 Equity Shares of Rs. 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 Rs.10/- EACH) B) 25,00,000 SHARES OF Rs.10/- EACH SPECIAL CAPITAL (PREVIOUS YEAR 25,00,000 OF Rs.10/- EACH) ISSUED U/S 4-A OF THE SFC'S ACT,1951	866,140,000	866,140,000
		25,000,000	25,000,000
	Total in ₹	891,140,000	891,140,000

Note : 1-A Share Forfeited

Sr. No	Particulars	As at 31 st March 2026 ₹	As at 31 st March 2025 ₹
1	SHARE FORFEITED 92,09,600 EACH OF Rs. 10/- (ORIGINALLY PAID UP VALUE ` 5/-)	46,048,000	46,048,000
	Total in ₹	46,048,000	46,048,000

Note : 2 Reserves & Surplus

Sr. No	Particulars	As at 31 st March 2026 ₹	As at 31 st March 2025 ₹
A	SPECIAL RESERVE (U/S 36(1)(VIII) OF THE I.T. ACT 1961	643,416,722	643,416,722
B	RESERVE FOR BAD AND DOUBTFUL DEBTS B/F 2,23,21,711 Deduction During the Year 34,33,893 ----- Balance C/F 1,88,87,818	18,887,818	22,321,711
C	SECURITIES PREMIUM	188,988,000	188,988,000
D	CAPITAL RESERVE - GAIN ON RESTRUCTURING OF PRINCIPAL DEBTS	1,828,727,185	1,828,727,185
E	SPECIAL RESERVE (CREATED U/S.35 A OF THE SFC'S ACT,1951) (DIVIDEND FOREGONE BY GOVT.OF GUJARAT & IDBI)	25,000,000	25,000,000
	Total in ₹	2,705,019,725	2,708,453,618



Note : 3 Borrowings

Sr. No	Particulars	As at 31 st March 2026 ₹	As at 31 st March 2025 ₹
(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
	LOAN IN LIEU OF SHARE CAPITAL FROM GOVT OF GUJARAT. (INTEREST 3.5% & 7.5%)	60,333,967	60,333,967
	Total in ₹	6,616,842,633	6,616,842,633

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%.

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

Note : 4 Other Liabilities & Provisions

Sr. No	Particulars	As at 31 st March 2026 ₹	As at 31 st March 2025 ₹
	TAX DEDUCTED AT SOURCE PAYABLE	83,702	103,624
	SECURITY DEPOSIT	145,406	145,406
	GST PAYABLE	(28,205)	(16,062)
	UNPAID GUARANTEE FEE	356,039,833	356,039,833
	INTEREST PAYABLE ON BORROWINGS	27,200,447,556	25,788,466,319
	INTEREST PAYABLE ON SECURITY DEPOSITS	57,491	57,491
	UNCLAIMED DIVIDEND	351,048	351,048
	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)
	OTHER DEPOSITS	6,274,616	6,274,616
	SUNDRIES (OTHER LIABILITIES)	18,763,757	18,604,975
	LESS : STD NO LIEN A/C (CONTRA NOTE -9)	0	0
	<u>SUBVENTION FROM STATE GOVT</u>		
	BALANCE AS PER LAST BALANCE SHEET	166,956,010	166,956,010
	LESS: DIVIDEND DEFICIT A/C	(164,619,096)	(164,619,096)
	Total in ₹	27,601,497,913	26,189,389,959



Note : 5 Cash & Bank Balances

Sr. No	Particulars	As at 31 st March 2026 ₹	As at 31 st March 2025 ₹
A	<u>Cash-on-Hand</u>		
	Cash on hand and as Imprest	83,016	75,833
	Sub Total (A)	83,016	75,833
B	<u>Bank Balance with Scheduled Banks</u>		
	BALANCE WITH BANKS (IN CURRENT ACCOUNTS)	1,354,695	8,670,013
	Sub Total (B)	1,354,695	8,670,013
	<u>Others (Deposits with GSFS)</u>		
	LIQUID DEPOSIT WITH GSFS	2,916,416	8,785,493
	Sub Total (C)	2,916,416	8,785,493
	Total in ₹ [A + B + C]	4,354,127	17,531,339

Note : 6 Investments (At Cost)

Sr. No	Particulars	As at 31 st March 2026 ₹	As at 31 st March 2025 ₹
(i)	SHARES ACQUIRED UNDER UNDERWRITING AGREEMENT U/S 25(1) (C) OF THE SFC'S ACT,1951		
	PREFERENCE SHARES, FULLY PAID-UP (UNQUOTED)	740,500	740,500
	A EQUITY SHARES, FULLY PAID (UNQUOTED)	11,484,000	11,484,000
	B EQUITY SHARES, PARTLY PAID (UNQUOTED)	300,000	300,000
(ii)	PREFERENCE SHARES ACQUIRED UNDER SPECIAL CAPITAL SCHEME (2000 Shares of Rs.100/- each fully paid up) (UNQUOTED)	200,000	200,000
(iii)	EQUITY SHARES FULLY PAID-UP (QUOTED)		
	285440 (PREVIOUS YEAR 285440) EQUITY SHARES OF RS.10 EACH FULLY PAID-UP IN IDBI BANK LTD	23,192,000	23,192,000
	165 (PREVIOUS YEAR 165) EQUITY SHARES OF RS.2 EACH FULLY PAID-UP IN UNION BANK OF INDIA	8,000	8,000



Note : 6 Investments (At Cost)

Sr. No	Particulars	As at 31 st March 2026 ₹	As at 31 st March 2025 ₹
	409000 (PREVIOUS YEAR 409000) EQUITY SHARES OF RS.10 EACH FULLY PAID-UP IN KUSH INDUSTRIES LIMITED (FORMERLY KNOWN AS SNS TETILES LTD)	6,135,000	6,135,000
	220417 (PREVIOUS YEAR 220417) EQUITY SHARES OF RS.10 EACH FULLY PAID-UP IN SAR AUTO PRODUCTS LTD	2,204,170	2,204,170
	150000 (PREVIOUS YEAR 150000) EQUITY SHARES OF RS.10 EACH FULLY PAID-UP IN OMKAR PHARMA LTD	1,500,000	1,500,000
(iv)	EQUITY SHARES FULLY PAID-UP (UNQUOTED)		
	1 (PREVIOUS YEAR 1) EQUITY SHARE OF G.S.F.C STAFF CO.OP CREDIT SOCIETY LTD. OF Rs. 10/-	10	10
	1100 (PREVIOUS YEAR 1100) EQUITY SHARES OF RS.100/- OF GUJARAT INDUSTRIAL& TECHNICAL CONSULTANCY (GITCO)	110,000	110,000
	1446470(PREVIOUS YEAR 1446470) EQUITY SHARES OF RS.10 EACH FULLY PAIDUP IN JAGADIA COPPER LTD.	14,464,700	14,464,700
(v)	OTHERS - GSFS INTER CORPORATE DEPOSIT	2,187,156,469	2,034,812,903
	LESS :		
	INVESTMENT DEPRECIATION PROVIDED	(36,658,961)	(30,973,052)
	Total in ₹	2,210,835,888	2,064,178,231

Aggregate cost of quoted securities - ₹ 3,30,39,170/-

Market value of quoted securities - ₹ 46,07,34,975/-

Note: 7 Loans and Advances

Sr. No	Particulars	As at 31 st March 2026 ₹	As at 31 st March 2025 ₹
	PRINCIPAL AMOUNT (TERM LOAN , HIRE PURCHASE & LEASE FINANCE)	3,974,129,523	3,980,225,401
	LESS : PROVISION FOR NPA	(3,974,129,523)	(3,980,225,401)
	Total in ₹	0	0

7 (i) No loans and advances due to Directors or other officers of the Corporation in which they are partner or member



GUJARAT STATE FINANCIAL CORPORATION

Notes to the Financial Statements for the year ended on 31st March, 2026

Note-8 Fixed Assets

(in ₹)

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		As on 01-04-2025	Addition during 2025-26	Deduction during 2025-26	Closing Balance as on 31-03-2026	Provided upto 31-03-2025	Written back during 2025-26	Provided during 2025-26	Total Depreciation as on 31-03-2026	As on 31-03-2026	As on 31-03-2025
A.	OWN ASSETS										
1	Furniture & Fixtures	32,768,630	-		32,768,630	23,629,207		913,944	24,543,151	8,225,479	9,139,423
2	Office Equipments	9,669,453	-		9,669,453	8,066,351		240,465	8,306,816	1,362,637	1,603,102
3	Office Vehicles	4,518,014	-		4,518,014	3,967,231		82,617	4,049,848	468,166	550,783
4	Land & Building	39,445,116	-		39,445,116	31,080,219		571,626	31,651,845	7,793,271	8,364,897
5	Computers	23,344,048	-		23,344,048	23,314,151		11,961	23,326,112	17,936	29,897
	Total in ₹ [A]	109,745,260	-	-	109,745,260	90,057,159	-	1,820,613	91,877,772	17,867,488	19,688,101
B.	LEASE ASSETS										
1	Machinery & Equipments	15	-		15	-		-	-	15	15
	Total in ₹ [B]	15	-	-	15	-	-	-	-	15	15
	Total in ₹ [A]+[B]	109,745,275	-	-	109,745,275	90,057,159	-	1,820,613	91,877,772	17,867,503	19,688,116



Note : 9 Other Assets

Sr. No	Particulars	As at 31 st March 2026 ₹	As at 31 st March 2025 ₹
1	LOANS & ADVANCES TO EMPLOYEES	233,086	314,086
	ADD : INTEREST ACCRUED THEREON	467,530	502,356
2	CAPITAL SUBSIDY RECEIVABLE	580,971	580,971
3	SUNDRIES	7,814,614	7,808,870
4	TAX DEDUCTED SOURCES	867,556	786,556
5	ADVANCE TAX	490,892	560,118
6	INTEREST ACCRUED BUT NOT DUE ON ICD AND LQDS	91,189,592	86,968,312
7	EXCESS TDS DEPOSITED TO BE ADJUSTED AGAINST EXPENSES	77,790	77,790
8	DEPOSIT FROM LOANEES	1,295,000	1,295,000
	Total in ₹	103,017,032	98,894,060

Note : 10 Other Income

Sr. No	Particulars	For the Year Ended 31 st March 2026 ₹	For the Year Ended 31 st March 2025 ₹
1	BAD DEBTS RECOVERED	-	17,000
2	INTEREST ON LOANS TO EMPLOYEES	-	-
3	DIVIDEND INCOME	800,958	674,054
4	MISCELLANEOUS INCOME	224,949	159,176
	Total in ₹	1,025,907	850,230

Note :11 Interest on Bonds Deposits & Other Borrowings

Sr. No	Particulars	For the Year Ended 31 st March 2026 ₹	For the Year Ended 31 st March 2025 ₹
1	INTEREST ON GOVT. LOAN	929,291,998	929,291,998
2	INTEREST ON HERITAGE HOTEL FUND LOAN	500,000	500,000
3	INTEREST ON LOAN TOWARDS SHARE CAPITAL	4,111,689	4,111,689
4	INTEREST ON DELAYED PAYMENT ON GOVT.LOANS	478,077,550	459,491,714
	Total in ₹	1,411,981,237	1,393,395,401



Note :12 Financial Charges & Commitment Charges

Sr. No	Particulars	For the Year Ended 31 st March 2026 ₹	For the Year Ended 31 st March 2025 ₹
1	BANK CHARGES AND COMMISSION	3,846	6,527
	Total in ₹	3,846	6,527

Note: 13 Employee's Cost

Sr. No	Particulars	For the Year Ended 31 st March 2026 ₹	For the Year Ended 31 st March 2025 ₹
1	SALARY, BONUS & ALLOWANCES	8,724,205	9,648,326
2	CONTRIBUTION TO STAFF PROVIDEND FUND	1,019,043	1,342,710
3	GRATUITY	12,216	18,242
4	LEAVE ENCASHMENT	4,821	5,752
5	STAFF WELFARE EXPENSES	113,569	246,267
	Total in ₹	9,873,854	11,261,297

Note : 14 Other Expenses

Sr. No	Particulars	For the Year Ended 31 st March 2026 ₹	For the Year Ended 31 st March 2025 ₹
1	TRAVELLING & OTHER ALLOWANCES	141,942	160,745
2	DIRECTORS SITTING FEES	2,000	3,000
3	RENT,RATES,TAXES & ELECTRICITY	1,487,669	1,678,201
4	POSTAGE STAMP,TELEGRAMS & TELEPHONE	80,141	122,449
5	PRINTING & STATIONERY	175,162	232,641
6	PUBLICITY & ADVERTISEMENT	86,095	66,661
7	REPAIRS & RENEWALS	39,903	399,025
8	LEGAL CHARGES	975	17,399
9	VEHICLES MAINTENANCE EXPENSES	135,900	278,385
10	OTHER EXPENSES	1,674,074	10,344,605
11	COMPUTERISATION EXPENSES	201,242	188,025
12	FUEL AND CONVEYANCE CHARGES	584,541	849,981
13	SERVICE TAX & GST EXPENSES	6,776,449	2,439,596
14	PROFESSIONAL FEES	2,127,641	2,259,862
15	PAYMENT TO AUDITORS'	115,770	118,470
	Total in ₹	13,629,503	19,159,046



NOTE – 15

**NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS AND
BALANCE SHEET AS AT 31ST MARCH, 2026**

A. ACCOUNTING POLICIES AND METHOD OF ACCOUNTING:

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

(02) REVENUE RECOGNITION:

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

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

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

[1] Penalty & other charges

[2] Interest

[3] Principal

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

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

[1] Penalty & other charges

[2] Interest

[3] Principal

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

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



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

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

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

The aforesaid policy has again been revisited by the Audit Committee and as decided by the Board of Directors at their respective meetings held on December 19, 2022, it has been decided to change the Accounting Policy in case of OTS receipts with effect from April 01, 2022 as under:-

“In case of loanees opted for OTS, amount received from loanee is first apportioned as per normal practice as under:-

- (1) Penalty
- (2) Interest
- (3) Principal and capitalized expenses”

(03) FIXED ASSETS

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

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

(04) DEPRECIATION:

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

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

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



(05) EMPLOYEE BENEFITS:

- (a) Salaries and non-monetary benefits are accrued in the year in which the services are rendered by the employees. Contribution to employees' provident fund are recognized as an expense and charged to Statement of Profit and Loss.
- (b) For gratuity and leave encashment liabilities, Corporation took policies with Life Insurance Corporation of India which takes care of liabilities on both the counts. The entire premium paid to LIC is charged to Statement of Profit and Loss. Employee's cost for the year under reference includes ₹12,216/- (previous year ₹18,242/-) towards premium for the gratuity liability and ₹4,821/- (previous year ₹5,752/-) towards leave encashment remitted to LIC of India.

(06) INVESTMENTS:

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

(07) BORROWING COST:

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

(08) WRITE OFFS:

While writindg 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, 2026 requiring recognition in terms of the said standard.

(11) EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

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



(12) PROVISION:

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

B. NOTES ON ACCOUNTS:

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

(A) While writing off principal amount as bad debts in certain cases, the value of securities available has not been ascertained and deducted from the principal amount. The sale proceeds of the securities will be accounted as bad debts recovered under the head "Other Income" as and when the amount is realized. During the year under review, Corporation has not recovered any amount (previous year ₹17,000/-) towards Bad Debts Recovered.

(02) CONTINGENT LAIBILITES:

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

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

(a) Pending before Income Tax Appellate Tribunal:

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

Additional disclosures:-

(a) Availing Vivad se Vishvas Scheme:-

Pursuant to Corporation availing of the Vivad se Vishvas Scheme introduced by the Income Tax Department in respect of demand raised for Assessment Year 2000-01, it is ascertained that refund amount of ₹24,79,448/- was adjusted against demands of previous years.

(04) Details of pending reconciliation:

(i) In some of the cases, the balances as per the General Ledger are not tallied with the respective subsidiary ledgers.

(ii) The outstanding balance of borrowings, other liabilities and provisions and other assets are subject to confirmation and adjustment, if any.

(iii) The difference in Sales Tax Deferment Deemed loan between Subsidiary Ledger and General Ledger stands un-reconciled.



- (05) The figures of previous year have been regrouped and rearranged wherever necessary to make them comparable with the figures of the current year.
- (06) Corporation has made provision as per the prudential norms prescribed by SIDBI on the principal outstanding and other expenses incurred and shown as receivables. The provision made is subject to the Note No. B-4 regarding non reconciliation of general ledger balances as per the subsidiary ledger. During the year under reference, all loan accounts are treated as doubtful for more than three years or loss assets. Accordingly, 100% provision has been made. Corporation has written back excess provision of ₹ 60,95,878/- in the year under reference and shown separately in the Statement of Profit and Loss (Previous year ₹1,90,86,523/-).
- (07) Corporation's operations are solely in the Financial Service Industry including Investment Operation. As majority of Corporation's total revenue consists of interest income, separate segment reporting as per Accounting Standard-17 is not considered necessary.
- (08) Board of Directors at its meeting held on 3.10.2012 decided to recommend to Government of Gujarat to make the loan of ₹621,36,80,000/- as interest free from 1.7.2012. A proposal dated 17th October, 2012 was submitted to Government through Industries & Mines Department. In response to letter dated January 18, 2025 received from Government in Industries & Mines Department in the matter, latest position of the Corporation has been submitted vide letter dated 04-02-2025. Further information called for by Industries & Mines Department vide letter dated September 22, 2025 was furnished vide letters dated December 18, 2025 and January 22, 2026. More information called for by Industries & Mines Department vide February 09, 2026 is being collated and furnished. Awaiting final decision on the issue, since 1.7.2012, interest on Government loan is charged to Statement of Profit & Loss on simple interest basis. Further, penal interest @ 2 per cent is also being charged to Statement of Profit & Loss on delayed payment of interest.
- (09) Financial Corporations are established to financing medium and small scale industries as Regional Development Banks for accelerating the industrial growth in States. SFCs are created as statutory Corporations pursuant to Entry No. 43 of the Union List by Parliament as a special Act. GSFC being body corporate established under SFCs Act, 1951, remedial measures available to companies are not available to the Corporation. The Corporation has suffered immense losses till date. However, it is continuing its recovery functions. The Government has been moved to make the loan advanced to the Corporation interest-free, which is under consideration. Corporation, being a statutory body, thus prepares accounts on "going concern" assumption and it is appropriate under the aforesaid circumstances.
- (10) During the year under reference, Corporation withdrawn an amount of ₹34,33,893/- (previous year ₹32,34,161/-) from "Reserves for Bad and Doubtful Debts" against bad debts written off.
- (11) **EARNINGS PER SHARE**

Basic & diluted earnings per share

Particulars	2025-26	2024-25
	₹	₹
Earning attributable to equity shareholders (₹) (A)	(1,27,28,91,257)	(1,25,34,00,773/-)



Particulars	2025-26	2024-25
	₹	₹
Weighted average number of shares outstanding (B)	8,91,14,000	8,91,14,000
Basic & Diluted EPS (₹) [(A) / (B)]	(14.28)	(14.07)

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

GENERAL DISCLOSURE:-

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

Signatories to Notes “1” to “15”

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

(M.R. Malpani) (Raveendran Nair) (Naresh Babuta) (Leena D Katdare) (Swaroop P., IAS)
Executive Officer Secretary (Board) Director Director Managing Director
(Accounts)

As per our Report of even date

FOR PANKAJ R SHAH & ASSOCIATES

CHARTERED ACCOUNTANTS

ICAI Firm Reg. No. : 107361W

NILESH SHAH

PARTNER

Membership No. 107414

PLACE: AHMEDABAD

DATE: 30/05/2026

PLACE: GANDHINAGAR

DATE: 30/05/2026



**Disclosure requirement for SFCs
(Financial Year 2025-26)**

A. CAPITAL

- (a) Capital to Risk Assets Ratio (CRAR) -802.25%
- (b) The Amount of subordinated debt raised and outstanding as (31,882,265,996)
Tier-I and Tier -II Capital

SHARE CAPITAL	891,140,000
SHARE FORFEITED	46,048,000
RESERVES & SURPLUS	2,705,019,725
PROFIT & LOSS ACCOUNT	(35,524,473,721)

- (c) Risk weighted assets- separately for on and off balance sheet items 3,974,129,523

PRINCIPAL AMOUNT (TERM LOAN , HIRE PURCHASE & LEASE FINANCE)	3,974,129,523
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B. Shareholding pattern as on 31-3-2026

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

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

C. Assets quality and credit concentration

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

	Amount (Rs. in crore)	Percentage
Net NPA =	397.41	100%
Net Loans & Advances=	0	0

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

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



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

SR NO.	Assets	Amount (Rs. in Crore)	NPA Provision Required FY 24-25	NPA Provision Required FY 25-26	Provision (+)/ Write back (-)
1	NPAs		398.02	397.41	-0.61

E. Particulars of accounts restructured: Nil

F. Movement in net NPA's	Amount (In crore)
Opening Balance of Net NPA's	398.02
Closing Balance of Net NPA's	397.41
Movement in Net NPA's	-0.61

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

credit exposure as a percentage of	Capital Funds (Rs. in crore)	Total Assets %
The largest single borrower	2.13	0.54
The largest single group	3.79	0.95
The 10 largest single borrower	27.49	6.92

H. Credit Exposure to the five largest industrial sector as percentage to total Loan Assets Industriwise gross sanction/disbursement/outstanding as on 31.03.2026

(Amount in Cr.)

Industry	Sanction FY 2025-26	Disb. 2025-26	Principal O/S as on 31.03.26	Ind. Wise O/S %
Chem & Chemical Prod	0	0	64.22	16.16
Textiles	0	0	53.64	13.50
Food Mfg.	0	0	29.02	7.30
Plastic Ind.	0	0	23.38	5.88
Service	0	0	3.98	1.00
Total	0	0	174.24	43.84

I. Liquidity

items	Less than OR equal 1 Year	More than to 1 Year Upto 3 Years	More than to 3 Year Upto 5 Years	More than to 5 Year Upto 7 Years	More than to 7 Year Upto 10 Years	More than 10 years	Total
Total Assets	397.41	0.00	0.00	0.00	0.00	0.00	397.41
Liabilites foreign currency	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Liabilites	621.37	0.00	0.00	0.00	0.00	0.00	621.37

I. Operating results

	For the Year Ended 31 st March, 2026	For the Year Ended 31 st March, 2025
(A) Interest income as a percentage to average working funds =	0.07%	0.07%
(B) Non-Interest income as a percentage to average working funds =	7.73%	7.73%
(C) Operating Loss as a percentage to average working funds =	-60.42%	-63.63%
(D) Return on Average Assets Employed =	-60.51%	-63.65%
(E) Net loss per employee (Rs. Crore) =	12.73	10.45



HEAD OFFICE

GUJARAT STATE FINANCIAL CORPORATION

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

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

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

REGIONAL OFFICES

AHMEDABAD REGIONAL OFFICE

BLOCK NO. 10, FIRST FLOOR, UDYOG BHAVAN, GANDHINAGAR-382 010

TELE. NO. (079) 232 56761

FAX NO. (079) 232 52204

SURAT REGIONAL OFFICE

2ND FLOOR, MIRAMBICA COMPLEX, OPP. GANDHI BAUG, CHOWK BAZAR, SURAT.

TELE. NO. (0261) 2460546

RAJKOT REGIONAL OFFICE

RACE COURSE, RING ROAD, NEAR LIFE BUILDING, RAJKOT-360 001.

TELE. NO. (0281) 2479292



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

ATTENDANCE SLIP

Folio No.	
DP ID	
Client ID	
No. of shares	

I certify that I am a registered shareholder of the Corporation. I hereby record my presence at the SIXTY SIXTH ANNUAL GENERAL MEETING of the Corporation in the Office of the Corporation at Head Office at Udyog Bhavan, Block No. 10, 1st Floor, Sector-11, Gandhinagar-382010 on Thursday the 30th July, 2026 at 1:00 p.m.

**Signature of the attending
Member / Proxy**

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

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

PROXY FORM

I / We..... of
 in the district of
 being a Member/Members of the above named Corporation hereby
 appoint..... of in the district of
 or failing him of in the district of
 as my/our proxy to attend and vote for me/us and on my/our behalf at
 the SIXTY SIXTH ANNUAL GENERAL MEETING of the Corporation in the Office of the
 Corporation at Head Office at Udyog Bhavan Block No.10, 1st Floor Sector-11, Gandhinagar-382010 on
 Thursday the 30th July, 2026 at 1:00 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2026.

Folio No.	
DP ID	
Client ID	
No. of shares	

Affix ₹ 1
Revenue
Stamp
Signature

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

Gujarat State Financial Corporation

**Udyog Bhavan, Block No. 10, GH-4, Sector-11,
Gandhinagar - 382010**

Designed, Processed & Printed @ Government Central Press, Gandhinagar