(1)

Gujarat State Financial Corporation

(Established under State Financial Corporations Act, 1951)
SECRETARIAL CELL
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/ May 27, 2025

The Listing Compliance Department
BSE Ltd, 25th Floor,
Phiroz Jeejeebhoy Towers
Dalal Street, Fort, Mumbai 400 001

Sub: 1. **Outcome of the Board meeting held on May 22, 2023.**
2. **Audited financial results for the quarter and year ended March 31, 2025**
Ref: **Stock Code 532160**

Dear Sirs,

Further to our notice dated May16, 2025 and pursuant to Regulation 33 read with Regulation 30 of SEBI (LODR) Regulations, 2015, we wish to inform you that the Board of Directors of the Corporation at its meeting held today, i.e., Tuesday, the May 27, 2025, inter alia, transacted following items of business:

1. Approved the audited financial results of the Corporation for the fourth quarter and year ended March 31, 2025. The audited financial results for the quarter and year ended March 31, 2025 together with Statement of Assets & Liabilities as on March 31, 2025, Cash Flow Statement for the year ended 31st March, 2025, Extract of audited financial results for the quarter and year ended 31st March, 2025 being published in dailies as well as copy of Limited Review Report on quarterly financial results and year to date results, both of even date, with qualified opinion issued by M/s. Pankaj R. Shah & Associates, Chartered Accountants, Ahmedabad and Statement on Impact of Audit Qualifications for the financial year ended March 31, 2025 are enclosed.

2. In view of loss reported for the financial year 2024-25, Corporation has not declared dividend for the said financial year.

3. Board of Directors authorized Managing Director to decide the date, time and agenda of ensuing 65th Annual General Meeting including book

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closure dates, cut-off date and remote e-voting dates in consultation with Chairperson.

4. Board of Directors approved appointment of M/s. Spanj & Associates, Company Secretaries, TF/1, Anison Complex, SBI Lane, Near Stadium Circle, CG Road, Ahmedabad as Scrutinizer for remote e-voting and poll in physical meeting in connection with 65th Annual General Meeting.

5. Board of Directors have decided to recommend to members in the ensuing 65th Annual General Meeting to re-appoint M/s. Pankaj R. Shah & Associates, Chartered Accountants, (Firm Reg. No. 107361W), Ahmedabad as Statutory Auditors of the Corporation for FY 2025-26 for the fourth year so as to hold office from the conclusion of ensuing 65th Annual General Meeting till the conclusion of next Annual General Meeting.

Board meeting commenced at 01.00 p.m. and concluded at 3.19 p.m. on May 27, 2025.

The financial results and all other aforesaid documents are simultaneously uploaded on the website of the Corporation http://gsfc.gujarat.gov.in

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,
for Gujarat State Financial Corporation,

(Raveendran Nair)
Secretary (Board)

Encl: As above

GUJARAT STATE FINANCIAL CORPORATION
GANDHINAGAR
AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2025

(Rs in Lakh)

	PARTICULARS	Quarter ended			Year ended	
		31.03.2025 (Audited)	31.12.2024 (Unaudited)	31.03.2024 (Audited)	31.03.2025 (Audited)	31.03.2024 (Audited)
1	Interest earned	24.68	-97.49	62.45	13.81	465.68
2	Other Income	403.86	378.05	348.51	1520.53	1307.04
3	**Total Income (1+2)**	**428.54**	**280.56**	**410.96**	**1534.34**	**1772.72**
4	Interest Expended	3453.11	3518.12	3407.28	13933.95	13748.09
5	Operating Expenditure (i)+(ii)	85.57	83.06	80.72	324.77	322.29
	(i) Employees cost	25.50	23.97	35.14	112.61	149.25
	(ii) Other operating expenses	60.07	59.09	45.58	212.16	173.04
6	**Total Expenditure (4 + 5)**	**3538.68**	**3601.18**	**3488.00**	**14258.72**	**14070.38**
7	Operating Profit before provisions & contingencies (3-6)	(3110.14)	(3320.62)	(3077.04)	(12724.38)	(12297.66)
8	Provisions (other than tax) & Contingencies	0.00	0.00	0.00	0.00	0.00
9	Exceptional items (i)+(ii)	8.55	154.63	119.65	190.37	376.82
	(I) Diminution in the value of investment written back	(0.50)	0.00	106.02	(0.50)	106.02
	(ii) Provision for NPA written back/(provided)	9.05	154.63	13.63	190.87	270.80
10	Profit(+)/Loss(-) from Ordinary Activities before Tax (7-8-9)	**(3101.59)**	**(3165.99)**	**(2957.39)**	**(12534.01)**	**(11920.84)**
11	Tax expenses	0.00	0.00	0.00	0.00	0.00
12	Net Profit(+)/Loss(-) from Ordinary Activities after Tax (10-11)	(3101.59)	(3165.99)	(2957.39)	(12534.01)	(11920.84)
13	Extraordinary items (net of tax expenses)	0.00	0.00	0.00	0.00	0.00
14	**Net Profit(+)/Loss(-) for the period (12-13)**	**(3101.59)**	**(3165.99)**	**(2957.39)**	**(12534.01)**	**(11920.84)**
15	Paid-up Equity Share Capital (Face value Rs. 10/- each)	8911.40	8911.40	8911.40	8911.40	8911.40
16	Reserves excluding Revaluation Reserves as at 31st March,	---	---	---	(315431.29)	(302864.94)
17	Analytical ratios					
i	Percentage of Shares held by Govt.of Gujarat	55.09	55.09	55.09	55.09	55.09
ii	Basic and diluted Earnings Per Share (Not annualized) Rs.	**(3.48)**	**(3.55)**	**(3.32)**	**(14.07)**	**(13.38)**
iii	NPA Ratio					
a	Gross NPA	39802.25	39811.30	39993.11	39802.25	39993.11
b	Net NPA	39802.25	39811.30	39993.11	39802.25	39993.11
c	% of Gross NPA to Gross advances	100%	100%	100%	100%	100%
d	% of Net NPA to Net advances	100%	100%	100%	100%	100%
e	Return on assets	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

STATEMENT OF ASSETS AND LIABILITIES AS ON MARCH 31, 2025

PARTICULARS	As at 31.03.25 Audited	As at 31.03.24 Audited
CAPITAL AND LIABILITIES		
Capital	9371.88	9371.88
Reserve and Surplus	-315431.29	-302864.94
Deposits	0.00	**0.00**
Borrowings	66168.42	66168.42
Other liabilities & Provisions	261893.90	247948.99
Total	**22002.91**	**20624.35**
ASSETS		
Cash on hand	0.76	0.79
Balance with Banks / GSFS	174.55	123.08
Investment	20641.78	19393.03
Loan & Advances	0.00	0.00
Fixed Assets	196.88	217.37
Other Assets	988.94	890.08
	22002.91	**20624.35**

P.T.O

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

GUJARAT STATE FINANCIAL CORPORATION GANDHINAGAR

(4)

GUJARAT STATE FINANCIAL CORPORATION

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025

Particulars	For the Year Ended 31st March, 2025 ₹	For the Year Ended 31st March, 2024 ₹
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before tax as per Profit & Loss A/c	-1,25,34,00,773	-1,19,20,83,767
Adjustments :		
Depreciation	20,49,568	22,94,422
Provision for NPA written back	-32,34,161	-2,19,79,133
Diminution/(Reverse Diminution) in Value of Investments	49,566	-1,06,01,891
Profit on sale of Investments	-	-
Dividend Income	-6,74,054	-5,11,435
Interest Income	-15,12,03,151	-12,94,01,245
Interest on Finance Cost	-	-
Operating Loss before working capital	-1,40,64,13,005	-1,35,22,83,049
Adjusted for :		
i) Other Assets	-12,47,94,141	-13,64,45,591
ii) Other Liabilites & Provisions	1,39,44,90,392	1,37,29,23,664
NET CASH USED FROM OPERATING ACTIVITES (A)	-13,67,16,754	-11,58,04,975
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purcahse of Fixed Assets (After changes in Capital W-I-P)	0	-65,301
Sale of Fixed Assets	-	-
Decrease in Investments		
Dividend Income	6,74,054	5,11,435
Interest Income	14,11,86,762	10,77,94,856
NET CAS USED FROM INVESTING ACTIVITES (B)	14,18,60,816	10,82,40,990
C) CASH FLOW FROM FINANCING ACTIVITES		-
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	-	-
Net Increase in Cash & Cash Equivalents (A+B+C)	51,44,062	-75,63,985
Opening Balance of Cash & Cash Equivalents	1,23,87,278	1,99,51,263
Closing Balance of Cash & Cash Equivalents	1,75,31,339	1,23,87,278
Components Depecting Closing Cash and Cash Equivalents		
Cash on hand and as Imprest	75,833	78,861
BALANCE WITH BANKS	86,70,013	75,76,527
LIQUID DEPOSIT WITH GSFS	87,85,493	47,31,890
Total	1,75,31,339	1,23,87,278

NOTE: The above Cash Flow is prepared in accordance with Accounting Standard - 3 (indirect method).

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

GUJARAT STATE FINACIAL CORPORATION GANDHINAGAR

Notes:

1 The above audited financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 27, 2025.

2 Previous period figures have been regrouped or rearranged wherever considered necessary. The figures for the three months ended 31st March, 2025 and 31st March, 2024 are the balancing figures between the audited figures in respect of the full financial years and the published year-to-date figures up to the third quarter of the relevant financial year.

3 Corporation is primarily engaged in the business of term lending. All activities of the Corporation revolve around main business. Hence there are no reportable segments as per AS-17 "Segment Reporting".

4 NPA write-back of ₹9.05 lakh has been effected during the quarter ended March 31, 2025 as against ₹13.63 lakh wrote back in the corresponding quarter a year ago. For the year ended March 31, 2025, net write back of NPA provision amounted to ₹190.87 lakh compared to ₹ 270.80 lakh wrote back in the previous year. Likewise, due to fluctuation in market value of quoted investments, during the year ended 31st March, 2025, an amount of ₹0.50 lakh was provided towards diminution in the value of investment as against ₹106.02 lakh wrote back in the previous year. The write back of NPA provision as well as provision made diminution in the value of investment are disclosed as exceptional items.

5. During the year under reference, Corporation withdrew ₹32.34 lakh (previous year Rs.219.79 lakh) from "Reserve for Bad and Doubtful Debts" and adjusted against bad debts written off resulting into reduction in Reserves & Surplus as well as expenditure to that extent.

6. Statutory Auditors in the Auditor's Report on quarterly financial results and year-to-date results for the quarter and year ended March 31, 2025 made qualified opinion which along with Management's views are given in as under:-

Sr. No.	Audit qualification	Management's view
1	The financial statements of the Corporation are prepared on a going concern basis, notwith-standing 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 Polices". The effect of the same on the financial statements is	Gujarat State Financial Corporation is established under State Financial Corporations Act, 1951, a special Act of Parliament 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 but it is still continuing its recovery function. Corporation, being a statutory body, thus, prepares accounts on "going concern" assumptions and it is appropriate in the aforesaid circumstances.

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

GUJARAT STATE FINANCIAL CORPORATION GANDHINAGAR

	not ascertainable.	
2	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 vide letter dated 17th October, 2012. In response to recent 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 February 04, 2025 and decision is awaited. However, pending decision, 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 also from time to time and no observation was made. In view of this, separate confirmation is not obtained.

By order of the Board of Directors,

Place: Gandhinagar
Date : 27-05- 2025

(Swaroop P, IAS)
Managing Director

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

GUJARAT STATE FINACIAL CORPORATION GANDHINAGAR

(7)

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Statement on Impact of Audit Qualifications for the financial year ended March 31, 2025

(₹ in lakh except Earnings Per Share)

I	Sr, No.	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualifications)
	1	Turnover/Total Income	1,724.71	1,724.71
	2	Total expenditure	14,258.72	14,258.72
	3	Net profit/(Loss)	(12,534.01)	(12,534.01)
	4	Earnings Per Share	(14.07)	(14.07)
	5	Total Assets	22,002.91	22,002.91
	6	Total Liabilities	3,64,518.74	3,64,518.74
	7	Net Worth	(3,06,059.41)	(3,06,059.41)
	8	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL
II	**Audit qualification (each qualification separately)**			
	a.	Details of audit qualification	As per **Annexure X**	
	b.	Type of audit qualification	Qualified opinion	
	c.	Frequency of qualifications	Repetitive since last eight years	
	d.	For audit qualifications(s) where the impact is quantified by the auditor, Management's views	Not quantified, Management's view as per **Annexure X**	
	e.	For audit qualification(s) where the impact is not quantified by the auditor; (i) Management's estimation on the impact of audit qualification	Qualifications being general in nature, the impact on financial statements cannot be quantified.	
		(ii) If management is unable to estimate the impact, reasons for the same	Qualifications are general and technical in nature with regard to the procedures followed by the Corporation and eroding of capital. Impact on financial statement cannot be ascertained.	

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

GUJARAT STATE FINACIAL CORPORATION GANDHINAGAR

			Management's views/ response are given in **Annexure X**
		(iii) Auditors' comments on (i) or (ii) above	No additional comments other than what is stated in our Report of even date.

III **Signatories:**

Swaroop P., IAS
Managing Director

M.R. Malpani
Executive Officer (Accounts)

Leena D Katdare
Chairperson, Audit Committee

Nilesh Shah
Partner
Pankaj R Shah & Associates
Statutory Auditors

Place : Gandhinagar
Date : 27/05/2025

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Annexure X

Qualifications contained in the Independent Auditor's Report on financial statements for the financial year ended 31st March, 2025 on annual financial statements and management response thereto on qualifications:

Sr. No.	Audit qualification	Management's view
1	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 Polices". 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 but it is continuing its recovery function. Corporation, being a statutory body, thus, prepares accounts on "going concern" assumptions and it is appropriate in the aforesaid circumstances.
2	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 vide letter dated 17th October, 2012. In response to recent 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 February 04, 2025 and decision is awaited. However, pending decision, 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 also from time to time and no observation was made. In view of this, separate confirmation is not obtained.

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

GUJARAT STATE FINACIAL CORPORATION GANDHINAGAR

(10)

Gujarat State Financial Corporation

(Established under State Financial Corporations Act. 1951)
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Phone No.: (079) 23256766 Fax (079) 23252204
Website : http://gsfc.gujarat.gov.in E-mail: sec-cell-gsfc@gujarat.gov.in

EXTRACT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2025

(Rs. in lakh except per share data)

Particulars	Quarter ended 31-03-2025 (Audited)	Year ended 31-03-2025 (Audited)	Quarter ended 31-03-2024 (Audited)
Total income from Operations (net)	437.59	1,725.21	424.59
Net profit/loss from ordinary activities after tax (before extra-ordinary items)	(3,101.59)	(12,534.01)	(2,957.39)
Net profit/loss from ordinary activities after tax (after extraordinary items)	(3,101.59)	(12,534.01)	(2,957.39)
Paid-up Equity Share Capital (Face value of Rs.10/-)	8,911.40	8,911.40	8,911.40
Reserves (excluding Revaluation Reserve) as on March 31	(3,15,431.29)	(3,15,431.29)	(3,02,864.94)
Earnings Per Share (EPS) (before and after extraordinary items)			
Basic & diluted	*(3.48)	(14.07)	*(3.32)

* Not annualized

Note:-

1. The audited financial results for the quarter and year ended March 31, 2025 along with Limited Review Report/Independent Auditor's Report thereon issued by the statutory auditors have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 27, 2025.

2. The above is an extract of the detailed format of Quarterly/Annual Financial Results filed with the BSE Limited under Regulation 33 of SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly/Annual Financial Results is available on BSE Ltd website: www.bseindia.com and also on Corporation's website: http://gsfc.gujarat.gov.in . The same can also be assessed by scanning the QR Code provided below.

For and on behalf of Board of Directors,

QR Code

(SWAROOP P., IAS)
Managing Director

Place : Gandhinagar
Date : 27-05-2025

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

GUJARAT STATE FINACIAL CORPORATION GANDHINAGAR

Pankaj R Shah & Associates
Chartered Accountants

CA. DR. Pankaj Shah	CA. Chintan Shah	CA. Nilesh Shah	CA. Manali Shah	CA. Sandip Gupta
B.Com., F.C.A., Ph. D. (Commerce)	B.Com., L.L.B., F.C.A.	B.Com., L.L.B., F.C.A.	B.Com., F.C.A.	B.Com., F.C.A.

7th Floor, Regency Plaza, Opp. Rahul Tower, Nr. Madhur Hall, Anandnagar Cross Road, Satellite, Ahmedabad-380015. India. Phone : +91 79 - 4603 1545, 4603 1546, 4032 1025. **URL : http://www.prsca.in**

Independent Auditors' Report on Quarterly and Year to Date audited Standalone Financial Results of M/s Gujarat State Financial Corporation Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To
The Board of Directors,
Gujarat State Financial Corporation

Opinion

1. We have audited the quarterly financial results of Gujarat State Financial Corporation ("the Corporation") for the quarter ended on March 31, 2025 and the year to date financial results for the period from April 01, 2024 to March 31, 2025, attached herewith, being submitted by the Corporation pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued by the Institute of Chartered Accountants of India read with other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and the significant estimates made by the Management. We believe that our audit provides a reasonable basis for our opinion.

Scope of Review:

We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

Basis for qualified conclusion:

1. The financial results 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 results is not ascertainable.

2. Dues payable to Government of Gujarat is subject to confirmation and adjustment, if any. Pending such confirmation, the effect thereof on interest and penal interest is not ascertainable.

Qualified Conclusion:

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matters described in basis for opinion paragraph, these quarterly financial and year to date results:

1. Are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
2. Give true and fair view of the net loss and other financial information for the quarter ended March 31,2025 as well as year to date results.

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SA"s) specified under Section143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

For, Pankaj R. Shah & Associates
Chartered Accountants
Registration No.:107361W

N. R. Shah

PANKAJ R. SHAH & ASSOCIATES * CHARTERED ACCOUNTANTS * AHMEDABAD *

CA Nilesh Shah
Partner
Membership No.107414
UDIN: 25107414BMGIRR1438
Date:27-05-2025
Place: Ahmedabad

Pankaj R Shah & Associates
Chartered Accountants

CA. DR. Pankaj Shah	CA. Chintan Shah	CA. Nilesh Shah	CA. Manali Shah	CA. Sandip Gupta
B.Com., F.C.A., Ph. D. (Commerce)	B.Com., L.L.B., F.C.A.	B.Com., L.L.B., F.C.A.	B.Com., F.C.A.	B.Com., F.C.A.

7th Floor, Regency Plaza, Opp. Rahul Tower, Nr. Madhur Hall, Anandnagar Cross Road, Satellite, Ahmedabad-380015. India. Phone : +91 79 - 4603 1545, 4603 1546, 4032 1025. **URL : http://www.prsca.in**

Independent Auditor's 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,2025 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, exceptfor 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 trueand fair view in conformity with accounting principles generally accepted in India of the state of affairs of the corporation as at 31st March, 2025, 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 auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not

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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 appearsto 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 adequateinternal financial controls, that were operating effectively for ensuring the accuracy and completenessof the accounting records, relevant to the preparation and presentation of the financial statements thatgive 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 andusing 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.

Auditor's 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 auditor's 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 takenon 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

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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 proceduresthat 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 auditor's 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 auditor's report. However, future events or conditions may cause the Corporation to cease to continueas 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 ina 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 ininternal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevantethical 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, wedetermine that a matter should not be communicated in our report because the adverse consequencesof doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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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 knowledgeand 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 keptby 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)

N. R. Shah

PANKAJ R. SHAH & ASSOCIATES * CHARTERED ACCOUNTANTS * AHMEDABAD *

CA Nilesh Shah
Partner
Membership No. 107414
UDIN: 25107414BMGIRS7869
Place: Ahmedabad
Date :27-05-2025