

45 ANNUAL REPORT 2021-22



"Ensuring development of forest dwellers of Gujarat through employment generation and ensuring them respectable share in the business of Minor Forest Produce"

About GSFDCL

The National Agriculture Commission (NAC) recommended establishment of Forest Development Corporations in each State to accelerate progress and development of the forestry sector. Gujarat State Forest Development Corporation Limited (GSFDC) was established in August 1976 with an objective to,

- To strive for the attainment of economic security of the Forest Dweller Communities
- To eliminate Commercial exploitation of Forest Dwellers who collect MFP as means of livelihood.
- To maximize and accrue financial benefits to the Principal user community in the forests.



Minor Forest Produce (MFP)

To address the issues of insufficient marketing infrastructure, exploitation by middlemen, lack of timely and appropriate government intervention, and volatile markets, the Government of India has introduced the Mechanism for Marketing of Minor Forest Produce (MFP) through Minimum Support Price (MSP) and development of value chain scheme. The scheme aims to achieve the following objectives:

- Provide fair prices to MFP gatherers for their collected produce and increase their income.
- Ensure sustainable harvesting of MFPs.
- Generate significant social benefits for MFP gatherers, most of whom are tribals.







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Gujarat State Forest Development Corporation Ltd.

45th Annual Report & Accounts

(1-4-21 to 31-3-22)

Board of Directors	1.	Shri Arunkumar Solanki, IAS (DIN : 03571453)	Chairman
	2.	Dr. D K Sharma, IFS (DIN : 06850812)	Director
	3.	Shri B Y V Satyanarayan (DIN 09564510)	Director
	4.	Shri Manish Modi (DIN : 09384196)	Director
	5.	Shri S K Chaturvedi, IFS (DIN : 00325734)	Managing Director
Audit Committee :	1.	Pri.CCF & HoFF. & Director, GSFDC Ltd (Ex officio)	Chairman
	2.	Dy. /Jt/Addl. Secretary, F & E Dept. & Director <i>(Ex officio)</i>	Member
	3.	Financial Advisor, Forest & Environment Dept. and Director, GSFDC Ltd (<i>Ex-Officio</i>)	Member
	4.	Managing Director – GSFDC Ltd (Ex-Officio)	Member
	5.	Joint Managing Director – GSFDC Ltd (Ex-Officio)	Member
Company Secretary	•	CS Rajesh Limbachia	
Registered Office	:	" Vanganga" 78, Alkapuri, Vadodara- 390007	
Corporate Identification No. (CIN)	:	U02005GJ1976SGC002927	
Statutory Auditor	•	M/s. Sanjay Soni & Associates	
		Chartered Accountants – Vadodara	
Bankers	:	State Bank of India	
		Axis Bank Ltd.	
		ICICI Bank Ltd.	
		HDFC Bank Ltd Bank of Baroda	
		Dalik of Baroua	

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NOTICE

Notice is hereby given that the 45th Annual General Meeting of the Shareholders of Gujarat State Forest Development Corporation Limited will be held at "Regal Hall" 5th floor, Grand Mercure, Surya Palace Hotel, Opp. Parsi Agiari, Sayajigunj, Vadodara on 30/5/2023, Tuesday at 12.30 p.m. to transact the following business.

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Financial Statements for the year ended on 31st March, 2022 and the Report of the Directors and Report of the Statutory Auditors thereon.
- 2 To declare dividend for the year ended on 31^{st} March 2022.
- 3 Fixing remuneration of the statutory auditors of GSFDC Ltd for F.Y.2021-22.

By order of the Board For Gujarat State Forest Development Corporation Ltd.

DATE: 5-5-2023

Company Secretary

Regd. Office: 'VANGANGA' 78-Friends Co. op. Housing Society, Alkapuri, Vadodara – 390007

NOTE: A member entitled to attend and vote is entitled to appoint a proxy, or where that is allowed, one or more proxies to attend and vote instead of himself and that a proxy need not be a member of the Corporation. (Prescribed Proxy Form MGT-11 enclosed herewith)

BOARD'S REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Board of Directors has pleasure in presenting its (45th) FORTY FIFTH Annual Report on the operations of your Corporation together with Audited Financial Statements of the Accounts and Auditors' Report thereon for the year ended on 31st March 2022.

COMPANY SPECIFIC INFORMATION

Your Company has been incorporated with the major objectives to work for the betterment of the minor forest produce and forest dwellers dependent upon such forest produce. The Corporation has significantly improved in its overall Net Sale position and its profitability position during the year under review, which is shown as under:

FINANCIAL RESULTS:

	(<i>Rs</i> .	in Lakhs)	
PARTICULARS		<u>For the year ended on</u> <u>31st March</u>	
TARTICULARS	<u>2021-22</u>	<u>2020-21</u>	
Revenue from Operations (Net Sales)	3368.49	2510.52	
Add : Other Income	408.46	771.07	
Total Revenue	3776.95	3,281.59	
Profit before Adjustment Relating to Prior Period (net), Extra-ordinary Item, Interest, Depreciation	896.13	930.56	
Less : Depreciation	43.45	28.98	
Less : Interest	0.25	0.68	
Profit Before tax before prior period (net) and Extra- Ordinary Item	852.42	869.64	
Add : Prior Period Items	514.08	234.11	
Profit Before Tax	1366.50	1103.75	
Less: Deferred Tax	(4.24)	6.00	
Less: Current Tax	(91.24)	(195.00)	
Profit After Tax	<u>1271.02</u>	<u>914.75</u>	
Dividend Proposed @8% (Paid 8% for FY 2020-21)	50.53	50.53	

Total Revenue including other income of the Corporation is Rs.3776.95 Lakhs as against Rs.3281.59 Lakhs during last year.

Total Net Sale of the Corporation from its core activities has increased by 34% and remained at Rs.3368.49 Lakhs as against Rs.2510.52 Lakhs during the previous year. Net profit before tax of our Corporation for the year is Rs.1366.50 Lakhs as against Rs.1103.75 Lakhs during the previous year. Panam Division is the major contributor to the revenue and net profit for the year.

DIVIDEND & RESERVES:

Your Board of Directors is pleased to recommend dividend on equity shares for the year @ 8 % i.e. Rs. 8/- per equity share of Rs.100/- each. The Paid-up Share Capital of the Corporation is Rs.6,31,64,700/- divided into 6,31,647 equity share of Rs.100/- each as at the end of financial year.

ACTIVITY-WISE POSITION OF BUSINESS AND ITS OPERATIONS:

After re-grouping and re-classification of previous year's figures following business position is disclosed e as per Revised Schedule under the Companies Act.

Panam Irrigated Plantation Project:

Activities carried our under the - Panam Clonal Eucalyptus plantations unit of the Corporation has been emerged as a significant business activity for the Corporation. During the year under review Panam Project has remained the major contributor of income to the Corporation. The unit has achieved net sale of Rs.1,830.91 Lakhs as against Rs. 1410.35 Lakhs previous year. Net profit generated for the year is Rs.881.87 Lakhs as against Rs.428.05 Lakhs previous year.

Vanil Udyog:

The Production and sales of this unit could be increased marginally due to reduction of orders for supply of furniture and renovation works contract. There is marginal increase in sales for Rs.820.21 Lakh against Rs.755.10 Lakh previous year. However due to adjustment in books of account, in pursuance of physical inventory verification during year, the unit has reported a loss of Rs.139.03 Lakh as against profit of Rs. 106.50 Lakh during previous year. Corporation is making efforts to improve on sales and profitability of this unit. The major clients among others are Forest Department Offices, Gujarat Pollution Control Board Regional Offices, Gujarat Municipal Finance Board-Gandhinagar. The Corporation has major ongoing renovation works projects in hand are Aranya Bhavan Offices-Gandhinagar, Higher Education Department-Gandhinagar, Gujarat Pollution Control Board Regional Offices, GEMI, Gujarat Tribal Development Corporation and Gujarat Water Resource Development Corporation among others.

Particulars of products	2021-2022 (Rs. Lakhs)	2020-2021 (Rs. Lakhs)
Sale of Furniture& Doors/Windows/Frames/Shutters	209.62	158.02
Renovation Works (Outsourced)	610.59	596.86
Total	820.21	755.10

The details of net sale during the year *vis-à-vis* previous year are given as below:

Minor Forest Produce (MFP)Management & Other Income:

Since its incorporation collection of MFP has remained core activity of the Corporation. The MFP unit of the Corporation has remained the major contributor towards the livelihood generation among tribals and other traditional forest dwellers, through collection of minor

forest produce at fixed collection rates. The Corporation is carrying out Timru leaves collection activity from Non-Scheduled and Sanctuaries areas, which forms part of its income. The sale of this unit during the year is Rs.317.15 Lakhs as against Rs. 57.38 Lakhs previous year. The net profit of the unit is Rs.14.95 Lakh, against Rs.265.86 Lakh previous year, which was including other income also.

Apart from this, the Corporation is carrying out activity of collection of Timru leave son behalf of Gram Sabhas of Schedule Areas in pursuance of the Rule 39 of the Gujarat (PESA) Rules. 2017. The Corporation has made sale of Rs.1081.53 Lakhs. Generally after deduction of expenses, surplus, if any, are also transferred into the accounts of the gatherers of forest produce. The Statement of Income & Expenditure for MFP Collection Activity carried out on behalf of Gram Sabhas of Schedule areas has been included separately in the annual financial statements.

MFP gatherers are paid with Rs.1300/- per standard bag as collection rates for Timru Leaves. For F.Y 2021-2022 Rs.1717.84 Lakhs have been paid to gatherers from 13 districts in Schedule and Non-Scheduled Areas, the details of which are shown as below:

Sr.	Name of Districts	No. of	Collection of	Amount paid
No		Timru Units	Std. Bags	(Rs. Lakhs)
(1)	(2)	(3)	(4)	(5)
1	Sabarkantha	9	29947.830	389.32
2	Aravali	9	18895.400	245.64
3	Banaskantha	1	929.200	12.08
4	Mahisagar	17	29965.400	389.55
5	Panchmahal	12	5094.400	66.23
6	Dahod	15	17530.200	227.89
7	Chhotaudepur	16	11590.200	150.67
8	Narmada	12	6862.000	89.21
9	Bharuch	3	2473.100	32.15
10	Surat	6	3404.200	44.25
11	Тарі	6	2632.400	34.22
12	Navsari	2	477.800	6.21
13	Dang	4	2339.000	30.41
		112	132141.130	1717.835

Apart from carrying out Timru Leaves collection activities from the Scheduled and Non-Scheduled Areas, GSFDC Ltd. is also acting as the implementing Agency for the Central Government scheme named "Mechanism for Marketing of Minor Forest Produce (MFP) through Minimum Support Price (MSP) & Development of Value Chain for MFP" [MSP for MFP] in the State of Gujarat. Ministry of Tribal Affairs (GoI), in association with Tribal Co-operative Marketing Development Federation of India (TRIFED), is monitoring the Scheme. MFPs other than Timru leaves, are collected under the Scheme.

There are 87 species listed by the TRIFED under the scheme, out of which 30 species have been planned for collection from the Gujarat State. During FY 2021-22, the Corporation has procured 1120.51 Quintals of Minor Forest Produce from 14 Districts, including Kutch, through its Direct Purchase Centres (DPCs). Following are the details of species wise collection done during the year.

Sr. No.	MSP Item	Qty. in Qtls.
1	Baheda	368.00
2	Harde	72.50
3	Honey	638.29
4	KhatiAmli	21.61
5	Galo	20.11
	Total	1120.51

Dhanvantari Unit:

Corporation's ayurvedic formulation and honey processing unit is doing the business under the brand name of "**DHANVANTARI**". The Corporation has put in efforts to expanse its presence in the market by opening more sales centres across the State. Resultantly, the unit has increased its sale during the year by 2.39%, which Rs.258.46 Lakhs as against is Rs.252.42 Lakhs during the previous year. The unit has generated profit of Rs.63.17 Lakhs as against Rs. 60.66 Lakhs during the previous year.

Eco-Tourism- (Sardar Sarovar Nauka Vihar) :

With the approval received from SSNN Ltd. to run Ferry Boat Service in the Dyke-3 and 4 of Sardar Sarovar at Kevadiya as a part of Eco-Tourism, the Corporation had launched the project in Sept-2019 and was receiving a very good response of tourists coming to the Statue of Unity site at Kevadiya. Rrevenue earned through this activity is Rs.127.97 Lakhs as against Rs.35.27 Lakhs during previous year. Net profit for the activity is Rs.30.39 Lakhs as against Rs.8.57 Lakhs during the previous year.

Vanil Eco-Den :

An eco-tourism site has been developed by the Corporation during the year, at Vil.-Navtad (Navsari) on Vansda- Saputara Road, with a view to provide a nature experience to the tourists visiting the place. Key attraction of the site among others include, Butterfly Zone, Tribal Zone, Herbal Zone, Adventure Zone, Eco Train etc. Revenue generated during the year from this activity is Rs.13.79 Lakh, with a profit of Rs. 1.08 Lakh.

CAPITAL AND DEBT STRUCTURE

There are no changes in the capital structure of the company during the year, including the authorized, issued, subscribed and paid-up share capital of the Corporation.

EXTRACT OF ANNUAL RETURN

In pursuance of the Rule 12(1) of the Companies (Management and Administration) Rules, 2014 and section 92(3) of the Companies Act 2013, copies of Annual Returns are available on the Company's website. The weblink for the same is given herewith https://www.gsfdcltd.co.in/pages?page=ANNUAL%20RETURN

NUMBER OF MEETINGS OF BOARD

During the financial year under review, the Board of Directors held two (2) board meetings as mentioned below:

Sr.No.	Serial No. of Meeting	Date of Meeting	Place of Meeting
1	202 nd Board Meeting	14-10-2021	Gandhinagar
2	203 rd Board Meeting	23-03-2022	Gandhinagar

During the year under review the Directors have attended the board meeting as below:

Sr.No.	Name of Director	Details of whe atten [Yes (Y)/	ded
		202 nd	203 rd
1.	Shri Arunkumar Solanki, IAS	Y	Y
2.	Shri S K Chaturvedi, IFS	Y	Y
3.	Dr. D K Sharma, IFS	Y	Y
4.	Shri Manish Modi	Y	Y
5.	Shri A P Gadhavi	Y	-
6.	Shri B Y V Satyanarayan	-	Y

CHNAGES IN THE DIRECTORS AND KEY MANAGERIAL PERSONNEL(KMP):

In pursuance of the provisions of Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014, there changes in the Directors and Key Managerial Personnel.

The following Directors / KMPs have been appointed during the year under review:

Sr.	Name of Director	Designation	Date of
No.			Appointment
1.	Shri Arunkumar Solanki (DIN - 03571453)	Chairman	13-07-2021
2.	Shri Manish Modi (DIN – 09384196)	Director	04-08-2021
3.	Shri B Y V Satyanarayan (DIN – 09564510)	Director	09-11-2021

During the year under review, the following directors / KMPs have been ceased to be so either due to their transfer/retirement or due to government order:

Sr. No	Name of Director	Designation	Date of Cessation	Remarks
1.	Dr. Rajiv Kumar Gupta (DIN 03575316)	Chairman	19/06/2021	Ceased due to change by Government
2.	Shri Vidhyut Pandya (DIN 07698808)	Director	04/08/2021	Ceased due to superannuation of service
3.	Shri A P Gadhavi (DIN -08950368)	Director	09-11-2021	Ceased due to change by Government

During the Financial Year 2020-21, there were no Key Managerial Personnel, other than Managing Director or Whole Time Director, who were in receipt of Remuneration exceeding Rs.60 Lakh per annum or Rs. 5 lakh per month, in pursuance of the provisions of Rule 5 (2) of the Company (Appointment & Remuneration Managerial Personnel) Rules 2014.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your directors confirm, in pursuance of the requirements of the provisions under section 134(3)(c) of the Companies Act, 2013, as below that:

- (*a*) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (*b*) the directors had 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 company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (*e*) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

The information in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to provisions of Section 134 (3) (m) of the Companies Act, 2013 as per Rule 8 (3) (c) of the Companies (Accounts) Rules, 2014 is given below:

A. CONSERVATION OF ENERGY:

There are no significant steps taken for the conservation of energy during the year under review. However your company has continued to utilize the alternate sources of energy i.e. solar energy at its wood working unit-VANIL UDYOG at Navtad for seasoning of wood items. No additional capital investment has been made on energy conservation equipment during the year under review.

B. TECHNOLOGY ABSORPTION

No significant steps could be taken under this segment.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Corporation has not done any business activities involving the foreign exchange earnings or outgo hence the information in this regard is NIL.

DISCLOSURE UNDER THE SEXUAL HARASSMENT TO WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

To protect and ensure safe working conditions for the female employees and in pursuance of the provisions of the captioned act, an Internal Complaints Committee (ICC) had been reconstituted as on 15-04-2017 for a term of three years. During the year the said term was

renewed for further period of three years starting from 15-04-2020 till 14-04-2023. The following members are there in the committee at the end of the year under review:

Sr.	Name & Address	Designation
No.		
1	Smt. Tejal Patel	Presiding Officer
	I/c. Asstt. Police Commissioner (SC/ST Cell) Vadodara	
2	Smt. Ritaben Chokshi	Member
	Sahiyar (Stree Sangathan), Vadodara	
3	Smt. Neelaben D. Pandya (Clerk, GSFDC Limited)	Member
4	Smt. Jayshree P. Jadhav (Clerk, GSFDC Limited)	Member Secretary
	•	

During the year under review, no complaint has been received by the Committee.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Board has constituted a CSR Committee ,in pursuance of the provisions of section 135 of the Companies Act, 2013 and Rules made there under. In pursuance of the provisions of the Companies Act, a CSR Policy has been also formulated and got approved by the Board of Directors. The Policy mainly includes the types of activities to be undertaken by the committee, area of operation, information of CSR expenditure, execution of the objectives of the CSR Policy, monitoring thereof etc. The copy of CSR Policy has been placed on the website of our company https://www.gsfdcltd.co.in/pages?page=CSR%20POLICY/COMMITEE

During the year under review there was one meeting of CSR Committee held on 21.08.2021, as per following details:

Sr. No.	Name of Director	Details of whether CSR Committee Meeting attended [Yes (Y) / No (N)] 5 th CSR Comm. Meeting (21.08.2021)
1.	Shri S K Chaturvedi, IFS	Y
2.	Shri A. P. Gadhvi	Y
3.	Jt. Managing Director (<i>ex-officio</i>) [Vacant]	-

We have also included "an ANNUAL REPORT on CSR activities" in the new format as prescribed under rule 8 of the Companies (CSR Policy) Amendment Rules 2021, in **Annexure-II**, including details of amount spent during the year, which forms part of this report.

AUDITORS:

M/s. Sanjay Soni & Associates., Chartered Accountants, Vadodara have been appointed as Statutory Auditors of the Corporation by the Comptroller and Auditor General of India to audit the accounts of the Corporation for the financial year 2021-22.

COMMENTS ON AUDITORS REMARKS / DISCLAIMER:

No Qualifications given by the statutory auditors. There has been no major non-compliance with accounting policies or statutory or regulatory requirements.

LOANS, GUARANTEE OR INVESTMENT U/S. 186:

No loans or advances or investment made except Fixed Deposit Receipts with Gujarat State Financial Services Ltd.-a Gujarat Government Company.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES [U/S. 188 (1)]:

During the year under review, no such contracts or arrangements took place with the related party.

STATEMENT ON COMPANY'S RISK MANAGEMENT POLICY

Your company is very well aware of the inherent risk involved in the business it carries on and for which the incorporation of this company has been done. The very objective your company is to undertake business based on forest produce. However forest produce being natural resources and seasonal in nature, the productivity does not remain in tandem year by year. Besides this, the company being a government company fully owned by the government, the business activities are based on Government Policy issued from time to time. Your company does not receive any aid in the form of grant from the government to run its day to day affairs. It runs on the activities carried out as per the broad objectives set by the government which are for the larger public good. The net results at the end of the financial year, be it a profit or loss, the company has to bear.

APPRECIATION:

The Directors take this opportunity to express their gratitude for the services and valuable advice received from their colleagues, both past and present, and for the valuable co-operation and assistance extended by Forest Department & other Departments of the Government of Gujarat and the Government of India in furthering the activities of the Corporation. The Directors also thank all the officers and employees of the Corporation for their dedicated services.

Place : Gandhinagar

For and on behalf of the Board

Date : 13.03.2023

Mahesh SinghRam Ratan Nala(Managing Director)(Joint Managing Director)

"ANNEXURE-II"

FORMAT FOR THE ANNUAL REPORTON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1STDAY OF APRIL,2020

1. Brief outline on CSR Policy of the Company.

A brief outline of the company's CSR policy, including overview of projects or programs

proposed to be undertaken has been given below:

Gujarat State Forest Development Corporation Ltd. is a public sector undertaking of the Govt. of Gujarat, which has been incorporated as on 20/08/1976 as a government company under the Companies Act, 1956. Among its objectives, the Corporation mainly puts efforts towards the optimum utilization and development of the minor forest produce (MFP) available in the State of Gujarat. Being Government Company, the Corporation has been complying with the provisions of the Companies Act and Rules made there under. The Board of Directors of the Corporation has constituted a CSR Committee in pursuance of the provisions under section 135 and Schedule-VII of the Companies Act, 2013 and the Companies (CSR Policy) Rules, as amended from time to time.

CSR Activities

Corporation will undertake following CSR activities from among the Schedule-VII of the Companies Act, 2013

- a) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- b) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- c) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;

However CSR Committee is empowered to undertake any other activities as mentioned in the Schedule-VII of the Companies Act, 2013.

CSR Expenses: CSR expenses will be made as per the CSR Policy and the provisions under the Companies Act.

CSR Locations: The Gujarat State is the jurisdiction of the Corporation for CSR activities, however the Corporation will give priority to the Districts in which its Divisional Offices, Factories and Shops are established.

2. Composition of CSR Committee:

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Sl. No.	Name of Director	Designatio Nature Directorsh	of	Number of of CSR C held during	Committee	CS atte	Number of meetings of CSRCommitteeattendedduringtheyear		
1	Shri S K Chaturvedi	Managing Di officio)	rector (Ex	1			1		
2	Vacant	Dy. /Jt/Addl. Secretary, F & Dept.& Direc <i>officio)</i>		-			-		
3	Vacant	Joint Managin Director- GSI (<i>Ex officio</i>)	-	-			-		
4	Shri A P Gadhvi	Financial Adv E Dept. & Di <i>officio)</i>					1		
5	Shri B V Y Satyanarayana (w.e.f. 09/11/2021)	Representativ Finance Depa Director <i>(Ex o</i>	artment &	-			-		
3.	Provide the web- committee, CSR P by the board are company.	olicy and CS	SR projec	ts approved			dcltd.co.in/pages?page DLICY/COMMITEE		
4.	Provide the detail projects carried ou rule 8of the responsibility Pol (attach the report).	ut in pursuan Companies licy) Rules,	ce of sub (Corpor	o-rule (3) of ate Social	Not appli	icabl	e		
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any								
	Sr. No. Finar	icial Year		t required to financial ye		for	Amount available for set off from		
		21.22	the		,		preceding F.Y.		
)21-22		NIL			NIL		
	*Note : No exces during previous y					dur	ing Financial Year or		

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6	Average net profit of the company as per section 135(5).	Rs. 594.20 lakhs
7	(a) Two percent of average net profit of the company as per section 135(5)	Rs. 11.88 lakhs
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Rs. 49.23 lakhs
	(c) Amount required to be set off for the financial year, If any	-
	(d) Total CSR obligation for the financial year(7a+7b-7c)	Rs. 61.11 lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount	Amount unspent (in Rs.)								
Spent for the Financial Year		nt transferred CSR Account n 135(6).	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).						
(in Rs.)	Amount.	Date of	Name of the Fund	Amount	Date of				
12,00,000	37,23,053	transfer 15-3-2022	NIL	NIL	transfer NIL				

(b)Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5	5)	(6)	(7)	(8)	(9)	(10)	(11)	
SI. No.	Name of the Project.	from the	Local area (Yes/ No).		tion of roject.	Proje ct dura tion.	Amo unt alloca ted for the proje ct(in Rs.).	Amount spent in the current financial Year (in Rs.)	CSR	Mode of Impleme ntation - Director (Yes/No)	-Throu	nentation 1gh nenting
				State.	Distric t.						Nam e	CSR Registra -tion number.
1.												
2.							NIL					
3.												

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities	(4) Local area (Yes/ No)	(5) Location of the project.		(6) Amount spent for the project(i	(7) Mode of impleme ntation Direct	Mode imple Throu	mentation- igh menting agency.
		in schedule VII to t e Act.		State.	District.	n Rs.)	(Yes/ No).	Name •	CSR Registration number
1.	on of	Livelihood enhance- ment project	Yes	Gujarat	(Navtad) Navsari	12,00,000		Dy.CF. Valsad (North)	, , , , , , , , , , , , , , , , , , ,
	TOTAL								

(c)Details of CSR amount spent against other than ongoing projects for the financial year:

(d)Amount spent in Administrative Overheads

-N.A.

(e)Amount spent on Impact Assessment, if applicable -N.A.

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)- 12,00,000/-

(g)Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section135(5)	11,88,400
(ii)	Total amount spent for the Financial Year	12,00,000
(iii)	Excess amount spent for the financial year[(ii)-(i)]	11,600
(iv)	Surplus arising out of the CSR projects or programmes or Activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	11,600

9.(a)Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR	Amount spent in the Reporting	specified		to any fund dule VII as 1y.	remaining to be spent in
		Account under section135 (6) (in Rs.)	Financial Year (in Rs.).	Name of the Fund	Amount (in Rs).	Date of transfer.	succeeding financial years. (in Rs.)
1	2018-19 to						
	2020-21	49,23,053	12,00,000	Nil	Nil	Nil	49,11,453
	TOTAL	49,23,053	12,00,000				

(b)Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in Which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs).	Financial	Status of the project- Completed /Ongoing.
1.								
2.					NIL			
3.								
	TOTAL							

10.	the d	se of creation or acquisition of capital asset, furnish letails relating to the asset so created or acquired igh CSR spent in the financial year(asset-wise ils).	NIL
	(a)	Date of creation or acquisition of the capital asset(s)	NIL
	(b)	Amount of CSR spent for creation or acquisition of capital asset	NIL
	(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	NIL
	(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	NIL
11.	-	fy the reason(s), if the company has failed to spend her cent of the average net profit as per section135(5).	

Date: 13 .03.2023

	Ram Ratan Nala	Mahesh Singh
Place: Gandhinagar	(Joint Managing Director)	(Chairman CSR Committee)

45th Annual Report

CA. SANJAY SONI F.C.A (DISA)

CA. SUNITA SONI FEADIDA

Sanjay Soni & Associates Chartered Accountants

S-16C, Second Floor, India Bull Mega mall, Near Jetalpur Flyover, Akota Road, Vadodara – 390 020 (0):0265-2983872, (M):98254 83162, E-mail: sanjayesoni@gmail.com

AUDITORS' REPORT

To The Members Gujarat State Forest Development Corporation Limited Vadodara

We have audited the accompanying Financial Statements of **Gujarat State Forest** Development Corporation Umlted, Vadodara which comprise the Balance Sheat as at 31st March, 2022, the Statement of Profit & Loss Account and Cash Flow Statement of the Corporation for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by Company's Act.2013["the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, of its PROFIT and cash flow for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further her described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

information other than the financial statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The
 other information comprise the information included in the Board's reports
 including Annexure to Board's Reports, business responsibility Reports, 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 express any form of assurance conclusion thereon.
- In connection with our audit of the financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent-with the financial statement or our





knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

 In this regard, we report that the allocation of expenditure for MFP activities on behalf of Gram sabhas of Scheduled Tribal areas is management decision and the financial statement is prepared accordingly.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting 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 Company 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 ensuing the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a flow 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company'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 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. Under section 143(3)(i) of the Companies Act. 2013, we are also responsible for expressing our opinion on whether the company 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 an 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 Company'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 madify 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclasures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statement.

We communicate with those charged with governance regarding, among other matters, the planned scape 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 be an 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, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to autweigh the public interest benefits of such communication.

Other matters

We draw attention to following matters though our opinion is not qualified in this matter.

a. During the year the Corporation and the traders who have acquired forest on royalty for collection of Timu leaves and have disbursed Rs 0.67 crore to around 10000 MFP gatherers, most of whom, being illiterate, have given their thumb mark/signature on receipts, of which payment is done in cash in most of the



cases. The Guidelines for Minimum Support Price for Minor Forest Products allows such payments in cash on case to case basis by following Government norms, to be upgraded to cashless payment mode. Govt. norms, for proper identification and authorization to genuine gatherist and correct colculation of amount payable to him as per inventory records, is required as a part of internal control and fulfill objective of Corporation for uplittment of tribals. However, as a large number of recipients are involved, adherence to Government norms for such payments and maintenance of records for the same, should be complied with and it has not been subject of our audit.

- b. Fulfilment of Conditions for utilization of grants obtained from State and Central Government under various schemes and maintenance of record for the same, is not subject matter of our audit. Accounts based on C.A. Certified Grant Utilization Certificates and accepted by us.
- c. Balance receivable and payable to Government of Gujarat is as per accounts of the Corporation and claims put up by the Corporation with Government Departments but is subject to approval of these authorities from time to time.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditors Report) Order, 2016 ("the order") issued by the Central Government in terms of section 143 (11) of the Companies Act, 2013, we enclose in the Annexure A, a statement on the matters specified in paragraph 3 & 4 of the sold Order.
- 2. As required under compliance to the Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013 and an the basis of such checks of the books and records of the Corporation as we consider appropriate and in our opinion and according to information and explanation given to us, we give in the Annexure 8 Report on the matters specified therein.
- 3. As required by Section 143 (3) of the Act, we report that:
 - We have sought and obtained all the information and explorations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - In our opinion, proper backs of accounts as required by law have been kept by the Corporation so far as appears from our examination of books of the Corporation.
 - iii) The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Corporation.
 - In our opinion, the aforesold Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.



- v) On the basis of written representations received from the directors, as on 31st March. 2022, and taken on record by the Board of Directors, we report that none of the directors is disqualified as an 31st March. 2022 from being appointed as a director of the Corporation in terms of Section 164(2) of the Act.
- vi) Since the Company's Turnover as per last audited financial statements is less than Rs 50 crores and its barrowings from banks and financial institutions at any time during the year is less than Rs 25 crore, the Company is exempted from getting on audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13,2017;
- vii) With respect to the other matters to be included in the auditors' report in accordance with the requirements of section 197(16) of the Act as amended. In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its directors during the year, is in accordance with the provision of section 197 of the Act.
- viii) With respect to the other matters to be included in our Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules. 2015, in our opinion and to the best of our information and occording to the explanations given to us:
 - (i) The pending Illigation as on March 31^e, 2022, are reported in Point 21 Notes on Accounts as contingent liabilities and have no impact on financial position of the company for current year.
 - (ii) The Corporation does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) No Amount is required to be transferred to the investor Protection Fund by the Corporation.
- Iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from barrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or enfity(ies), including foreign entities ("intermediaries"), with the understanding whether recorded in writing or otherwise, that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by ar



on behalf of the company ("ultimate beneficiaries") or provided any guarantee, security or the like on behalf of the ultimate beneficiaries.

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies) including foreign entities ["funding parties"], with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("ultimate beneficiaries") or provided any guarantee, security or the like on behalf of the ultimate beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11 (e) as provided under (a)and (b) above, contain any material misstatement.
- v. The Company has declared dividend @ 8% (Amount Rs 50.53 takh) during the year for the period under consideration.

FOR, SANJAY SONI & ASSOCIATES, CHARTERED ACCOUNTANTS F.R.N. 113251W

CA Sunita Soni PARINER MRN 044868 UDIN 230448688638513068

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DATE: 13.03.2023 PLACE: BARODA

Gujarat State Forest Development Corporation Limited For the year ended 31" March 2022

ANNEXURE - A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

in terms of intermation and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

仍	(0)	 (A) The Company has maintained proper records showing full particulars, including quantitative detail and situation, of fixed assets i.e. Property, Plant and Equipment (PPE). (B) The Company, during the year under consideration, did not own any intangible assets.
	(b)	All property, plant and equipment have been physically verified by the management during the year and there is a regular program of verification which is in our opinion reasonable having regard to the size of the Company and nature of its assets except for the laptops and PCs are yet to be numbered and locations marked for the same. According to the information and explanations given to us, no material discrepancies were notice on such verification.
	(c)	According to the information and explanations given by the management, the title deeds of immovable properties, included in Property. Plant and Equipment are held in the name of the Company.
	(d)	The Company has not revalued its Property, Plant and equipment during the year ended march, 31, 2022.
	(e)	No Proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1986 (45 of 1988) and rules there under.
(11)	(a)	As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and material discrepancies of 10% or more were noticed on physical verification and they have been properly dealt with in the books of accoun. Physical verification of stock of Mahua leaves not conducted due to reasons as stated in point2 to it notes to accounts.
	(b)	The company has not availed any credit facility from financial institutions for working capital, on the basis of security of current assets, . Accordingly the requirement to report on clause 3(ii) (b) of the Order is not applicable to the company.
(16)		According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not provided any guarantee or security or granted any advance in the nature of loan, secured or unsecured, to companies firms, limited liability partnership or any other parties during the year. The Company has made investments in Mutual Funds. Accordingly the requirement to report on clause 3(iii)(a).(c), (d).(e) and (f) of the Order is not applicable to the company.



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		Accordingly the requirement to roport on clause 3(ix)(f) of the Order is no opplicable to the company.
_	(e) [1]	The Company does not have any subsidiaries, associates or joint ventures Accordingly the requirement to report on clause 3(ix)(e) of the Order is no applicable to the company. The Company does not have any subsidiaries, associates or joint ventures
	(d)	The Company has not raised any funds during the year hence clause 3(ix (d) is not applicable.
_	(c)	The Company has not availed term toons during the year hence the clause3 (ix) (c.) is not applicable.
	(b)	The Company is not declared as wilful defaulter by any bank or financia institution or other lender.
(bd)	(a)	The Company has not defaulted in repayment of loans or other borrowing or in the payment of interest thereon to any lender in absence of any loan or borrowings availed from any lender.
viii)		There are no amounts that are in the nature of undisclosed transactions a amounts surrendered as income in assessments under the income Tax Ac 1961 (43 of 1961)
	(d)	According to the information and explanations given to us and the record of the Company examined by us, there are no dues referred to in (a above, as on 31 st March, 2022 which has not been deposited on account of dispute.
(vii)	(a)	The Company's generally regular in depositing undisputed statutory due including Goods and Service Tax, Provident fund, Employees State Insurance, Income tax, sales Tax, Service Tax, Custom Duty, Excise Duty Value Added Tax, cess and other statutory liabilities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund. Income Tax, Duty O Customs, Goods and Service Tax, Cess and other material statutory due were in arrears as at 31st March 2022 for a period of more than six month from the date they became payable.
(vi)		We have broadly reviewed the books of accounts maintained by corporation in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub – section (1) of the section 148 of the Act, and are of the opinion that the prima facle the prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of records with a view of determining its accuracy o completeness.
(v)		The Company has not accepted any deposits within the meaning o section 73 to 76 of the Act and the Companies (Acceptance of Deposits Rules , 2014(as amended). Accordingly the requirement to report or clause 3(v) of the Order is not applicable to the company.
(~)		In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act. 2013 in respect of loans and advances given, investments made, guarantees and securities given have been compiled with by the Company.
T		According to the information and explanations given to us and based or the audit procedures conducted by us, in our opinion the investments made are prima facie, not prejudicial to the interest of the company.



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(×)	(a)	The Company has not raised, during the year, any amounts by way of initial public offer or further public offer (Including debt instruments). Accordingly the requirement to report on clause 3(x)(a) of the Order is not applicable to the company.
	(b)	The Company has not made any preferential atlotment or private placement of convertible depentures (fully, partially or optionally convertible) during the year. Accordingly the requirement to report on clause 3(x)(b) of the Order is not applicable to the company.
(xi):	(a)	No fraud/ material fraud by the company or no fraud/material fraud has been noticed or reported during the year.
	(b)	During the year, no report under 143(12) of the Companies Act, 2013 has been filed by Secretorial Auditor or by us in Form ADT- 4 as prescribed under rule 13 of the Companies(Audit and Auditors) rules, 2014 with the central Government.
	(C)	As represented to us by the management, there are no whistle bowler complaints received by the company during the year.
(RA)		Company is not a Nidhi Company as per the provisions of Companies Act. 2013. Therefore the requirement to report on clause (xii)(a).(b).(c) not applicable to the company.
70îî)		in respect of transactions with the related party are in compliance with section 177 and 188 of the Companies Act, these sections are not applicable being a Public sector undertaking under administrative control of State Government of Gujarat.
xiv)		The clauses relating to internal audit under section 138 Rule 13 are not applicable to company and the Company does not have internal audit system.
(xv)		As represented to us by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them.
xv/i)	(a)	The Company is not required to be registered under section 45 – IA of the Reserve Bank of India Act, 1934 (2 of 1934)
	[b]	The Company has not conducted any non-banking financial or housing finance activities without a valid certificate of registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
	(c)	The Company is not a core investment company (CIC) as defined in the regulations made by the Reserve Bank of India.
	(d)	There are no CIC as a part of the group.
XVII		The Company has not incurred cash lasses in the financial year and in the immediately proceeding financial year.
XYH		There has not been any resignation of the statutory auditors during the year. Accordingly the requirement to report on clause 3(xviii) of the Order is not applicable to the company.
xix		On the basis of the financial ratios, aging and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of our oudit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.



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		We, however state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of audit report and we neither give any guarantee nor any assurance that all liabilities failing due within a period of one year from the balance sheet date will get discharged by the company as and when they fail due.
(xx)	(a)	In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx) (a) of the Order is not applicable.
	(b)	In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.
(xxi		The Company does not have any subsidiary or associates or joint ventures the accounts of which are to be consolidated and as such there are no consolidated financial statements. Accordingly the requirement to report on clause 3(xxi) of the Order are not applicable to the company.



For, Sanjay Soni & Associates, Chartered Accountants F.R.N. 113251W

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CA Sunita Soni

PARTNER MRN 044868 UDIN 23044868BGXR5L3068

DATE: 13.03.2023 PLACE: BARODA

GUJARAT STATE FOREST DEVELOPMENT CORPORATION LTD. F.Y. 2021-22

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ANNEXURE (2) REPORT UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

Referred to in paragraph (2) of Report on Other Legal and Regulatory Requirements of the Independent Auditors Report in compliance with the directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act. 2013 In respect of Gujarat State Forest Development Corporation Limited for the year ended 31st March 2022.

ANNEXURE

(I) Corporate Governance and Audit Committee

- Whether the company has been listed on the stack exchanges? If yes, the names of the stack exchanges may please be indicated? If so, whether the provisions of listing agreement of SEBI are being followed by the company? Not a listed Company.
- 2 Whether the company has 50% independent directors on their Board as required under SEB: guidelines?

Not Applicable as Company is not listed with SEBI.

- Indicate whether the campany has formed an Audit committee in compliance with section 177 of the Companies Act, 2013. If not then indicate the extent of noncompliance? Audit Committee formed in compliance with section 177
- 2. Whether Audit Committee has discussed the qualifications made in the Auditor's report as well as important comments, audit paras of Government Audit and has given recommendations for taking appropriate corrective action in the next year's accounts?

Generally Yes. But in our opinion, all audit reports, significant matters , disputed matters and set off/ write off matters should be put up in Audit Committee meetings.

3. Whether the Audit Committee has examined the replies to paragraphs, mini reviews, sectorial reviews, comprehensive appraisals, etc. included in various Audit reports of the C & AG before their submission to Government Audit/ Committee on Public Undertakings? The submissions to C & AG are examined by audit committee as per minutes.

The submissions to C & AG are examined by audit committee as per minutes of their meeting.

6. Whether the Audit Committee has reviewed and discussed with the Management and the internal and external auditars, the adequacy and effectiveness of the accounting and financial controls, including the Company's financial and risk management policies?



Audit Committee has reviewed the Accounts but financial and accounting controls should be property reviewed.

- Whether the BOD has reported in the Director's Report to the shareholders compliance to their responsibility statement under section 134(3) of the Companies Act, 20138
 Yes
- Whether CEO/CFO Certificate has been obtained in terms of listing agreement? Not applicable as Corporation is not listed.

(II) Business Risk

- Any new Statutory or Regulatory requirement or change in GovI, policy that could impair the financial stability or profitability of the entity.
- Under PESA Rules 2017, profit of the Corporation on behalf of panchayat, is also to be distributed back to the collectors. The processing tracing the Collectors depends on the records submitted by the Fud manager. But a more robust system to be developed to ensure authenticity of the data looking to the inherent risk involved.
- Increased outsourcing of operational activities, without deploying own staff of the organization, demands more of internal control and duty- responsibility allocation.

Unusually rapid growth especially compared with that of other companies in the same industry.

Unusual growth not observed due to scantily available forest land in the state of Gujarat.

The process used for identification of business risk and steps taken for mitigate it by the management

The matter is taken care by Board of Directors in consultation with Forest Officers on deputation.

4. Unrealistically aggressive soles or profilability incentive programs, if any,

The Corporation works as a beneficiary organization for the upliftment of Adivasis in Forest areas. So as commensurate with Govt. policies, the Sales policies & incentive programs of Corporation are framed.

- Whether the company has a system of making a business plan, short term/long term & reviews of the same va-à-vis the actual? Yes.
- 6. The Capital Expenditure / Capital Invested not put to use

Capital Work in Progress Rs. 117.82 lacs PY Rs 375.27 lakh. Expansion of Dhanvantari Unit of manufacturing Ayurvedic products is under utilized in our opinion.

 Cost benefit analysis of major capital expenditure / expansion including IRE and payback period



Capital Expenditures undertaken on availability of Govt. Grants as per Govt. scheme. Cost benefit analysis is not done for the same at Company level.

B. The existence of Macro. Sector and operation threats that could drive fundamental changes in business model, Indicate in brief.

As informed to us, following are the threats envisaged by the Corporation,

- Change in Govt. Policy
- Most of the products are dependent on climatic conditions.
- The products purchased under MSP may not tetch profits
- The Traders may form syndicates to quote low price
- (III) DisInvestments (If Applicable)

No! Applicable

(IV) System of Accounts & Financial Control

 Whether the allocation of duties and responsibilities including the delegation of powers at various levels of management is fair/ proper / justifiable and the same have been adequately defined?

As informed to us, duties & responsibilities have been defined adequately commensurate with powers. However, due to retirement of staff, there are vacancy at various levels and authorities are delegated to other level staff or to reinstated retired staff on honorarium basis. Also there is outsourcing at various level in operations, accounts and secretarial work. This may be a cause of concern over duties and responsibilities.

 Examine the systems of Accounts & Financial Control being followed by the company and give your views as regards their deficiencies along with suggestions for remedial measures.

 a. Proper system controls should be installed in accounting software including access controls.

b. Looking to the volume of transactions (nearly 18 Thousand vouchers per annum as informed to us) the Corporation may have Audit Department for effective control.

c. Corporation should move in a direction to reduce cash transactions where banking facilities are available all over and now specially promoted by Govt. The Corp. is paying cash to temporary workers. Also a purchases of MFP, which are through Direct Collection Centre are also handled in cash with thumb impression of the sellers in all transactions. Collection of Tender Fees in some cases is also done in cash. Being transactions in cash, these are subject to inherent risk factor.

d. Measuration of area covered by plantation undertaken by Corporation at various locations like Panam. NH Projects etc is as per records maintained by Corporation. Proper System needs to be evaluated for verification and confirmation

of these records as a part of Inventory verification exercise of the Corporation in order to ensure internal control.

e. In case of Valsad Plantation, Amount recoverable from Govt. on account of Salary and Allowances & other allocated expenses was classified under the head Plantation Stock. The area itself is taken over by Principal Chief Conservator of Forest in the year 2004. Corporation claimed ownership of plantation. The Income generated out of the Plantation is not shared by Govt forest dept. But prior to transfer, no income was shared by Corporation with Govt. Now the Management has decided to recover the allocated expenses of Plantation from Govt, of Gujarat. The forest department should guide on proper disposal and accounting effect of the transfer of Valsad plantation which happened in 2004.

3. Please report which of the accounting policies adopted by the Company is not in conformity with accounting polices applicable to the industry / Companies are in the same sector, particularly the Government Companies. What is the impact of such policies on the accounts?

Yes. Accounting Policies of Company is in conformity with industry in the same sector.

4. Notes to accounts, qualification in Auditors Report and comments of G&AG may be reviewed for the last 3 years and state whether the management has taken reatificatory action?

Yes. Comments of C & AG whenever received are attended by taking necessary rectification action. A separate Addendum is attached to the sub directions issued via lettr dated 21.04.2022

5. Whether the Company has a clear credit policy, policy for providing for doubtful debts/write offs & liquidated damages? Analyse the reasons such as noncompletion of performance tests, litigation, retention sale, etc. for significant sundry debtors.

Provision for bad debts Rs 10 lakh during the year as envisaged by management.

 Please report whether the system of giving discount to promote sales is fair? Whether the instructions of allowing discount are issued in writing and communicated property to sales outlets.
 Yes.

 Examine and indicate whether the Company has a system of monitoring the timely recovery of outstanding dues? Highlight th significant instance of failure of system. If any.

Yes. Except for Govt. dues and dues of Panchayants which are recoverable and/or Payable are outstanding for long time and not squared off. In case of sale Vanil Udhyog there are due outstanding from DY C F of various divisions for furniture contracts.

8. What is the system of obtaining confirmation of balances from Debton/ Creditors and Other Parties? Indicate separately the Amount of balance remain unconfirmed from Government Departments/ PSUs and private Parties and their



percentage to total amount under each head.

As informed to us, the Corporation has a system of sending Balance Confirmation letters to its debtors /creditors and such balance confirmations wherever reciprocated are reconciled, such confirmation must be obtained in accounts with large transaction volume/ amount. This year, the Balance Confirmation letters are not reciprocated in most of the cases.

Corporation is asked to obtain confirmation on electronic media as well.

Balance due from/to Govt. of Gujarat are not confirmed as Govt. does not follow accrual system of accounting.

The amount payable to Panchayat/collectors remains outstanding as the Corporation has no direction/guidance from GOG regarding who is the receiver whether Panchayat or individual members. In case of sale Vanil Udhyog there are due outstanding from DY C F of various divisions for furniture contracts.

9 Please report whether there are any cases of waiver of Debts /loans/interest etc., if yes, the reasons therefore and the amount involved.

No significant waiver reported in the financial statement for the year 2021-22

10 is there an adequate system of timely lodging of claims with outside parties? Whether the claims are properly monitored? Yes

9. Indicate whether the credit obtained (including overdrafts) is monitored regularly and the terms of loans are not such that they have a negative impact on the earnings of the Company; examine the system of effective utilization of loans and the system of obtaining statutory benefits.

No such credit obtained during the year.

10. Whether any incidence involving improper use or wastage of funds was noticed?

No such case noticed prima facie. However, Fulfillment of Conditions for utilization of grants obtained from State and Central Government under various schemes is not subject matter of our audit. Corporation has incurred CSR expenditure of Rs. 16.60 lacs.

 Examine and comment upon the reasonableness of assumptions made by the Actuary in providing for retirement benefits as per Accounting Standard -15.

On the basis of information and explanation given to us by the management and on our understanding of the same, the assumptions made by the actuary for providing refirement benefits appears to be reasonable and are in accordance with Accounting Standard 15 "Accounting for Refirement Benefits in the Financial Statement of Employer" issued by the institute of Chartered Accountants of India.

12. whether work flow and document flow is in place to ensure proper controls and systems commensurate with the delegation of work ? Yes.



(VI) Fraud/risk

 Whether the company has an effective and delineated fraud policy consistent with regulatory requirements as well as the entity's business needs?

Company has proper mechanism to detect and control such incidence on timely basis. Proper policy and framework has been established, as informed to us. However volume of Cash transactions should be controlled to reduce inherent risk of fraud.

2. Whether the Company has famulated "Code of conduct" for senior management?

No specific documented Code of Conduct for senior management.

How the company has dealt with reported trauds and what are the remedial measures taken for preventing recurrence?

No such case during the year.

 Are there any cases of violation of delegated financial powers during the period under report, which warrants "in-depth audit"? If yes, please give a list of such cases.

The financial powers are delegated to DFO and MD During the audit period, violation of delegated financial powers, is not noticed. However, looking to the cash nature of transactions, and dealing in precious natural resources like Timer & other forest produces where valuation is subjective, the same carries inherent financial risk at field levels.

 Does the Company have separate vigilance Department / Wing? To what extent is it effective in its duty and whether its reports are submitted to the Board? As informed to us, there no separate Vigilance Department at the Corporation. However Govt, Grants are subject to C & AG audits and inspection.

6. Whether the Management has designed and put in place and adequate Prevention and Detection Controls to prevent reduce and discover the fraud and other irregularities?

Yes. However transaction such as payment to workers and for purchase of MFP and collection of tender money, are not routed through bank, though over 60 years of independence, banking facility is available in remote areas including adivasi areas.

7. Whether the Company has 'whistle blowing' policy?

Internal Auditors was not appointed by the company for FY 2021-22. Audit committee is appointed to monitor whistle blowing alarm.

8. Whether the fraud policy has been periodically reviewed and evaluated to determine whether it was designed and implemented to achieve optimal effectiveness?

Fraud Policy as per GOG norms applicable to Corporation.



(VI)Assets (including inventory)

 What is the position regarding maintenance of records such as fixed assets register, etc.?

The Corporation generally maintains the records and registers properly. Deposit registers are not maintained / updated. The Corporation is in process of reconciliation of Physical inventory of Fixed Asset including capital work in progress as per records. Fencing of Land is regular capital expense. A register to be maintained of land plots fenced so as to regularize this capital cost.

Whether the Company has prescribed the following in regard to the management stare:

- Maximum and minimum limits of stores and spares etc.: Yes
- (b) Economic order quaritity for procurement of stores; Yes

 Whether ABC analysis has been adopted to control the inventory? If not, impact on inventory may be analyzed

Not significant stores requirement. Hence, it is not done. No major impact of the same if adopted.

4. Whether regulations made of the purpose of control over stores, including Stock taking and valuation of stock, stores, & work-in-progress at the end of the financial year are adequate and duly enforced?

Yes stock of row material which is valued at cost but being perishable items, realizable value may be less.

 Whether the work in progress contains any item, which has remained under work in progress, for an unduly long time? Attach a list of such items indicating amount, period of pendency and reasons.

No such case as informed to us.

- 5. Examine and comment on the system of physical
- verification, valuation, treatment of non-moving & slow moving items. Their disposal & abnormal excess & shortages in respect of closing stock items.

No slow moving/ non moving stock item reported except for Stock of Honey which is segregated separately and held for disposal. Honey purchased at MSP costs more than market value. But no bulk buyer for the same at that cost and can be sold in retail market at normal pace. Hence becomes slow moving stock and the stock is piled up (CI stock above Rs 3 crore)

Physical verification of Mahuda Flowers and Plantation stock was not undertaken as on 31/03/2022 for the following reasons.

1. Due to sugar contents in Mahuda Flowers, it is subject to insect allack.

Mahuda flowers are hygroscopic in nature and absorb molsture from the atmosphere. When material is stored in heaps, only outer layers of heaps are subject to absorption of moisture thereby protecting the inner layers.

In view of vasiness of area planted, physical verification of unharvested plantation consisting of trees, columns and clumps is not possible and hence the same have not been physically verified.



Examine and comment on the system of valuation of fixed assets, survey-off procedure and provision for assets & specific capital spares surveyed-off.

Fixed assets except land are valued at Cost less Depreciation. Capital Grant from Government. If any, for acquisition of fixed assets is shown separately and depreciation is written off against the same.

List out the surplus/obsolete/non-moving items of stores, row material, finished goods lying unused at the end of last 3 years.

None

 Whether proper records are maintained for inventories lying with third parties and assets received as gifts from Government or other authorities?

Yes

10. Are there any lapses in the internal control system right from ordering till the consumption of stores? If yes, the same may be highlighted.

No major lapses noticed except that cards of MFP vendors (tribal) are maintained by fud managers on behalf of traders and Corporation is not aware if the traders pay the tribal in cash or so. But based on these cards, the corporation reverts back to the tribal for payment of profits. Internal control verified to avoid for improper data.

 List out the assets and Plant & Machinery Items, which have not been use over a considerable period of time (Say 5 years) and the reasons thereof.

Corporation is in process of segregating unused/obsolete items of fixed assets and Capital Work in Progress. Expansion of Dhanvantari Unit of manufacturing Ayurvedic products is underutilized since long in our opinion as market demand is low.

12. Whether there are instances of huge losses incurred due to sale of goods at prices lower than the prevailing market prices, citing poor quality as a reason, immediately subsequent to the balance sheet date?

No such case noticed by us

13. Whether the norms for the storage losses have been fixed? What is the biom which storage losses are regularized? Indicate the abnormal storage loss suffered during the year under audit and amount realized there against.

basis lossess

No storage loss of Raw Material or finished goods as informed to us.

14.Demurrage /whait age incurred during the year and reasons therefore.

No such case as informed to us.



15. Whether the company has conducted physical verification of Fixed Assets during the year and a formal report is being prepared for the same? Yes

16. Whether there is a policy to review and implement impairment of assets? Yes

(VII) Investment

 Indicate whether the Company has laid down an investment policy duly approved by the competent Authority? If yes, please indicate the following:

 a. is it in accordance with the laws, rules and regulations applicable to the Company? YES

b. Whether investments were made according to the investment policy?YES The Corporation had invested Rs. 24,60,000/- in Investment Deposit Account Scheme 1986 with the Industrial Development Bank of India and the same is shown under the Note No. 11 Other Non-Current Assets.

c. is the shortfail in market value of the current investment and permanent diminution in the value of the long-term investment reflected in the books? In not, describe the failure.

Deposit in Investment deposit Scheme Rs 24.60 lakh needs to be evaluated for market value or recovery of the same.

Indicate whether the deposits with banks / financial institutions and others have been in accordance with laws, rules, regulations, etc. as applicable.

As per directions of Govt., Corporation keeps deposits with Gujarat State Finance Corporation and scheduled Banks.

 indicate whether there has been grant of large loans to or placement of deposits with other PSUs or enterprises not related with the business of the Company.

NO.

- Whether the Company has significant investments in an industry or product line noted for rapid change?
 - NO
- 5. Whether the investments made in the subsidiaries have been valued properly keeping in view of the financial position of the subsidiary? If not, extent of alminution in the value of investments.

NOT APPLICABLE.

6. Whether any surplus funds are invested? Is there any effect on availability of funds for working capital because of investments leading to borrowings at higher rates?

Surplus fund, if any, is deposited in GSFS as per Govt guidelines and in schedule banks.

 How aften market value is reviewed and whether profits are made on sale of investments?

Investments are under Govt. direction.

(VIII) Liabilities and Loans

 Give the total amount of loans (including interest, penal interest and commitment charges separately) whether defaults were made in repayments as at the end of the accounting period.

From Financial Institution and banks

No loan/ advance from financial institution and banks outstanding at the year end. According to the information and explanations given to us, the Corporation has not defaulted in repayment of dues to financial institution or bank.

 Whether guarantee tees payable to the Govt, of India as per terms of Ioan agreement had been accounted for properly?
 Not applicable.

 Whether any part or whole of the loans from government and/or interest accrued thereon have been either converted into equity or waived by the government: it so, its impact on the financial position of the company.
 No such case.

 Are the terms of the loan agreements such that they make the entity especially vulnerable to changes in the interest rates?
 No

Check the loan profile of the Company to find out whether the high cost debts were swapped with low cost market borrowings.

No high cost loans outstanding from banks and financial institution during the year. Hence not applicable

 Whether there have been receipts of large loans from other PSUs or enterprises not related with the business of the Company No such case.

Whether any study was conducted to avail any other instruments or derivatives.

of high cost loans₹

Not applicable.

(IX) Awards & Execution of contracts

 Whether Company has devised a proper system of tendering for awarding of various contracts?





Yes. The Corporation has a system of procuring for purchases over Rs. 1,00,000/- by Tender through advertisement and below Rs. 1,00,000/- by way of quotations from parties.

 Whether the Company has an efficient system for monitoring and adjusting advances to contractors/suppliers.
 Yes.

3. Whether the Company has settled all the issues viz. Performances Guarantee (PG) tests, recovery of Liquidity Damages (LDs), final payments etc. soon after the commissioning of the project? Are there any cases of inordinate delay without sufficient justification? Whether there are any disputes/ Claims unsettled for a lang time?

No project on turnkey basis. Hence not applicable

Whether there are any disputes\claims unsettled for a long time?
 See Point XII – (1)

7. What is the procedure followed by the company for purchasing proprietary tems? What is the procedure for ascertaining the authenticity of the propriety items certificate given by an official based on which tendering is not resorted to and goods are purchased from a particular supplier?

Propriety Items (ayurvedic medicine) if any, are purchased at negotiated price duly approved by delegated authority.

(X) Costing System

 Whether the Company has any cost policy? Yes.

Are the cost accounts being reconciled with financial accounts?

Yes. Cost accounting applicable for Plantation WIP and Vanil Product of furniture and Ayurvedic Products.

 Whether the Company is computing the cost of major operations, jobs, products, processes and services regularly? If not, describe the failures Yes

 Whether the Company has an effective system for identification of idle labour hours and idle machine-hours?
 No

Was cost audit ordered in the case of the Company? If so, highlight the major deficiencies pointed out in the latest cost audit report.

Cost audit is not statutorily applicable to the Corporation, however the Corporation has carried out cost audit for Ayurvedic and vanil products. The compliance certificate lowards maintenance of cost record is obtained from the cost advisors. No irregularity pointed out in cost audit report for the year 2021-22.



 Examine the accounting treatment of rejects & scraps for determination of cost of production. State the impact of by products and joint products in determining costs.

Co. has a system of identifying rejects & scraps in case of Ayurvedic & Vanil Udhyog Products; they are segregated separately and disposed off through auctions.

 Whether there is any system to evaluate the abnormal lasses and taking remedial measures to control such losses?

Yes

8. What is the method being followed by the company to charge overheads? How is the overhead rate being arrived at? In case of cost plus contracts, are the overheads being recovered completely or not?

For Plantation

Overheads are allotted on per cent basis as determined by Corporation Officers' Level Committee.

Vanil & Ayurvedic Division

Cost plus contracts handled and overheads are absorbed.

(XI) Internal Audit System

1. Whether the Company is having Internal Audit Section manned by staff of their own or whether the Company has hired the services of CAs as Internal Auditors? Give your commants on the Internal Audit System stating whether its reporting status, scope of work, level of competence etc, are adequate? If not, describe the shortcomings thereof, is there an adequate compliance mechanism on internal audit observations?

No. For FY 2021-22 Internal auditor was not appointed. But looking to the size of the Corporation and nature of its business there is a need for verification of records by external agency.

2. Whether internal audit standards/manual/guidelines have been prescribed and they are in practice?

N.A.

3. Whether the internal audit is accountable to the audit committee?

Yes

4. Whether internal audit is independent and reports directly to the Chairman/ Head of the Company?

Yes

 If internal audit is outsourced then whether the selection process is fair and transparent?

Yes

 Whether entities which are not under the jurisdictions of the professional institutes are being given the work of internal audit?
 No



 Does the internal Audit report contain any serious irregularity which needs immediate attention of management / Government?
 No

8. What is the total impact of all shortcomings/ deficiencies pointed out in the latest internal Audit Report and pending for compliance as an date? No significant irregularities pointed out in internal audit report and the report fill. 31.3.2021 is duly complied by the Corporation.

Whether mistakes/shortcoming pointed out in the latest report is of the same kind/ type as pointed out in earlier reports?

(XII) Legal/Arbitration Cases

 Number of pending legal/arbitration. Cases indicating the age- wise analysis and reasons for their pendency.

As informed to us,

Age of legal cases	Total No. of Legal cases
1 to 3 years	05 (2020 to 2022)
4 to 6 years	6 (2017 to 2019)
7 to 9 years	11 (2014 to 2016)
10 years and above	42 (2013 & before)
Total	74

2. Details of new cases and cases settled during the year.

Total 74 pending cases as mentioned above.

3.Whether any norms/ procedures exist/ proposed to be taid down for large legal expenses (Foreign & Local) incurred to be incurred.
No such case

4. Is there any system to ensure proper documentation (like maintaining minutes if the meetings, Foreseeing Contingences, Foreign exchange fluctuations etc.) before Agreement with foreign parties was well as Indian Parties? Yes

(XIII) EDP Audit

1. Whether the organization has an approved IT strategy or Plan.

Yes. Corporation had planned for modernization of accounting practices and implementation of ERP system which was granted by Govt few years back. However till date, it has been not implemented.

If the auditee has computerized its operations or part of it, assess and report, how much, of the data in the Company is in electronic format, which of the major.



dreas such as Financial Accounting, Sales Accounting, Personnel Information, Payroll, Materials/ Inventory Management, etc. have been computerized' All areas are computerized except

 Panam Division: Monthly receipt & payment received from Panam Division is entered in account. Daily records maintained by them manually in single entry system.

- Vanil Division: Stock records are maintained manually.

- All divisions: Personnel Information, payroll maintained manually.

Indicate how this impacts on your work of auditing the Accounts and whether your audit is through or around the computer.

Around the computer.

4. Has the Company evolved proper security policy for data /Software/Hardware?

Yes, But regular back up should be stored out of sight.

5. Identify the areas in which the auditor's of the view that the built-in-checks and validations in the computer environment are not adequate or were not being exercised with proper authority?

Accounts maintained in Accounting Software Tally ERP 9 No built in checks and validation in the nature of duel control

(Maker Checker Concept) in the system.

6. Comment on any problem faced in extracting information from Computer files due to lack of backup of past records or due to record corruption. Is there a document retention policy?

No such case

Whether any software is unufilized or underutilized due to lack of trained staff proper operating manual/ documentation etc?

No such case

8.Comment whether changes made in software have the approval of management and the same has been documented property and the lead-time give to staff to get accustomed to it before making it fully operational?

No changes in the Software except up gradation.

9. Whether the 8OD is briefed regularly about the new IT strategy, if any, proposed to be incorporated for the Company as a whole, for which large funds are sanctioned. This is particularly relevant to organizations where, the entire IT activity is to be made online in due course.

As informed to us, the proposal for an line ERP system was sanctioned in earlier years with grant but remained incomplete with partial utilization of grants. Now the corporation has undertaken real time upgradation of Tally software at some of the shops/ divisions. The grant amount should be utilized for the same.

10. Whether the systems department is responsible for both hiring/buying EDF equipment Hardware and Software and also certifying their 'usability' before final payment both functions should be separate with user departments involved in the latter.

Software of ERP system is procured from Govt. Company



 Whether the company has detailed/ comprehensive list of all reports/ statements which can be generated by the system in use?

Yes

12. Whether there is an effective IT steering Committee®

Work of Accounts Dept. handled in house. There is no IT committee appointed.

13. Whether there exists effective disaster recovery plan for EDP Department which is periodically reviewed and evaluated?

Back up maintained by all departments and software maintenance handled by vendors under AMC.

14. Whether any of the findings and recommendations noted in the EDP Audit report was considered significant and whether the issued were satisfactorily resolved?

No EDP audil conducted

(XIV) Environmental Management

Compliance of the various Pollution Control Acts and the impact thereof and policy of the Company in this regard may be checked and commented upon.

Not Applicable

(XV) Corporate Social Responsibility

1. How is the company discharging its Corporate Social Responsibility

Main object of the Organization is promoting CSR They underlake afforestation projects in the state of Gujarat and work for uplifiment of Tribals and rural population by dealing in MFP, Timber, Ayurvedic products etc.

- Whether any Board approved policy is in place and is being properly followed? Yes.
- 3. Whether there is a system of fixation of target for CSR activities? Yes.
- Whether adequate mentoring mechanism exists for implementation of CSR activities? Yes.

(XVI) General

 Indicate whether the Company has entered into a Memorandum of Understanding with its administrative Ministry? If yes, have the targets in MOU been split unit wise? If so, attach a unit-wise statement of targets and achievements against the parameters in MOU.

Yes. The Corporation has following MOUs with Ministries: Transfer of land for Plantation at Panam Division

 Whether contribution of employer and employee to Provided Fund is kept separately out of business and proper sateguard of the same is taken care of?
 Pf is entrusted to Commissioner of Provident Fund trust of India.



 Does the Company present a case for energy audit? If yes, has the audit conducted by a specialized agency?

Not Applicable.

4. Where land acquisitions is involved in setting up new projects an enquiry as to whether settlement of dues and rehabilitation of those affected are being done expeditiously and in a transparent manner to ensure that the benefits go to the rally affected people and is not diverted to agents and intermediaries including political parties.

Govt. of Gujarat has transferred land under Panam Irrigation Plantation Project to the Corporation for intensive management and development of plantation activity. No Disputes against the same as informed to us.

5. Whether the Company has done any mergers and acquisitions during the year? Whether a thorough need analysis was done before Merger of acquisition ? Whether share holders acceptance was taken before decision on merger/ acquisition was arrived at? What was the impact thereof on the profitability of the Company?

No such case.

 If testing has been applied by Statutory Auditors, the manner in which areas of checking have been identified may be specified. Extent of sample selected and methodology of sampling g adopted may also be specified.

We have applied test check on random basis covering at least 50% of all areas.

FOR, SANJAY SONI & ASSOCIATES, CHARTERED ACCOUNTANTS F.R.N. 113251W

CA Súnita Soni Partner MRN 044868 UDIN 23044868BGXRSL3068

DATE: 13.03.2023 PLACE: BARODA

Direction under section 143(5) of Companies Act 2013 (Revised) Applicable from the year 2017-18 onwards

 If the Company is selected for disinvestment, a complete status report in terms of valuation of assets (including intangible assets and land) and liabilities (including committed & general reserves) may be examined including the mode and present stage of disinvestment process.

Not Applicable

 Please report whether there are any cases of waiver/ write off of debts/loan/interest etc. if yes, the reasons there for and the amount involved, No Major amount written off of debts, Loans, interest etc.

Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt, or other authorities.

generally Yes

4. A report on age wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.

Yes

FOR, SANJAY SONI & ASSOCIATES, CHARTERED ACCOUNTANTS F.R.N. 113251W

CA'Súnito Soni Partner MRN 044868 UDIN 23044868BGXRSL3068

DATE: 13.03.2023 PLACE: BARODA

Directions under section 143(5) of Companies Act, 2013 Applicable from the year 2020-21 and onwards

ANNEXURE -1

 Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

a. All accounting transactions are not system based. Individual payments to Minor Forest Produces and other MFP to around 10,000 gatherers, are paid in cash as per manual records maintained and consolidated entry is passed in the book. However, as a large number of recipients involved, adherence to Government norms for such payments is not subject matter of our audit. Govt. norms, for proper identification and authorization to genuine gatherer and correct calculation of amount payable to him as per inventory records, is required as a part of internal control.

b. The Collection records and accounts of the Shops and Depots across Gujarat are recorded manually and entered in books on consolidated basis at the month end.

- I whether there is any restructuring of an existing loan or cases of waiver/ write off of Debts/ loans/ interest etc made by a lender to the Company due to Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case , Lender is a Government Company, Then this direction is also applicable for statutory auditor of lender Company). No Loans taken by the Company hence not applicable.
- III Whether funds (grants/subsidy etc.) received/ receivable for specific scheme from central/state government or its agencies were properly accounted for/utilized as perits terms and conditions? List the cases of deviation.

Fulfillment of Conditions for utilization of grants obtained from State and Central Government under various schemes and maintenance of record for the same, is not subject matter of our audit. Accounts based on C.A. Certified Grant Utilization Certificates and accepted by us. Corporation has arranged special audit of these grants for the year 2021-22 as informed to us and report of the Audit is awaited as informed to us.

Sector Specific Sub - Direction under section 143 (5) of the companies Act, 2013

Plantation

1. Whether requisite permission for clearing of forest existing plants etc. have been obtained under the prevailing rules and regulations in compliance of forest conversation act so as to protect/ preserve forest cover. Has the company taken adequate steps to stop unauthorised felling of trees for conversation and spread of forest cover?

As explained to us, the Panam inigation Plantation Project is approved by Govt of Gujarat. The project covers activity of growing hees like Eucalyptus and cutting them for commercial purpose, governed under the approved Working Plan. The permission for felling of frees is in built. Again as informed to us, each cutting 28



permission is obtained as per the prescription of approved Working Plan by Government of India and felling permission is granted by the Regional Office F.C.A Bhopal Government of India. The corporation has engaged security staff to protect the forest area. The forests are guarded by staff of forest department of Govt. of Gujarat as well.

Whether management has monitored that by-products/ scrap produces within the norms.

The nature of wood and Fire wood (Jalau lakda) evaluated as per norms and experience for each Planation under cutting ,area wise and quotations are tendered accordingly, as explained to us.

3. Whether the policy of accounting for trees felled after economics life of rubber/eucalyptus plantation is in accordance with the standard practices followed in similar industries?

Panam Plantation is mainly a Eucalyptus Plantation Project, economic life of which is estimated as 5 years, after the plantation is harvested once at the end of five years, thereafter three copplice of the plantation are harvested further at the end of five years each. The corporation has made auction/sold after obtaining the permissions from the Regional Office F.C.A 8hopal Government of india.

4. Whether re-plantation reserve has been utilized for the intended purpose and meets the requirements of compensatory afforestation under respective legislation?

Yes

Extraction /utilization of Forest Produce

 Indicate whether the company has devised proper system for timely taking over of marked forest lots for felling, extraction at timber and its safeguard against deterioration during extraction, transportation and storage. If not losses incurred due to deterioration of timber during the year may be highlighted

The Corporation had made the auction of standing crop of Eucalyptus after marking these for falling and obtaining the due approval. Deterioration during the extraction is not reported except for the company has written off expenditure of plantation of Bamboo, Balcona and teak of Rs 38.45 takhs due to deterioration.

Whether the company has proper system to check the basis of calculation and timely payment of royalty to the Forest Department. Interest paid to the state Government on account of delay in payment of Royalty may be commented.

The forest at Panam admeasuring 5589 hector is transferred to Corporation on a lease on annual rent of Rs. 5589/- and lease period is over on 31.03.2016 and the further process of renewal is under process in Government. As informed to us no royalty is stipulated/payable to forest dept. as per terms of lease agreement.

But in our opinion, there is one fault in the system where Auction of Panchayat land is handled by Corporation. The Traders bid for the auction. They in turn pay to the tribals in cash for sale of Timru leaves where corporation has no control. These Traders appoint Fud managers who maintain cards showing Number of bags of



timru leaves, amt paid and bank details. Whether the traders pay the tribals in cash or through bank is not known to Corporation. But Corporation as a manager of this activity should be concerned for benefit of tribals. Then Corporation returns back to the beneficiaries (the tribals) to distribute them Profits under PESA through banking channel. The audit point is why the tribals are not paid through banking channels at the time of sale of timru leaves ? And how to ensure the authenticity of cards maintained by Fud managers on behalf of traders ? A robust system for the same to be developed by appropriate authority.

Also it is noticed that the profils of MFP of panchayat land (scheduled) auctioned is returned to the tribals but there is no such policy of giving extra benefits to the Tribals of the sanctuaries where collection of Timru leaves is handled by Corporation itself. Thus these tribals are at loss to that extent. They are at disadvantage due to duel policy dilemma. The policy in this regard to be discussed in light of principal of equality.

Examine the system of auction to check if it is transparent enough to ensure fair realization of value of timber.

The Corporation has a proper system of auction and followed the same as and when there is auction. The Auction process seems to be fair and transparent. However regarding fair realization of value of timber, the same is decided by respective Division heads who in turn also handles the Auction process. It is also seen that bulk allocation of royalty contracts are also given to one & same party.Corporation has policy to recover loss on re auction and recovered Rs 32 lakhs at our instance.

Whether management has monitored that by-product produced was within the norms.

As informed to us, the same is managed by respective range officer.

Whether the inventory management is effective to bridge the gap between the demand and supply to avoid distress setting of timber?

Yes, as informed to us, the coppices are ready for cutting every five years.

Report the cases of diversion of grants/ subsidies received from central/ state Government to their agencies for performing certain activities.

The list of Grants obtained and amount utilized is given in the Notes to Accounts. Fulfiliment of conditions for utilisation of Grants for specific schemes from central/ state agencies is not subject matter of our audit. The utilization amount of grants is certified by CA appointed by Company and accepted by us.

Corporation has arranged audit of utilization and reconciliation of grants these grants till the year 2021-22 and report of the Audit is awaited as informed to us.

Service sector (Interior designing work contracts of Vanil)

 Whether the Company's pricing policy absorb all fixed and variable costs of production and the overheads allocated at the time of fixation of price if

Yes. Interior Contracts of Govt dept for interior works are billed at cost plus such percentages as fixed from time to time.



 Whether the company recovers commission for work executed on behalf of Government/ other organizations i.e. property recorded in the books of accounts? Whether the company has an efficient system for billing and collection of revenue?

There is no business on commission basis . Interior Contracts of Govt dept for interior works are billed at cost plus 15% price. Billing system is generally proper. However, balance confirmation from Govt departments is not obtained hence the balances are subject to reconciliation. If any. There are balances outstanding for more than 12 months with Dy. C F Gandhinagar Rs 17 Lakh, Gujarat Pollution Control Board Rs 35 lakh, Higher Education Commissioner Rs 68.24 lakh Cr. Prin. CCF Gandhinagar Rs 56.83 lakh, M D CHPDC Ltd Rs 57.79 lakh and small amounts less than 50,000 O/S with DY C F of various districts (25 such accounts). The Collection system requires to be monitored properly.

Whether the Company regularly monitors timely receipt of subsidy from Gavt, and it is properly recording them in its books?

During the year , the Company has properly recorded in its books , all the subsidies/ grants receipted during the year. The grants are recorded in books on receipt basis.

4. Whether interest earned on parking of funds received for specific projects from Govt, was properly accounted for?

All funds received by Corporation are deposited in Guj state Finance Corporation or schedule banks and there interest earned by corporation thereon. As informed to us, there is no stipulation as to keep the funds in current account.

Whether the Company has entered into Memorandum of understanding with its administrative ministry, if so, whether the impact there of has been properly dealt within the financial statements.

For Vanil section, the govt, departments are directed to route their furniture contracts through this division of Corporation. It is a profitable business but the administrative cost of Company is on a higher side.

Service Sector (Sardar Sarovar Nauka Vihar)

 Whether the Company's pricing policy absorb all fix and variable costs of production and the overheads allocated at the time of fixation of price 2

Collection of farry charges is done by SSNV and amount remitted by them every 15 days.

- 2. Whether the company recovers commission for work executed on behalf of Government/ other organizations i.e. properly recorded in the books of accounts? Whether the company has an efficient system for billing and collection of revenue?
- 3.

Yes . The Collection is done by SSNV and they transfer the collection of Nauka Vihar to Corporation . During the year, total collection is amounting to Rs. 127 lacs (excluding GST). As per agreement with operational partner M/s. Uniterry

Services has 73% share and after deducting other misc. expenditure like advertisement, electricity etc. profit of corporation is Rs 30 Lakh.

- Whether the Company regularly monitors timely receipt of subsidy from Govt, and it is properly recording them in its books?
- There is no subsidy specifically for SSNV Nauka Vihar.
- Whether interest earned on parking of funds received for specific projects from Govt, was properly accounted for?

No such fund received during the year for SSNV Nauka Vihar Project.

- Whether the Company has entered into Memorandum of understanding with its administrative ministry, if so, whether the impact there of has been properly dealt within the financial statements.
- 7.

The Company has not entered into Memorandum of understanding with any Administrative Ministry. The Corporation has started the new business activity of Ferry Boat Services at Dyke-3 and 4 at Kevadia Nr. Statue of Unity by coming into agreement with M/s. Uniferry Services Pvt. Ltd., The Dyke-3 and 4 has been allotted to Corporation as eco tourism site by SSNL vide letter no. Nayomukav/P8-3/4231 dated 03.09.2019. As informed to us, this contract is discontinued from 31.5.2022 but no written instruction for the same.

Trading (Trading of MFP)

- Whether the Company has effective system for recovery of dues in respect of its sales activities and the dues outstanding and the recoveries there against have been properly recorded in the books of accounts?
 Yes
- Whether the company has effective system for physical verification, valuation of stock, treatment of non moving items and accounting the effect of shortage/excess noticed during physical verification.

Yes. However the Opening stock of Honey is Rs 294 lakh , current purchase Rs 225 lakh of which sales is Rs 188 Lakh thus closing stock is above Rs 330 lakh. The purchase of Honey is through MSP Grant account.

- The sales realization of Honey purchase from MSP account is to be transferred to MSP grant bank account and the calculation is yet to be finalized.
- II) As the purchase is booked in grant account, the stock of unsold honey form MFP purchase is also not booked as inventory. The stock record of this Honey is properly maintained and the stock is physically verified by management as informed to us. But this stock is unsold as company can sell only through retail channels with limited turnover and company does not find buyer for bulk purchase at higher than the cost price. Hence the stock has become slow moving and is being piled up. As informed to us, Company is in process of obtaining approval of selling the product at lower than cost price.

Physical verification of stock of Mahuva leaves is not conducted for the reasons as mentioned in point 7 to 11 Notes to accounts.



45th Annual Report

Gujarat State Forest Development Corporation Ltd.

 The effectiveness of system followed in recovery of dues in respect of sole and activities may be examined and reported.
 Yes.

FOR, SANJAY SONI & ASSOCIATES, CHARTERED ACCOUNTANTS F.R.N. 113251W hands .n." CA Sunto Soni PARTNER MRN 044868 UDIN 23044868BGXRSL3068

DATE: 13.03.2023 PLACE: BARODA

Information as required as required vide Extract of Hatr. Office letter No. 131/CA-IV/35-2009 dated 10.06.2009

Sub : Additional Sub –direction under Section 143(5) of the Companies Act 2013 (c) Confirmation of Balances : as on 31.3.2022

Bank Balances: 100%

Account Receivables: Sent to some parties.

Accounts Payable:

Loans & advances: The Balances due from / to Government of Gujarat are not confirmed as the Government does not follow accrual system of accounting.

(d) Whether balance confirmed by the parties has wide variation and such variation might not have been reconciled till the finalization of financial statements, percentage of the amount of such variation to total amount of accounting head in the balance sheet may also be reported.

Confirmation obtained response from very few parties. No major Variation in the balance confirmations as reported wherever such confirmations are obtained.

(e) High value individual cases (say representing more than one per cent of the respective accounting head) of non-confirmation of balances and wide variation individual cases pending reconciliation may also be reported.

As informed to us, the Corporation has a system of sending Balance Confirmation letters to its debtors/creditors but such balance confirmations are not reciprocated in majority of the cases. Such confirmation must be obtained in accounts with large transaction volume/ amount. This year, the Balance Confirmation letters are not reciprocated in most of the cases. The Corporation should take balance confirmation on electronic media as well so as to ensure quick and assured confirmation.

(f) The statutory Auditors are also directed to express their opinion on the adequacy of the system of the management for confirmation and reconciliation of balances as well as report the deficiencies, if any, on the above matters to the audit committee, if exists.

The system of balance confirmation should be categorically followed on regular basis. In case of balances with Panchayats and Govt. of Gujarat, are shown as receivable/ payable as per records of the Corporation and no confirmation of the same.

> CHARTERED ACCOUNTANTS F.R.N. 113251W CA Sunita Soni Partner MRN 044868 UDIN 23044868BGXRSL3068

FOR, SANJAY SONI & ASSOCIATES,

DATE: 13.03.2023 PLACE: BARODA Extracts of Hqrs. Office letter No. 194/WR/CA/Sub-directions/1-2013 dated 12-03-2013

SUB : DIRECTION UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

LAND HOLDINGS

A Land owned as fixed asset

 Are proper records maintained for the land in possession of the Company/Corporation giving full particulars of quantitative details and locations?

Yes

2) is the company having clear title of the entire land in its possession and suitable documentary evidence available with the management?

Yes

3) Are leased land shown separately? Has reconciliation been carried out of the grass and net carrying amount at the beginning and end of the reporting period with details of additions and disposals, if any?

Leasehold land not shown separately. Govt. of Gujarat has transferred to the Corporation command area admeasuring 5589 Ha of reserved forest of Panam Irrigation Plantation Project on lease of 30 years of Intensive management and development by the Corporation w.e.f. 1.4.1988 on annual rent of Rs. 5589/- lease completed on 31.3.2018. Corporation has been requesting from time to time to the Government to renew the agreement for further period of 30 years and the same is under consideration of the Government.

4) If revalued amounts are substituted for historical costs, whether disclosure includes the method adopted to compute revalued amount, nature and indices used, Year of re-appraisal and whether external valuer was involved.

No such case.

5) Are disclosures about land shown at nominal or nil value full and adequate?

Lease hold land not disclosed separately

6) Is the entire land being put to use if not, does the management have any plan in place to utilize the left over landit

Govi, of Gujarat has transferred to the Corporation command area admeasuring 558? Ha of reserved forest of Panam Irrigation Plantation Project and agricultural land for development of medicinal herbs and plants. Area under use is assessed may be surveyed independently.





7) Has the management declared any partian of the land surplus to their requirement? If yes, what further action has been initiated?

As informed to us, management has not declared any land as surplus to their requirement.

B Land owned as 'stock in trade'

 Whether the inventory of land acquired as stock in trade match with the physical possession as per annual physical verification? Are discrepancies properly reconciled?

No such case

2) Is there a Property Register in respect of plots indication cost of land and cost of development? Do all costs relating to acquisition of land, development, rehabilitation, registration, stamp duty, brokerage, incidental expenses etc, form part of the total cost of land and are properly accounted for in the accounts based on clear accounting policy? Yes

3) Is there any land held as stock in trade whose fitte has not been passed on to the company/corporation but further allatment of the same has been made by the company/corporation?

Not Applicable

 Are development expanses capitalized on the basis of estimated expenses? If yes, quantify the difference between estimated and actual expenses.
 Not Applicable

5) Whether land allotted to users have been put to use for the purpose for which it was allotted? What is the extent of monitoring to enable cancellation and resumption of plots wherein no production/approved activities are started as per terms and conditions of allotment by allottees?

Not Applicable

6) Is there any deviation from set policy in allotment /sale of land during the year? Not Applicable

7) Are there instances of amounts recoverable from units sold out for which no security is available presently?

Not Applicable

C Common points(for land held as 'fixed assets' or 'stock in trade')

 Whether lands transferred from erstwhile Government departments have been carrectly taken into account with full details, the concrete efforts made by Government and the company/corporation to update records should be detailed Yes. However lease period of Panam Project is over. Hence fresh documents along with details of land awaited at this juncture.



 Have instances of encroachment of land been noticed? If yes, the extent and value and whether matter has been taken up immediately with the concerned authorities for eviction of the encroachers may be given.

Looking to the vast area under control of Corporation all over the State, such a possibility can not be avoided. Confirmation from concerned authority of Corporation evading any encroachment on land in possession of Corporation should be obtained on record. Such a survey of land should be expediently undertaken to safeguard Assets of the Corporation.

Whether disclosure for land under litigation is full and adequate?

No such case as reported.

D Specific point (Land development on behalf of Govt.)

 Whether the PSU/Corporation is involved in land development projects on behalf of Government which do not form part of annual accounts? If so, there should be a full disclosure on the financial and other aspects.

The Corporation is involved in Plantation Project on land obtained from Government. The financial aspect of plantation covered in Annual Report.

Also Grant is received from Forestry and Wild life Department for Godown Project on Government land, of which the construction of two godowns are under progress which will be capitalize in next year. Assessment may be done of utilisation of Capital Grant for development of projects in past and accounting of assets created out of the same. Eco den Project is implemented at Vanil for Tourism development. Sardar Sarovar Narmada Nigam Ltd has allotted Dyke 3 and 4 for Ferry Boat services for development of Tourism there.

FOR, SANJAY SONI & ASSOCIATES, CHARTERED ACCOUNTANTS F.R.N. 13251W

CA SUNITO Soni PARTNER MRN 044868 UDIN 23044868BGXRSL3068

DATE: 13.03.2023 PLACE: BARODA

ANNEXURE II

ADDITIONAL SUB DIRECTIONS FOR NECESSARY COMPLIANCE IN STATUTORY AUDITOR'S REPORT AND FORWARDING OF ADDITIONAL REPORT UNDER SECTION 143(5) OF COMPANIES ACT 2013

(1) ADDITIONAL DIRECTIONS:

(a) Internal Control :

Periodicity of physical verification of cash.

HO cash

Physical verification of cash is made on transactional days by Accountant from Finance Department at Head office and he is signing cash certificate as token of acceptance of the same. Cash transaction is made daily basis.

Division & Branches cash maintenance

Branches handle cash during season for disbursement to gatherers. Around 10,000 gatherers, on thump impression on voucher, paid in cash. Internal control to that extent needs to be strengthen.

Frequency of Physical verification of stock and fixed assets.

Physical verification is carried out for stock and fixed assets by concerned departments. The staff availability for verification is much low as compared to the verification job.

System of Maintenance of bank account and cheque signing authority.

Fund management of all branches Banking transactions are mainly handled Head Office. Payments by HO on behalf of branch are as per advice sent by branch and credited to branches. Party account should be credited by HO with corresponding entry in branch account. As per Board Resolution. MD is given power to appoint Bank signatories at HO and Division level. At present , there are three signatories at HO viz C5. Sr. Mgr. Marketing and FC (any two of three) and one signatory at each division level.

The system of internal control inbuilt in the purchase and sales transactions entered into by the company.

Purchase:

Corporation has well-defined purchase policy, giving purchasing powers based on value of purchase, to different hierarchy in the Corporation. Purchase of below Rs. 1 lac are done by Officers Purchase Committee duty constituted by the Board. Purchases between Rs. 1 lac to Rs.30 lacs are done by a Purchase Committee consisting of Jt. Managing Director as Chaliman of the Committee and purchases of above Rs. 50 lacs are done by Directors' Purchase Committee. Committee stated above follow Government's CSPO guideline issued from time to time.



Before carrying out any purchases "in principle" approved is taken from the Managing Director Or Board of Directors keeping in mind delegated financial powers.

Procurement of MFP is generally done in cash at various camps set up in catchment area. The tribals and villagers are paid in cash. There are receipt slips with thumb impression of the gatherer. As cash is involved therein with inherent risk, lack internal cantrol should be strengthen Govt, norms, for proper identification and authorization to genuine gatherer and correct calculation of amount payable to him as per inventory records, is required as a part of internal control.

Sales:

Corporation follows its sales policy to get competitive rates of goods. An upset price is proposed by concerned officer to the Managing Director through Jr. Managing Director which is approved by the Chairman of the Corporation. In order to get healthy competitive rates, tendering or auctioning process is followed by the Corporation. Corporation has constituted a sales Committee which consists of Directors and Officers of the Corporation.

Steps taken by the management to recover the overdue amount of more than Rs.1 lakh in loans and advances.

Steps are being taken to far recovery of advances. Dues from Govt, are under consideration.

Details of utilization of all term loans raised with reference to its purpose.

At Present Corporation is not having any outstanding term loan from Financial Institutions/Banks. However, Charge on assets of the Corporation dated back to 1993 for Rs 75 lacs by SBI and 2.45 crore by Bank of Baroda is visible on MCA site.

(b) Contingent Liabilities :

Contingent Uabilities stated in Notes on Accounts are actually contingent in nature as per our verification of records and documents. (c) Bad Debts Provisioning :

No provision for Bad debts during the year.

(2) ADDITIONAL DETAILS IN THE STATUTORY AUDITORS REPORT :

(a) Accounting Standards :

The Corporation is following all applicable Accounting Standards issued by the Institute of the Charlered Accountants of India.



(b) Note on Accounts :

Notes to accounts are self explanatory.

(3) OTHERS :

Other matters

We draw attention to following matters though our opinion is not qualified in this matter.

- During the year the Corporation has disbursed Rs 1.25 crore to around 10000 MFP gatherers, most of whom, being illiterate, have given their thumb mark/signature on receipts, of which payment is done in cash in most of the cases. The Guidelines for Minimum Support Price for Minor Forest Products allows such payments in cash on case to case basis by following Government norms, to be upgraded to cashless payment mode. Govt. norms, for proper identification and authorization to genuine gatherer and correct calculation of amount payable to him as per inventory records, is required as a part of internal control and fulfill objective of Corporation for upliftment of tribals. However, as a large number of recipients are involved, adherence to Government norms for such payments and maintenance of records for the same, should be complied with and it has not been subject of our audit.
- b. Fulfiliment of Conditions for utilization of grants obtained from State and Central Government under various schemes and maintenance of record for the same, is not subject matter of our audit.
- C. Balance receivable and payable to Government of Gujarat is as per accounts of the Corporation and claims put up by the Corporation with Government Departments and is subject to approval of these authorities from time to time.

(b)Supplementary Comments :

 Internal Audit system needs to be implemented looking to the size of the Company and nature of its business.

> FOR, SANJAY SONI & ASSOCIATES, CHARTERED ACCOUNTANTS F.R.N. 113251W

CA Sunito Soni PARTNER MRN 044868 UDIN 23044868BGXRSL3068

DATE: 13.03.2023 PLACE: BARODA

Addendum to the sub directions issued via Letter 21.04.2022

In addition to the sub directions issued (21.04.2022) by this office, following sub directions applicable for audit of DY 2021-22 onwards is issued

- Whether heard copies of all the journal entries and supporting documents passed with approval of authorized signatory are available.
 Yes. It is also confirmed by Management.
- Whether fixed assets Register showing full particulars of the fixed assets is available?

It is available in soft copy. The Organization is established in 1976 and hence old records are not available but The register is prepared with available records since 2012 since computerization in old tally software and updated tally since 2021 and brought forward balances of earlier years. It is the best available records and we don't see necessity to qualify the financials looking to the extent the information available to represent true and fair value of Property. Plant and equipment.

- Whether reconciliation of Fixed Deposits with Bank Statement is available ? Yes
- Whether reconciliation / Utilisation Certificates of Capital and Revenue Grants is available ?

All Grants are of capital Nature and none is of Revenue Nature so as to transfer to Profit and Loss account. Grants are classified as grants for capital asset purchase and other grants as reconciled accordingly.

C A certified Utilisation certificate is available to for current Year Utilisations, as confirmed by management and submitted to appropriate authority. Company has appointed CA firm to Audit the Utilisation Certificates and reconciliation with Bank accounts till date. So far no discrepancy is reported by them. On completion of their audit and based on their report, necessary reclification can be done in accounts. We have nothing to report at present in this regard as per available records as per books of accounts.

> FOR, SANJAY SONI & ASSOCIATES, CHARTERED ACCOUNTANTS F.R.N. 113251W

CA-Sunita Soni Partner MRN 044868 UDIN 230448688650000513068

10

DATE: 13.03.2023 PLACE: BARODA

भारतीय लेखापरीक्षा एवं लेखा विभाग कार्यालय महालेखाकार (लेखापरीक्षा-II) गुजरात ''लेखापरीक्षा भवन'' , नवरंगपुरा, अहमदाबाद - 380 009.



INDIAN AUDIT & ACCOUNTS DEPARTMENT

Office of the Accountant General (Audit-II), Gujarat Audit Bhavan, Navrangpura, Ahmedabad - 380 009.

No. AMG-II/A/cs/GSFDC/2023-24/24 25/4/23

सेवा में, प्रबंध निदेशक, गुजरात राज्य वन विकास निगम लिमिटेड, वनगंगा 78, अल्कापुरी, वझेदरा, गुजरात - 390007 To, The Managing Director, Gujarat State Forest Development Corporation Limited, Vanganga 78, Alkapuri, Vadodara, Gujarat – 390007

विषय: - 31 मार्च 2022 को समाप्त वर्ष के लिए गुजरात राज्य वन विकास निगम लिमिटेड के लेखों

की लेखा परीक्षा

Sub: - Audit of Accounts of Gujarat State Forest Development Corporation Limited for the year ended 31 March 2022

महोदय,

31 मार्च 2022 को समाप्त वर्ष के लिए गुजरात राज्य वन विकास निगम लिमिटेड के खातों पर कंपनी अधिनियम, 2013 की धारा 143 (6) (बी) के तहत भारत के नियंत्रक और महालेखापरीक्षक के संलग्न गैर-समीक्षा प्रमाण पत्र को देखें। "गैरसमीक्षा" प्रमाण पत्र को अंतिम रूप देने के दौरान, कंपनी अधिनियम, 2013 के कुछ गैर अनुपालन देखे गये हैं, जो कि लेखापरीक्षा राय को प्रभावित करने के लिए पर्याप्त नहीं हैं। इसलिए, अगले वर्ष के वित्तीय वक्तव्यों में अपेक्षित कार्रवाई के लिए एक प्रबंधन पत्र के माध्यम से इन त्रुटियों को अलग से सूचित किया जा रहा है ।

फोन / Phone : 079-26403713, 26561327, 26405874, 26561282, 26560892, 26473888 फेक्स / Fax : 079-26561853 E-mail : pagau2gujarat@cag.gov.in

कंपनी अधिनियम, 2013 की धारा 143 (6) के तहत, भारत के नियंत्रक और महालेखा परीक्षक की टिप्पणियों को उसी तरह वार्षिक आम बैठक से पहले और उसी समय कंपनी की लेखा परीक्षक रिपोर्ट के रूप में रखा जाना आवश्यक है। वार्षिक आम बैठक से पहले भारत के नियंत्रक और महालेखा परीक्षक की टिप्पणियां रखने की तिथि इस कार्यालय को सूचित की जाए।

मुद्रित खातों की छह प्रतियां हमाएं उपयोग और रिकॉर्ड के लिए इस कार्यालय को मेजी जाए। यह पत्र प्राप्त होने पर इसकी प्राप्ति की सचमा इस कार्यालय को दी जाए।

Sir.

Please find enclosed non-review certificate of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act. 2013 on the accounts of Gujarat State Forest. Development Corporation Limited for the year ended 31 March 2022. During the finalization of "non-review" certificate, some non-compliances to the Companies Act, 2013 have been observed which though not material enough to affect the audit opinion needs to be addressed to improve the quality of financial statements in next year. Therefore, these accounting errors are being intimated through a Management Letter issued separately.

Under Section 143(6) of the Companies Act, 2013, the comments of the Comptroller and Auditor General of India are required to be placed before the Annual General Meeting in the same manner and at the same time as the Auditor's Report of the Company. The date of placing the comments of the Comptroller and Auditor General of India before the Annual General Meeting may be intimated to this office.

Six copies of the printed accounts may please he sent to this office for our use and record:

Receipt of this letter with its enclosures may be acknowledged

आपका विश्वासी.

Yours faithfully,

संसन्भः यथोपरी Encl: As above

उप महस्पिखाकार (ए.एम.जी-11) Deputy Accountant General (AMG-II)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GUJARAT STATE FOREST DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of linancial statements of Gujarat State Forest Development Corporation Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act. 2013 (Act) is the responsibility of the Management of the Company. The Statistory Auditors appainted by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing optition on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 13 March 2023.

1, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Gujarat State Forest Development Corporation Limited for the year ended 31 March 2022 ander Section 143 (6)(a) of the Act.

For and on behalf of the Comptroller and Auditor General of India

V.M. Kethan

(Vilay N. Kothari) Accountant General (Audit-II), Gujarat

Plane Almedabuit Date:

BALANCE SHEET

AS AT 31st MARCH 2022 (₹ In Lakhs)

				(₹ In Lakhs)
	Particulars	NOTE	31.03.2022	31.03.2021
		No.	Amount ₹	Amount ₹
I. E	QUITY AND LIABILITIES			
1	SHARE HOLDERS FUND :			
	(a) Share Capital	2	631.65	631.65
	(b) Reserves and Surplus	3	9733.74	8837.81
	(c) Money Received Against Share Warrants			
2	SHARE APPLICATION MONEY PENDING ALLOTMENT		-	-
3	NON-CURRENT LIABILITIES			
	(a) Long-Term Borrowings		-	-
	(b) Deferred Tax Liabilities (Net)		-	-
	(c) Other Long Term Liabilities		-	-
	(d) Long Term Provisions	4	4.27	4.27
4	CURRENT LIABILITIES			
	(a) Short-Term Borrowings		_	-
	(b) Trade Payables :	5		
	(A) Total Outstanding Dues of Micro			
	Enterprises and Small Enterprises; and		-	-
	(B) Total Outstanding Dues of Creditors			
	Other Than Micro Enterprises and Small		199.80	180.71
	Enterprises.			
	(c) Other Current Liabilities	6	3230.41	3062.40
	(d) Short-Term Provisions	7	368.73	402.26
	TOTAL		14168.60	13119.09
III. A	SSETS			
1	NON CURRENT ASSETS			
	(a) Property, Plant And Equipment and			
	Intangible Assets			
	(i) Property, Plant and Equipment	8	972.33	895.85
	(ii) Intangible Assets		_	_
	(iii) Capital Work-in-Progress	8	117.82	375.27
	(iv) Intangible Assets Under Development		117.02	0/0.2/
	(b) Non-Current Investments	9	7.00	7.00
	(c) Deferred Tax Assets (net)		66.25	70.49
	(d) Long-Term Loans and Advances	10	18.39	18.47
	(e) Other Non-Current Assets		1257.31	1247.87
2	CURRENT ASSETS			
∠	(a) Current Investments			
	(b) Inventories	12	3271.25	3961.16
	(c) Trade Receivables	13	1009.94	595.75
	(d) Cash and Bank Balances	14	7027.08	5339.56
	(e) Short-Term Loans and Advances	15	270.97	518.09
	(f) Other Current Assets	16	150.26	89.57
	TOTAL		14168.60	13119.09
	Significant Accounting Policies and			
	accompanying Notes on Accounts			
	ber our report of even date attached		-	-
ASP	ber our report of even date dilached		on Pohalf of the Po	

For Sanjay Soni & Associates

Chartered Accountants FRN: 113251W

CA Sunita Soni

Partner M No. 044868 UDIN: 23044868BGXRSL3068 Place: Gandhinagar Date: 13/03/2023 For and on Behalf of the Board Gujarat State Forest Development Corporation Ltd.

[Mahesh Singh, IFS] Managing Director [Ram Ratan Nala, IFS] Joint Managing Director

[Pankaj H. Jimuliya] Financial Controller Place: Gandhinagar Date: 13/03/2023 [R. B. Limbachia] Company Secretary



PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH 2022 (₹ In Lakhs except EPS)

		(*	₹ In Lakhs except EPS)
Particulars	NOTE	31.03.2022	31.03.2021
Faricolars	No.	Amount ₹	Amount ₹
I. Revenue From Operations II. Other Income III. Total Income (1 + 11)	17 18	3368.49 408.46 3776.95	2510.53 771.07 3281.59
 IV. Expenses: Cost of Materials Consumed Purchases of Stock-in-Trade Changes In Inventories Employee Benefits Expense Finance Costs Depreciation and Amortisation Expense Other Expenses 	19 20 21 22 23 24	884.72 90.92 40.19 604.17 0.25 43.45 1260.83	960.12 3.97 (246.90) 420.94 0.68 28.98 1244.16
Total Expenses		2924.53	2411.95
 Profit/(Loss) Before Exceptional and Extra V. Ordinary Items and Tax (III-IV) VI. Exceptional Items VII. Profit Before Extraordinary Items and Tax (V-VI) VIII. Extraordinary Items (See Note 3A) IX. Profit Before Tax (VII-VIII) 		852.42 - 852.42 514.08 1366.50	869.64 - 869.64 234.11 1103.75
 X. Tax Expense: Current Income Tax Deferred Tax Liability/(Asset) For the Year Taxes for Earlier Years XI. Profit/(Loss) from Continuing Operation (IX-X) XII. Profit/(Loss) from Discontinuing Operations XIII. Tax Expense of Discontinuing Operations Protit/(Loss) From Discontinuing Operations (Atter XIV. Tax)(XII-XIII) 		(121.00) (4.24) 29.76 1271.02 - -	(195.00) 6.00 - 914.75 - - -
 XV . Profit/(Loss) (XI+XIV) XVI . Earnings Per Equity Shares (See Note 14) (1) Basic (2) Diluted 		1271.02 201.22 201.22	914.75 144.82 144.82
Significant Accounting Policies and accompanying Notes on Accounts	1		

As per our report of even date attached

For Sanjay Soni & Associates

Chartered Accountants

CA Sunita Soni

Partner M No. 044868 UDIN: 23044868BGXRSL3068 Place: Gandhinagar Date: 13/03/2023

For and on Behalf of the Board Gujarat State Forest Development Corporation Ltd.

[Mahesh Singh, IFS] Managing Director

[Pankaj H. Jimuliya] Financial Controller Place: Gandhinagar Date: 13/03/2023 [Ram Ratan Nala, IFS] Joint Managing Director

[R. B. Limbachia] Company Secretary



CASH FLOW STATEMENT AS PER 'AS - 3'

<u>Cash flow Statement as required to annexed as per Accounting Standards - 3 as per</u> <u>Indirect method for the year ended on 31st March, 2022 as follows:</u>

	<u>STSEMUICH, /</u>			(₹ In Lakhs)
Particulars	202	22	202	
Net Profit before tax and extra ordinary items	852.42		1,103.73	
Adjustment for :			_	
Depreciation	43.45		48.88	
Profit on Sale of Fixed Assets	0.00		0.87	
Interest Income	(257.33)		(223.38)	
Finance Cost	0.25		0.70	
Operating Profit before working capital Change	638.80		930.80	
Working Capital Change				
Decrease/(Increase) in Trade & Other Receivables	(414.19)		(231.48)	
Decrease/(Increase) in Other Current Assets	(70.13)		(220.56)	
Decrease/(Increase) in Inventories	689.92		530.36	
Decrease/(Increase) in Short Term Loans & Advances	247.12		(107.45)	
Increase/(Decrease) in Trade Payables, Liabilities &				
Provisions	153.57		116.52	
Working Capital Change	606.29		87.39	
Cash Generated from operations	1245.09		1,018.19	
Less: Income Tax Paid	(95.48)		(195.00)	
Cash Flow before extraordinary item		1149.61	. ,	823.19
Net cash flow from operating activities		1149.61		823.19
Cash flow from Investing activities				
Purchase of Fixed Assets	(635.28)		(172.46)	
Adjustment of Fixed Assets through Grant/Subsidy	465.06		-	
Proceeds from sale of Fixed Assets				
Net cash used in investing activities		(170.22)		(172.46)
Cash flow from financing activities				
Government Subsidy Received	(31.90)		(158.42)	
Utilisation of Govt Grants/Subsidy for Ancilliary Purpose	533.43		(130.82)	
Dividend	(50.53)		(50.53)	
Interest received	257.33		223.38	
Finance Cost	(0.25)		(0.70)	
Net cash flow from financing activities		708.07		(117.09)
Net increase in cash and cash equivalents		1687.46		533.64
Cash and Cash equivalents at the beginning of Period		5339.57		4,805.93
Cash and Cash Equivalents at the end of period		7027.03		5,339.57

For Sanjay Soni & Associates

Chartered Accountants FRN: 113251W

CA Sunita Soni

Partner M No. 044868 UDIN: 23044868BGXRSL3068 Place: Gandhinagar Date: 13/03/2023

For and on Behalf of the Board Gujarat State Forest Development Corporation Ltd.

[Mahesh Singh, IFS] Managing Director [Ram Ratan Nala, IFS] Joint Managing Director

[Pankaj H. Jimuliya] Financial Controller Place: Gandhinagar Date: 13/03/2023 [**R. B. Limbachia**] Company Secretary F

Statement of Income & Expenditure for MFP Collection Activity Carried out on behalf of Gram Sabhas of Schedule Areas for Season 2021 in pursuance of the Rule 39 of the Gujarat PESA Rules, 2017.

,		(₹ In Lakhs)
Particulars	2021-22	2020-21
A- INCOME		
Sale of MFP	1,081.53	260.76
TOTAL - A	1,081.53	260.76
	,	
B- DIRECT EXPENDITURE		
Remunertion to MFP Agents	43.32	32.35
Cash Discount on Sales	26.04	6.58
Auction and other related charges	55.52	2.84
Advertisement	0.31	2.67
Transportation to MFP Agents	-	1.19
TOTAL- B	125.19	45.63
GROSS PROFIT (A-B)	956.35	215.14
C- INDIRECT EXPENDITURE		
Salary & Allowances (Field Offices)	208.00	225.10
TOTAL- C	208.00	225.10
SUB TOTAL (D)=(B+C)	333.19	270.73
	55517	270,73
Excess of Income over expenditure payable to Timru gatherers (- 40	
A-D)	748.34	-9.97



		ON FINANCIA	L STATEMENTS FOR 1	THE YEAR ENDED 3	31 <mark>81 MARCH, 202</mark> (₹ In Lakhs)			
	Dauttaa	I		31.03.2022	31.03.2021			
	Particu	lars		Amount	Amount			
SHARE	CAPITAL							
	Authorised Share Capital							
	7,00,000 Equity Shares of Rs.100/-	each		700.00	700.00			
	Issued, Subscribed & Paid up Ca							
	6,31,647 Equity Shares of Rs.100/-	each		631.65	631.65			
Total 631.65 631.65								
Notes								
During	the period of five financial year i	mmediately preced	ling the Balance	Sheet date, the	company ha			
not:			-					
(i)	allotted any fully paid-up equity :	shares by way of bo	nus shares;					
(ii)	allotted any equity shares pursua	int to any contract w	without payment	being received	in cash;			
(iii)	brought back any equity shares.							
Rights,	Preferences and Restrictions							
		along of aquity sha	area having a na	ryalus of Do 10	0. hor chara			
	Shares : The company has only share holder is eligible for one vot-							
	is subject to the approval of the							
	of interim dividend.		e ensuing Annua	II General Mee	iing, except			
	Reconciliation of Number of	Shares of Issued, Su	bscribed and Pai	d Up Share Car	oital			
		31.03.2022	31.03.2022	31.03.2021	31.03.2021			
	Particulars	No. of Shares	Face Value	No. of Shares	Face Value			
At the	beginning of the year.	6,31,647	631.65	6,31,647	631.6			
Add								
	ssued for Cash or Right issue or Bonus	-	-	-				
Exercise of Share Option under ESOS		-	-	-				
	ssued in Business Combination	-	-	-				
Less	aught back (Redumention ato							
snares i	bought back/Redumption etc. TOTAL	-	631.65	-	(01.4			
TOTAL 6,31,647 2.1 The details of the Shareholders holdi				631647	631.6			
	2.1 The details of th		_	·				
Sr No.	Name of the Shareholders	31.03.2022	31.03.2022	31.03.2021	31.03.2021			
		No. of Shares	% of Holding	No. of Shares	% of Holding			
1	President of India	2,38,890	37.82%	2,38,890	37.829			
2	Governor of Gujarat	3,92,750	62.18%	3,92,750	62.18%			
	Total	6,31,640	100%	631640	100.00%			
There	is no change in Share holding pat	tern during the year	r under review					
Shares I	neld by promoters at the end of the yr. end	ing 31st March 2022						
Sr No.	Promoter name	No. of shares	% of total shares	% change c	luring the yr.			
1	President of India	2,38,890	37.82%					
2	Governor of Gujarat	3,92,750	62.18%	No ch	nange			
	· · · ·		100.0077					

631640

Total

Sr No.

1 2 100.00%



ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

			(₹ In Lakhs)				
Note	Particu	Jars				31.03.2022	31.03.2021
No.						Amount	Amount
3	RESERVE & SURPLUS :						
	A. General Reserve						
	As per last Balance Sheet					18.30	18.30
	Add: Transfer from Surplus in Statemer	nt of Profit &	Loss			0.00	0.00
	Sub Total-A						18.30
	B. Profit & Loss account						
	Opening Balance	7569.97	6705.75				
	Add: Profit for the yr.					1271.02	914.75
	Less: Provision for Dividend				Total-B	50.53	50.53
		8790.45	7569.97				
	C. Capital Subsidy/Grant from G	overnemen	t				
	Opening Balance					1249.53	368.24
	Add/Less: Adjusted agaist Depre	eciation & O	others			(324.54)	881.30
				Sub	Total-C	924.99	1249.53
				Total [/	4+B+C]	9733.74	8837.81
4	OTHER LONG TERM LIABILITIES						
	A. Trade Payables						
	Deputy Conservator of Forests (B	ulsar)				3.97	3.97
				Sub	Total-A		
	B. Other Long Term Liabilities						
	Security Deposit from Selling Age	ents				0.30	0.30
				Sub	Total-B		
				Toto	al [A+B]	4.27	4.27
5	TRADE PAYABLE						
	Total O/s dues of MSME					0.00	0.00
	Total O/s dues of Creditors Other	Than MSMF	=			199.80	180.71
	Toto					199.80	180.71
	Trade Payables Ageing Schedule: As at		2022			177.00	180.71
	Indde Payables Ageing Schedule. As a	1					
	Particulars Outstanding for following period from due date of payment < 1yr.					Total	
		< Tyr.	1-2 yr.	2-3 yr.	> 3 yr.		
	(i) MSME						_
	(ii) Others	158.02	8.74	0.69	32.36		199.81
	(iii) Disputed dues-MSME						-
	(iii) Disputed dues-MSME						-
	Trade payables ageing schedule: As a						
	Particulars	To	tal				
		< 1yr.	1-2 yr.	of payme 2-3 yr.	> 3 yr.		
	(i) MSME		,		<u> </u>		_
	(ii) Others	143.00	0.65	0.00	37.06		180.71
	(iii) Disputed dues-MSME						-
	(iii) Disputed dues-MSME						-
	Note:Identification of Creditors into MSN	VF & Others	is done	on the ho	isis of inf	ormation avails	ble of MSMF
	Certificate with the Company and relie						
		1					



ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 (₹ In Lakhs)

			(₹ In Lakhs)
Note	Particulars	31.03.2022	31.03.2021
No.		Amount	Amount
6	OTHER CURRENT LIABILITIES		
	Advance from Customers	716.74	1043.37
	Statutory Remittances	12.99	84.79
	Dividend Payable	50.53	50.53
	Other Current Liabilities	73.59	109.99
	Governement Grants other than for Capital Assets	94.13	343.00
	Other Deposit Received	237.13	35.57
	Amount payable to Panchyat & Beneficiaries (See Note 12)	2045.30	1395.14
	Total	3230.41	3062.40
7	SHORT TERM PROVISIONS		
	Employee benefit		
	Bonus Payable	13.60	14.21
	Professional Tax Payable	0.27	0.30
	Salary/Wages Payable	33.99	18.44
	Staff LIC Premium Payable	0.11	0.11
	Group Insurance Payable	0.03	0.03
	Employees Credit Society Payable	2.33	0.27
	Provision for Salary(7th Pay Commision)	149.95	149.95
	Provident Fund/GPF/NPS Payable	9.77	4.51
	Others		
	Provision for Income Tax	121.00	204.00
	Provision for Expenses	37.70	10.44
	Total	368.73	402.26

			NOTES FORMIN	NG PART TC) THE FINANCIAL STA NOTE NO. 8 OPERTY, PLANT & EQ	ING PART TO THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2022 NOTE NO. 8 PROPERTY, PLANT & EQUIPMENTS	S AT 31ST MAR	СН, 2022			
											(₹ in Lakhs)
			GROSS BLOCK	(AT COST)			DEPRECIATION	VIION		NET BLOCK	OCK
Sr. No.	Tangible Assets	As at 01/04/2021	Addition during the vear	Sales Adj./ Transfer	As at 31/03/2022	Upto 01/04/2021	Provided during the vear	Sales Adj./ Transfer	Upto 31/03/2022	As at 31/03/2022	As at 31/03/2021
-	Land	91.35	0.00	0.00	91.35	00.0	0.00	0.00	0.00	91.35	91.35
- c	Building	1613.45	136.76	6.64	1743.57	926.61	70.82	00.0	997.44	746.14	686.84
N 0.	Plant & Machinery	436.85	00.00	00.0	436.85	368.92	10.02	0.00	378.94	57.92	67.93
) 4	Furniture & Fixture	82.12	15.19	4.52	92.79	62.56	4.86	1.17	66.25	26.55	19.57
. г <mark>у</mark>	Office Equipment	48.09	2.40	0.00	50.50	41.62	1.43	0.00	43.04	7.45	6.48
·	Computer	99.11	6.27	0.00	105.38	96.44	1.51	0.00	97.95	7.43	2.66
~	Electrical Installation	27.02	0.20	0.00	27.23	25.77	0.51	0.00	26.27	0.95	1.26
Ø	Vehicle	144.48	19.40	0.00	163.88	125.43	5.29	0.00	130.71	33.16	19.05
6 ç	Mobile CC TV Camera	2.07	0.17		2.24	0.75	0.10		0.84	0.40	0.04
2	TOTAL	2545.37	181.38	11.16	2715.59	1649.52	94.95	1.17	1743.30	972.33	895.85
		375.07	192 451	153 00 1	01787					01787	375.07
= [0/ 0.27	01.0 -	0.000	70:711	00.0	00.0		00.0	70.711	0.0.27
	GRAND TOTAL	2920.65	377.83	465.06	2833.42	1649.52	94.95	1.17	1743.30	1090.11	1271.12
Less:	Less: Depreciation on Govt Subsidy Written Back	Josidy Written Bo	ack				(39.88)				
Less:	Less: Depreciation on PANAM Asset Transfer to Capital WIP	Asset Transfer to	o Capital WIP				(10.46)				
nepi	<u>veprecianon 101 me year</u>						44.02				
	PREVIOUS YEAR	2,691.91	320.74	92.02	2,920.63	1,543.49	105.95		1,649.45	1,271.12	1,148.41
Note:											
-	An amount equivalent to depreciation provided on value of	to depreciatior	l provided on	value of	assets equal to	o the subsidy r	eceived for c	acquisition	of such assets	assets equal to the subsidy received for acquisition of such assets has been adjusted against	usted against
~	depreciation provided for the year. From FY 2021-22, we have changed the presentation	or the year. A changed the		of Assets or	which Capita	Subsidv/Gran	t is received A	s per Para	8.3.of AS-12. w	of Assets on which Capital Subsidv/Grant is received. As per Para 8.3 of AS-1.2 we have shown the Asset at its	the Asset at its
l	nominal value of Rs. 1/- after deducting the Grant Received for the specific fixed assets	after deducting		ceived for t	he specific fixe	d assets.)))	
							For and on Behalf of the Board	half of the I	Board		
For S	For Sanjay Soni & Associates						Gujarat State I	orest Deve	Gujarat State Forest Development Corporation Ltd.	oration Ltd.	
Char	Chartered Accountants										
FRN:	FRN: 113251W										
							[Mahesh Singh, IFS]	n, IFS]		[Ram Ratan Nala, IFS]	ila, IFS]
							Managing Director	ector		Joint Managing Director	g Director
CA S	CA Sunita Soni										
Partner	her										
N N	M No. 044868						[Pankaj H. Jimuliya]	uliya] "		[R. B. Limbachia]]
	UDIN: 23044868BGXRSL3068						Financial Controller	roller		Company Secretary	etary
Plac Date	Place: Gandhinagar Date: 13/03/2023						Place: Gandhinagar Date: 13/03/2023	inagar 123			
1								24			

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45th Annual Report



ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

							(₹ In Lakhs)	
Note No.	Particu	ulars				31.03.2022 Amount	31.03.2021 Amount	
						Amooni	Amooni	
9	NON CURRENT INVESTMENTS Trade Investments (Unqouted) Equity Shares of TRIFED [20 Equity Shares of the Face Val [5 Equity Shares of the Face Val				· · · ·	7.00	7.00	
	Toto	a				7.00	7.00	
10	LONG TERM LOANS & ADVANCES Security Deposit Deposit with Court Deposit with other					11.45 6.94	7.17 11.30	
	Toto	al				18.39	18.47	
11	OTHER NON CURRENT ASSETS A. Long Term Trade Receivables Amount recoverable from Govt Less: Subsidy Receivable from Go B. Other Bank Balances				Total-A	1232.71 0.00 1232.71	1232.71 (9.44) 1223.27	
	IDBI Investment Deposit Account	Scheme,19	986		Total-A al [A+B]	24.60 24.60 1257.31	24.60 24.60 1247.87	
12					<u> </u>			
12	Raw Material Finished Goods Packing Material Reusable Alluminum Containers Plantation Work in Progress					374.96 390.71 35.45 16.69 2453.44	602.24 430.90 47.99 19.39 2860.65	
	Toto	l				3271.25	3961.16	
13	TRADE RECEIVABLE Trade receivable Less: Bad Debts Reserve Toto	al				1022.27 12.33 1009.94	608.08 12.33 595.75	
	Trade receivables ageing schedule: As at 31st March, 2022							
		e date of payn						
		< 6M		1-2 yr.s			Total	
	(i) Undisputed Trade recconsidered good (i) Undisputed Trade recconsidered doubtful (ווו) ווקטודפם דרממפ רפכ. considerea good	512.82		215.27	51.12	71.93	1022.27 - -	
	(iv) Disputed trade rec. considered doubtful						_	
	Unbilled dues a) Secured, considered good b) Unsecured, considered good c) Doubtfull		ı <u> </u>	L		1		



ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

						(₹ In Lakhs)
ote	Partic	ulars			31.03.2022	31.03.2021
NO.					Amount	Amount
	Trade receivables ageing schedule: As	at 31st March, 2021				
	Particulars	standing for following < 6M 6m-1yr.	g period f 1-2 yr.s			Total
		> 3 yr.s				
	(i) Undisputed Trade recconsidered	4/5// 10.00	0.07	10.40	117.00	(00.00
	aood (i) Undisputed Trade recconsidered	465.66 10.99	0.86	13.48	117.09	608.08
	doubtful					-
	(III) Disputed trade rec. considered					
	good (iv) Disputed trade rec. considered					-
	doubtful					-
	Unbilled dues					
	a) Secured, considered good					
	b) Unsecured, considered good c) Doubtfull					
14	CASH & BANK BALANCES A. Cash & Cash Equivalents					
	Balance with Banks					
	In Current Accounts with Banks				1271.42	1125.39
	Deposits with GSFS					
	In Inter Corporate Deposits with	GSFS [Maturity of upto	o 3 Month	ns]	1500.00	3754.20
	Cash on Hand					
	Cash Balances				0.53	2.15
	B. Other Bank Balances		Sub T	otal-A	2771.95	4881.74
	Deposit with GSFS [Maturity more	e than 3 months1			4255.13	150.00
	In Fixed Deposit Receipt with Ba	-	e Year]		0.00	307.82
			Subi	Total-B	4255.13	457.82
			Tota	I [A+B]	7027.08	5339.56
15	SHORT TERM LOANS & ADVANCES					
	Other Loans and advances					
	Unsecured and considered goo					
	Loans & Advances to employee	S			3.97	5.17
	Balance with Revenue Authoritie	es				
	-Advance Payment of Tax				110.00	170.70
	-TDS Receivable -TCS Receivable				3.79 0.17	2.83 0.00
	-GST TDS Receivable				0.17	0.00
	-Sales Tax/VAT Refund Receivab	le			27.00	280.23
	-IT Refund Receivable				34.85	39.37
	Prepaid Expenses				0.31	0.00
	Other Loans & Advances					
	-Advance to Suppliers				28.22	19.27
	-Advance to others				61.84	0.53
				I		



NOTES TO BALANCE SHEET

ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No.	Particulars	31.03.2022 Amount	(₹ In Lakhs) 31.03.2021 Amount
16	OTHER CURRENT ASSETS Interest Accrued but not due from Banks Interest Accrued but not due from GSFS Amount Recoverable from Panchayat	0.74 146.68 2.84	10.68 73.55 5.34
	Total	150.26	89.57

Signature to Schedule 2-7, 9-16

For Sanjay Soni & Associates

Chartered Accountants FRN: 113251W

For and on Behalf of the Board Gujarat State Forest Development Corporation Ltd.

[Mahesh Singh, IFS] Managing Director

[Ram Ratan Nala, IFS] Joint Managing Director

[Pankaj H. Jimuliya]

Financial Controller Place: Gandhinagar Date: 13/03/2023 [R. B. Limbachia] Company Secretary

CA Sunita Soni Partner M No. 044868 UDIN: 23044868BGXRSL3068 Place: Gandhinagar

Date: 13/03/2023

Gujarat State Forest Development Corporation Ltd.

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NOTES TO PROFIT & LOSS ACCOUNT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

			(₹ In Lakhs)
Note	Particulars	31.03.2022	31.03.2021
No.	i ancorarș	Amount ₹	Amount ₹
17	REVENUE FROM OPERATION		
	Sale-Minor Forest Produce	317.15	245.14
	Sale-Ayurvedic Products & Honey	258.46	64.67
	Sale-Eco Tourism Activity	141.76	35.27
	Sale-Furniture & Vanil Products	209.62	158.25
	Sale-Eucalyptus Plantation & Timber	1830.91	1410.35
	Sale-Renovation Outsourcing Work	610.59	596.86
	Total	3368.49	2510.53
		3300.47	2510.55
18	OTHER INCOME		
	Interest Income	257.33	223.38
	Recovery from Purchasers/ Agents	44.43	7.43
	Miscellaneous Income	48.81	25.78
	Excess Provision for Expenses Written Back	7.22	513.60
	Profit / (Loss) on Sale of Assets	0.00	0.87
	Compensation on Fajalpur Land from NHAI	50.67	0.00
		408.46	771.07
19	COST OF MATERIALS CONSUMED		
	A. Raw Materials		
	Opening Stock of Raw Materials	602.24	911.03
	Add: Purchases	585.52	602.88
	Less: Closing Stock of Raw Materials	(374.96)	(602.24)
	Raw Material Consumption-A	812.80	911.67
		012.00	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	J J J J J J J J J J J J J J J J J J J	47.00	15.05
	Opening Stock of Packing Materials	47.99	45.25
	Add: Purchases	35.03	31.49
	Add: Reclassification of Reusable Containers	2.70	3.13
	Less: Closing Stock of Materials	(35.45)	(47.99)
	Packing Material Consumption-B	50.27	31.88
	B Stores & Spares Consumed	21.65	16.57
	Stores & Spares Consumption-C	21.65	16.57
		884.72	960.12
20	PURCHASES OF STOCK IN TRADE		
	Purchase of Finished Goods - Dhanvantari	5.64	3.97
	Purchase of Finished Goods - MFP	84.48	0.00
	Purchase of Finished Goods - Vanil	0.81	0.00
		90.92	3.97
21	CHANGES IN INVENTORIES		
	Opening stock		
	-Stock of Finished Goods	283.73	47.12
	-Stock of Work in Progress	147.17	136.88
	Less: Closing stock		
	-Stock of Finished Goods	(380.34)	(283.73)
	-Stock of Work in Progress	(10.37)	(147.17)
		. ,	. ,
		40.19	(246.90)

NOTES TO PROFIT & LOSS ACCOUNT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

			(₹ In Lakhs)
Note	Particulars	31.03.2022	31.03.2021
No.	Faricolars	Amount ₹	Amount ₹
22	EMPLOYEE BENEFIT EXPENSE		
	Salaries	415.34	276.55
	Wages	78.53	78.62
	Bonus	12.40	11.11
	Cont. to PF and Other Fund	38.93	42.27
	Gratuity	22.20	0.42
	Staff Welfare	36.77	11.96
	Total	604.17	420.94
23			
	Depreciation for the year as per Note-8	94.95	73.52
	Less: Amount equivalent to depreciation on Subsidy Capitalised and adjusted from		
	subsidy received from Govt. on Capital Less: Depreciation Transfer to Panam Work in	(39.88)	(32.59)
	Progress	(10.46)	(11.94)
	Less: Sales/Adjustment in Depreciation	(1.17)	0.00
	Total	43.45	28.98
24			
24	Repairs & Maintenance	12.06	13.60
	Expenditure on Raising & Harvesting Plantation		994.99
	Expenditure on Failed Plantation of Bamboo	38.46	0.00
	Collection of MFP & Other Operating Exp.	9.28	20.32
	CSR Exp	11.88	16.60
	Electricity	17.71	15.78
	Directors Sitting fees	0.13	0.20
	Travelling and conveyance	7.48	7.99
	Vehicle running and maintenance expenses	41.68	39.44
	Stationery, printing & other office exp	37.17	15.17
	Rent	10.80	4.04
	Rates & Taxes	5.98	5.75
	Insurance	9.54	8.41
	Auditors' Remuneration	1.76	0.75
	Miscellaneous Expenses	60.64	58.44
	Selling & Distribution expenses	24.14	22.53
	Operational Charges for Boating Activity	93.42	20.13
	Total	1260.83	1244.16

Signature to Schedule 17 to 24

For Sanjay Soni & Associates

Chartered Accountants FRN: 113251W

CA Sunita Soni

Partner M No. 044868 UDIN: 23044868BGXRSL3068 Place: Gandhinagar Date: 13/03/2023

For and on Behalf of the Board Gujarat State Forest Development Corporation Ltd

[Mahesh Singh, IFS] Managing Director

[Ram Ratan Nala, IFS] Joint Managing Director

[Pankaj H. Jimuliya] Financial Controller Place: Gandhinagar Date: 13/03/2023 [**R. B. Limbachia**] Company Secretary

NOTE NO. 1

I. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2022

BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The accompanying financial statements have been prepared on accrual basis under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles in India and to comply with accounting standards referred to in Section 133 of The Companies Act 2013 and rules framed there under except specifically stated otherwise. The accounting policies have been consistently applied by the Corporation and are consistent with those used in previous year. The Company prepares Financial Statements as per the fundamental accounting assumptions Going Concern, Consistency, and Accrual as per Accounting Standard 1 Disclosure of Accounting Policies.

2 USE OF ESTIMATES:

The preparation of Financial Statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made by the management that affect the reported amounts of Assets and Liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognized in the period in which the results are known / materialize.

3 PLANTATIONS

3.1 Besides the cost of rising the plantation, cost of maintaining these plantation including establishment expenditure incurred by the Corporation and depreciation on assets used in plantation projects are considered as cost under the head "plantations", and disclosed as a part of "work in progress".

3.2 The cost of rising and maintenance of clear felled plantations harvested during the year is worked out by allocating the aggregate cost incurred on rising and maintenance of these plantations on the basis of area harvested vis-à-vis the area planted and is shown as a separate item of expenditure in Profit and Loss Account. The revenue realized for such sale is grouped with the other sales of the Corporation and closing stock of the finished material is valued like any other finished material of the Corporation i.e. at lower of the cost or net realizable value.

3.3 The aggregate cost of coppicing and the revenue realized thereon both from Project Plantation area & Forest Department's Plantation area is shown to Profit & Loss A/c.

4 FIXED ASSETS & DEPRECIATION

4.1 Tangible Assets are stated at their historical cost of acquisition or construction, less accumulated depreciation. Cost includes all costs incurred to bring the assets to their present location and condition. Expenditure on account of restoration / alteration / modification in the Plant and Machinery, Building which if it increases the future benefits from the existing asset beyond its previously assessed standard of performance /estimated useful life is capitalized, otherwise it is written off as revenue expenditure.

4.2 Intangible assets are recognized if and only if it is probable that future economic benefits that are attributable to the assets will flow to the Corporation.

4.3 In FY 2020-21, Two Assets, ie. Building Rs. 6,64,279/- and Furniture & Fittings Rs. 4,51,671/- was wrongly classified to Fixed Assets Account, whereas both the assets has been created through specific Capital/Grant Subsidy Received. During the year under review, both the assets has been transferred to respective Grant Account deducting from Fixed Assets Schedule including corresponding effect of Depreciation thereof.

4.4 Depreciation on Fixed Assets is provided on "Written down value" method at the rates and in the manner prescribed in the Schedule II to the Companies Act, 2013. In respects of additions during the year, the depreciation is provided as per date on which the asset is purchased.

5 GOODS & SERVICE TAX

5.1 A comprehensive Goods and Services Tax (GST) was introduced w.e.f. 01.07.2017, subsuming majority of Indirect Taxes especially Excise Duty and VAT. GST is a destination based tax and is levied at the point of supply. It is collected on sale of Goods and services on behalf of Government and is remitted by way of payment or adjustment of credit on input goods or services.

5.2 Accordingly, Purchases & sales are accounted net of GST. Similarly, other items of expenditure on which credit GST is available are items or revenue on which GST is chargeable are also accounted net of GST elements.

6 **INVENTORIES**

Raw materials, stores, spare parts and packing materials are valued at cost but excluding GST computed on the basis of weighted average method.

Semi finished goods are valued at cost.

Finished goods are valued at the lower of cost or net realizable value.

The total carrying amount of inventory and its classification is appropriate to the business of the Corporation.

Reusable aluminum containers are reclassified under stock of consumable stores on assets side during the year. The estimated useful life is estimated to be 15 years and the value of Rs 2.69 lakhs has been written off during the year and balance will be written off over a period of balance useful life. This reclassification and written of cost of aluminum containers were pursuant to the AG audit observation.

7 INVESTMENTS

Investments are stated at cost.

8 **REVENUE RECOGNITION**

8.1 Revenue is recognized when it is earned or otherwise stated in Note and except this no significant uncertainties exist as to its realization or collection.

8.2 Revenue on sale of products is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risk and rewards of ownership have been transferred and no effective ownership control is retained. Sales figure is booked exclusive of GST.

8.3 Interest income is recognized on accrual basis.

8.4 Revenue in respect of Plantation Activity is recognized when it is harvested.

8.5 Revenue in respect of contracting activity is recognized on completed work of the end of every year.

9 TREATMENT OF CAPITAL SUBSIDY RECEIVED

9.1 Various subsidies received from the Government / Board and actually utilized in acquisition of capital assets and margin money for afforestation project in Bulsar and in setting up of a unit in backward area are treated as capital receipts and shown as "Subsidy from Government on Capital Account" in the Balance Sheet. An amount equivalent to depreciation provided on value of assets equal to the subsidy received for acquisition of such assets has been adjusted against depreciation provided for the year.

9.2 From FY 2021-22, Company has changed the presentation of Capital Subsidy/Grant received from Government as per Para 8.3 of Accounting Standard - 12, "Government Grants" . Any Capital assets acquired/formed after 01st April, 2021 through Capital Subsidy/Grant is shown as a deduction from the gross value of the asset concerned in arriving at its books value. The grant is thus recognised in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge. Where the whole, or virtually the whole, of the cost of the asset, the asset is shown in the balance sheet at a nominal value.



10 **CONTINGENT LIABILITIES**

11 Profit on short-term commercial plantation contract is recognized on annual basis of physical measurement of work actually completed at the balance sheet date.

12 **RETIREMENT BENEFITS**

12.1 Gratuity liabilities have been actuarially determined and incremental liability for the year has been charged to Profit & Loss Account.

12.2 The accrual value of gratuity liability is made before the end of the period, which is based on report of actuary. The retirement benefit of Provident Fund, Super Annuation /Pension is applicable as per Employees Provident Fund Scheme 1952 and Employees Pension Scheme 1995.

12.3 Leave encashment payable on retirement has been actuarially determined. The payment of premium for such accrual value of such leave encashment is made before the end of the period which is based on report of actuary.

13 TAXATION

13.1 Income Tax is accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Taxes comprise both current and deferred tax.

13.2 Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.

13.3 The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized. Below table shows the relevant calculation of Deferred Tax.

Date	Particulars	Value as	Value as	Difference	Deferred Tax
		per Book	per I.T.		Asset/(Liability)
31.03.2021	Opening Balance	Э			70,49,341
31.03.2022	Depreciation	43,45,143	60,29,434	16,84,291	(4,23,902)
		Closing Balance of Deferred Tax Asset			66,25,439

14 EARNING PER SHARE

Earning Per Share as required by AS-20 is as under

Particulars	Amount Rs.			
Basic EPS=	Net Profit for the Period attributable to equity shareholders			
Busic Er 3-	Weighted Avg. no. of Equity Shares outstand	ling during the Period		
Basic EPS (FY 2020-2021)=	<u>91475034</u> 631647 =Rs.	144.82		
Basic EPS (FY 2021-2022)=	<u>127102050</u> 631647 =Rs.	201.22		
Diluted EPS=	Net Profit for the Period attributable to Weighted Avg. no. of Equity Shares outstand	. ,		
Diluted EPS (FY 2020-2021)=	<u>91475034</u> 631647 =Rs.	144.82		
Diluted EPS (FY 2021-2022)=	<u>127102050</u> 631647 =Rs.	201.22		

II. NOTES ON ACCOUNTS

- 1 The Revised Schedule III (Division I and Division II of Schedule III) is used for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figure have been regrouped /reclassified where necessary to correspond with the current year's classification/ disclosure. The adoption of Schedule III for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.
- 2 Matters Pending due to litigations at various levels and Contingent Liabilities of commitments (to the extent not provided for)

Sr No.	Particulars	As on 31/03/2022 (Rs. in Lakhs)	As on 31/03/2021 (Rs. in Lakhs)
	Claims against the corporation not ack	nowledged as Deb	t
1	Claims filed in the Hon. High Court & other	78.86	119.23
	court in respect of damages & recoveries in		
	respect of MFP & Other Compensation claims		
	by employees. (Contingent Liability)		
2	Other claims by employees, traders etc.	Not Ascertainable	Not Ascertainable

- 3A According to the information the Honorable Tribunal Ahmedabad has passed the order in favor of the Corporation and set aside the matters in favor of the Corporation regarding the KVIC-II Certificate by this order from 2007 to 2011. On going through the Hon. Tribunal's order, the Corporation is not required to pay any amount towards the Gujarat Sales Tax Act/Value Added Tax liability as per the order dated 20-01-2015. The VAT Department has gone to the Honorable High Court of Gujarat against the order passed by Honorable Tribunal Ahmedabad. The Honorable High Court of Gujarat has passed the order once again in the favor of Corporation vide order dated 29.07.2016. The VAT Department has once again approach to the Honorable Supreme Court and filed Special Leave Petition against the order passed by the Honorable High Court of Gujarat. The Honorable Supreme Court has dismissed the SLP filed by the VAT Department vide order dated 09.10.2017. After considering the facts Deputy Commissioner (Appeal-5), Vadodara has passed the order in favour of GSFDC Ltd for FY 2010-11 and FY 2011-12 and accordingly, the Corporation has booked Rs. 226.40 lacs as VAT Refund income during the year. Apart from this, Interest on VAT Refund to the tune of Rs. 122.15 Lakhss was also received. Further in FY 2020-21 VAT Department also gave judgment in favor of Corporation for FY 2009-10 and accordingly Income of Rs. 241.73 lacs was accounted as VAT Refund in FY 2020-21 whereas the receipt of the Refund was credited in current financial year wherein Interest on VAT Refund to the tune of Rs. 165.51 Lakhs was received along with the base refund amount and hence Interest on VAT Refund along with the current year was accounted as an income during the year under assessment.
- 3B Pursuant to Resolution No.JJN/1086/3104/V-3 dated 17-12-1986 Government of Gujarat transferred to the Corporation command area admeasuring 5,589 ha. of reserved forest of Panam Irrigation Plantation Project in Panchmahals on a lease of 30 years for the intensive management and development by the Corporation. The Corporation has taken over the charge of the project with effect from 01-04-1988. The annual lease rent of Rs. 5,589/- has been paid to the Government along with development and related expenses incurred on the said project which has been accounted under the head 'PLANTATIONS' and carried forward as cost of the plantations. GSFDC has been requesting from time to time to the Government to renew the agreement for further period of 30 years and the same is under consideration of the Government.
- 3C Proceeds realised on sales of plantation, lease rent and other Government dues payable to the Government up to 31.03.2016 have been shown below as Net amount payable to GoG after adjusting Maintenance, interest, establishment and other expenses incurred by the Corporation in respect of erstwhile plantation of Panam Project. During the financial year, after adjusting the receivable from the Government, Corporation has transferred Rs. 9.44 Lakhs as a full and final payment to Government of Gujarat.

3D Government of Gujarat vide Agreement Dtd 30-11-1981 transferred to the Corporation entire forest of Valsad Forest Division admeasuring 1,19,080 ha. for Intensive Management & Development on a lease of 51 years period commencing from July 1980. Accordingly, the annual lease rent of Rs. 1000/upto 31-03-2005 per annum payable by the Corporation have been provided for in accounts and along with development & other related expense incurred on the said project, the same has been accounted under head "Plantation" as a part of their cost.

Vide GR No.GVN-1098-823-K Dtd. 31-12-2004 Government decided to retransfer this area of Valsad Forest Project to the Principal Chief Conservator of Forests. Accordingly, the area is retransferred to the Principal Chief Conservator of Forests by Corporation. Therefore, the annual lease rent of Rs. 1000/- is not provided in the accounts for the period under report. However, as per Condition No.3 of the said Resolution the salary & allowances of the employees appointed by the Corporation working under Valsad Project is to be paid by the Corporation. The amount of pay & allowances of such staff is accounted and capitalized under the head "Plantation", as the ownership of plantation remains with the Corporation.

During the year 2012-13 Valsad Project has been closed down in the books of accounts and the amount is shown as recoverable from the GOG Rs. 1271.00 Lakhs correspondences for which has already been submitted on 01.08.2013 to Principal Secretary, Forest & Environments.

Sr No.	Particulars	2021-22 (Rs. in Lakhs)	2020-21 (Rs. in Lakhs)
	PANAM PROJECT		
Α	Amount Recoveable from GOG		
1	Establishment Expenses	135.19	135.19
2	Maintenance Expenses	106.55	106.55
3	Interest on Term Loan	3.76	3.76
4	Amount paid to Govt.	192.48	192.48
	Total-A	437.98	437.98
В	Amount Payable to GOG		
1	Sales Proceeds Recovered	447.42	447.42
	Total-B	447.42	447.42
С	Net Amount Payable to GOG (B-A)	9.44	9.44
D	Amount Paid to GOG on 10/08/2021	9.44	-
E	Amount Payable to GOG (C-D)	-	9.44
	VALSAD PROJECT		
Α	Amount Recoveable from GOG		
1	Plantation Expenses	1,724.26	1,724.26
	Total-A	1,724.26	1,724.26
В	Amount Payable to GOG		
1	Payable towards Reimbursement of Expense	453.26	453.26
	Total-B	453.26	453.26
С	Net Amount Recoverable from GOG (A-B)	1,271.00	1,271.00
D	Amount Received during FY 2020-2021	38.29	38.29
E	Net Amount Recoverable from GOG (C-D)	1,232.71	1,232.71

4 In the opinion of the Board, current assets, loans and advances are approximately of the value as stated in the Balance Sheet as on 31.03.2022 if realized in the ordinary course of business.

5 Confirmation from the parties for amounts due to them/amounts due from them as per accounts of the Corporation are not received in all the cases. Necessary adjustment, if any, will be made when the accounts are reconciled and/or settled.

6 The royalty on collection of MFP is not provided as ownership of Minor Forest Produce now belongs to tribal. Moreover, royalty is also not provided on collection of forest produce which is collected from non-forest area.

0.75

0.20 0.65 **1.60**

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2022

- 7 Physical verification of Mahuda Flowers and Plantation stock was not undertaken as on 31/03/2022 for the following reasons.
 - 7.1 Due to sugar contents in Mahuda Flowers, it is subject to insect attack.

7.2 Mahuda flowers are hygroscopic in nature and absorb moisture from the atmosphere. When material is stored in heaps, only outer layers of heaps are subject to absorption of moisture thereby
7.3 In view of vastness of area planted, physical verification of unharvested plantation consisting of trees, columns and clumps is not possible and hence the same have not been physically verified.

8 Related party disclosures pursuant to Accounting Standard 18 is as under:

Sr No.	Particulars	2021-22	2020-21
		(Rs. in Lakhs)	(Rs. in Lakhs)
1	Salary and allowance of the Managing	33.84	33.13
2	Medical reimbursement	-	-
3	Travelling expenses of Managing Director	-	-
	Total-A	33.84	33.13
4	Chairman Remuneration	-	-
	Director Sitting Fees	0.13	0.20
	Reimbursement of Expenses to Director	0.62	0.13
	Total-B	0.75	0.33

 Sr No.
 Particulars
 2021-22
 2020-21

 I
 Statutory Audit Fees
 1.00

 2
 Tax Audit Fees
 0.15

	Internal Audit rees	-
	Total-A	1.15
-		

10 Expenditure for the year under review for Panam Project is as under:

Sr No.	Particulars	2021-22	2020-21
		(Rs. in Lakhs)	(Rs. in Lakhs)
1	Establishment Expenses	1,010.30	975.09
2	Depreciation	9.59	19.90
	Total-A	1,019.89	994.99

¹¹A Gratuity Liability of the Corporation as per actuarial valuation by Life Insurance Corporation of India. Amount contributed as a premium during the Year is Rs. 34.73 lakhs.

11B Provision for leave salary and pension contribution payable in respect of employees on deputation has been made at the rates prescribed by Government as per Rule No. 45, 48, 59 & 65 of GCSR.

- 11C Liability of Leave Encashment on retirement as per actuarial valuation of Life Insurance Corporation of India. Amount contributed as a premium during the Year is Rs. 24.41 lakhs.
- 12 The State Government has notified the Gujarat Provisions of the Panchayats (Extension to the Scheduled Areas) (PESA) Rules 2017 vide notification dated 17.01.2017. As per Rule No. 39(2) of PESA Rules 2017, The State Government has authorized Gujarat State Forest Development Corporation to sell minor forest produces collected by the collectors and in doing so, the shall ensure that after deducting the expenses the net profit shall be deposited into accounts of the collectors directly. The Corporation accounted the amount payable / recoverable to / from collectors as per the terms & conditions of PESA Rules 2017 stated above.

As per PESA Rules 2017 the allowable expenses i.e. collection cost, storing cost, auction expenses and salary & allowances of employees pertaining to related activity is to be adjusted against the sales amount payable to the collectors. During the period under report the accounts are settled and accordingly share in Excess of Income over Expenditure of MFP Collection Activity is derived at Rs. 748.34 Lakhs for Season 2021. In the other current liabilities "amount payable to Panchayat" amounting to Rs. 2045.30 lakhs represents the Net amount payable to Panchayat, (ie. Gross Sales Amount Payable less less Allowable Expenses Recoverable from Panchayat), which includes Rs. 763.32 Lakhs for Season 2015 and for 2016 prior to PESA Act due to non availability of details of gatherers.

13 At present following members are in the Audit committee constituted by the Corporation.

(1) PCCF & HoFF, Gujarat & Director-GSFDC Ltd. (Ex-officio) (At Present Vacant)

(2) Dy /Joint/Addl. Secretary, Forest & Env Dept, Gandhinagar & Director-GSFDC Ltd. (Ex-officio) (At Present Vacant)

(3) Representative of Finance Department, Forest & Env Dept, Gandhinagar & Director-GSFDC Ltd. (Exofficio)

- (4) Managing Director, GSFDC Ltd. (Ex-officio)
- (5) Joint Managing Director, GSFDC Ltd. (Ex-officio)
- 14 On 31-3-2007, the Corporation had a stock of 80450.50 quintals of Charcoal. Thereafter 68,837.85 quintals of Charcoal was delivered to the various parties and the Corporation had stock worth 11,612.65 quintals. The heavy rains in Banni area of Katchchh district during September, 2007 damaged the stock of Charcoal as well as Gunny Bags. Value of shortage of 11,612.65 Qtls. Charcoal drawn away due to heavy rain was reported at Rs. 97,85,085 (Sale Price) and value of damage occurred to 1,73,997 Gunny Bags is Rs. 15,65,973/-. As the stock was insured with M/s. The New India Assurance Co. Ltd., Corporation had claimed loss of Rs. 1,13,51,058 out of which the Insurance Company agreed to pay the claim for only Rs. 11,52,497/-. Corporation did not agree with this claim and it issued legal notice to The New India Assurance Co. Ltd. through advocate. The arbitration was under process as on 31st March 2013. However we received the order on 31st July 2013 from Arbitral Tribunal in favor of the Corporation directing the New India Assurance Co. Ltd to pay Rs. 1,14,34,000/plus Interest of Rs. 42,12,800/-. The Insurance Company challenged the order in the District Court of Vadodara vide Arbitration application num 537/2013 for setting aside the Arbitration Award dated 31.07.2013. The said matter was transferred to Commercial Court, Vadodara vide CMA No.100/2016 and the said CMA was disposed off by the Commercial Court as on dated 20th December 2016 by setting aside the Arbitration award dated 31.07.2013. The Corporation has challenged the judgment of the Commercial Court Vadodara by filing a First Appeal no. 1437/2017 before the H'ble Gujarat High Court and the matter is pending for final hearing.
- 15 The Corporation had invested Rs. 24,60,000/- in Investment Deposit Account Scheme 1986 with the Industrial Development Bank of India and the same is shown under the Note No. 11 Other Non-Current Assets.
- 16 The Corporation has Inter Company Deposits amounting to Rs. 5755.14 lakhs with Gujarat State Financial Services as per Government norms and all deposits has maturity period within one year.
- 17 The Corporation has taken loans from various banks for Valsad and Panam Project amounting to Rs. 1262.08 lacs and 1357.92 lacs respectively and the same has been repaid in the year July 2002 and September 1999. The disposed of procedure of charge against the same in Ministry of Corporate affairs is under process and will be completed in due course.
- 18 The Corporation has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro Small and Medium Enterprises Development Act 2006 (MSMED Act 2006). The information from the suppliers is not received by Corporation till date. The liability, if any, will be provided as an interest under MSMED Act 2006 on receipt of the confirmation from the suppliers.
- 19 Various Government Grants received for Capital Assets and for the purposes other than capital assets was accounted as a Reserves & Surplus upto FY 2020-2021. Pursuant to CAG Audit observation, reclassification of such grants has been made during the year under review and reclassification of grants has been made. Closing balance of Grants to the tune of Rs. 94.13 Lakhs was transferred to Other Current Liabilities from Reserves & Surplus.
- 20 Additional Regulatory Information is annexed in separately to this notes.

Gujarat State Forest Development Corporation Ltd.

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2022

21 The Details of Grant balance as at the year ended on 31/0
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Source	Nature/Name of Grant	Balance at the beginning of the Year (Rs.in Lakhs)	(Rs.in Lakhs)	Amount Utilised/ Adjusted (Rs.in Lakhs)	Balance at Year End (Rs.in Lakhs)
Govt of India	Grant for ERP & Modernisation	37.57	0.00	0.00	37.57
Govt of India	MSP for MFP	988.87	787.11	1077.22	698.75
Govt of Gujarat	Capital Assets	106.93	10.00	66.08	50.86
Govt of India	National Medicinal Plant Board	100.92	0.00	10.00	90.92
Govt of Gujarat	National Ayush Mission	3.27	0.00	0.00	3.27
Govt of Gujarat	Eco Tourism	10.50	4.50	15.00	0.00
Govt of Gujarat	Geer Foundation	4.21	0.00	0.00	4.21
Govt of Gujarat	Capital Asset Subsidy from Forestry & Wildlife	339.00	35.00	241.77	132.23
Govt of Gujarat	Grant for Herbal Garden	1.31	0.00	0.00	1.31
	Total	1592.57	836.61	1410.07	1019.12

For Sanjay Soni & Associates

Chartered Accountants FRN: 113251W

CA Sunita Soni

Partner M No. 044868 UDIN: 23044868BGXRSL3068 Place: Gandhinagar Date: 13/03/2023

For and on Behalf of the Board Gujarat State Forest Development Corporation Ltd.

[Mahesh Singh, IFS] Managing Director

[Pankaj H. Jimuliya] Financial Controller Place: Gandhinagar Date: 13/03/2023 [Ram Ratan Nala, IFS] Joint Managing Director

[R. B. Limbachia] Company Secretary

Additional Regulatory Information

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

(i) All the title deeds of immovable properties are held in the name of company except where the company is the lease and the lease agreements are duly executed in favour of the lessee.

(ii) During the year company has not revalued it's property plant and equipment.

(iii) The company has not granted loans & adavance in nature of loan to its' promoters, Directors, KMPs, and related parties (as defined under the companies act, 2013) either serverally or jointly with any other person.

(iv) There is capital work in progress of Rs. 117.82 Lakhs at the year end for Construction/Renovation of Various Godowns/Divisional Offices which will be converted to Fixed Assets once the Completion Certificate is available. Further for Panam Eucalyptus Plantation, the cost of rising the plantation, cost of maintaining these plantation including establishment expenditure incurred by the Corporation and depreciation on assets used in plantation projects are considered as capital work in progress which will be converted into cost on systematic allocation of the aggregate cost incurred on rising and maintenance of these plantations on the basis of area harvested vis-à-vis the area planted year on year.

(v) There is no intangbile assets under development at the year end.

(vi) During the year no proceeding have been initiated or pending against the company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and the rule made thereunder.

(vii) Disclosure regarding borrowing from financial institutions on the basis of securities of current assets, is not applicable as during the year company have not borrowed any fund from financial institutions.

(viii) During the year, company has not been delcared wilful defaulter by any bank or financial institution or other lender.

(ix) Company has no transaction with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

(xi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(xii) Financial ratios are annexed separately in financial statement.

(xiii) During the year company has not entered into any schemes of arrangements as prescribe in sections 230 to 237 of the Companies Act, 2013.

(xiv)(a) During the year Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xiv)(b) During the year, Company has not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Additional Regulatory Information For the financial year ended 3151 march, 2022	Regulat	onal	
Ilnits 2021-22 2020-21 Change Reasons in case of a	Units	Denominator Inits	
3.09	Times		/ Current Liability Times

F

Ratio	Numerator		Denominator	Units	2021-22	2020-21	Change	Reasons in case of change is more than 25%
Current Ratio	Current Assets		Current Liability	Times	3.09	2.88	7%	
Debt-Equity Ratio	Debt	\	Equity	is to	1	I		Not Applicable as company have no debt.
Debt Service Coverage Ratio	Net Operational Income	/	Total Debt Service	Times	I	1		Not Applicable as company have no debt.
Return on Equity Ratio	Earning After Tax	~	Shareholders' Fund	8	12.26%	9.66%	27%	With effective cost mangement operating profit has increase so return on equity has increased
Inventory Turnover Ratio	Sales	/	Average Stock	Times	0.93	0.40	130%	Due to improved Sales of Eucalyptus.
Trade Receivables Turnover Ratio	Credit Sales	/	Average Trade Receivable	Times	3.70	3.08	20%	
Trade Payables Turnover Ratio	Credit Purchase*	`	Average Trade Payable**	Times	3.85	3.64	6%	
Net Capital Turnover Ratio	Total Sales	`	Average Working Capital	Times	0.46	0.37	23%	
Net Profit Ratio	Net Profit		Sales	%	40.57%	43.96%	-8%	
Return on Capital Employed	Earning Before Interest and Tax	\	Capital Employed	%	13.18%	11.66%	13%	
Return on Investment	Earning After Tax		Average Total Assets	%				NA as no investment

* Credit Purchases = Purchases of Raw Materials + Purchases of Packing Materials + Purchase of Store & Spares + Purchases of Finished Goods



Dhanvantari Products : Established in 1991-92 with a total investment of Rs. 8 lakhs, the Dhanvantari Project comprises a state-of-the-art facility equipped with machinery and ancillary items to produce a wide range of high-quality ayurvedic powders and tablets to heal and give relief in health problems through holistic approach.

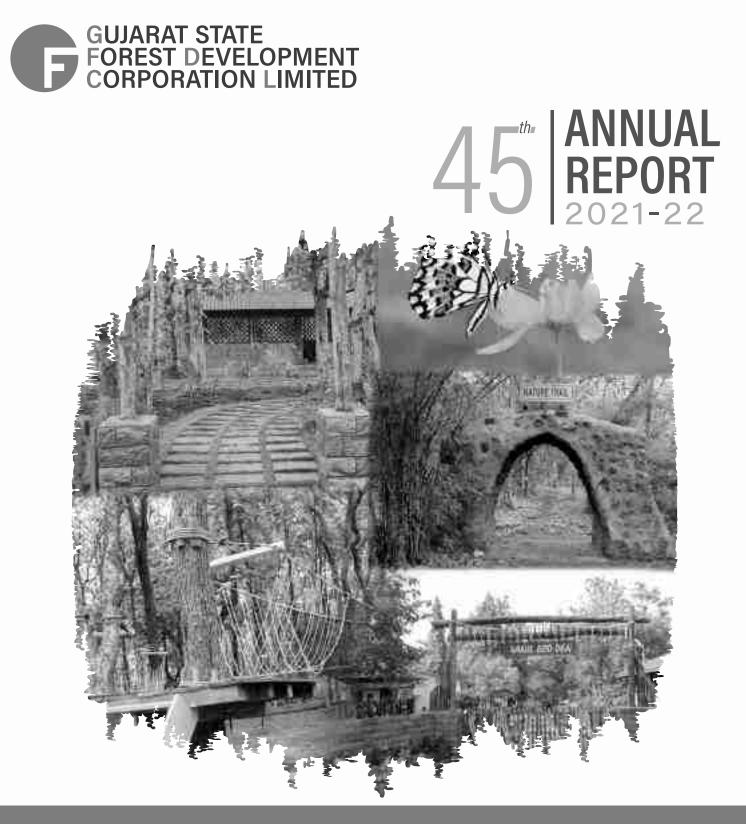


Dhanvantari Honey : In addition to manufacturing Ayurvedic medicines, GSFDC Limited also specializes in processing honey that comes direct from forest which is 100% pure and organic.. With an impressive annual processing capacity of 150,000 kilograms, GSFDC takes pride in its state-of-the-art fully automatic honey treatment plant and bottle filling facility. These advanced facilities ensure the highest quality standards for our esteemed customers.



Vanil Processing Unit : Vanil Udyog boasts modern facilities for wood processing, including a state-of-the-art saw mill, conventional and solar seasoning plants, a joinery unit for doors, windows, and furniture, as well as wood art and finishing sections. The operations are overseen by qualified and experienced engineers, and about 148 skilled tribal workers are employed to ensure quality products are manufactured in compliance with the Indian Standard Specifications.

Vanil Furniture : Vanil Udyog produces a wide range of high-quality wood products, including wooden doors, window frames, shutters, furniture, and scantlings planks. These products are crafted using superior secondary non-teakwood species and Valsadi teak wood, ensuring durability and aesthetic appeal.



Tourists are enjoying the beauty of nature at "Vanil-Eco Den" at Navtad Navsari, an eco-tourism project successfully run by GSFDC Ltd.

(A Govt. of Gujarat Undertaking) | CIN: U02005GJ1976SG002927

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