

**SCHEDULE 'E' - OTHER LIABILITIES**As at 31.03.2011
Amount (₹)As at 31.03.2012
Amount (₹)**a) OTHER LIABILITIES**

3,781,261	Interest accrued but not due :		
9,902	On Bonds and Debentures	1,123,672	
	On Borrowings	0	1,123,672
565,936	Unclaimed Dividend		565,936
22,571,955	Provision against Gratuity		0
47,895,012	Provision against Leave Encashment		50,849,778
0	Provision against Compassionate Assistance		4,287,374
16,519,527	Sundry Deposits		23,706,140
5,177,950	Earnest Money		4,198,450
11,208,618	Borrowers' Imprest		8,258,432
6,910,000	Security Deposits		7,168,832
3,088,000	Sundry Creditors		3,088,000
2,104,100	Other Expenses Payable		3,312,038

b) STATE GOVT. FUNDS (AS AN AGENCY)**1) SUBSIDIES**

5,463	TUF Subsidy	0	
97,160	Credit Linked Capital Subsidy	97,160	
924,055	Central Subsidy	924,055	
75,357	Generating Set Subsidy	75,357	
3,825,238	State Subsidy	3,825,238	
2,679,260	NHB Subsidy Reserve Fund	2,679,260	7,601,070

2) AGENCY AND SEED MONEY LOANS

77,602	State Govt. funds under Agency agreement	77,602	
132,258	Sundry Deposits	132,258	
217	Borrowers' Imprest - Agency Funds	217	
13,770	Borrowers' Imprest - Seed Money	13,770	
472,214	Interest Due - Agency Loans	472,214	
910,434	Interest Due - Seed Money RIS	938,702	
5,739,423	Seed Money from State Govt.	5,739,423	
651,254	Seed Money RIS	651,254	
10,880	Interest Received - Agency Funds	11,098	
31,906,450	Interest Received - Seed Money (Agency)	35,238,299	43,274,837

c) CONTINGENT PROVISION AGAINST STANDARD ASSETS

2,690,000	Upto previous year	1,843,000	
0	Add : Provision during the year	63,000	
847,000	Less : Excess provision provided in earlier years written back	0	1,906,000
169,196,296	TOTAL		159,340,559



SCHEDULE 'F' - PROVISIONS

As At 31.03.2011 Amount (₹)			As At 31.03.2012 Amount (₹)
	i) Provision for Non-performing Loan Assets :		
427,215,000	Upto previous year	398,426,000	
28,789,000	Less : Excess provision provided in earlier years written back	15,909,000	382,517,000
139,630,771	ii) Provision for non-performing leasing assets		139,630,771
166,800,000	iii) Adjusted out of Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961		166,800,000
	iv) Provision for diminution in value of Investments :		
48,450,576	Upto previous year	44,331,763	
4,118,813	Less : Excess provision provided in earlier years written back	175,400	44,156,363
<u>749,188,534</u>	TOTAL		<u>733,104,134</u>

SCHEDULE 'G' - CASH AND BANK BALANCES

As At 31.03.2011 Amount (₹)			As At 31.03.2012 Amount (₹)
	CASH IN HAND		
427,893	i) Corporation Funds	380,769	
214	ii) Agency Funds & Seed Money	214	380,983
	BALANCE WITH SCHEDULED BANKS		
	i) In Current Accounts		
(13,110,183)	a) Corporation Funds	12,530,300	
5,448	b) Agency Funds	5,666	12,535,966
209,000,000	ii) In Fixed/Short Term Deposits		139,036,966
<u>196,323,372</u>	TOTAL		<u>151,953,915</u>

SCHEDULE 'H' - INVESTMENTS

As At 31.03.2011 Amount (₹)			As At 31.03.2012 Amount (₹)
	Investments (As per annexure to Schedule 'H') :		
1,450,000,000	I) Held till maturity - Unquoted		1,450,000,000
	II) Available for sale		
34,439,260	a) Quoted	34,439,260	
14,704,920	b) Unquoted	14,704,920	49,144,180
<u>1,499,144,180</u>	TOTAL		<u>1,499,144,180</u>

SCHEDULE 'I' - LOANS AND ADVANCES

As At 31.03.2011 Amount (₹)			As At 31.03.2012 Amount (₹)
	Loans & advances (as per annexure to Schedule 'I')	1,035,748,259	
1,347,750,192	Interest accrued and due	2,315,799	
12,946,574	Adhoc Limit - Boughtout Deals	3,275,000	
3,275,000			
1,363,971,766		1,041,339,058	
4,264,916	Soft loan - NEF, MUN & SEMFEX	3,950,259	1,045,289,317
1,368,236,682			
57,148,124	Loans for Leasing Equipments (Advance)		57,148,124
27,473,338	Vehicle Sub-Leasing		27,473,338
<u>1,452,858,144</u>	TOTAL		<u>1,129,910,779</u>



SCHEDULE 'J' - FIXED ASSETS

CORPORATION'S ASSETS

(Amount in ₹)

Sr. No.	PARTICULARS	WDV AS ON 01.04.2011	ADDITIONS UPTO 30.09.2011		SOLD/ TRNSFRD DURING THE YEAR	VALUE	RATE OF DEP. %AGE	TOTAL DEP. DURING THE YEAR	WDV AS ON 31.03.2012
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A) LAND & BUILDING									
1. Land		18,202,591	0	0	11,711,865	6,490,726	0	0	6,490,726
2. Building -Office		41,575,385	0	0	0	41,575,385	10	4,157,539	37,417,846
-Residential		25,092,547	0	0	0	25,092,547	5	1,254,627	23,837,920
TOTAL		84,870,523	0	0	11,711,865	73,158,658		5,412,166	67,746,492
B) FURNITURE & FITTINGS									
1. Furniture		1,025,551	0	0	0	1,025,551	10	102,552	922,999
2. Safes,Cabinets & Padlocks		314,102	0	0	0	314,102	10	31,411	282,691
3. Misc.		200,866	0	0	0	200,866	10	20,084	180,782
4.Electric Fittings		1,386,714	0	12,619	0	1,399,333	10	139,302	1,260,031
TOTAL		2,927,233	0	12,619	0	2,939,852		293,349	2,646,503
C) PLANT & MACHINERY									
1.Computers		129,346	0	0	0	129,346	60	77,608	51,738
2. Typewriters,Duplicators etc.		5,290	0	0	0	5,290	15	795	4,495
3.Staff Cars & Jeep		1,926,499	0	0	51,500	1,874,999	15	281,250	1,593,749
4.Bicycles		10,318	0	0	0	10,318	15	1,546	8,772
TOTAL		2,071,453	0	0	51,500	2,019,953		361,199	1,658,754
Grand Total - (A+B+C)		89,869,209	0	12,619	11,763,365	78,118,463		6,066,714	72,051,749
D) CAPITAL WORK IN PROGRESS									
1.Computer Software		511,743	0	0	511,743	0	0	0	0

LEASING ASSETS

Particulars	WDV of Equipments leased as on 01.04.11	Additions During the Year	Sale/ Adjustment	Value as on 31.03.2012	Lease Rentals Received During the Year	Interest out of Rentals Received	Principal out of rentals Charged to Depreciation	WDV of Equipments leased as on 31.03.2012
E) LEASING ASSETS	55,015,703	0	4,902	55,010,801	1,561	69	1,492	55,009,309

Total Depreciation : 6,068,206

Total WDV (A+B+C+D+E) : 127,061,058



SCHEDULE 'K' - OTHER ASSETS

As at 31.03.2011 Amount (₹)		As at 31.03.2012 Amount (₹)
14,502,500	Staff loans	11,259,925
747,973	Advances against Expenses	1,063,163
	Tax deducted at source :	
781,770	Financial year 2009-10	0
1,820,206	Financial year 2010-11	1,820,206
0	Financial year 2011-12	1,845,235
	Excess Income Tax deposited :	
0	Financial year 1981-82	1,479,647
0	Financial year 1982-83	9,570,353
53,000	Fringe benefit tax	0
0	Excess funds against gratuity with LIC	3,524,224
123,027	Security Deposits	114,963
1,047,938	Advance for purchase of plot	0
122,147	Advance to HSIIDC for Head Office Building	122,147
12,248,625	Claims recoverable	2,433,645
	Interest Accrued but not due :	
30,381,738	On Loans and advances	29,271,486
15,778,721	On staff advances and deposits	10,383,092
	Rent due but not received	39,654,578
16,556,484	Dividend Paid - Adjustable against Subvention from State Govt.	1,391,500
	State Government loans (As an Agency) :	16,556,484
594,661	i) Agency Loans	594,661
30,248,057	ii) Seed Money Agency	33,554,556
546,586	iii) Seed Money (RIS)	561,770
126,864,433	TOTAL	125,547,057

SCHEDULE 'L' - PROFIT AND LOSS ACCOUNTS

(ACCUMULATED LOSSES)

As at 31.03.2011 Amount (₹)		As at 31.03.2012 Amount (₹)
1,394,217,662	Accumulated loss as per last Balance Sheet	1,340,344,212
0	Add : Net loss for the year	292,229,658
53,873,450	Less : Net profit for the year	0
1,340,344,212	TOTAL	1,632,573,870

**SCHEDULE 'M' - INCOME FROM OPERATIONS**

For the year ended
31.03.2011
Amount (₹)

166,775,832	Interest Income on :
503,000	Loans & Advances
	Leasing Equipment Advances
854,422	Profit on Sale of Shares
266,000	Dividend on Investments
168,275	Upfront Fee/Processing Fee
168,567,529	TOTAL

For the year ended
31.03.2012
Amount (₹)

98,417,169	Loans & Advances
0	Leasing Equipment Advances
0	Profit on Sale of Shares
141,000	Dividend on Investments
(140,727)	Upfront Fee/Processing Fee
98,417,442	TOTAL

SCHEDULE 'N' - OTHER INCOME

For the year ended
31.03.2011
Amount (₹)

566,523	Miscellaneous Income
90,290	Interest Income on :
(230,921)	Income Tax
11,187,083	Staff Advances
	Deposits with Banks
9,635,122	Amount received out of bad debts written off
18,715	Vehicle Lease Rental - Staff Members
15,577,608	Rental Income
242	Prior period excess provision written back- Wealth Tax
36,844,662	TOTAL

For the year ended
31.03.2012
Amount (₹)

(632,221)	Miscellaneous Income
1,108,430	Interest Income on :
480,892	Income Tax
31,130,574	Staff Advances
32,719,896	Deposits with Banks
7,742,721	Amount received out of bad debts written off
1,561	Vehicle Lease Rental - Staff Members
16,889,387	Rental Income
3,729	Prior period excess provision written back- Wealth Tax
56,725,073	TOTAL

SCHEDULE 'O' - INTEREST EXPENSES ON BONDS & BORROWINGS

For the year ended
31.03.2011
Amount (₹)

38,637,120	Interest on Bonds
27,755,744	Interest on Refinance
73,765	Interest on Deposits/Earnest Money
9,902	Interest on limit against Fixed Deposits with Banks
184	Interest on Service Tax
66,476,715	TOTAL

For the year ended
31.03.2012
Amount (₹)

22,461,911	Interest on Bonds
0	Interest on Refinance
723,517	Interest on Deposits/Earnest Money
473,727	Interest on limit against Fixed Deposits with Banks
0	Interest on Service Tax
23,659,155	TOTAL

SCHEDULE 'P' - OTHER FINANCIAL EXPENSES

For the year ended
31.03.2011
Amount (₹)

20,954	Bank Charges
20,954	TOTAL

For the year ended
31.03.2012
Amount (₹)

19,043	Bank Charges
19,043	TOTAL



SCHEDULE 'Q' - PERSONNEL EXPENSES

For the year ended
31.03.2011
Amount (₹)

For the year ended
31.03.2012
Amount (₹)

110,613	Salaries & Allowances :		
82,319,532	a) Managing Director	0	
8,298,443	b) Other Staff	87,836,974	87,836,974
(1,591,486)	Contribution to Staff Provident Fund		8,838,792
7,641,711	Gratuity Premium		228,122
3,012,653	Leave Salary		9,583,448
54,000	Medical Expenses		2,589,432
352,102	Training & Participation Fees		58,000
182,011	Staff Welfare		298,449
1,274,681	Uniforms		16,575
251,489	Compassionate Assistance		5,446,992
764,149	EDLI Premium		278,529
	Administrative Expenses on Provident Fund		796,004
102,669,898	TOTAL		115,971,317

SCHEDULE 'R' - ADMINISTRATIVE EXPENSES

For the year ended
31.03.2011
Amount (₹)

For the year ended
31.03.2012
Amount (₹)

1,219,589	Travelling and other Expenses :		
47,213	a) Staff	635,437	
3,500	b) Directors & Committee Members	40,338	675,775
10,202	Directors & Committee Members' Fees		500
2,747,904	Director's Meeting Expenses		0
786,928	Rent, Taxes, Insurance, Electricity etc.		2,727,859
473,843	Postage, Telegram & Telephone		564,782
64,614	Printing & Stationary		483,723
619,640	Computer Expenses		580,640
6,742,710	Publicity & Business Promotion		116,732
552,801	Depreciation		6,068,206
475,967	Repairs and Renewals-Office Equipments		345,655
1,334,725	Repairs and Maintenance-Staff cars		548,611
49,059	Legal Charges		964,741
219,190	Books & News Papers		35,828
294,765	Repairs & Renewals - Residential Building		380,313
44,120	Professional Charges		1,587,437
132,009	Audit Fee		40,000
133,000	Entertainment		107,817
120,751	Wealth Tax		350,000
0	Others - Misc. Expenses		83,440
57,287	Short Deduction TDS		2,430
	Branch Office Shifting Charges		79,569
16,129,817	TOTAL		15,744,058



SCHEDULE - 'S'

Notes on Accounts

1 Significant Accounting Policies

- a) The Financial Statements of the Corporation are prepared on Accrual basis except for Interest on NPAs which has been accounted for on receipt basis as per RBI guidelines.
- b) The amount received from the borrowers against loans and advances is appropriated in the following orders :
 - i) Miscellaneous Expenses.
 - ii) Interest.
 - iii) Principal.
- c) In cases, where the Corporation sells borrower's assets on deferred payment basis, respective borrowers' loan accounts are credited by the full amount of the sale proceeds. The deferred part of sale proceeds is treated as fresh loans to the auction purchasers and recovered as per the terms of the sale agreements.
- d) During the year, the Corporation introduced settlement policies namely, the policy for Compromise Settlement of Chronic Non-Performing Assets (Doubtful Loan Accounts) of Haryana Financial Corporation - 2011 and the policy for Compromise Settlement of Loss Accounts of Haryana Financial Corporation-2011 for prompt recovery of NPAs. The Corporation has approved 125 cases of settlement under above policy upto 31-07-2012.

In the normal course, the recoveries are adjusted first against the actual misc. expenses and then against the outstanding interest and thereafter the balance amount is adjusted against outstanding principal amount. However, at the time of settlement in terms of the above policies, the account are recasted by appropriating the amount realized by way of sale of mortgaged assets by the Corporation or sale by promoters/guarantors/mortgagors with the permission of the Corporation or by order of any court, on the date of sale, first against actual misc. expenses, then against the principal amount balance if any against the outstanding interest.

e) Retirement Benefits

i) Gratuity to staff is covered under the Group Gratuity Scheme of Life Insurance Corporation of India. The Board of Directors in its meeting held on 22.12.2011 has approved the enhancement of gratuity limit payable to staff (w.e.f. 01.04.09) from ₹3.50 lakh to ₹10.00 lakh. However provision for shortfall on account of enhanced gratuity limit amounting to ₹3.11 crore as per actuarial valuation of Life Insurance Corporation of India (LIC) has not been provided in the books of account, as the same is yet to be approved by State Government. The Corporation is regularly paying the gratuity premium to LIC (on basis of present gratuity limit of ₹3.50 lakh) and as per LIC letter dated 25.04.12, the present value of gratuity liability is ₹4.30 crore and the fund size towards gratuity of Corporation with LIC is ₹4.65 crore. The excess amount ₹0.35 crore has been appropriated to relevant head and shown in balance sheet under the head 'Other Assets'. Provision for leave Encashment payable to staff amounting to ₹5.08 crore is made in the books of accounts

ii) Monthly matching contribution towards employees provident fund is remitted to the Regional Provident Fund Commissioner, Chandigarh as per provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and is charged to profit and loss account.

f) Asset Classification and Provisioning

- i) Loans and Advances have been categorised and provisioning has been made their against as per guidelines received from SIIDBI which are as under :

Category	Age of Default for Principal and/or Interest (in months)	Provisioning on Loans Outstanding (%age)
Standard	0 - 3	0.25
Standard Upgraded A/c and Restructured A/c	0 - 3	2.00
Sub-standard	Above 3- 15	15.00
Doubtful-I	Above 15-27	25.00
Doubtful-II	Above 27-51	40.00
Doubtful-III	Above 51	100.00
Loss	No Security available	100.00



Provision of 2% has been made on the standard assets which are upgraded from NPAs for the first year from the date of upgradation and on restructured accounts classified as standard assets in the first two years from the date of restructuring.

ii) As per guidelines issued by SIDBI in respect of investments in equity shares (available for sale), evaluation has been done as per market rate, which is the price of the script available from trades /quotes on the stock exchange. Those scripts for which current quotations are not available or where the shares are not quoted on stock exchange, have been valued at book value ascertained from the latest balance sheet. In case the latest balance sheet is not available, the shares have been valued at ₹ 1/- per company. In case of Investment in equity shares (held to maturity) evaluation has been done at acquisition price.

iii) Entire lease rentals in respect of Equipment Leasing, Vehicle Leasing and Special Vehicle Leasing cases have fallen due for payment before the date of balance sheet, hence provisioning equivalent to the entire amount outstanding on this account as on 31.03.2012 has been made. Lease finance in respect of Loans for Leasing Equipments (advance) and Vehicle Sub Leasing cases are treated as loans, for the purpose of provisioning.

iv) The provisioning has been made without giving the effect of the amount lying in the Sundry Deposits under schedule 'E' - Other Liabilities.

g) **Depreciation**

Depreciation on fixed assets has been provided on written down value method at the rates prescribed under provisions of Income Tax Rules 1962. Depreciation in respect of leasing portfolio is charged equivalent to principal amount out of lease rentals recovered on the basis of Capital Recovery Method. However, amount received in settled cases has been appropriated as per terms of settlement.

2. **Contingent liabilities**

- i) Liability in respect of units disposed off but in dispute - amount indeterminate.
 - ii) The contingent liabilities in respect of claims lodged against the Corporation by ex-employees/pensioners and other claims (16 cases) are to the extent of ₹ 5.53 crore (approx.) not acknowledged. In addition to above there are 25 court cases/appeals filed by the employees/ex-employees against which amount is indeterminate.
 - iii) As per MoU signed by the Corporation with SIDBI on 25th March 2004 and renewed on 7th August, 2009, certain benefits, relief and concessions were provided by SIDBI, to the Corporation which as per terms of the MoU can ipso-facto be withdrawn at the sole discretion of SIDBI in the event of non-compliance of terms and conditions of this MoU. There shall be a liability of ₹ 1384.35 lacs upto 31.05.2010, if the reliefs/concessions so given by the SIDBI are withdrawn. Further in view of One-time Settlement of outstanding refinance by SIDBI as discussed in note 3 below, the provision of accrued interest w.e.f. 01.06.2010 onwards has not been made during the current financial year.
 - iv) A demand of ₹ 1.59 crore (approx.) (after adjusting the refund of ₹ 1.10 crore against assessment year 2005-06) has been raised by the income Tax Department for the AYs 1981- 82 and 1982- 83 on account of excess amount refunded by income tax department in the earlier years against which appeals are pending with ITAT.
 - v) Sale Tax assessments for the financial years 2004-05, 2005-06, 2006-07 & 2007-08 has been completed by the Assessing Authority, Panchkula & sales tax/VAT liability for these financial years has been assessed at ₹ 119.41 lacs. As the Corporation has filed appeals with higher authority so the above liability of ₹ 119.41 lacs has not been provided in the accounts against these orders.
 - vi) Gratuity to staff is covered under the Group Gratuity Scheme of Life Insurance Corporation of India. The Board of Directors in its meeting held on 22.12.2011 has approved the enhancement of gratuity limit payable to staff (w.e.f. 01-04-09) from ₹ 3.50 lakh to ₹ 10.00 lakh. However, provision for shortfall on account of enhanced gratuity limit amounting to ₹ 3.11 crore as per actuarial valuation of Life Insurance Corporation of India (LIC) has not been provided in the books of account, as the same is yet to be approved by State Government.
3. SIDBI vide their letter dated 10.01.2011 has approved one time settlement of outstanding refinance amount of ₹ 181.68 crore at ₹ 130 crore with no further interest (outstanding and future) to be paid within three years subject to the condition that in the event of default(s) in the payment of OTS dues, SIDBI shall have right to reverse the waiver of dues as envisaged under OTS and restore the original liability, including the State Government Guarantee. Keeping in view the above OTS, no provision of accrued interest w.e.f. 01.06.2010 onwards has been made during the current financial year. The effect of principal waiver (₹ 51.68 crore) has not been given in the books of account and the effect of waiver shall be made in the year of final payment as per OTS, as the waiver is linked with the payment of OTS amount to be paid within a period of three years. Against the total OTS amount of ₹ 130 crore, the Corporation has paid ₹ 43.33 crore upto 31.03.12 being the 1/3rd of the total OTS amount. During the Financial year 2012-13 the Corporation has also paid ₹ 5.00 crore to SIDBI.



4. The report of the financial consultant namely IFCI Ltd. appointed by the Corporation to study the pros. and cons. of merger/winding up of the Corporation has been received. After considering the report of the financial consultant, the Board of Directors of the Corporation in its meeting held on 10 - 07 - 2012 has decided to complete the process of sale of properties/settlement of liabilities by 31- 03 - 2015. The Board of directors of the Corporation as well State Govt., Haryana have approved transfer of three properties of the Corporation to HSIIDC for ₹ 46.45 crore and disposal of other properties of the Corporation through open auction. The Corporation has requested the respective agencies (HUDA/Housing Board etc.) for necessary permission for transfer / sale of properties. The steps in this direction are being taken by the Corporation.
5. Subvention amounting to ₹ 7,17,53,106 is receivable from State Govt. for payment of the minimum guaranteed dividend for the period of financial years 1996-97 to 2000-01 (upto 05.09.2000) against the guarantee given by the State Govt. under Section 6 read with Section 35 of the State Financial Corporations Act, 1951 for which claim has been lodged with the State Govt.. Against above, the Corporation has since paid ₹ 1,65,56,484 to the retail investors/others from its own sources. The said amount has been shown under the head - Dividend Paid (adjustable against subvention to be received from State Govt.) in 'Schedule 'K' - Other Assets'. The State Govt. guarantee has been withdrawn w.e.f. 06.09.2000 as per SFCs (Amendment) Act, 2000 and thereafter no dividend has been provided / declared.
6. The value of primary and collateral securities of all the Loans and Advances as on the date of Balance sheet is not re-assessed. However, adequate provision against non-performing assets (NPAs) has been made in the books of accounts as on 31.03.2012 as per the provisioning norms of SIDBI.
7. The Corporation advanced loans in the name of various equipment suppliers to lessees for purchase of Leasing Equipments. In some of the cases, the lessees have not submitted bills and other documents against purchase of these equipments. A sum of ₹ 5,71,48,124/- is still outstanding in this regard as on 31.03.2012 which has been shown under the head " Loans for Leasing Equipments (Advance)" in Schedule - 'I' - 'Loans and Advances'. The Corporation has already initiated necessary action for recovery of this amount.
8. Loans and advances are categorised and provisioning made there against on the basis of guidelines received from Small Industries Development Bank of India as Standard, Sub Standard, Doubtful and Loss Assets as detailed below :

(₹ in Crore)

<u>Assets Classification</u>	<u>Current Year</u>		<u>Previous Year</u>		<u>Change over the prev. year</u>
	<u>Loan</u>	<u>Provision</u>	<u>Loan</u>	<u>Provision</u>	
Standard Assets :	40.62	0.19	73.72	0.18	0.01
Including Upgraded A/c and Restructured A/c					
Non-Performing Loan Assets :					
Sub Standard Assets	9.46	1.42	4.99	0.50	0.92
Doubtful Assets	41.97	41.67	43.69	43.33	-1.66
Loss Assets	11.85	11.85	12.70	12.70	-0.85
	<u>103.90</u>	<u>55.13</u>	<u>135.10</u>	<u>56.71</u>	<u>-1.59</u>

Corporation has made additional provision of ₹0.01 crore against standard assets and has written back excess provision of ₹1.59 crore against Non-performing loan assets during the Year.

Provision on Leasing Portfolio has been provided at 100 percent of the portfolio. No additional provision has been made during the year, as the provision of ₹13.96 crore has already been provided upto 31.03.11.

(₹ in Crore)

<u>Leasing Portfolio</u>	<u>Current Year</u>		<u>Previous Year</u>	
	<u>Amount</u>	<u>Provision</u>	<u>Amount</u>	<u>Provision</u>
Loan for Leasing Equipments (Advance)	5.71	5.71	5.71	5.71
Vehicle Sub Leasing	2.75	2.75	2.75	2.75
Equipment Leasing	4.99	4.99	4.99	4.99
Vehicle Leasing	0.51	0.51	0.51	0.51
	<u>13.96</u>	<u>13.96</u>	<u>13.96</u>	<u>13.96</u>



9. As per guidelines issued by SIDBI, provision towards diminution in the value of investments of ₹3.10 crore in respect of listed shares and ₹1.31 crore in respect of unlisted shares, totalling to ₹4.41 crore is required to be made upto 31.03.2012 against which the Corporation has already made provision of ₹4.43 crore upto 31.03.2011. Therefore, provision of ₹0.02 crore has been written back during the year which has been shown in Schedule 'F' - Provisions.
10. Amount of ₹3,74,17,846/- shown as Building-Office under Schedule 'J' - Fixed Assets includes ₹68,06,312/- paid and ₹30,88,000/- to be paid by the Corporation against allotment of 4 suites in HUDCO Place, Andrews Ganj, New Delhi. Though the physical possession of the same is with Corporation, but title documents in this regard are yet to be executed in favour of the Corporation.
11. The Leasing Assets under Schedule 'J' - Fixed Assets, have been depreciated on Capital Recovery Method. The leased assets financed by the Corporation belong to the period prior to 01.04.2001, hence the equipment leasing has not been classified as Loans and Advances as per the Accounting Standard (AS-19) because it is applicable only on the leasing activities done after 01.04.2001.
12. The State Govt. has appointed Corporation as agent for disbursement of its various subsidies, seed money and agency loans. Unutilized amount against various subsidies has been shown under the sub head "(b)(1) State Govt. Funds (As An Agency)" of Schedule 'E' - Other Liabilities. Liabilities towards State Govt. against Agency & Seed Money Loans have been shown against '(b)(2)' under the said sub head. The balance of Agency and seed Money loans have been shown in Schedule 'K' - Other Assets. The amount of interest accrued in these loans is credited to respective interest account under Other Liabilities and debited to relevant loan account as the amount so received from the borrowers on this account is payable to the State Govt. These are outstanding since long and are subject to confirmation by the State Government.
13. During the year the Corporation has received State Government guarantee in respect of SLR Bonds already issued (61st series to 67th series). As on 31.03.2012 a sum of ₹15.00 crore is outstanding against 65th to 67th series of SLR Bonds.
14. During the financial year 2007-08, the Corporation created deferred tax assets amounting to ₹33.50 crore on the basis of timing difference in depreciation and long term capital loss and a part of above amount was set off against the profits earned during the year 2008-2009. During financial year 2010-11, the Corporation decided to stop fresh operational activities and a financial consultant was also appointed to study the pros. and cons. of merger/ winding up of the Corporation. The Comptroller & Auditor of General of India (CAG) in its Separate Audit Report (SAR) for the financial year 2010-11 observed that deferred tax assets were overstated and accumulated losses were understood by ₹30.80 crore. The Corporation while giving the comments on the above report, agreed to reverse the entries of deferred tax assets after the final decision on winding up/merger of the Corporation is taken by the Corporation / State Government. Keeping in view the above facts the outstanding amount of deferred tax assets of ₹30.80 crore has been reversed by debiting the profit and loss account during the year.
15. Disclosure requirements for SFCs in compliance of SIDBI's guidelines :

		F.Y. 2011-12 (₹ in Lacs)	
A	CAPITAL		
a)	CRAR %		18.69%
b)	The amount of subordinated debt raised and outstanding as Tier - II capital		---
c)	Risk Weighted Assets		
	1. On Balance Sheet items		29989.00
	2. Off Balance Sheet		---
d)	The Share holding pattern as on the date of the Balance Sheet	Amount	% age
	1. Govt. of Haryana	20186.17	97.28
	2. SIDBI	432.65	2.08
	3. Commercial Banks, Insurance Cos. etc.	20.17	0.10
	4. Private Shareholders	111.82	0.54
	TOTAL	20750.81	100.00
B	ASSET QUALITY AND CREDIT CONCENTRATION		
e)	% age of net NPAs to Net loans and advances		17.12%
f)	Amount and %age of Net NPAs under the prescribed asset classification categories	Amount	% age
	1. Sub Standard Assets	804.75	16.50
	2. Doubtful Assets	30.43	0.62
	TOTAL :	835.18	17.12



(₹ in Lacs)

g) Amount of provision made during the year

1. Provision for Standard Assets	0.63
2. Provision for NPAs	-159.09
3. Provision for Investments	-1.75
TOTAL	- 160.21

h) Movement in Net NPA

1. Sub Standard Assets	356.00
2. Doubtful Assets	- 6.52

i) Credit Exposure as percentage to Capital Funds and percentage to Total Assets

Particulars	Principal	To Total Capital Funds	To Total Assets
Largest single borrower	598.90	1.59%	1.97%
Largest borrower group	521.37	1.38%	1.72%
The 10 Largest single borrowers	2005.71	5.31%	6.61%
The 10 Largest borrower groups	1847.49	4.90%	6.09%

j) Credit exposure to five largest industrial sectors as % to total loan assets 4778.88 45.82%

C LIQUIDITY

k) Maturity pattern of Rupee assets and liabilities as per Balance Sheet and

(₹ in Lacs)

l) Maturity pattern of foreign currency assets and liabilities on the following format :

Items	Less than or equal to 1 year	More than 1 year upto 3 years	More than 3 years upto 5 years	More than 5 years upto 7 years	More than 7 years upto 10 years	More than than 10 years	Total
Rupee assets	2980.47	2118.89	1434.48	6519.12	0.00	17283.21	30336.17
Foreign Currency Assets			NIL				
TOTAL	2980.47	2118.89	1434.48	6519.12	0.00	17283.21	30336.17
Rupee Liabilities	6506.10	4413.00	80.00	80.00	120.00	22944.59	34143.69
Foreign Currency Liabilities			NIL				
TOTAL	6506.10	4413.00	80.00	80.00	120.00	22944.59	34143.69

**D OPERATING RESULTS**

m)	Interest income as a percentage to average working funds	4.06%
n)	Non-interest income as a percentage to average working funds	0.74%
o)	Net Profit/(Loss) as a percentage to Average Working Funds	(9.06)%
p)	Net Profit/(Loss) per employee	₹ (16.06) lakh

E EARNING PER SHARE

(Amount in ₹)

a)	Profit/(Loss) after Tax	(292,229,658)
	Profit/(Loss) attributable to ordinary Share Holders	(292,229,658)

b)	Weighted Average of Common Stock	No.	Period Outstanding (days)	Weighted Average
	Shares outstanding as on 31.3.2012	207508100	365	192595675

EARNING PER SHARE (a/b)

NIL

F Disclosure requirements under the RBI guidelines dated

7th July, 1999 on forward rate agreements under Interest Rate Swaps

NIL

16. Figures have been rounded off to the nearest rupee and wherever necessary figures for the previous year have been rearranged/regrouped in order to make it in conformity with current year's figures.
17. Schedules 'A' to 'S' form integral part of the Balance Sheet and Profit & Loss Account.

ASHOK PAHWA
GENERAL MANAGERASHWANI SHARMA
EXECUTIVE DIRECTORRAJEEV ARORA, IAS
MANAGING DIRECTOR

In terms of our separate report of even date attached
For DHILLON & ASSOCIATES
CHARTERED ACCOUNTANTS



Charanjit kumar (F.C.A.)
Partner
Membership No. 099126
Firm Regd. No. 002783N

PLACE : CHANDIGARH

DATED : 29th August 2012



ANNEXURE TO SCHEDULE - 'H'

STATEMENT SHOWING PARTICULARS OF INVESTMENTS IN SHARES AS ON 31st March, 2012

S.No.	Name of the Company	Face value	Cost per Share	Value per Share as on 31.3.2012	No. of Shares	Cost as on 31.3.2012	Value as on 31.03.2012
(Amount in ₹)							
I)	HELD TO MATURITY						
1.)	HARYANA POWER GENERATION CORP. LTD.	1000.00	1000.00	1000.00	1450000	1450000000	1450000000
II)	AVAILABLE FOR SALE						
A	<u>LISTED : ORDINARY - FULLY PAID UP</u>						
1.	GLOBAL INDS. LTD., GGN	10.00	10.00		300000	3000000	1
2.	GREEN MARK INFRA LTD. (Formerly JIVAN FLORA LTD., GGN.)	10.00	12.00		146600	1759200	1
3.	VEER VARDHMAN INDS., PPT	10.00	10.00		250000	2500000	1
4.	INDO BRITAIN AGRO FARMS LTD.	10.00	10.00		180300	1803000	1
5.	ARAVALI PIPES LTD., HSR	10.00	15.00		205000	3075000	1
6.	DOON VALLEY RICE MILLS, KNL	10.00	30.00		100000	3000000	1
7.	PAM RAFFIA LTD., PKL	10.00	10.00		10406	104060	1
8.	SWET CHEMANTIBIOTIC LTD., KNL	10.00	10.00		44800	448000	1
9.	GRM OVERSEAS LTD., PNP	10.00	20.00	27.00 *	125000	2500000	3375000
10.	M/S KLA BIOTECH INDS. LTD. (Formerly RCC CEMENT LTD., Gurgaon)	10.00	10.00		150000	1500000	1
11.	UMA FABRICS LTD., GGN	10.00	10.00		350000	3500000	1
12.	SHIVA SUITEX LTD., GGN	10.00	10.00		500000	5000000	1
13.	BHARAT POLYFAB LTD., REWARI	10.00	12.50		500000	6250000	1
					2862106	34439260	3375012
B.	<u>UNLISTED : ORDINARY - FULLY PAID UP</u>						
1.	INA POLYSTER BUTTON LTD., FBD.	10.00	10.00		200000	2000000	1
2.	APEX MULTITECH LTD., PKL	10.00	10.00		200000	2000000	1
3.	NITIKACEMENTS LTD., PKL	10.00	14.00		214280	2999920	1
4.	INA POLYSTER BUTTONS LTD.,	10.00	10.00		200000	2000000	1
5.	APEX MULTITECH LTD., PKL	10.00	15.00		375000	5625000	1
6.	HARDICON	100.00	100.00	2016.00 **	800	80000	1612800
					1190080	14704920	1612805
III)	HELD FOR TRADING					NIL	
	GRAND TOTAL (I + II + III)				5502186	1499144180	1454987817
						COST	1499144180
						VALUE	1454987817
						DIMINUTION	44156363

Note : (*) Value of the shares as on 31st March, 2012.

(**) Value of share has been determined on the basis of balance sheet as on 31st March, 2012.



ANNEXURE TO SCHEDULE - 'I'

DETAILS OF LOANS AND ADVANCES - AS ON 31.03.2012

(₹ in Thousands)

I. PARTICULARS OF LOANS & ADVANCES

1.	Debts considered good in respect of which the Corporation is fully secured :-		
	(i) Standard Assets	406,189	
	(ii) Sub Standard Assets	94,677	500,866
2.	Debts previously fully secured		
	(i) Doubtful Assets	416,419	
	(ii) Loss Assets	118,464	534,883
			1,035,749
	Soft Loans - SIDBI		3,950
			<u>1,039,699</u>
3.	Debts due by concerns in which one or more Directors of the Corporation are interested as Directors, Partners, Proprietors or Managing Agents or in case of Private Companies as Members.		---
4.	Total amount of Loans disbursed during the year to concern in which one or more Directors, Partners, Proprietors or Managing Directors or in case of Private Companies as Members.		---
5. i)	Total amount of instalments whether of principal or interest of which default was made at any time during the year		696,828
ii)	Total amount of instalments whether of principal or interest over due at the end of year (excluding those against whom legal action has been taken and are disclosed under (iv) below).		2,147,808
iii)	Total amount of instalments whether of principal or interest overdue in concerns in which the Directors of the Corporation are interested		---
iv)	Total amount due from Industrial concerns against whom suits are pending in courts (this includes cases in which decrees other than consent decrees have been obtained and where other legal action has been taken.)		33,929,859
v)	Debts guaranteed by the State Govt.		231,996
6.	Debts due from loanee concerns whose management has been taken over by the Corporation		---
7.	Debts considered doubtful and loss assets. Provisioning made to the extent of ₹531,840 thousands		534,883

II THE CLASSIFICATION OF LOANS AND ADVANCES ACCORDING TO THE SIZE OF THE INDUSTRIAL UNITS

i)	Debts due from small scale industrial concerns	877,136
ii)	Debts due from concerns other than those included under (i) above	162,563
		<u>1,039,699</u>

III THE CLASSIFICATION OF LOANS & ADVANCES ACCORDING TO THE CONSTITUTION OF THE INDUSTRIAL UNITS.

a)	Proprietorship	240,740
b)	Partnership	151,625
c)	Private Limited Companies	495,513
d)	Public Limited Companies	151,821
		<u>1,039,699</u>

HARYANA FINANCIAL CORPORATION, CHANDIGARH
CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.11 TO 31.03.12

Amount (₹ in lacs)

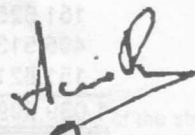
USES

1. DISBURSEMENTS OF LOANS		237.36
2. REPAYMENTS		
REFINANCE - SIDBI LOC/NRS	3834.00	
SLR BONDS	1935.00	5769.00
3. INTEREST PAYMENTS ON		
SLR BONDS	251.19	
OTHERS	12.07	263.26
4. SALARY & WAGES		1332.96
5. ADMINISTRATIVE & OTHER EXPENSES		98.82
6. OTHER CASH OUTGOINGS		72.74
7. CLOSING CASH AND BANKS BALANCES		1519.54
TOTAL		9293.68

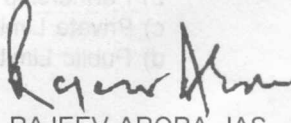
SOURCES

1. OPENING CASH AND BANK BALANCES		1963.24
2. INCREASE IN SHARE CAPITAL		2001.00
3. RECOVERY OF TERM LOANS - PRINCIPAL		3364.68
4. INTEREST RECEIPTS		
TERM LOANS	1101.58	
OTHER INTEREST (STAFF ADV. + STD)	381.16	1482.74
6. LEASE RENTALS		0.02
7. MISC INCOME :		
DIVIDEND ON INVESTMENTS	1.41	
RENT RECEIVED	168.08	
RECOVERY OUT OF BAD DEBTS	77.43	246.92
8. AMOUNT RECEIVED - SURRENDERS OF PLOTS		127.60
9. OTHER CASH INFLOWS		107.48
TOTAL		9293.68




ASHOK PAHWA
 GENERAL MANAGER


ASHWANI SHARMA
 EXECUTIVE DIRECTOR


RAJEEV ARORA, IAS
 MANAGING DIRECTOR

**HARYANA FINANCIAL CORPORATION
CHANDIGARH**



FORM OF NOMINATION OF DIRECTOR IN TERMS OF REGULATION 62 OF THE GENERAL REGULATIONS

(For election of a director pursuant to clause (e) of Section 10 of the Act., when the nomination is not made by a resolution of the shareholding institution.)

We, the undersigned, being the parties referred to in clause (d) of Sub-section (3) of Section 4 of the State Financial Corporations Act, 1951 and holding shares of the Haryana Financial Corporation, the numbers of which are given hereunder against our respective names, do hereby nominate

Shri _____ having

folio no. _____ Resident of _____

as a candidate for election of director at the forthcoming **45th Annual General Meeting** of the Haryana Financial Corporation to be held in Chandigarh at **11.30 a.m. on 6th February, 2013** or at any adjournment thereof to represent the parties other than those referred to in clause (a) (b) & (c) of sub-section (3) of section 4 of the State Financial Corporations Act, 1951 on the Board of Directors of the Haryana Financial Corporation.

Name of the Shareholders	Folio No.	Denoting numbers of shares	Signature of the the shareholders
1. _____	_____	_____	_____
2. _____	_____	_____	_____

Note : If any Shareholder signs through his duly constituted attorney, this fact should be shown against his signature and the original or a true copy of attorney certified by the Notary Public or a Magistrate should be attached.

DECLARATION BY THE CANDIDATE

I, _____ S/o _____

the candidate hereinabove mentioned, declare that I hereby accept the nomination and am willing to stand for election and that I am not disqualified for election under section 12 of the State Financial Corporation Act., 1951.

Signature of the Candidate Nominated

Declaration signed before me by
the candidate nominated

(Judge/ Magistrate/Registrar/
Sub Registrar of Assurance/
or other Gazetted Officer

Dated



HARYANA FINANCIAL CORPORATION CHANDIGARH

FORM OF NOMINATION OF DIRECTOR IN TERMS OF REGULATION 62 OF THE GENERAL REGULATIONS

(For nomination/election of a director pursuant to clause (d) or (e) of Section 10 of the Act when the nomination is made by a resolution of the shareholding institution)

(Applicable to Institutions & Companies)

Resolved that Shri _____ of M/s _____
_____ having folio no. _____

be and is hereby nominated as a candidate as for nomination/election as a director at the forthcoming **45th Annual General Meeting** of the shareholders of the Haryana Financial Corporation to be held at Head Office of the Corporation i.e. Bays Nos 17, 18, & 19, Sector 17-A, Opp. L.I.C. Building Chandigarh at **11.30 a.m. on 6th February, 2013** or at any adjournment thereof to represent as a class of shareholders on the Board of Directors of the Corporation.

CHAIRMAN'S CERTIFICATE

Certified that the above is true copy of the resolution passed at the duly convened meeting of the Directors of Company M/s _____

held on _____ at _____

The undersigned was the Chairman of the said meeting.

Signature of the Chairman
(Rubber Stamp of the Company)

DECLARATION BY THE CANDIDATE

I, _____ S/o Shri _____

Resident of _____

the candidate hereinabove mentioned, declare that I hereby accept the nomination and am willing to stand for election and that I am not disqualified for election under section 12 of the State Financial Corporations Act., 1951.

Signature of the Candidate (Nominated)

Dated

Declaration signed before me by
the candidate nominated
(Attestation to be done by 1st Class Magistrate/Registrar/
Sub Registrar of Assurance/
or other Govt./Gazetted Officer)



**HARYANA FINANCIAL CORPORATION
CHANDIGARH**

PROXY FORM

(Vide General Regulation 58)

I/We _____

Resident of _____

being a shareholder of the Haryana Financial Corporation holding shares _____ (Nos.) hereby

appoint Sh. _____ of _____

(or failing him Sh. _____ of _____

_____) as my / our proxy to vote for me/us and on my/our behalf at the **45th**

Annual General Meeting of Shareholders of the Corporation to be held at the Head Office of the Corporation i.e.

Bays Nos 17,18, & 19, Sector 17-A, (Opp. L.I.C. Building), Chandigarh at **11.30 a.m. on 6th February, 2013** or at any

adjournment thereof.

Dated this _____ day of _____ 2013.

Affix ₹ 1/-
Revenue Stamp

Signature of Shareholder(s)

Specimen Signature of Proxy holder(s)

Folio No. _____

For Office use Only

No. of Shares

No. of Votes

Denoting Nos.

Class of Shareholders



HARYANA FINANCIAL CORPORATION
CHANDIGARH

SPECIMEN OF AUTHORISATION FORM

(Applicable to Institutions & Companies)

Resolved that Shri _____

(or failing him Shri _____

be and is hereby appointed to act as DULY AUTHORISED REPRESENTATIVE of

M/s. _____ Folio No. _____

to exercise voting rights and other powers on its behalf at the **45th Annual General Meeting** of the Shareholders of the Haryana Financial Corporation to be held at the Head Office of the Corporation i.e. Bays Nos. 17,18, & 19, Sector 17-A, Chandigarh at **11.30 a.m. on 6th February, 2013** or at any adjournment thereof.

CHAIRMAN

CHAIRMAN'S CERTIFICATE

Certified that the above is true copy of the resolution passed at the duly convened meeting of the Directors
of Company M/s _____

held on _____ at _____

The undersigned was the Chairman of the said meeting.

Specimen Signature of Authorised person(s)

Signature of the Chairman
(Rubber Stamp of the Company)



**HARYANA FINANCIAL CORPORATION
CHANDIGARH**

**FORM FOR ATTENDANCE/IDENTIFICATION AND FOR DETERMINING THE VOTING RIGHTS OF
SHAREHOLDERS (FOR 45th AGM 2011-2012)**

(PLEASE FILL THE FORM AND HAND OVER AT THE ENTERANCE OF THE MEETING HALL)

1. Name of the Shareholder (in full) _____
2. Registered Address _____
3. Registered Number of Shares _____
4. Class of the Shareholder (General Regulation 7(vii)) _____
5. a) Whether he is entitled to vote at the General Meeting

Note : To be entitled to vote, a shareholder must have been registered as a shareholder for a period of not less than 90 days prior to the date of a General Meeting.
6. Number of votes to which he is entitled _____
- 7)
 - i) Attending in person
 - ii) Attending through a proxy.
 - iii) Attending through a duly authorised representative

Signature

Folio No.

Place _____

Date _____

Category of shareholders as per section 4(3) of SFCs Act, 1951

- a State Govt. (Haryana)
- b SIDBI
- c Banks, Financial Institutions, Insurance Co., Central/State Govt. Institutions/Non Govt. Institutions
- d Others (Shareholders other than those referred to in clause (a), (b), (c) above)

U.P.C. / BOOK - POST

To,

If undelivered, please return to :
HARYANA FINANCIAL CORPORATION
Bays Nos. 17, 18 & 19, Sector 17-A
Chandigarh - 160 017