

49th
ANNUAL REPORT
2015 - 2016



Haryana Financial Corporation



BANKERS

PUNJAB NATIONAL BANK

Bank Square, Sector 17
Chandigarh-160017

ORIENTAL BANK OF COMMERCE

Bank Square, Sector 17
Chandigarh-160017

CORPORATION BANK

SCO 137-138, Sector 8-C
Chandigarh-160018

HDFC Bank

Industrial Area, Phase - 1
Chandigarh

STATUTORY AUDITORS

M/s R.P. MALLICK & ASSOCIATES,

Chartered Accountants,
H.No. 1442, Sector 44-B
Chandigarh

REGISTRAR & TRANSFER AGENTS

M/s BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.
'Beetal House', 3rd Floor, 99 Madangir, Behind Local Shopping
Centre, Near Dada Harsukhdas Mandir, New Delhi - 110062
Phone : 011-29961281-82, Fax : 011-29961284
E-mail : beetalrta@gmail.com

OFFICE

HARYANA FINANCIAL CORPORATION

Bays Nos. 17, 18 & 19, Sector 17-A
Chandigarh - 160 017
Ph. : 2702755-57, 2702568
Fax : 2721624, 2702666
E-mail : md@hfcindia.org , contact@hfcindia.org
Website : www.hfcindia.org

HARYANA FINANCIAL CORPORATION

Bays Nos. 17, 18 & 19, Sector 17-A, Chandigarh

Notice



In terms of Regulation 46 of General Regulations of the Corporation read with Section 36 of the State Financial Corporations Act, 1951, it is hereby notified that the 49th Annual General Meeting of Shareholders of the Corporation will be held on Thursday, the 10th November, 2016 at 11.30 AM (I.S.T.) at Head Office of the Corporation i.e. Bays Nos. 17, 18 & 19, Sector 17-A, Opposite. L.I.C. Building, Chandigarh, to transact the following business:-

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2016 and the Profit and Loss Accounts of the Corporation for the year ended on that date together with Report of the Board of Directors on the working of the Corporation throughout the year and the Auditor's Report on the said Balance Sheet and Accounts.
2. To re-appoint M/s R.P.Mallick & Associates, Chartered Accountants of Chandigarh as the Statutory Auditors of the Corporation from the conclusion of the present Annual General Meeting till the conclusion of the next Annual General Meeting for conducting audit for the financial year 2016-17 at an audit fee of Rs.31,250/- plus applicable service tax and admissible TADA.
3. To appoint one Director nominated in the prescribed manner by the shareholders referred to in clause 4(3)(c) of SFCs Act 1951 (i.e. from Schedule Banks, Insurance Companies etc.) for a period of three years.
4. To consider and approve the proposal/recommendation of the Board for windingup/liquidation of Haryana Financial Corporation u/s 45 of the State Financial Corporations Act, 1951 to the State Govt.

NOTES:

- i) The Register of Members and Share Transfer Books of the Corporation will remain closed from Monday 7th November, 2016 to Thursday the 10th November, 2016 (both days inclusive).
- ii) Nomination papers for nomination/election as Directors by the shareholders (category 'c') in order to be effective must reach, complete in all respects (as per applicable format published in the Annual Report), at Head Office of the Corporation on a working day not less than 14 clear days before the date fixed for the meeting (i.e. by 26th October, 2016).
- iii) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Corporation. Proxies in order to be effective must be deposited (as per format published in the annual report) with the Head Office of the Corporation not less than 48 hours before the time fixed for the meeting.
- iv) The Institutional Shareholders i.e. SIDBI / Banks / Co-op Banks / Insurance Companies and Bodies Corporate/ Companies etc. in order to attend & vote at the meeting submit authorization (as per format published in the Annual Report) along with certified copies of resolutions appointing duly authorized representative. Authorizations in order to be effective must be deposited with the Head Office of the Corporation not less than 48 hours before the time fixed for the meeting.
- v) The Shareholders of the Corporation in its 48th Annual General Meeting held on 20.10.2015 appointed M/s R.P.Mallick & Associates, Chartered Accountants, Chandigarh as Statutory Auditors of the Corporation for the financial year 2015-16 u/s 37(1) of SFCs Act, 1951 and they have conducted the audit for the year. As per RBI guidelines, an Auditor can be re-appointed upto four terms. The RBI vide their letter dated 17.5.2016 has confirmed their eligibility. The audit firm has also confirmed their eligibility and given their consent/declaration under the provisions of the Companies Act/RBI guidelines and accordingly the case is placed before the shareholders for their re-appointment.
- vi) The Corporation has since stopped fresh business/sanction of the loan since May, 2016. The Committee of the Board constituted by the Board to study pros and cons for winding up/merger of the Corporation held on 17.11.2011 considered various options for winding up/merger of HFC as suggested by the IFCI (Financial Consultant) and observed that winding up is the best option. The provision of liquidation of the Corporation has been given in section 45 of the SFCs Act, 1951 reproduced as under :-

"Liquidation of Financial Corporation - No provision of law relating to winding up of Companies or Corporation shall apply to the Financial Corporation and, the Financial Corporation shall not be placed in liquidation, save by order of the State Government and in such manner as it may direct".

The above section lays down that legal provisions relating to winding-up of companies and corporations shall not be applicable to the Financial Corporation. Similarly, the Financial Corporation will not be placed in liquidation except by order of the State Government in a matter indicated by the Government. In view of the same, the Board of the Corporation in its 340th meeting held on 30.12.2015 has decided that the State Govt. be requested to take further action for winding up of the Corporation in view of the provisions of the SFCs Act, 1951.

As regards the matters with financial liabilities of the Corporation, it is submitted that the Corporation has since repaid the Bonds/refinance to the banks/others. There is no outstanding loan against the Corporation. However, there is accumulated loss of Rs.105.22 crore as on 31.3.2016.

In view of the above, the matter is placed before the shareholders to consider and approve the recommendation of the Board for winding up/liquidation of Haryana Financial Corporation u/s 45 of the SFCs Act, 1951 to the State Govt.

By Order of the Board
for Haryana Financial Corporation
R. Kumar
Deputy General Manager

Dated : 6th October, 2016
Place : Chandigarh



HARYANA FINANCIAL CORPORATION, CHANDIGARH

Directors on the Board of the Corporation as on 31.03.2016

(under section 10 of the SFCs Act, 1951)

1.	Sh. Rajesh Khullar, IAS Principal Secretary to Hon'able Chief Minister, Haryana, Chandigarh.	Chairman	Nominated as Director by the State Govt. in terms of Section 10(b) and appointed as Chairman in terms of Section 15(1) of SFCs Act, 1951 w.e.f. 15.12.2015
2.	Sh. Devender Singh, IAS Principal Secretary to Government of Haryana Industries & Commerce Department, Haryana Civil Secretariat Chandigarh.	Director	Nominated by the State Govt. in terms of Section 10(b) of SFCs Act, 1951. w.e.f. 08.12.2014
3.	Smt. Sukriti Likhi, IAS Managing Director HAFED Panchkula,	Director	Co-opted by the Board of Directors, Haryana Financial Corporation in terms of Section 10(e)(iv) of SFCs Act, 1951. w.e.f. 30.12.2014
4.	Smt. Kiran Lekha Walla, Finance Advisor, Haryana Bureau of Public Enterprises, Civil Secretariat, Haryana Chandigarh.	Director	Co-opted by the Board of Directors, Haryana Financial Corporation in terms of Section 10(e)(iv) of SFCs Act, 1951 w.e.f. 30.12.2015
5.	Sh. Vibhor Swaroop, DGM, Small Industries Development Bank of India, SCO 145-146, Sector 17-C, Chandigarh	Director	Nominated by SIDBI in terms of Section 10(c) of SFCs Act, 1951. w.e.f. 22.06.2015
6.	Sh. Subhash Chander, Sr. Divisional Manager, Life Insurance Corporation of India, Sec 17-A, Chandigarh.	Director	Nominated by LIC in terms of section 10(d) to represent shareholders in clause (c) of Sub-Section (3) of Section 4 of SFCs Act, 1951. (Banks, Insurance Cos. etc.) w.e.f. 17.11.2014
7.	Sh. Satish Kumar Dua, Circle Head, Circle Office, Punjab National, Bank, Sector 17 B, Chandigarh	Director	Nominated by PNB in terms of section 10(d) to represent shareholders in clause (c) of Sub-Section (3) of Section 4 of SFCs Act, 1951. (Banks, Insurance Cos. etc.) w.e.f. 20.10.2015
8.	Sh. Mohinder Kumar Chopra H.No. 44, Sector 5, Trikuta nagar Jammu - 180012	Director	Representing shareholders referred to in clause (d) of Sub Section (3) of Section 4 of SFCs Act, 1951. w.e.f. 17.11.2014
9.	Sh. Sudhir Rajpal, IAS Managing Director, Haryana Financial Corporation, Chandigarh.	Managing Director	Appointed by the State Govt. in terms of Sub-Section (1) of Section 17 of SFCs Act, 1951. w.e.f. 14.12.2015

HARYANA FINANCIAL CORPORATION CHANDIGARH



Directors' Report

Your Directors present this 49th Annual Report together with the Audited statements of Accounts on the working of the Corporation for the year ended 31st March, 2016.

Financial Results

During the financial year 2015-16 the Corporation has achieved the following working results :

(Rs. in crore)

		2015 - 16	2014 - 15
A.	Income		
	Income from operations/other income	6.46	6.97
	Profit on Sale of Assets	-	9.06
	Waiver of principal amount of Refinance	-	51.68
	Total Revenue (A) :	6.46	67.71
B.	Expenditure		
	Interest & Other Financial Expenses	0.10	0.43
	Employees Benefit	6.56	9.33
	Administrative Expenses	0.78	0.80
	Depreciation	0.39	0.42
	Bad Debts written off	0.04	50.84
	Total Expenditure (B) :	7.87	61.82
C.	Profit / (Loss) before provisioning (A - B)	(1.41)	05.89
D.	Add :		
	: Provision against NPAs, leased assets & Investments written back	4.96	45.90
	: Prior period adjustment	0.00	0.04
	Net Profit/(Loss) (C + D)	3.55	51.83

Operational Highlights

The Corporation has already stopped sanction of loans w.e.f. May, 2010 as already stated in the previous Annual Reports. The details of the operations of the Corporation recovery of its dues during the year are given as under :

	Performance for the Year 2015-16 (Rs. In crore)
Sanction	0.00
Disbursement	0.00
Recovery	10.72



Recovery of Dues

During the year, 'One Time Settlement Scheme' of the Corporation was also extended in view of the requirements of the Corporation/borrowers under NPAs with a view to maximise the recovery and minimize the loan cases. The Corporation made efforts to contact the borrowers and pursued them to come forward under the above settlement scheme to settle their cases. The Corporation also monitored the other borrowers (standard / sub-standard) for the timely repayment of dues to the Corporation. Due to the above measures, the Corporation made the recovery of Rs. 10.72 crore.

Resources Management

The Corporation has managed its limited resources efficiently. The Corporation was able to meet its commitments. The details of the sources are discussed in the subsequent paras.

Share Capital from State Government

During the year, the State Govt. has not released any amount towards share capital.

Refinance

As already mentioned in the last Director's Reports, the Corporation has since repaid the refinance under OTS to SIDBI. As on 31.03.2016, the Corporation has no outstanding loan against SIDBI/others.

Corporate Governance/ Management Discussion & Analysis Report

The Corporate Governance and Management discussion and Analysis report as per SEBI (Listing Obligations & Disclosures Requirements) Regulations 2015 is annexed as Annexure with the Director's Report. A certificate from M/s Sharma Sarin & Associates, Company Secretaries on the above for the year ending on 31st March, 2016 is also annexed with this report.

Listing

The equity shares of the Corporation are listed at Bombay Stock Exchange Ltd. (BSE Script No. 530927). The Corporation has paid the Annual Listing fee to the Stock Exchange (BSE) within time.

Audit

The shareholders in its 48th Annual General Meeting held on 20.10.2015 as per provisions of section 37 of State Financial Corporations' Act, 1951 appointed M/s R.P. Mallick & Associates, Chartered Accountants, Chandigarh (on the panel of the RBI) as Statutory Auditors for the financial year 2015-2016 (for 3rd term) who have conducted the audit of the Corporation.

M/s R.P. Mallick & Associates, Chartered Accountants, Chandigarh are eligible for re-appointment for the FY 2016-17 i.e. for 4th term. The RBI vide their letter dated 17.05.2016 have confirmed their eligibility. Further as per RBI guidelines, M/s R.P. Mallick & Associates, Chartered Accountants, Chandigarh have also submitted the necessary declaration and other details to the effect that their appointment, if made, would be within the prescribed limits and they are not disqualified for such appointment within the meaning of provisions of Companies Act/RBI guidelines.

The item for re-appointment has been included in the notice for the AGM.



Audit By Comptroller & Auditor General of India

The Comptroller & Auditor General of India (CAG) had conducted the audit of the accounts of the Corporation for Financial year 2014-15 and their report has been placed before State Legislature as per provisions of State Financial Corporations Act, 1951. The audit of the affairs of the Corporation for the year 2015-16 will be undertaken by the Comptroller & Auditor General of India under section 37(6) of the SFCs' Act, 1951 in due course.

Cash flow Statement

In conformity with the provisions of SEBI (LODR) Regulations, 2015, the Cash Flow Statement for the year ending on 31.03.2016 is annexed with the Annual Accounts.

Board of Directors

The list of the Board of Directors as on 31.03.2016 has separately been given in the Annual Report.

During the year under review, 4 meetings of Board of Directors have been held. The detail of the number of meeting of the Board held during the FY 2015-16 forms part of the report on Corporate Governance in terms of regulation 34(3) of SEBI (LODR) Regulations, 2015.

Acknowledgements

Your Directors take this opportunity to place on record its gratitude to State Government, Department of Industries, Small Industrial Development Bank of India (SIDBI) for their continuous co-operation and support in all the operational/ financial matters.

The Board wishes to take the opportunity to thank the Banks and Shareholders for extending their support & co-operation.

The Board of Directors placed on record its appreciation of the contribution made by past Chairman Sh. Sanjeev Kaushal, IAS and by the past Managing Director Sh. Vineet Garg, IAS.

The Board of Directors also placed on record its appreciation of the contribution made by the outgoing Directors.

The Board placed on record its appreciation for the services rendered by the staff of the Corporation at different levels during the year.

For and on behalf of Board of Directors

Managing Director

Place : Chandigarh



CORPORATE GOVERNANCE / MANAGEMENT DISCUSSION & ANALYSIS REPORT

Report on Corporate Governance

1. Brief Statement about Corporation/Applicability of Corporate Governance.

Haryana Financial Corporation has been established under the State Financial Corporations Act, 1951. The Companies Act, 1956 is not applicable to the Corporation. Accordingly, as per regulations 15(2) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Corporate Governance as given in regulation 27 and other regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are applicable to the limited extent. The Corporation has given due importance to Corporate Governance and attended its customers, shareholders and others. The Corporation is making the necessary compliances as per requirements of the Stock Exchange (BSE) and Listing Agreement etc. to the extent feasible in view of the adhering of the provisions of the State Financial Corporation Act, 1951 and rules made thereunder.

2. Board of Directors

2(a) Composition of Board

As stated above, the Corporation has been established under the State Financial Corporations Act, 1951 and adhering to the provisions of the said Act. Accordingly, the composition of the Board of Directors of the Corporation is as per section 10 of State Financial Corporations Act, 1951. The details of the Directors of the Corporation as on 31.03.2016 have been given in the Annual Report separately. The Board of Directors comprised nine Directors viz two Directors nominated by the Govt. of Haryana u/s 10(b), one representative of Small Industries Development Bank of India (SIDBI) nominated u/s 10(c), two Director of Banks /Insurance Companies nominated by LIC and PNB u/s 10(d), one Director elected by the shareholders u/s 10(e) and two Directors co-opted by Board of Directors u/s 10(e)(iv) of the State Financial Corporations Act, 1951. Further, the Director nominated by the State Govt. u/s 10(b) has been nominated as Chairman u/s 15(1) of SFCs Act, 1951. The Managing Director of the Corporation has been appointed by the State Govt. u/s 17 read with 10(f) of the SFCs Act, 1951. Except Managing Director, all other Directors are non-executive. The Chairman is also a Non-Executive Director. There are two women directors on the Board of the Corporation in the list referred above.

2(b) Board Meeting

During the year 2015-16 four meetings of the Board of Directors were held. The dates on which the Board Meetings were held are as follows :

- 338th Board Meeting dated 29.06.2015
- 339th Board Meeting dated 21.09.2015
- 340th Board Meeting dated 30.12.2015
- 341st Board Meeting dated 31.03.2016

2(c) Fidelity & Secrecy

As per provisions of section 40 of SFCs Act, 1951, the fidelity and secrecy certificate and other details were obtained from the directors and the same have taken on record by the Board of the Corporation.

3. Audit Committee

The Audit Committee of the Corporation was re-constituted by the Board in its 341st meeting held on 30.3.2016. The committee comprised of Smt. Kiran Lekha Walia, Finance Advisor, Chairman of the Audit Committee, Sh. Vibhor Swaroop, Director nominated by SIDBI and Sh. Subhash Chander, Director both as Members (as on 31.03.2016). All the above Directors are non-executive. The scope of the audit committee is as per provisions of Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

3(A) Committee of Directors

The Committee of Directors of the Corporation was constituted/re-constituted by the Board in its 336th meeting held on 30.12.2014. The committee comprised Sh. Sudhir Rajpal, IAS, Managing Director, Chairman of the Committee, Director nominated by SIDBI and Sh. Subhash Chander, Director both as Members (as on 31.03.2016). The Committee of Directors have been constituted u/c 41 of the Listing Agreement (now Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015) to approve / take on record the quarterly financial results of the Corporation..



4. Remuneration Committee

The Corporation has not constituted Remuneration Committee as the Non-Executive Directors are not entitled for any remuneration. The Managing Director of the Corporation is an IAS officer and is appointed by the State Government, Haryana and the remuneration payable is in accordance with the conditions prescribed by the State Government, Haryana. The other Directors are entitled to sitting fee (Rs 1000 for attending Board & other meetings) besides TA/DA.

As regards remuneration/pay scales and other allowances to the employees, the same are being sanctioned by the Board generally on the basis of the State Govt., Haryana and as per provisions of the State Financial Corporations' Act, 1951.

5. Shareholders/Investors Grievances Committee

The Board of Directors of the Corporation in its 336th meeting held on 30.12.2014 has reconstituted Shareholders / Investors grievances Committee. As on 31.03.2016, the committee comprised of Sh. Vibhor Swaroop, Sh. Subhash Chander and Sh. M.K. Chopra, Directors of the Corporation. The above Directors are non-executive and independent Directors. During the year, one meeting of the Shareholders investors Grievance Committee was held.

6. General Body Meetings

The location and time for the last three Annual General Meetings were :

Year	AGM	Location	Date	Time
2012-2013	46th AGM	At HO of the Corporation Bays Nos. 17,18 & 19, Sector 17 A, Chandigarh	18.12.2013	11.00A.M.
2013-2014	47th AGM	—DO—	17.11.2014	11.00 A.M.
2014-2015	48th AGM	—DO—	20.10.2015	12.45 A.M.

No postal ballots were used/invited for voting in the above meetings.

7. Disclosures

a) Disclosures on materially significant related party transactions

The Corporation has not entered into any materially significant transactions during the year under review which would have potential conflict of interest between the Corporation and its Promoters, Directors, Management and/or their relatives.

b) Penalties by stock exchanges/SEBI for non compliance by the Corporation.

Nil

8. Means of Communication

The quarterly, half yearly and annual financial results of the Corporation are published in two newspapers - "The Indian Express (English Edition) and Dainik Bhaskar (Hindi Edition), Chandigarh.

The quarterly financial results are also updated on the Website of the Corporation (www.hfcindia.org).

The Annual Report containing interalia, Audited Annual Accounts, Consolidated Financial Statements, Director's Report, Auditor's Report and other important Information is circulated to the members / shareholders. The Annual Reports are being despatched through post.



9. General Shareholders Information

9.1 Annual General Meeting

- Date and Time 10th November, 2016 at 11.30 A.M.
- Venue Head Office of the Corporation

9.2 Financial Calendar (Tentative) (from 1st April to 31st March)

The tentative dates for publishing of quarterly results will be as under :

- 30th June, 2016 : by 15th Aug, 2016
- 30th Sept, 2016 : by 15th Nov, 2016
- 31st Dec, 2016 : by 15th Feb, 2017
- 31st March, 2017 : by 30th May, 2017

9.3 Book Closure date

7th to 10th November, 2016

9.4 Dividend payment date

(Not applicable)

No dividend has been recommended by the Board

9.5 Listing of Shares

Bombay Stock Exchange Ltd. (BSE)

9.6 Stock code/Script Code

530927

9.7 Stock Market Data

The shares are thinly traded.

The available quotes at BSE

Rs. 24.65 on 13.07.2011

9.8 Share price performance

Refer 9.7

9.9 Registrar & Transfer Agents

M/s Beetal Financial & Computer Services (P) Ltd., New Delhi has been appointed as the Registrar and Share Transfer Agent (RTA) of the Corporation for handling the share transfer work in physical form. All correspondence relating to share transfer, transmission can be made with them at the following address :

M/s Beetal Financial & Computer Services (P) Ltd.,

'Beetal House', 3rd Floor, 99 Madangir, Behind Local

Shopping Centre, Near Dada Harsukhdas Mandir,

New Delhi - 110062,

Phone : 011-29961281, 29961282, Fax : 011-29961284

E-mail : beetal@beetalfinancial.com

9.10 Share Transfer System

The Corporation has reconstituted Share Transfer Committee of the Corporation on 22.03.2013. The Share Transfer Committee (as on 31.03.2016) consisted of the following members :

- | | | |
|---|--|----------|
| 1 | Sh. Sudhir Rajpal, IAS
Managing Director | Chairman |
| 2 | Sh. Rakesh Khurana
Deputy General Manager | Member |
| 3 | Ms. Manisha Gupta
Asst. General Manager | Member |
| 4 | Ms. Vandana Jindal
Asst. General Manager | Member |
| 5 | Ms. Madhu
Asst. General Manager | Member |



Shares received by the Corporation for transfer are sent to RTA. The RTA after completion of formalities forward the share transfer register containing all the details of transferor/transferee to the Corporation for approval. A meeting of the Share Transfer/Transmission Committee is then held to approve the transfer(s) and forward its minutes to the RTA for necessary action. Thereafter, the Registrar make the endorsement on the share certificates and forward the share certificates duly transferred to transferee. The same procedure is adopted for the shares directly received by the RTA.

9.11 Shareholding pattern as on 31st March, 2016

Category of shareholders as per section 4(3) of SFCs Act, 1951	No. of Shareholders	No. of shares held of Rs. 10/- each	%age of holding
a State Govt. (Haryana)	1	20,20,11,650	97.28%
b SIDBI	1	43,26,550	02.08%
c Banks, Financial Institutions, Insurance Co., Central/State Govt. Institutions/Non Govt. Institutions	9	2,01,700	00.10%
d Others (Shareholders other than those referred to in clause (a), (b), (c) above)	1919	11,18,200	00.54%
TOTAL	1930	20,76,58,100	100%

9.12 Dematerialisation of Shares

The shares of the Corporation are in physical form. The Corporation applied to National Stock Depository Ltd. (NSDL) for dematerialisation of its shares but the same has not been dematerialized due to Corporation's accumulated losses/erosion of net worth.

9.13 Outstanding GDR/Warrants and Convertible Bonds, Conversion date and likely impact on the equity.

- Nil -

9.14 Plant Locations

The Corporation has its Head Office at Chandigarh and 3 Branch Offices in various districts of Haryana. There is no plant/manufacturing unit of the Corporation.

9.15 Address for Correspondence

The Shareholders may correspond with the Share Transfer Agent (the address of which has been given above, at S.No. 9.9) for their queries with regard to change of address, transfer of shares or at the following address:

The Compliance Officer,
Haryana Financial Corporation
Secretarial Cell
Bays Nos. 17, 18 & 19
Sector 17 A, Chandigarh-160017
Ph. : 0172-2714530, 2702755-57
Fax : 0172-2702666
E-mail : investors@hfcindia.org



MANAGEMENT DISCUSSION & ANALYSIS REPORT

i) **Term Lending Institution**

The Haryana Financial Corporation was established under the State Financial Corporations Act, 1951 as a State level development financial Institution to provide financial assistance to the industrial units in small scale sectors set up in State of Haryana in the year 1967.

ii) **Threats**

With the reforms of the financial sector, the traditional areas have been entered into by new entrants i.e. Banks and Non-banking Financial Companies (NBFCs) who have access to cheaper source of funds. Accordingly, the Corporation is facing competition from them. The Corporation could not withstand the competition from these institutions due to operational limitations. Therefore, the performance of the Corporation was adversely affected in terms of volume, business and profitability. Further, there are a number of suit filed cases pending in the courts which will also affect its profitability.

iii) **Corporation Performance**

Due to the above, the Corporation has stopped fresh operations i.e. sanction of the loans. The Corporation main thrust is now recovery of its loans especially the bad debts. The One time Settlement Scheme of the Corporation introduced in the previous years to recover loan from the NPAs cases has been extended during the year keeping in view the requirements of the borrowers. During the year, a sum of Rs. 10.72 crore has been recovered.

iv) **Opportunities/Resources**

During the year 2010-11, the Corporation took up the matter with the SIDBI for the restructuring of its debts to reduce the interest cost of the funds. The Corporation was able to settle the entire outstanding refinance of Rs. 181.19 crore due to the SIDBI at Rs. 130.00 crore payable within a period of 3 years without any further interest. It has already been stated in the previous year that the Corporation has paid the balance settlement amount to the SIDBI. Now, there is no outstanding loans against the Corporation or say debt free Corporation. Thus the Corporation has reduced its liability and recurring expenses towards interest.

v) **Internal Control System**

The Corporation has the Internal Audit Wing and Internal Control System to check financial and other records.

vi) **Human Resources**

With the retirement of the staff, the staff strength has been reduced from 99 as on 31.03.2015 to 66 as on 31.3.2016. The Corporation is making its efforts to reduce the administrative burden and at the same time motivate the existing staff and get support from them to discharge their responsibilities.

The Management and discussion report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and actual results may differ.

Partners

P D Sharma

M.A. (L.B.) FCS

G S Sarin

B.Com LL.B MFC FCS



SHARMA SARIN & ASSOCIATES
COMPANY SECRETARIES

OFFICE

SCO 186-188, First Floor, Adj. Ghazal Restaurant,
Sector 17-C, Chandigarh-160 017 (Entry Backside)

Telefax 0172-5012112 5079239 Tel 0172-5079110

e-mail sharmasarinassociate@yahoo.com

sharmasarin@csllaws.com

Website www.csllaws.com

CORPORATE GOVERNANCE HARYANA FINANCIAL CORPORATION

TO
THE MEMBERS OF
HARYANA FINANCIAL CORPORATION
SECTOR 17,
CHANDIGARH

Dated : 14.06.2016

In accordance with clause 49 of the Listing Agreement entered into by HARYANA FINANCIAL CORPORATION with Mumbai stock exchange, We have examined all relevant records of the Corporation as Stipulated in SEBI LODR, REGULATION 07 SUB REG 03 for the Financial year ended on 31st March, 2016.

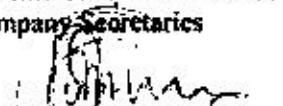
We have obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of certification and have been provided with such records, documents, certifications etc as had been required by us.

We certify that on the basis of the records produced and the explanations given to us by the Corporation for the purpose of this certificate, has complied with all the requirements of the said SEBI LODR, REGULATION 07 SUB REG 03.

We state that no Investor Grievance was pending for the period exceeding one month against the Corporation as per the records maintained and produced before us by the Corporation.

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

From Sharma Sarin & Associates
Company Secretaries


P.D. Sharma

(Partner)

FCS NO. 2285

Place : Chandigarh
Date : 14th June, 2016



The Members of
Haryana Financial Corporation
Chandigarh

INDEPENDENT AUDITOR'S REPORT

1. We have audited the accompanying financial statements of Haryana Financial Corporation (HFC), which comprise of the Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss and cash flow statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

2. Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position and financial performance and the cash flow of the Corporation in accordance with the accounting standards and principles generally accepted in India and as per the requirements of Small Industries Development Bank of India (SIDBI). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Corporation and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent, design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements whether due to fraud or error.

Auditor's responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India and provisions of section 37 of the State Financial Corporations Act 1951 as amended by SFCs (Amendment) Act 2000. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Corporation has in place an adequate internal financial controls system over financial reporting.

and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true & fair view in conformity with the accounting principles laid down by SIDBI for SFCs and generally accepted in India ;

- a) In the case of the Balance Sheet, of the state of affairs of the Corporation as at 31st March, 2016,
- b) In the case of the Statement of Profit & Loss, of the Profit/Loss for the year ended on that date, and
- c) In the case of the Cash Flow Statement of the cash flow for the year ended on that date.

Report on other legal and Regulatory requirements

On the basis of our audit subject to Notes on Accounts as contained in Schedule "R", we report that ;

- i) We have obtained all the information and explanations which to the best to our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion, proper books of accounts as required by law have been kept by the Corporation so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from Branches.
- iii) The Balance Sheet, Statement of Profit & Loss and Cash Flow statements dealt with by this Report are in agreement with books of accounts and with the returns received from the Branches.
- iv) In our opinion the Balance Sheet, Statement of Profit & Loss and Cash Flow statements comply with the Accounting Standards and guide lines issued by SIDBI for SFCs from time to time.
- v) The transactions of the Corporation that have come to our notice have been within the powers of the Corporation.

FOR RP MALICK & ASSOCIATES
CHARTERED ACCOUNTANTS.



[Signature]
RP MALICK
FCA (Prop.)

Membership No..083882
Firm Regd. No.-04867N

Place : Chandigarh

Dated : 21th September, 2016



HARYANA FINANCIAL CORPORATION, CHANDIGARH

BALANCE SHEET AS ON 31ST MARCH, 2016

As at 31.03.2015 (Amount in Rs.)	Particulars	Schedule	As at 31.03.2016 (Amount in Rs.)
	A EQUITY & LIABILITIES		
	1 Shareholder's funds		
2,076,581,000	a) Share capital	A	2,076,581,000
165,818,950	b) Reserves and surplus	B	165,818,950
	2 Current liabilities		
632,171,891	a) Other current liabilities	C	591,500,250
207,843,150	b) Provisions	D	158,446,150
3,082,414,991	Total		2,992,346,350
	B ASSETS		
	1 Non-current assets		
104,077,226	a) Fixed assets	E	100,436,346
1,450,000,000	b) Non-current investments	F	1,450,000,000
184,102,550	2 Loans and Advances	G	106,494,906
	3 Current Assets		
97,402,656	a) Cash and bank balances	H	124,983,704
47,624,180	b) Current investments	I	47,624,180
111,488,170	c) Other current assets	J	110,599,897
1,087,720,209	4 Profit and Loss Accounts	K	1,052,207,317
3,082,414,991	Total		2,992,346,350

Notes on Accounts

R


Note : The Schedules referred to above form integral part of the Balance Sheet


Rakesh Khurana
Deputy General Manager


Sudhir Rajpal, IAS
Managing Director

In terms of our separate report of even date attached
For R.P. Mallick & Associates
Chartered Accountants




R.P. Mallick
FCA (Prop.)
Membership No. 081862
Firm Regd. No. 04867H

HARYANA FINANCIAL CORPORATION, CHANDIGARH

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016



For the year ended
31.03.2015
(Amount in Rs.)

For the year ended
31.03.2016
(Amount in Rs.)

	INCOME	Schedule	
40,202,023	Revenue from Operations	L	30,413,230
29,483,228	Other Income	M	34,158,612
90,641,756	Profit on Sale of Assets		0
516,812,153	Waiver of principal amount of Refinance from SIDBI		0
677,139,160	Total Revenue		64,571,842
	OPERATIONAL EXPENDITURE		
2,976,752	Interest Expenses	N	766,431
1,322,302	Other Financial & Misc. Expenses	O	222,126
93,328,187	Employees Benefit Expenses	P	65,604,227
7,988,915	Administrative Expenses	Q	7,800,431
4,172,481	Depreciation		3,861,183
508,424,014	Bad Debts Written Off		367,552
618,212,851	Total Expenditure		78,621,950
58,926,509	Profit / (Loss) before provisioning		(14,050,108)
369,937,000	Add : Provision Against NPAs Loan Assets Written Back		49,151,000
86,622,143	: Provision Against NPAs Leasing Assets Written Back		0
2,405,800	: Provision Against Investments Written Back		412,000
427,967	: Refund of Income Tax - AY 1995-96		0
518,319,419	Net Profit		35,512,892
	Notes on Accounts	R	
2.50	Earning Per Share		0.17

Note : The Schedules referred to above form integral part of the Profit & Loss Account

R. Khurana
Rakesh Khurana
Deputy General Manager

Sudhir Rajpal
Sudhir Rajpal, IAS
Managing Director

In terms of our separate report of even date attached
For R.P. Mallick & Associates
Chartered Accountants



R.P. Mallick
R.P. Mallick
FCA (Prop-3)
Membership No. 003882
Firm Regd. No. 000000

**Schedule 'A' - Share Capital**As at 31.03.2015
Amount (Rs.)As at 31.03.2016
Amount (Rs.)**Authorised**3,000,000,000

300,000,000 Equity Shares of Rs.10/- each

3,000,000,000**Issued And Subscribed**

2,110,655,000

a) 211,065,500 (Previous year 211,065,500) Equity Shares of Rs.10/- each issued under section 4 of SFCs' Act, 1951

2,110,655,000

6,266,000

b) 626,600 Shares of Rs.10/- each issued under section 4A(1) of the SFCs' Act, 1951 as special class of shares.

6,266,000

2,116,921,0002,116,921,000**Paid-Up**

2,116,921,000

Issued & Subscribed

2,116,921,000

40,340,000

Less : Amount Forfeited - 4,034,000 equity shares of Rs.10/- each

40,340,000

2,076,581,000

Balance 207,658,100 (Previous year 207,658,100) shares of Rs.10/- each

2,076,581,000

2,070,315,000

a) 207,031,500 (Previous year 207,031,500) Equity Shares of Rs.10/- each under section 4 of SFCs' Act, 1951 fully paid up.

2,070,315,000

6,266,000

b) 626,600 Shares of Rs.10/- each issued under section 4A(1) of the SFCs' Act, 1951 as special class of shares.

6,266,000

2,076,581,000

2,076,581,000**Total**2,076,581,000**Schedule 'B' - Reserve and Surplus**As at 31.03.2015
Amount (Rs.)As at 31.03.2016
Amount (Rs.)

a) Special Reserve for the purpose of Section 36(1)(viii) of the Income Tax Act, 1961

178,567,013

Gross Amount

178,567,013

166,800,000

Less : Utilised towards provisioning for NPAs in earlier years

166,800,000

11,767,013

11,767,013

105,510,000

b) Share Premium

105,510,000

25,000,000

c) Special Reserve Fund (Section 35A of SFCs' Act)

25,000,000

565,937

d) Reserve under clause 91(vii) of General Regulation of HFC

565,937

22,976,000

e) Shares Forfeiture Reserve

22,976,000

165,818,950**Total**165,818,950



Schedule 'C' - Other Current Liabilities

As at 31.03.2015

Amount (Rs.)

As at 31.03.2016

Amount (Rs.)

a) Other Liabilities

7,999,870	Provision against Gratuity	10,259,756
41,611,881	Provision against Leave Encashment	0
6,388,298	Provision against Compassionate Assistance	3,823,602
121,246,192	Sundry Deposits	124,337,286
372,445,297	Advance from HSIIDC - Sale of properties	372,445,297
3,015,250	Earnest Money	1,850,250
7,151,267	Borrowers' Imprest	7,093,808
6,910,000	Security Deposit	6,900,000
5,655,497	Provision against expenses payable	5,207,912

b) State Government Funds (As an Agency)

1) Subsidies :

97,160	Credit Linked Capital Subsidy	97,160	
2,350,500	State Subsidy	2,350,500	2,447,660

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	
1,125,787	Interest Due - Seed Money RIS	1,125,787	
5,739,423	Seed Money from State Govt.	5,739,423	
651,254	Seed Money RIS	651,254	
11,813	Interest Received - Agency Funds	11,813	
48,828,341	Interest Received - Seed Money (Agency)	48,828,341	57,052,679

c) Contingent provision against Standard Assets

1,196,000	Opening balance	248,000	
848,000	Less : Excess provision provided in earlier years written back	166,000	82,000
632,171,891	Total		591,500,250

Schedule 'D' - Provisions

As at 31.03.2015

Amount (Rs.)

As at 31.03.2016

Amount (Rs.)

i) Provision for Non-performing Loan Assets :

487,133,000	Opening balance	118,144,000	
368,989,000	Less : Excess provision provided in earlier years written back	48,985,000	69,159,000
118,144,000			

ii) Provision for non-performing leasing assets

136,890,329	Opening balance	50,268,186	
86,622,143	Less : Excess provision provided in earlier years written back	0	50,268,186
50,268,186			

iii) Provision for diminution in value of Investments :

41,836,764	Opening balance	39,430,964	
2,405,800	Less : Excess provision provided in earlier years written back	412,000	39,018,964
39,430,964			

207,843,150

Total

158,446,150



Schedule 'E' - Fixed Assets

(Amount in Rs.)

Sr. No.	Particulars	WDV as on 01.04.2015	Assets put to use for more than 180 days less than 180 days		Sold/ Transferred during the year	Liability written off	Value	Rate of Dep. % age	Total Dep. during the year	WDV as on 31.03.2016
		(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)
A) Land & Building										
1. Land	6,112,876	0	0	0		6,112,876	0	0	6,112,876	
2. Building - Office	24,379,915	0	0	0		24,379,915	10	2,437,991	21,941,924	
- Residential	20,438,037	0	0	0		20,438,037	5	1,021,902	19,416,135	
Total	50,930,828	0	0	0	0	50,930,828		3,459,893	47,470,935	
B) Furniture & Fittings										
1. Furniture	631,496	0	0	0		631,496	10	63,151	568,345	
2. Safes, Cabinets & Padlocks	186,536	0	0	0		186,536	10	18,655	167,881	
3. Misc.	138,962	0	0	0		138,962	10	13,896	125,066	
4. Electric Fittings	976,665	0	8,800	0		985,465	10	98,107	887,358	
Total	1,933,659	0	8,800	0	0	1,942,459		193,809	1,748,650	
C) Plant & Machinery										
1.Computers	5,216	0	211,503	0		216,719	60	66,581	150,138	
2. Typewriters,Duplicators etc.	2,613	0	0	0		2,613	15	392	2,221	
3.Staff Cars & Jeep	931,586	0	0	0		931,586	15	1,39,738	791,848	
4.Bicycles	5,138	0	0	0		5,138	15	770	4,368	
Total	944,553	0	211,503	0	0	1,156,056		207,481	948,575	
Grand Total - (A+B+C)	53,808,040	0	211,503	0	0	54,028,343		3,661,183	50,166,160	
Previous Year	61,705,888	23,600	9,500	699,447	3,088,000	57,981,521		4,172,481	53,808,040	

Particulars	WDV of Equipments leased as on 01.04.2015	Additions During the Year	Sale/ Adjustment	Value as on 31.03.2016	Lease Rentals Received During the Year	Interest out of Rentals Received	Principal out of rentals Charged to Depreciation	WDV of Equipments leased as on 31.03.2016
D) Leasing Assets	50,268,186	0	0	50,268,186	0	0	0	50,268,186
Previous Year	52,268,867	0	2,000,681	50,268,186	0	0	0	50,268,186

FY 2014-15 FY 2015-16

Total Depreciation : 4,172,481 3,661,183
Total WDV (A+B+C+D) : 104,077,226 100,436,346

**Schedule 'F' - Non-current Investments**

Investments (As per annexure to Schedule 'F' & 'I') :

As at 31.03.2015 Amount (Rs.)
1,450,000,000
1,450,000,000

Investment in the Equity of Haryana Power Generation Corp. Ltd.
Total

As at 31.03.2016 Amount (Rs.)
1,450,000,000
1,450,000,000

Schedule 'G' - Loans and Advances

As at 31.03.2015 (Amount in Rs.)
177,366,413
3,275,000
180,641,413
235,699
3,225,438
184,102,550

Loans & advances (As per annexure to Schedule 'G')	100,050,718
Adhoc Limit - Boughtout Deals	<u>3,275,000</u>
Interest accrued and due	
Soft loan - NEF, MUN & SEMFEX	
Total	106,494,906

As at 31.03.2016 (Amount in Rs.)
103,325,718
1,750
3,167,438
106,494,906

Schedule 'H' - Cash and Bank Balances

As at 31.03.2015 Amount (Rs.)
126,581
214
7,243,644
6,381
90,025,856
97,402,656

Cash in hand	
i) Corporation Funds	160,176
ii) Agency Funds & Seed Money	<u>214</u>
Balance with Schedule Banks	
i) In Current Accounts	
a) Corporation Funds	32,766,933
b) Agency Funds	<u>6,381</u>
ii) In Fixed/Short Term Deposits	
Total	124,983,704

As at 31.03.2016 Amount (Rs.)
160,390
32,773,314
92,050,000
124,983,704

Schedule 'I' - Current Investments

As at 31.03.2015 Amount (Rs.)
2,480,000
45,144,180
47,624,180

Investments (As per annexure to Schedule 'F' & 'I') :	
(a) Quoted	2,480,000
(b) Unquoted	<u>45,144,180</u>
Total	47,624,180

As at 31.03.2016 Amount (Rs.)
47,624,180
47,624,180



Schedule 'J' - Other Current Assets

As at 31.03.2015
Amount (Rs.)

As at 31.03.2016
Amount (Rs.)

3,822,002	Staff Loans		2,141,765
1,499,151	Advance against expenses		1,147,900
	Tax deducted at source :		
2,255,452	Financial year 2013-14	0	
2,524,145	Financial year 2014-15	2,524,145	
0	Financial year 2015-16	2,179,737	4,703,882
	Income Tax deposited against demand (Pending in appeal):		
7,048,576	Financial year 1980-81	7,048,576	
7,430,044	Financial year 1981-82	7,430,044	
7,929,497	Financial year 1982-83	7,929,497	22,408,117
0	Excess funds against Leave Encasement		3,212,217
115,863	Security Deposits		115,863
6,244,934	Claims recoverable		4,672,460
	Interest Accrued but not due :		
865,061	On Loans and advances	463,758	
4,842,368	On Staff advances	2,991,155	
2,081,480	On Deposits	3,713,183	7,168,096
16,556,484	Dividend Paid - Adjustable against Subvention from State Govt.		16,556,484
	State Government loans (As an Agency) :		
594,661	i) Agency Loans	594,661	
47,252,955	ii) Seed Money Agency	47,252,955	
625,497	iii) Seed Money (RIS)	625,497	48,473,113
111,488,170	Total		110,599,897

Schedule 'K' - Profit and Loss Accounts

As at 31.03.2015
Amount (Rs.)

As at 31.03.2016
Amount (Rs.)

1,608,039,628	Accumulated loss as per last Balance Sheet	1,087,720,209	
518,319,419	Less : Net Profit for the year	35,512,892	1,052,207,317
1,087,720,209	Total		1,052,207,317

Schedule 'L' - Revenue from Operations

For the Year Ended
31.03.2015
Amount (Rs.)

For the Year Ended
31.03.2016
Amount (Rs.)

27,884,592	Interest Income on :		
713,054	Loans & Advances	16,257,284	
11,604,377	Leasing Equipments Advances	0	16,257,284
46,202,023	Amount received out of bad debts written off		14,155,946
	Total		30,413,230



Schedule 'M' - Other Income

For the year ended
31.03.2015
Amount (Rs.)

For the year ended
31.03.2016
Amount (Rs.)

205,304	Miscellaneous Income		25,822
	Interest Income on :		
169,478	Income Tax Refunds	135,328	
375,825	Staff Advances	317,689	
7,801,583	Deposits with Banks	<u>11,802,285</u>	12,255,282
51,271	Profit on Sale of Shares		0
270,000	Dividend on Investments		20,000
20,609,767	Rental Income		21,857,508
<u>29,483,228</u>	Total		<u>34,156,612</u>

Schedule 'N' - Interest Expenses

For the year ended
31.03.2015
Amount (Rs.)

For the year ended
31.03.2016
Amount (Rs.)

512,255	Interest on Refinance from SIDBI	0
2,454,495	Interest on Earnest Money	766,431
10,002	Interest on limit against Fixed Deposits with Banks	0
<u>2,976,752</u>	Total	<u>766,431</u>

Schedule 'O' - Other Financial & Misc. Expenses

For the year ended
31.03.2015
Amount (Rs.)

For the year ended
31.03.2016
Amount (Rs.)

12,292	Bank Charges	22,126
1,210,010	Prior period adjustments - Refund of Earnest Money	0
100,000	Stock Exchange Fee	200,000
<u>1,322,302</u>	Total	<u>222,126</u>



Schedule 'P' - Employees Benefit Expenses

For the year ended
31.03.2015

Amount (Rs.)

69,102,455
7,143,623
5,310
2,807,492
5,094,068
2,497,154
2,377,246
50,000
265,073
3,341,290
250,070
594,406
0

93,328,187

Salaries & Allowances : Other Staff
Contribution to Staff Provident Fund
Gratuity Premium
Provisioning - Gratuity
Provisioning - Leave Salary
Leave Travelling Concession
Medical Expenses
Training & Participation Fees
Staff Welfare
Provisioning - Compassionate Assistance
EDLI Premium
Administrative Expenses on Provident Fund
Honorarium

Total

For the year ended
31.03.2016

Amount (Rs.)

50,569,107
4,655,155
0
2,259,888
3,096,370
488,185
2,944,612
50,000
284,079
369,524
364,354
512,956
10,000

65,604,227

Schedule 'Q' - Administrative Expenses

For the year ended
31.03.2015

Amount (Rs.)

522,481
17,620
18,507
2,183,012
483,835
431,558
59,369
362,015
600,274
457,088
1,435,607
43,027
255,676
370,058
31,250
64,382
585,395
62,661
0
0
5,100

7,988,915

Travelling and other Expenses :

a) Staff
b) Statutory Auditors
c) Directors & Committee Members

372,147

32,407

94,500

499,054

Rent, Taxes, Insurance, Electricity etc.
Postage, Telegram & Telephone
Printing & Stationery
Computer Expenses
Publicity & Business Promotion
Repairs and Renewals-Office Equipments
Repairs and Maintenance-Staff cars
Legal Charges
Books & News Papers
Repairs & Renewals - Residential Building
Professional Charges
Audit Fee
Entertainment
Wealth Tax
Others Expenses - Service Tax
Security Charges
Short Deduction TDS
Branch Office Shifting Charges

Total

For the year ended
31.03.2016

Amount (Rs.)

1,869,929
410,216
523,161
131,039
133,478
240,803
323,210
1,784,705
28,027
263,492
186,618
31,250
68,217
36,756
75,066
1,189,164
3,570
22,676

7,800,431



Schedule - 'R'

Notes on Accounts

Significant Accounting Policies

1 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.

2 The amount received from the borrowers against loans and advances is appropriated in the following orders :

- i) Miscellaneous Expenses
- ii) Interest
- iii) Principal

3 In the past, when the Corporation used to sell borrowers' assets on deferred payment basis, respective borrowers' loan accounts was credited by the full amount of the sale proceeds after execution of agreement to sell. The deferred part of sale proceeds used to be treated as fresh loans to the auction purchaser and recovered as per the terms of the sale agreement. The possession of the property also used to be handed over to the auction purchaser after execution of Agreement to Sell. Subsequently, the Corporation modified its policy for sale of mortgaged property and as per the new policy approved by the BoD in its meeting held on 19.12.2013, the Auction Purchaser has to make the payment within 3 months of the auction. However, in some exceptional cases, the Managing Director may give extension in payment of sale consideration for a further period of 9 months with interest @ 13% p.a. compounding on monthly basis. As per new policy the possession of the unit will be handed over to the auction purchaser only after receipt of full amount of bid.

4 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 in the financial year 2011-12 extended from time to time and lastly upto 30.09.2016 to reduce NPAs/written off portfolios.

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, as per parameters of OTS Policies, the accounts are recast 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.

5 Retirement Benefits

i) Gratuity to staff is covered under the Group Gratuity Scheme of Life Insurance Corporation of India. During the year a provision for Gratuity amounting to Rs. 0.23 crores has been made in the books of accounts. As per actuarial valuation of Life Insurance Corporation of India (LIC) as on 31.03.2016 the outstanding balance is Rs.1.03 crore including the amount payable to retirees whose gratuity has not been released upto 31.03.2016.

During the year, the Corporation has placed the funds of Leave Encashment of existing employees with LIC of India and transferred a sum of Rs. 2.69 crore on 29.03.2016 to LIC. A provision of Rs. 0.10 crore in case of retirees, whose leave encashment has not been released upto 31.03.2016 has been made in the books of accounts. As per the actuarial valuation of the leave liability of existing staff as on 31.03.2016 incurred by LIC, the fund size is more than the liability by a sum of Rs 0.42 crore. A provision of Rs. 0.10 crore has been made towards leave liability of 2 retirees, so the net excess amount of Rs.0.32 crore has been shown Excess funds with LIC in Schedule 'J' Other Current Assets.

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.

6 Asset Classification and Provisioning

i) Loans and Advances have been categorised and provisioning has been made as per guidelines received from Small Industries Development Bank of India (SIDBI) which are as under :

**Standard Assets**

Asset Classification	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	5.00

Non-Performing Assets

Asset Classification	Period as NPA	Provisioning on Loans Outstanding (%age)
Sub-standard	Up to 6 months	15.00
Sub-standard	6 months to 1 year	25.00
Doubtful-I	2nd year	40.00
Doubtful-II	3rd & 4th year	100.00
Doubtful-III	Above 5 year	100.00
Loss	No Security available	100.00

ii) As per guidelines issued by SIDBI in respect of Investments in equity shares (available for sale), valuation 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 their latest Balance Sheets. In case the latest Balance Sheet is not available the shares have been valued at Rs. 1/- per company. In case of investment in equity shares (held to maturity) valuation 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 provision is equivalent to the entire amount outstanding on this account as on 31.03.2018 has been made.

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

7 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 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.

B. Contingent liabilities

1 Liability in respect of units disposed off but in dispute - amount indeterminate.

2 The contingent liabilities in respect of claims lodged against the Corporation by ex-employees/pensioners and other claims (19 cases) are to the extent of Rs. 10.99 crore (approx.) not acknowledged. In addition to above there are 11 court cases/appeals filed by the employees/ex-employees against which amount is indeterminate.

3 Sale Tax assessments for the financial years 2004-05, 2005-06, 2006-07 & 2007-08 have been completed by the Assessing Authority, Panchkula & Sales Tax/VAT liability for these financial years has been assessed at Rs. 124.41 lakh. As the Corporation has filed appeals with higher authority the above liability of Rs. 124.41 lakh has not been provided in the accounts against these orders. There is no pending demand in Sales Tax/VAT for the subsequent years.

C.

The Corporation appointed IFCI Ltd. to study the pros. and cons. of merger/winding up of the Corporation. The report of the financial consultant was deliberated by the Board of Directors of the Corporation (BoD) in meeting held on 10.07.2012. BoD / HFC decided to complete the process of sale of properties owned by the Corporation / settlement of liabilities by 31.03.2015 and deploy the surplus staff to other departments. The Corporation disposed off its two properties (Faridabad & Delhi) during the financial year 2014-2015. There is outstanding advance of Rs. 37.24 crore from HSIIDC as on 31.03.2016 against other properties at Panchkula (Residential Flats and Corporate Building). All the liabilities towards borrowings of the Corporation have been settled. The Corporation has also initiated steps for the deployment of Surplus Staff in Haryana Government / Haryana Government Undertaking through Surplus Staff Cell of Haryana.

- D. No amount towards deferred tax asset/liability is outstanding in the books of accounts of the Corporation. The Corporation has stopped fresh sanctions since May, 2010. In such circumstances it is not feasible to create any deferred tax assets / liability for the current financial year. The Board of Directors of the Corporation had also recommended to the State Government to initiate action for its winding up.
- E. Subvention amounting to Rs.7,17,53,106/- is receivable from State Govt. for payment of the minimum guaranteed dividend for the 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 Rs.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 'J' - Other Current Assets'. The State Government guarantee has been withdrawn w.e.f. 06.09.2000 as per SFCs (Amendment) Act, 2000 and thereafter no dividend has been provided / declared.
- F. 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 31.03.2016 as per the provisioning norms of SIDBI.
- G. Loans and advances are categorised on the basis of guidelines received from SIDBI as Standard, Sub Standard, Doubtful and Loss Assets and provisioning has been made as under :

Assets Classification	Current Year		Previous Year		Change in provision over the previous year	
	Loans outstanding	Provision	Loans outstanding	Provision		
Standard Loan Assets : Including Upgraded A/c and Restructured A/c	3.28	0.01	5.72	0.02	-0.01	
Non-Performing Loan Assets						
Sub Standard Assets						
Upto 6 Months	0.00	0.00	0.31	0.05	-0.05	-0.10
NPA 6 Months to 1 year	0.14	0.03	0.31	0.08	-0.05	
Doubtful Assets I	0.05	0.02	0.05	0.02	0.00	-4.81
Doubtful Assets II	5.88	5.86	10.67	10.67	-4.81	
Doubtful Assets III	0.33	0.33	0.33	0.33	0.00	
Loss Assets	0.67	0.67	0.67	0.67	0.00	
Total	10.33	6.92	18.06	11.84	-4.92	

Excess provision of Rs. 0.01 crore against standard loan assets and Rs.4.91crore against Non-performing loan assets have been written back during the year and shown in Schedule 'D' - Provisions. (Rs. in Crores)

Leasing Portfolio	Current Year		Previous Year	
	Amount	Provision	Amount	Provision
Equipment Leasing	4.52	4.52	4.52	4.52
Vehicle Leasing	0.51	0.51	0.51	0.51
Total	5.03	5.03	5.03	5.03

Provision on Leasing Portfolio has been made at 100 percent of the portfolio.

- H. As per guidelines issued by SIDBI, provision towards diminution in the value of investments in respect of listed & Un-listed shares is required to be made to the extent of Rs. 3.90 crore upto 31.03.2016 against which the Corporation has already made provision of Rs. 3.94 crore upto 31.03.2015. Therefore, excess provision of Rs. 0.04 crore has been written back during the year which has been shown in Schedule 'D' - Provisions.
- I. The Leasing Assets under Schedule 'E' - 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.



J. The State Govt. has appointed Corporation as agent for disbursement of its various subsidies, seed money and agency loans. Unutilized amount of Rs.24.48 lakh against various subsidies has been shown under the sub head "(b)(1) State Govt. Funds (As an Agency)" of Schedule 'C' - Other Liabilities. Liabilities amounting to Rs. 570.53 lakh towards State Government against Agency and Seed Money Loans have been shown against "(b)(2)" under the said sub head. The balance of Agency and Seed Money loans amounting to Rs. 484.77 lakh has been shown in Schedule 'J' - Other Assets.

K. Sundry Deposits under Schedule 'C' - Other Liabilities include a sum of Rs.1243 lacs include a sum of Rs. 1095 lakh being the sale price in case of M/s Surendra Enterprises Pvt. Ltd., Rewari, a joint financing case with Haryana State Industrial and Infrastructure Development Corporation Ltd. (HSIIDC). A new loan account of Rs. 821.25 lakh in the name of auction purchaser namely M/s Balaji Enterprises under the head Loan & Advances was opened after receipt of Rs. 273.75 lakh i.e. 25% of the sale amount. Being joint financing case, the sale proceeds are yet to be shared between HFC and HSIIDC on pro-rata.

L. Claim Recoverable under Schedule 'J' - Other Assets amounting to Rs. 48,72,480/- includes a sum of Rs. 22,09,712/- recoverable in case of M/s S.K. Wood Products, Yamunanagar. In this case the collateral security was sold to Sh. S.K. Saini and Sh. Robin Saini (auction purchasers) for Rs. 24.30 lakh on 23.08.2007. Later on Auction Purchasers filed writ petition in the Hon'ble Punjab & High Court, Chandigarh seeking relief that the property purchased by them had no access and the Corporation may provide the access to the auctioned land or refund the amount. The case was decided with the directions to the Corporation to refund the amount alongwith interest. Accordingly the Corporation refunded a sum of Rs. 38,01,285/- to the auction purchaser by debiting Claim Recoverable Account as the loan account of loanee M/s S.K. Wood Products has already been adjusted. The Corporation again auctioned the above property at a price of Rs.56.00 lakh. The auction purchaser deposited on Rs.16.00 lakh and failed to deposit the remaining amount, so the amount of Rs.16.00 lakh was forfeited and credited to claims recoverable account. Now the recoverable amount in the above case is Rs. 22,09,712/-.

M. Disclosure requirements for SFCs in compliance of SIDBI's guidelines.

		F.Y. 2015-16 (Rs. in lakh)	
1	Capital		54.95%
a)	CRAR %		
b)	The amount of subordinated debt raised and outstanding as Tier - II capital		—
c)	Risk Weighted Assets		18916.59
	i. On Balance Sheet Items		—
	ii. Off Balance Sheet		
d)	The Share holding pattern as on the date of the Balance Sheet	Amount	% age
	i. Government of Haryana	20201.17	97.28
	ii. SIDBI	432.65	2.08
	iii. Commercial Banks, Insurance Cos. etc.	20.17	0.10
	iv. Private Shareholders	111.82	0.54
	Total	20765.81	100.00
2	Asset Quality and Credit Concentration		4.02
e)	% age of net NPAs to Net loans and advances		
f)	Amount and %age of Net NPAs under the prescribed asset classification categories	Amount	% age
	i. Sub Standard Assets	10.90	3.20
	ii. Doubtful Assets	2.79	0.82
	Total :	13.69	4.02



g) Amount of provision made during the year

i. Provision for Standard Assets	-1.66
ii. Provision for NPAs	-489.85
iii. Provision for Investments	-4.12
Total	<u>-495.63</u>

h) Movement in Net NPA

i. Sub Standard Assets	-38.64
ii. Doubtful Assets	- 0.64

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

Particulars	Principal	To Total Capital	To Total Assets Funds
Largest single borrower	585.93	2.61%	3.02%
Largest borrower group	585.93	2.61%	3.02%
The 10 Largest single borrowers	944.24	4.21%	4.87%
The 10 Largest borrower groups	944.24	4.21%	4.87%

j) Credit exposure to 5 largest industrial sectors as % to total loan assets

155.05

15.50%

3 Liquidity

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

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

(Rs. in lakh)

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 10 years	Total
Rupee assets	1398.80	18002.63	0.00	0.00	0.00	0.00	19401.43
Foreign Currency Assets	-----NIL-----						
TOTAL	1398.80	18002.63	0.00	0.00	0.00	0.00	19401.43
Rupee Liabilities	5281.06	23057.12	0.000	0.00	0.00	0.0	28338.18
Foreign Currency Liabilities	-----NIL-----						
TOTAL	5281.06	23057.12	0.000	0.00	0.00	0.0	28338.18



4 Operating Results

m)	Interest income as a percentage to average working funds	1.45 %
n)	Non-interest income as a percentage to average working funds	1.83 %
o)	Net Profit/(Loss) as a percentage to Average Working Funds	1.81 %
p)	Net Profit/(Loss) per employee	Rs. 5.38 lakh

5 Earning per Share

(Amount in Rs.)

a)	Profit/(Loss) after Tax	35,512,892
	Profit/(Loss) attributable to ordinary Share Holders	35,512,892

b)	Weighted Average of Common Stock	No.	Period Outstanding (days)	Weighted Average
----	----------------------------------	-----	---------------------------	------------------

Shares outstanding as on 31.03.2016

207658100

365

207658100

Earning Per Share (a/b)

0.17

6 Disclosure requirements under the RBI guidelines dated 7th July, 1999 on forward rate agreements under Interest Rate Swaps

NIL

N. 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.

O. Schedules 'A' to 'R' form integral part of the Balance Sheet and Profit & Loss Account.

R. Khurana

Rakesh Khurana
Deputy General Manager

Sudhir Rajpal, IAS

Managing Director

In terms of our separate report of even date attached
For R.P. Mallick & Associates
Chartered Accountants



R.P. Mallick
FCA (Prop.)
Membership No. 083682
Firm Regd. No. 04867M



Annexure to Schedule - 'F' & 'I'

Statement Showing Particulars of Investments in shares as on 31st March, 2016

S.No.	Name of the Company	Face value	Cost per Share	Value per Share as on 31.3.2016	No. of Shares	Cost as on 31.3.2016	Value as on 31.03.2016
(Amount in Rs.)							
(I)	Non-current Investments						
1.	Haryana Power Generation Corp. Ltd.	1000.00	1000.00	1000.00	1450000	1450000000	1450000000
(II)	Current Investments						
	A. Quoted						
1.	GRM Overseas Ltd. Panipat	10.00	20.00	41.10	124000	2480000	5096400*
	B. Un-quoted						
	i) Listed : Ordinary - Fully Paid Up						
1.	Global Inds. Ltd., Gurgaon	10.00	10.00		300000	3000000	1
2.	Green Mark Infra Ltd. (Formerly, Jiven Flora Ltd., Gurgaon)	10.00	12.00		146600	1759200	1
3.	Veer Vardhman Inds., Panipat	10.00	10.00		250000	2500000	1
4.	Indo Britain Agro Farms Ltd.	10.00	10.00		180300	1803000	1
5.	Aravali Pipes Ltd., Hisar	10.00	15.00		205000	3075000	1
6.	Doon Valley Rice Mills, Karnal	10.00	30.00		100000	3000000	1
7.	Pam Raffia Ltd., Panchkula	10.00	10.00		10406	104060	1
8.	Sweet Chem Antibiotic Ltd., Karnal	10.00	10.00		44800	448000	1
9.	Uma Fabrics Ltd., Gurgaon	10.00	10.00		350000	3500000	1
10.	Shiva Sultex Ltd., Gurgaon	10.00	10.00		500000	5000000	1
11.	Bharat Polyfab Ltd., Rewari	10.00	12.50		500000	6250000	1
	Total (i)				2587106	30430280	11
	ii) Unlisted : Ordinary - Fully Paid Up						
1.	INA Polyster Buttons Ltd., Faridabad(A/c-I)	10.00	10.00		200000	2000000	1
2.	INA Polyster Buttons Ltd., Faridabad(A/c-II)	10.00	10.00		200000	2000000	1
3.	Apex Multitech Ltd., Panchkula(A/c-I)	10.00	10.00		200000	2000000	1
4.	Apex Multitech Ltd., Panchkula(A/c-II)	10.00	15.00		375000	5625000	1
5.	Nikka Cements Ltd., Panchkula	10.00	14.00		214280	2999920	1
6.	Handipon	100.00	100.00	4386.00	800	80000	3508800
	Total (ii)				1190080	14704920	3508806
	Total (II) (Un-quoted investments (i + ii))				3777186	45144180	3508816
III)	Total Current Investments (Quoted + Unquoted)				3901186	47624180	8605216
	Total Investments (I + II + III)				5351186	1497624180	1458605216
					COST	1497624180	
					VALUE	1458605216	
					DIMINUTION	39018964	

Note : (*) Value of the shares as on 31st March, 2015.

(**) Value of share has been determined on the basis of balance sheet as on 31st March, 2016.



Annexure to Schedule - 'G'

Details of Loans and Advances - as on 31.03.2016

(Rs. in Thousands)

I. Particulars of Loans & Advances

1.	Debts considered good in respect of which the Corporation is fully secured :-		
	(i) Standard Assets	32,798	
	(ii) Sub Standard Assets	1,454	34,252
2.	Debts previously fully secured		
	(i) Doubtful Assets	59,058	
	(ii) Loss Assets	6,741	65,799
			100,051
	Soft Loans - SIDBI		3,168
			103,219

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		50,269
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).		4,372,142
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.)		59,430,925
v)	Debts guaranteed by the State Govt.		—
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 Rs. 65,520 thousands		65,799

II The Classification of Loans and Advances according to the size of the Industrial Units

i)	Debts due from small scale industrial concerns	96,478	
ii)	Debts due from concerns other than those included under (i) above	6,741	103,219

III The Classification of Loans and Advances according to the Constitution of the Industrial Units.

a)	Proprietorship	68,833	
b)	Partnership	2,350	
c)	Private Limited Companies	32,036	
d)	Public Limited Companies	0	103,219

HARYANA FINANCIAL CORPORATION, CHANDIGARH
CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.15 TO 31.03.16



Amount (Rs.)

	FY 2015-16	FY 2014-15
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Income Tax & Provisioning	(14,050,108)	58,926,509
Add :		
Depreciation	3,861,183	4,172,481
Bad debts written off	367,552	508,424,014
Less :		
Profit on Sale of Assets	0	90,641,756
Profit on Sale of Shares	0	51,271
Waiver of Principal amount of Refinance from SIDBI	0	516,812,153
Other Income :		
Rent	21,857,508	20,609,767
Dividend on Investments	20,000	270,000
Misc. Income	25,822	205,304
Interest on deposits/staff advances & I.Tax refund	12,255,282	8,346,886
Net Cash from Operating Activities (A)	(43,979,985)	(85,414,133)
CASH FLOW FROM INVESTMENTS ACTIVITIES		
Purchase of fixed Assets	(220,303)	(33,100)
Sale of fixed assets and profit	0	93,311,884
Sale of shares and profit	0	71,271
Dividend on investments	20,000	270,000
Net Cash from Investment Activities (B)	(200,303)	93,620,055
OTHER CASH FLOWS		
Rental Income	21,857,508	20,609,767
Misc. Income	25,822	205,304
Interest on deposits/staff advances & I.Tax refund	12,255,282	8,346,886
Refinance to SIDBI	0	(103,300,000)
Increase/(decrease) in Current Liabilities		
Gratuity	2,259,886	2,607,492
Leave	(41,611,881)	(3,301,537)
Compassionate Assistance	(2,564,886)	1,469,374
Earnest Money	(1,165,000)	540,000
Borrowers Imprest	(57,459)	(834,829)
Security Deposits	(10,000)	0
Sundry Deposits	3,091,094	(4,774,003)
Decrease in advance from HSIIDC - Sale of Assets	0	(17,554,703)
Decrease in State Govt. Funds - Subsidies	0	(2,714,150)
Provision against expenses payable	(447,585)	3,868,722
Increase/(decrease) in Loans and Advances (Assets)	77,240,092	85,273,226



Amount (Rs. in lakh)

Increase/(decrease) in Current Assets		
Staff Advances	1,680,237	2,509,448
Advance Income Tax, TDS	75,715	(9,752,360)
Claim Recoverable	1,572,474	(98,341)
Interest Accrued but not due	420,813	6,922,184
Excess fund- Leave Salary	(3,212,217)	0
State Govt. Funds - Agency	0	248
Sundry Advances	351,251	(406,858)
Refund of Income Tax	0	427,967
Net Cash from other Cash Flows (C)	71,761,336	(9,856,165)
Net Cash flows (A+B+C)	27,581,048	18,249,757
Net Increase/(decrease) in cash and cash equivalents	27,581,048	18,249,757
Cash and Cash equivalents at the beginning of the year	97,402,656	79,152,899
Cash and Cash equivalents at the end of the year	124,983,704	97,402,656

R. Khurana
Rakesh Khurana
 Deputy General Manager

Sudhir Rajpal
Sudhir Rajpal, IAS
 Managing Director

In terms of our separate report of even date attached
 For R.P. Mallick & Associates
 Chartered Accountants



R.P. Mallick
R.P. Mallick
 FCA (Prop.)
 Membership No. 083682
 Firm Regd. No. 04267H

Place : Chandigarh
Dated : 21st September 2015

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