

50th
ANNUAL REPORT
2016 - 2017



Haryana Financial Corporation

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Haryana Financial Corporation

HARYANA FINANCIAL CORPORATION
H.O. : 30 Bays Building (Ground Floor), Sector 17-C, Chandigarh -160017
Ph. : 2702755-57, 2702568 e-mail : contact@hfcindia.org



Notice

In terms of Regulation 46 of Revised General Regulations of the Corporation read with Section 36 of the State Financial Corporations Act, 1951, it is hereby notified that the 50th Annual General Meeting of Shareholders of the Corporation will be held on Monday, the 2nd July, 2018 at 1.00 PM (I.S.T.) in the Committee Room of The Haryana State Cooperative Apex Bank Ltd. (HARCO Bank), 1st Floor, SCO 78-80, Bank Square, Sector 17 B, Chandigarh to transact the following business:-

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss 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 appoint an Audit Firm (To be appointed by Shareholders out of panel of the RBI as per detail given in the Note v) 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 2017-18 at an audit fee of Rs.45,000/- plus applicable GST and and admissible TA/DA.
3. To elect two Directors in the prescribed manner by the shareholders referred to in clause (d) of sub-section (3) of Section of 4 of the State Financial Corporations Act 1951 (i.e. from Public Shareholders) for a period of three years.

NOTES :

- i) The Register of Members and Share Transfer Books of the Corporation will remain closed from 25th June to 2nd July 2018 (both days inclusive).
 - ii) Nomination papers for election as Directors by the shareholders (category 'd') 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 16th June, 2018).
 - 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 shall 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) As per provision of Section 37(1) of SFCs Act 1951, the auditors of the Corporation shall be appointed by the financial Corporation in General Meeting of the shareholders out of panel of auditors approved by the Reserve Bank of India for such terms and on such remuneration as the RBI may fix. The RBI vide their letter dated 7th August, 2017 has forwarded the panel of the audit firms and the Corporation has short listed the following three audit firms as per details :
- 1) M/s H.S. Tuli & Associates,
House No. 1466, Sector 22-B, Chandigarh - 160022
 - 2) M/s S.K. Bhasin & Associates
S.C.O. 126-127, 3rd Floor, Sector 34-A, Chandigarh
 - 3) M/s Parveen Kapoor & Associates,
SCO 59, 2nd Floor, Sector 26, Madhya Marg, Chandigarh - 160019

The above Audit Firms have confirmed their eligibility/given their consent under the provision of the Companies Act and as per RBI letter etc. The brief profile of the audit firms will be circulated to the shareholders at the meeting to consider and make the appointment.

By Orders of the Board
for Haryana Financial Corporation

R. Munzang
General Manager

Dated : 4th June, 2018
Place : Chandigarh



HARYANA FINANCIAL CORPORATION, CHANDIGARH

Directors on the Board of the Corporation as on 31.03.2017

(under section 10 of the SFCs Act, 1951)

1.	Sh. Rajesh Khullar, IAS Principal Secretary to Hon'ble Chief Minister, Haryana, Chandigarh.	Chairman	Nominated as Director by the State Govt. in terms of Section 10(b) of SFCs Act 1951 & appointed as Chairman in terms of Section 15(1) of SFCs Act, 1951 w.e.f. 15.12.2015
2.	Sh. Devender Singh, IAS Addl. Chief 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 Kothi No. 44, Sector 24, 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. 30.12.2014, 336th BD Meeting
4.	Smt. Kiran Lekha Walia, 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, 340th BD Meeting
5.	Sh. Narendra Mohan Singh, DGM (L) Small Industries Development Bank of India, SCO 145-146, 2nd Floor, Sector 17-C, Chandigarh	Director	Nominated by SIDBI in terms of Section 10(c) of SFCs Act, 1951. w.e.f. 25.07.2016
6.	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 for a period of 3 years
7.	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 for a period of 3 years
8.	Sh. S.K. Srivastava, 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. 10.11.2016 for a period of 3 years
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 50th Annual Report together with the Audited statements of Accounts on the working of the Corporation for the year ended 31st March, 2017.

Financial Results

During the financial year 2016-17 the Corporation has achieved the following working results :

(Rs. in crore)

		2016 - 17	2015 - 16
A.	Income		
	Income from operations/other income	6.68	6.46
B.	Expenditure		
	Interest & Other Financial Expenses	0.06	0.10
	Personnel Expenses	5.65	6.56
	Administrative Expenses	1.37	0.78
	Depreciation	0.35	0.39
	Bad Debts written off	0.02	0.04
	Total Expenditure	7.46	7.87
C.	Operating Profit / (Loss) (A - B)	(0.78)	(1.41)
D.	Less : Prior Period Expenditure & Adjustments	3.41	0.00
E.	Add : Provision against NPAs, Loan Assets & investments written back	0.35	4.96
	Net Profit / (Loss) (C - D + E)	(3.84)	3.55

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 i.e recovery of its dues during the year are given as under :

(Rs. in crore)

	Performance for the Year 2016-17
Sanction	0.00
Disbursement	0.00
Recovery	4.82



Recovery of Dues

The amount fallen due during the year was Rs. 190.12 lakh, out of which the Corporation recovered Rs. 189.27 lakh i.e. more than 99%. The Corporation also recovered Rs. 16.24 lakh from previous over due which is about 86% of the previous over due. As per requirements of the borrowers, the 'One Time Settlement Schemes' of the Corporation was also extended during the year to make recovery under the NPAs cases. The Corporation made efforts to contact the borrowers and pursued them to come forward under the above settlement schemes to settle their cases. During the year, the Corporation was successful to settle 22 cases. The Corporation also made the recovery out of u/s 29 cases, RC cases, suit filed cases and out of lease finance cases. Due to above measures, the Corporation made recovery of Rs. 4.82 Crore.

Resources Management

The Corporation has stopped fresh business/sanction since May 2010. No borrowings from the market/banks made during the year. As stated earlier, the Corporation has since repaid its borrowings and there is no outstanding loan against the Corporation. The Corporation utilized its limited resources for meeting the commitments/liabilities during the year. The details of the sources are discussed in the subsequent paras.

Share Capital from State Government

Due to present position of the Corporation, the State Govt. has not sanctioned/released any amount towards share capital during the year.

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, 2017 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 of Rs. 2 lakh plus service tax to the Stock Exchange (BSE) within time.

Audit

The shareholders in its 49th Annual General Meeting held on 10.11.2016 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 2016-2017 (for 4th term) who have conducted the audit of the Corporation.

As per guidelines, in the normal course, an audit firm may continue for a term of 4 years in one spell. The term of 4 years of existing statutory auditors M/s R.P. Mallick & Associates, Chartered Accountants, Chandigarh has been expired. Accordingly, the RBI vide their letter dated 07. 08. 2017 have forwarded a list containing the names of eligible audit firms based at Chandigarh and complying with the norms for appointment as Statutory Auditors in public sector banks for appointment as Statutory Auditors for the years 2017-18. The names of the 2-3 audit firms have been short listed and the item for appointment of statutory auditors for the year 2017-18 has been included in the notice for 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 2015-16 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 2016-17 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 ended on 31.03.2017 is annexed with the Annual Accounts.

Board of Directors

The list of the Board of Directors as on 31.03.2017 has separately been given in the Annual Report.

During the year under review, only 2 meetings of Board of Directors were held due to shifting Head Office. The detail of the number of meeting of the Board held during the FY 2016-17 forms part of the report on Corporate Governance in terms of regulation 34(3) of SEBI (LODR) Regulations, 2015.

Change of Head Office of the Corporation

The Head Office of the Corporation at Bays Nos. 17,18 & 19, Sector 17-A, Chandigarh was on rent. As per Supreme Court orders, the said premises was vacated. The Head Office of the Corporation has been shifted to the nearby place in the same sector i.e at 30 Bays Building, (Ground Floor), Sector 17-C, Chandigarh -160017. The intimation for the change of the office address has been filed with the Stock Exchange (BSE). The notice of change of the Head Office have also been given on the website of the Corporation and also published in the newspapers (Hindi & English) for the information of the shareholders/public.

Postion of Winding Up/Liquidation of Corporation

It was already informed to the shareholders in the previous Annual General Meetings that the Corporation has since stopped fresh business/ sanction of the loan since May, 2010. The shareholders were also informed through notice for the last year AGM that the Board of the Corporation (on the suggestion by the IFCI (Financial Consultant) and recommendation of the Committee of Directors) in its 340th meeting held on 30.12.2015 decided that the State Govt. be requested to take further action for winding up of the Corporation in view of the provisions of section 45 of the SFCs Act, 1951. The matter was also placed before the shareholders in the last AGM 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.. As approved by the Board and the shareholders, the proposal for liquidation/winding up has already been forwarded to the State Govt.. The matter is under consideration with the State Govt. .

Acknowledgements

The Board of the Haryana Financial Corporation wishes to place on record its special thanks and gratitude to Govt. of Haryana, 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 and cooperation.

The Board of Directors placed on record its appreciation of the contribution made by past Managing Director Sh. Sudhir Rajpal, IAS and Dr. Raja Sekhar Vundru, 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

Place : Chandigarh

Managing Director



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 regulation 15(2) (b) of SEBI (Listing Obligations and Disclosures 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. As per requirements of the Stock Exchange (BSE) and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Corporation is making necessary compliances to the extent applicable /feasible in view of the adhering of the provisions of the State Financial Corporations Act, 1951 and rules made thereunder. The Corporation is attending to its customers/borrowers, shareholders and others to the best practices applicable /feasible under the given norms.

2. Board of Directors

2(a) Composition of Board

The Corporation has been established under the State Financial Corporations Act, 1951 and we are adhering to the provisions of the said Act. It is submitted that section 9 of the SFCs Act, 1951 prescribed the detail about **Management**- the general superintendence direction and management of affairs and business of the Financial Corporation shall vest in a Board of Directors which may exercise all powers and do all such acts and things, as may be exercised or done by the Financial Corporation. Section 10 of State Financial Corporations Act, 1951 prescribed the **composition of Board of Directors** of the Corporation. The details of the Directors of the Corporation as on 31.03.2017 have been given in the Annual Report separately. As per section 10 of the SFCs Act, 1951 there is a provision of nomination of two Directors by the Govt. of Haryana u/s 10(b), two Directors to be nominated by Small Industries Development Bank of India (SIDBI) u/s 10(c), two Directors to be nominated by Banks/insurance companies u/s 10(d), two Directors to be elected by the shareholders u/s 10(e) on the basis of percentage of Share Capital held by public shareholders and two Directors to be co-opted by Board of Directors u/s 10(e) (iv). Further, as per provision of section 15(1) of SFCs Act, 1951 one of the Director nominated by the State Government u/s 10(b) will be nominated as Chairman of the Corporation. Further as per provisions of section 17 read with section 10(f) of the SFCs Act, 1951, the State Govt. will appoint the Managing Director of the Corporation. As per the above provisions the State Govt. have nominated two Directors. SIDBI has nominated one Director against the provision of two Directors. The banks/insurance companies has nominated two Directors as per provision. There is one director (elected) by the shareholders u/s 10(e) against the provisions of two Directors. The Board has also co-opted two Directors as per provision in 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 (as on 31.03.2017) on the Board of the Corporation, the list of which has separately been published in the Annual Report.

2(b) Board Meeting

During the year 2016-17 two meetings of the Board of Directors were held. The dates on which the Board Meetings were held are as follows :

342nd Board Meeting dated 16.06.2016

343rd Board Meeting dated 17.10.2016

It is submitted that during the year, the Corporation has changed its Head Office as per Supreme Court orders, the detail of which has been given in the Director report and accordingly the Corporation could not held four Board meetings.



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 has been constituted/re-constituted by the Board of the Corporation. The committee comprised Smt. Kiran Lekha Walia, Finance Advisor, Chairman of the Audit Committee (as on 31.3.2017), Director nominated by SIDBI u/s 10(c), two Directors nominated/elected by banks/LIC (shareholders mentioned in clause(c) of sub-section (3) of section 4 read with section 10(d) of the State Financial Corporations Act, 1951. All the above Directors are non executive. The scope of the Audit Committee is as per the 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 of the Corporation. The committee comprised Managing Director, Chairman of the Committee, Director nominated by SIDBI u/s 10(c), two Directors nominated/elected by banks/LIC (shareholders mentioned in clause(c) of sub-section (3) of section 4 read with section 10(d) of the State Financial Corporations Act, 1951. All the above Directors (except Managing Director) are non-executive director. 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 terms and conditions prescribed by the State Govt., 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 Shareholders/Investors Grievances Committee of the Corporation has been constituted/re-constituted by the Board of the Corporation. The committee comprised Director nominated by SIDBI u/s 10(c), Director nominated/elected by banks/LIC (shareholders mentioned in clause(c) of sub-section (3) of section 4, Director nominated/elected by the public shareholders mentioned in clause (d) of sub-section (3) of section 4 read with section 10(d) and 10(e) respectively of the State Financial Corporations Act, 1951. The above Directors are non executive and independent Directors.

6. General Body Meetings

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

Year	AGM	Location	Date	Time
2013-2014	47th AGM	At HO of the Corporation Bays Nos. 17,18 & 19, Sector 17 A, Chandigarh	17.11.2014	11.00A.M.
2014-2015	48th AGM	—DO—	20.10.2015	12.45 A.M.
2015-2016	49th AGM	—DO—	10.11.2016	11.30 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 | 2nd July, 2018 at 1.00 P.M. |
| - Venue | HARCO Bank, Bank Square, Sector 17 B, Chandigarh. |

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, 2018 | : | by 15th Aug, 2018 |
| - 30th Sept, 2018 | : | by 15th Nov, 2018 |
| - 31st Dec, 2018 | : | by 15th Feb, 2019 |
| - 31st March, 2019 | : | by 30th May, 2019 |

9.3 Book Closure date 25th June to 2nd July, 2018

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 consisted of the following members :

1.	Managing Director	Chairman
2.	Sh. Rakesh Khurana General Manager	Member
3.	Ms. Manisha Gupta Asstt. General Manager	Member
4.	Ms. Vandana Jindal Asstt. General Manager	Member

Shares received by the Corporation for transfer are sent to Registrar/Share Transfer Agent (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, 2017

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 forms. An application was filed by the Corporation to National Stock Depository Limited (NSDL) for dematerialization of its shares of the Corporation. The NSDL has not acceded our request for dematerialization of the shares of the Corporation due to erosion of net worth of the Corporation on account of accumulated losses.

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, 30 Bays Building , (Ground Floor),
Sector 17- C, Chandigarh-160017.

Ph. No. 0172-2714530, 2702755-57

Fax No. 0172-2702666

E-mail: investors@hfcindia.org

MANAGEMENT DISCUSSION & ANALYSIS REPORT

i) Term Lending Institution

You are aware that the Haryana Financial Corporation was established under the State Financial Corporation Act, 1951 as a State level development financial institution to provide financial assistance to the industrial units and for other activities as per section 25 of the SFCs Act, 1951 relating thereto to the small scale sectors set up in the State of Haryana in the year 1967.

ii) Risks, Threats and Concerns

Risk means uncertainties about events and their outcomes that could have a material impact on the performance and projections of the Corporation. The risk is inherent in every business. We have already informed to the shareholders in the previous report that with the reforms of the financial sector, the traditional area have been entered into by new entrants i.e. Banks and Non-Banking Financial Companies (NBFCs) who have access to cheap source of funds. Accordingly, the Corporation was facing stiff competition from NBFCs and Banks. In view of the above, the Corporation could not withstand the competition from these institutions due to operational limitations and accordingly stopped fresh business/ sanction of the loan since May, 2010. The shareholders were also informed through notice for the last year AGM that the Board of the Corporation (on the suggestion by the IFCI (Financial Consultant) and recommendation of the Committee of Directors) in its 340th meeting held on 30.12.2015 decided that the State Government be requested to take further action for winding up of the Corporation in view of the provisions of section 45 of the SFCs Act, 1951. The matter was also placed before the shareholders in the last AGM 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.. As approved by the Board and the shareholders, the proposal for liquidation/winding up has already been forwarded to the State Govt.. The matter is under consideration with the State Govt. .

In addition to above, there are a number of suit filed cases (pension, arrears of 6th pay commission to staff and other staff/borrowers cases) pending in the courts which will also affect its profitability.

iii) Corporation Performance

You are aware that 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 from time to time and also during the year keeping in view of the requirements of the borrowers. During the year a sum of Rs.4.82 crore has been recovered.

iv) Opportunities/Resources

You are aware that the Corporation has since repaid entire outstanding refinance under settlement to SIDBI. As already informed the Corporation has also repaid all the bonds series due from time to time. So, there is no outstanding loans against the Corporation or say debt free Corporation. There is no interest liability in this regard.

The Corporation has a number of NPAs cases. There are opportunities that some of them may come under settlement scheme which tantamount to recovery for the Corporation.

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 66 as on 31.03.2016 to 54 as on 31.03.2017. 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.

Certain statements made in the "Management Discussion and Analysis Report" might be considered forward looking. These statements are subject to certain risks and actual result may differ.

Partners

P D Sharma

M.A., LL.B. (A), 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@cslaws.com

Website : www.cslaws.com

CORPORATE GOVERNANCE HARYANA FINANCIAL CORPORATION

TO
THE MEMBERS OF
HARYANA FINANCIAL CORPORATION
SECTOR 17,
CHANDIGARH

Dated : 30.10.2017

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, 2017.

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 : 30.10.2017



R.P. MALICK & ASSOCIATES
CHARTERED ACCOUNTANTS

#1442, FIRST FLOOR, SECTOR 44-B
CHANDIGARH, INDIA - 160 047
PH. : 0172-2668141, CELL : 94171 21321
E-mail : rpmallick@yahoo.co.uk

To
The Members of
Haryana Financial Corporation
Chandigarh

INDEPENDENT AUDITORS' REPORT

1. We have audited the accompanying financial statements of Haryana Financial Corporation (HFC), which comprise of the Balance Sheet as at 31st March, 2017 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 procedure 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 procedure 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 ;

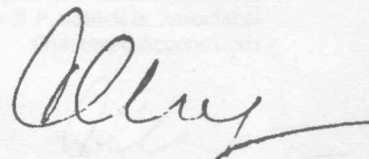
- a) In the case of the Balance Sheet, of the state of affairs of the Corporation as at 31st March, 2017,
- b) In the case of the Statement of Profit & Loss, of the Loss for the year ended on that date, and
- c) In the case of the Cash Flow Statement of the cash flow for the year ended on that date.

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 R.P. MALLICK & ASSOCIATES,
CHARTERED ACCOUNTANTS**



**R. P. MALLICK
FCA (Prop.)**

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

Place : Chandigarh

Dated : 26th March, 2018



HARYANA FINANCIAL CORPORATION, CHANDIGARH

BALANCE SHEET AS AT 31ST MARCH, 2017

As at 31.03.2016 (Amount in Rs.)	Particulars	Schedule	As at 31.03.2017 (Amount in Rs.)
	A EQUITY & LIABILITIES		
	1 Shareholders' 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		
591,500,250	a) Other current liabilities	C	618,321,142
158,446,150	b) Provisions	D	155,015,150
<u>2,992,346,350</u>	Total		<u>3,015,736,242</u>
	B ASSETS		
	1 Non-current assets		
100,436,346	a) Fixed assets	E	96,509,774
1,450,000,000	b) Non-current investments	F	1,450,000,000
106,494,906	2 Loans and Advances	G	88,855,627
	3 Current Assets		
124,983,704	a) Cash and bank balances	H	135,115,179
47,624,180	b) Current investments	I	47,624,180
110,599,897	c) Other current assets	J	107,025,277
1,052,207,317	4 Profit and Loss Accounts	K	1,090,606,205
<u>2,992,346,350</u>	Total		<u>3,015,736,242</u>

Notes on Accounts

R

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

R. Khurana

Rakesh Khurana
General Manager

Dr. Raja Sekhar Vundru

Dr. Raja Sekhar Vundru, 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.083882
Firm Regd. No.04867N

Place : Chandigarh

Dated : 26th March, 2018



HARYANA FINANCIAL CORPORATION, CHANDIGARH

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

For the year ended 31.03.2016 (Amount in Rs.)		Schedule	For the year ended 31.03.2017 (Amount in Rs.)
	INCOME		
30,413,230	Revenue from Operations	L	31,064,801
34,158,612	Other Income	M	35,791,007
64,571,842	Total Revenue		66,855,808
	OPERATIONAL EXPENDITURE		
766,431	Interest Expenses	N	375,372
222,126	Other Financial & Misc. Expenses	O	224,164
65,604,227	Employees Benefit Expenses	P	56,535,271
7,800,431	Administrative Expenses	Q	13,751,272
3,861,183	Depreciation	E	3,520,590
367,552	Bad Debts Written Off		227,848
78,621,950	Total Expenditure		74,634,517
(14,050,108)	Profit / (Loss) before provisioning		(7,778,709)
0	Less: Prior Period Expenditure Adjustment		34,092,179
49,151,000	Add : Provision Against NPAs Loan Assets Written Back		0
412,000	: Provision Against Investments Written Back		6,598,000
0	Less : Provision Against NPAs Loans Assets		3,126,000
35,512,892	Net Profit		(38,398,888)
	Notes on Accounts	R	
0.17	Earning Per Share		Nil

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

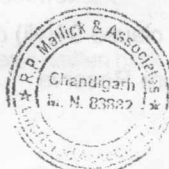
R. Khurana

Rakesh Khurana
General Manager

Dr. Raja Sekhar Vundru

Dr. Raja Sekhar Vundru, 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. 083882
Firm Regd. No. 04867N

Place : Chandigarh

Dated : 26th March, 2018



Schedule 'A' - Share Capital

As at 31.03.2016
Amount (Rs.)

As at 31.03.2017
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 (Previous year 626,600) of Rs.10/- each issued under section 4A(1) of the SFCs' Act, 1951 as special class of shares.	6,266,000
2,116,921,000		2,116,921,000
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
2,076,581,000	Total	2,076,581,000

Schedule 'B' - Reserve and Surplus

As at 31.03.2016
Amount (Rs.)

As at 31.03.2017
Amount (Rs.)

178,567,013	a) Special Reserve for the purpose of Section 36(1)(viii) of the Income Tax Act, 1961	178,567,013
166,800,000	Gross Amount	166,800,000
11,767,013	Less : Utilised towards provisioning for NPAs in earlier years	
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 31.03.2016
Amount (Rs.)

As at 31.03.2017
Amount (Rs.)

a) Other Liabilities

10,259,756	Provision against Gratuity	6,462,549
3,823,602	Provision against Compassionate Assistance	2,327,438
124,337,286	Sundry Deposits	119,143,115
372,445,297	Advance from HSIIDC - Sale of properties	372,445,297
1,850,250	Earnest Money	1,850,250
7,093,808	Borrowers' Imprest	4,949,084
6,900,000	Security Deposit	6,925,000
0	Service Tax payable	180,526
5,207,912	Provision against expenses payable	44,496,544

b) State Government Funds (As an Agency)

1) Subsidies : (Unutilised and Payable)

97,160	Credit Linked Capital Subsidy	97,160
2,350,500	State Subsidy	2,350,500
		<u>2,447,660</u>

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
		<u>57,052,679</u>

c) Contingent provision against Standard Assets

248,000	Opening balance	82,000
166,000	Less : Excess provision provided in earlier years written back	41,000
		<u>41,000</u>

591,500,250

Total

618,321,142

Schedule 'D' - Provisions

As at 31.03.2016
Amount (Rs.)

As at 31.03.2017
Amount (Rs.)

i) Provision for Non-performing Loan Assets :

118,144,000	Opening balance	69,159,000
0	Add : Provision during the year	3,167,000
48,985,000	Less : Excess provision provided in earlier years written back	0
69,159,000		<u>72,326,000</u>

ii) Provision for non-performing leasing assets

50,268,186	Opening balance	50,268,186
------------	-----------------	------------

iii) Provision for diminution in value of Investments :

39,430,964	Opening balance	39,018,964
412,000	Less : Excess provision provided in earlier years written back	6,598,000
39,018,964		<u>32,420,964</u>

158,446,150

Total

155,015,150



Schedule 'E' - Fixed Assets

(Amount in Rs.)

Sr. No.	Particulars	WDV as on 01.04.2016	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 31.03.2017
		(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)
A) Land & Building										
1. Land		6,112,876	0	0	119,260*		5,993,616	0	0	5,993,616
2. Building - Office		21,941,924	0	0	0		21,941,924	10	2,194,192	19,747,732
- Residential		19,416,135	0	0	0		19,416,135	5	970,807	18,445,328
Total		47,470,935	0	0	119,260	0	47,351,675		3,164,999	44,186,676
B) Furniture & Fittings										
1. Furniture		568,345	0	0	64,611		503,734	10	50,373	453,361
2. Safes, Cabinets & Padlocks		167,881	0	0	0		167,881	10	16,788	151,093
3. Misc.		125,066	0	0	0		125,066	10	12,506	112,560
4. Electric Fittings		887,358	0	8,500	230,111		665,747	10	66,150	599,597
Total		1,748,650	0	8,500	294,722	0	1,462,428		145,817	1,316,611
C) Plant & Machinery										
1. Computers		150,138	0	0	0		150,138	60	90,084	60,054
2. Typewriters, Duplicators etc.		2,221	0	0	0		2,221	15	333	1,888
3. Staff Cars & Jeep		791,848	0	0	0		791,848	15	118,777	673,071
4. Bicycles		4,368	0	0	500		3,868	15	580	3,288
Total		948,575	0	0	500	0	948,075		209,774	738,301
Grand Total - (A+B+C)		50,168,160	0	8,500	414,482	0	49,762,178		3,520,590	46,241,588
Previous Year		53,809,040	0	220,303	0	0	54,029,343		3,861,183	50,168,160

Particulars	WDV of Equipments leased as on 01.04.2016	Additions During the Year	Sale/ Adjustment	Value as on 31.03.2017	Lease Rentals Received During the Year	Interest out of Rentals Received	Principal out of rentals Charged to Depreciation	WDV of Equipments leased as on 31.03.2017
D) Leasing Assets	50,268,186	0	0	50,268,186	0	0	0	50,268,186
Previous Year	50,268,186	0	0	50,268,186	0	0	0	50,268,186

* Note : A sum of Rs. 1,19,260/- being the amount of interest paid to HSIIDC against plots at Rai and Bawal debited to land account earlier years now reversed.

	FY 2015-16	FY 2016-17
Total Depreciation	3,861,183	3,520,590
Total WDV (A+B+C+D)	100,436,346	96,509,774



Schedule 'F' - Non-current Investments

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

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

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

As at 31.03.2017
Amount (Rs.)
1,450,000,000
1,450,000,000

Schedule 'G' - Loans and Advances

As at 31.03.2016
(Amount Rs.)
100,050,718
3,275,000
103,325,718
1,750
3,167,438
106,494,906

Loans & advances (As per annexure to Schedule 'G') 82,401,345
Adhoc Limit - Boughtout Deals 3,275,000

Interest accrued and due
Soft loan - NEF, MUN & SEMFEX
Total

As at 31.03.2017
(Amount Rs.)
85,676,345

11,844
3,167,438
88,855,627

Schedule 'H' - Cash and Bank Balances

As at 31.03.2016
Amount (Rs.)

160,176
214

Cash in hand

- i) Corporation Funds 99,853
- ii) Agency Funds & Seed Money 214

100,067

Balance with Schedule Banks

- i) In Current Accounts
 - a) Corporation Funds 65,076,888
 - b) Agency Funds 0

65,076,888

- ii) In Fixed/Short Term Deposits

69,938,224

Total

135,115,179

32,766,933
6,381

92,050,000

124,983,704

Schedule 'I' - Current Investments

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

As at 31.03.2016
Amount (Rs.)

2,480,000
45,144,180

47,624,180

- (a) Quoted 2,480,000
- (b) Unquoted 45,144,180

Total

As at 31.03.2017
Amount (Rs.)

47,624,180

47,624,180



Schedule 'J' - Other Current Assets

As at 31.03.2016
Amount (Rs.)

2,141,765
1,147,900

2,524,145
2,179,737
0

7,048,576
7,430,044
7,929,497
3,212,217

115,863
0
4,672,460

463,758
2,991,155
3,713,183

16,556,484

594,661
47,252,955
625,497
0

110,599,897

Staff Loans

Advance against expenses

Tax deducted at source :

Financial year 2014-15

Financial year 2015-16

Financial year 2016-17

0

0

2,332,314

Income Tax deposited against demand (Pending in appeal):

Financial year 1980-81

Financial year 1981-82

Financial year 1982-83

Excess funds against Leave Encasement

7,048,576

7,430,044

7,929,497

Security Deposits

Advance to HSIIDC for renovation work

Claims recoverable

22,408,117

2,591,737

115,863

2,000,000

7,843,932

Interest Accrued but not due :

On Loans and advances

On Staff advances

On Deposits

212,822

2,044,866

301,320

Dividend Paid - Adjustable against Subvention from State Govt.

State Government loans (As an Agency) :

i) Agency Loans

ii) Seed Money Agency

iii) Seed Money (RIS)

iv) Bank Charges

594,661

47,231,485

625,497

6,381

Total

As at 31.03.2017
Amount (Rs.)

1,193,113
966,685

2,332,314

22,408,117
2,591,737

115,863
2,000,000
7,843,932

2,559,008

16,556,484

48,458,024

107,025,277

Schedule 'K' - Profit and Loss Accounts

As at 31.03.2016
Amount (Rs.)

1,087,720,209

0

35,512,892

1,052,207,317

Accumulated loss as per last Balance Sheet

Add : Net loss for the year

Less : Net Profit for the year

1,052,207,317

38,398,888

0

Total

As at 31.03.2017
Amount (Rs.)

1,090,606,205

1,090,606,205

Schedule 'L' - Revenue from Operations

For the Year Ended
31.03.2016
Amount (Rs.)

16,257,284

0

14,155,946

30,413,230

Interest Income on :

Loans & Advances

Leasing Equipments Advances

Amount received out of bad debts written off

Total

7,090,166

1,594,872

8,685,038

22,379,763

31,064,801



Schedule 'M' - Other Income

For the year ended
31.03.2016
Amount (Rs.)

For the year ended
31.03.2017
Amount (Rs.)

25,822	Miscellaneous Income		2,460,407
	Interest Income on :		
135,328	Income Tax Refunds	262,148	
317,669	Staff Advances	118,464	
11,802,285	Deposits with Banks	9,546,618	9,927,230
20,000	Dividend on Investments		20,000
21,857,508	Rental Income		23,383,370
34,158,612	Total		35,791,007

Schedule 'N' - Interest Expenses

For the year ended
31.03.2016
Amount (Rs.)

For the year ended
31.03.2017
Amount (Rs.)

766,431	Interest on Earnest Money	375,372
766,431	Total	375,372

Schedule 'O' - Other Financial & Misc. Expenses

For the year ended
31.03.2016
Amount (Rs.)

For the year ended
31.03.2017
Amount (Rs.)

22,126	Bank Charges	24,164
200,000	Stock Exchange Fee	200,000
222,126	Total	224,164



Schedule 'P' - Employees Benefit Expenses

For the year ended

31.03.2016

Amount (Rs.)

50,569,107
4,655,155
0
2,259,886
3,096,370
488,185
2,944,612
50,000
284,079
369,524
0
364,354
512,955
10,000

65,604,227

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
Pension
EDLI Premium
Administrative Expenses on Provident Fund
Honorarium

Total

For the year ended

31.03.2017

Amount (Rs.)

42,307,635
3,934,669
3,735
870,542
943,840
1,089,918
1,553,446
63,500
70,894
110,524
4,824,064
375,021
387,483
0

56,535,271

Schedule 'Q' - Administrative Expenses

For the year ended

31.03.2016

Amount (Rs.)

372,147
32,407
94,500

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
0
1,169,164
3,570
22,676

7,800,431

Travelling and other Expenses :

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

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
Renovation work
Security Charges
Short Deduction TDS
Branch Office Shifting Charges

Total

For the year ended

31.03.2017

Amount (Rs.)

409,102
21,000
217,000

2,904,619
385,360
348,593
49,088
123,743
228,408
564,475
2,640,188
26,849
167,820
361,326
31,250
58,514
0
56,503
2,930,000
1,971,764
0
255,670

13,751,272



Schedule - 'R'

Notes on Accounts

A 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 As per policy in respect of mortgaged properties, the Auction Purchaser has to make the payment within three months from the date of sale confirmation. 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. The possession of the unit is handed over to the Auction Purchaser 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 31.03.2018 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. As per actuarial valuation of Life Insurance Corporation of India (LIC) as on 31.03.2017 the amount payable is Rs. 48.44 lakh. In addition to the above a sum of Rs. 16.18 lakh is also payable to retirees whose gratuity has not been released upto 31.03.2017, so the total outstanding amount of provision as on 31.03.2017 comes to Rs. 64.63 lakh. During the year the Corporation has paid a sum of Rs. 50.00 lakh to LIC and received a sum of Rs. 3.32 lakh from other departments where the employees were deployed on deputation. The net expenditure towards gratuity amounting to Rs. 8.71 lakh (Rs. 12.03 lakh - Rs. 3.32 lakh) has been made in the books of accounts.

Leave Encashment to staff is covered under the Group Leave Encashment Scheme of Life Insurance Corporation of India. During the year, the Corporation has booked a sum of Rs. 9.44 lakh as expenditure towards Leave Encashment of existing / ex-employees (Rs. 6.21 lakh provisioning and Rs. 3.23 lakh paid to the ex-employees). As per the LIC actuarial valuation of the leave liability of existing staff as on 31.3.17, the fund size is excess than the liability by a sum of Rs.33.71 lakh. A provision of Rs.7.79 lakh has also been made towards leave liability of 2 retirees, so the net excess amount of Rs. 25.92 lakh 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.



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 :

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. (Reference Annexure to Schedule - 'F' & 'I')

iii) In respect of Equipment Leasing, Vehicle Leasing and Special Vehicle Leasing cases 100% provisioning has already been provided in the earlier years, as lease rentals fell due for payment in all the cases long back, so there is no change in the amount of provisioning in respect of leasing cases in the current year. (Reference Schedule - 'E')

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 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.

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 (18 cases) are to the extent of Rs. 5.00 crore (approx.) not acknowledged (out of which Rs. 0.32 crore have been deposited with The Controlling Authority under Gratuity Act as per their orders in case of gratuity of ex-employees and the Corporation has filed appeals before higher court against above orders). In addition to above there are 10 court cases/appeals filed by the employees/ex-employees against which amount is indeterminate.

3 The 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 its 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 31.03.15 and deploy the surplus staff to other departments.

The Corporation has recommended to the State Government for its winding up/liquidation u/s 45 of SFCs Act 1951 and their decision is awaited. The Corporation disposed off its two properties (Faridabad & Delhi) during the financial year 2014-15. There is an outstanding advance of Rs. 37.24 crore from HSIIDC as on 31.03.2017 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 and already deployed 30 employees of different categories so far.

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 Corporation has recommended to the State Government for its winding up/liquidation u/s 45 of SFCs Act, 1951 and their decision is awaited.

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 31.03.2017 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 : (Rs. in Lakh)

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	165.03	0.41	327.98	0.82	-0.41
Non-Performing Loan Assets					
Sub Standard Assets Upto 6 Months	0.00	0.00	0.00	0.00	0.00
NPA 6 Months to 1 year	0.20	0.05	14.54	3.64	-3.59
Doubtful Assets I	0.00	0.00	4.65	1.86	-1.86
Doubtful Assets II	0.26	0.26	585.93	585.93	-585.67
Doubtful Assets III (Including Adhoc Limit)	623.86	623.86	32.75	32.75	591.11
(Soft Loans)	31.68	31.68	31.68	0.00	31.68
Loss Assets	67.41	67.41	67.41	67.41	0.00
Total	888.44	723.67	1064.94	692.41	31.26

Excess provision of Rs. 0.41 lakh against standard loan assets have been written back and provision of Rs. 31.67 lakh has been provided against Non-performing loan assets during the year and shown in Schedule 'D' - Provisions.

Leasing Portfolio	Current Year		Previous Year	
	Amount	Provision	Amount	Provision
Equipment Leasing	451.41	451.41	451.41	451.41
Vehicle Leasing	51.27	51.27	51.27	51.27
Total	502.68	502.68	502.68	502.68

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 which is to the extent of Rs.324.21 lakh upto 31.03.2017 against which the Corporation has already made provision of Rs. 390.19 lakh upto 31.03.2016. Therefore, excess provision of Rs. 65.98 lakh 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).
- 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. 484.58 lakh has been shown in Schedule 'J' - Other Current Assets. The difference of Rs. 85.95 lakh in assets and liabilities (Govt. funds - Seeds Money Agency/RIS) is due to the amount recovered in the above cases but not remitted to State Government. The Corporation has already recommended to the State Govt. for its winding up and the matter is under consideration of the State Govt. The amount recovered in Seed Money Agency/RIS cases and not remitted to State will be taken care of while preparing the state of affairs of the Corporation after finalization of the decision of winding up by the State Government.
- K. Sundry Deposits under Schedule 'C'-Other Current Liabilities include a sum of Rs.1191.43 lakh include a sum of Rs.1066 lakh in case of M/s Surendra Enterprises Pvt. Limited, Rewari. The above unit a joint financing case with Haryana State Industrial and Infrastructure Development Corporation Ltd. (HSIIDC) was auctioned for Rs. 1095 lakh. A new loan account of Rs. 821.25 lakh in the name of the auction purchaser (AP) namely M/s Balaji Enterprises under the head Loans and advances was opened after receipt of Rs. 273.75 lakh i.e. 25% of the sale amount. The AP paid a sum of Rs. 678.20 lakh to the Corporation and defaulted in further repayment. Corporation repossessed the unit and decided to forfeit the above amount. Against the above action of the Corporation, AP filed a suit against the Corporation and the matter is subjudice. Keeping in view the above circumstances, the ratio of share between two organisations (HSIIDC/HFC) is yet to be decided, so the proper accounting entries are yet to be passed and amount is still kept in Sundry Deposit A/c.
- L. Claim Recoverable under Schedule 'J' - Other Current Assets amounting to Rs. 78,43,932/- includes a sum of Rs.32,12,109/- deposited with The Controlling Authority under payment of Gratuity Act on account of gratuity in view of court orders in respect of nine retirees and the Corporation has filed the case in higher court and the matter is yet to be decided. Further, it 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 by Hon'ble Punjab & Haryana High Court, Chandigarh and directed 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 an amount of Rs. 16.00 lakh and failed to deposit the remaining amount, the received amount of Rs. 16.00 lakh was forfeited and credited to claims recoverable account. Auction purchaser has filed a case against the Corporation and the case is yet to be decided. Now the recoverable amount in the above case is Rs. 22,09,712/-.
- M. The Corporation is maintaining Fixed Assets Purchase register where all items of fixed assets are entered with date, amount of purchase and its location. Mostly the fixed asset item is purchased on the request of the particular division/branch and after the purchase of the item, the same is under the control of that particular division/branch.
- N. During the current financial year the amount lying in Borrowers Imprest Account and Sundry Deposits Account in respect of the cases which stand adjusted for more than five years back and not claimed by the borrowers has been transferred to Miscellaneous Income.
- O. Disclosure requirements for SFCs in compliance of SIDBI's guidelines.

F.Y. 2016-17
(Rs. in lakh)

1 Capital

a)	CRAR %		53.75%
b)	The amount of subordinated debt raised and outstanding as Tier - II capital		—
c)	Risk Weighted Assets		
	i. On Balance Sheet items		18766.72
	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	<u>20765.81</u>	<u>100.00</u>

2 Asset Quality and Credit Concentration

e)	% age of net NPAs to Net loans and advances		0.09
f)	Amount and %age of Net NPAs under the prescribed asset classification categories	Amount	% age
	i. Sub Standard Assets	0.15	0.09
	ii. Doubtful Assets	0.00	0.00
	Total :	<u>0.15</u>	<u>0.09</u>
g)	Amount of provision made during the year		
	i. Provision for Standard Assets		-0.41
	ii. Provision for NPAs		31.67
	iii. Provision for Investments		-65.98
	Total		<u>-34.72</u>
h)	Movement in Net NPA		
	i. Sub Standard Assets		-10.75
	ii. Doubtful Assets		- 2.79
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	591.11	2.64%	3.07%
Largest borrower group	591.11	2.64%	3.07%
The 10 Largest single borrowers	829.76	3.70%	4.31%
The 10 Largest borrower groups	829.76	3.70%	4.31%
j) Credit exposure to 5 largest industrial sectors as % to total loan assets	92.69		11.25%

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 :

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	1516.35	17734.96	0.00	0.00	0.00	0.00	19251.31
Foreign Currency Assets	-----NIL-----						
TOTAL	1516.35	17734.96	0.00	0.00	0.00	0.00	19251.31
Rupee Liabilities	5587.80	23019.00	0.00	0.00	0.00	0.00	28606.80
Foreign Currency Liabilities	-----NIL-----						
TOTAL	5587.80	23019.00	0.00	0.00	0.00	0.00	28606.80



4 Operating Results

m)	Interest income as a percentage to average working funds	0.96 %
n)	Non-interest income as a percentage to average working funds	2.50 %
o)	Net Profit/(Loss) as a percentage to Average Working Funds	(1.99) %
p)	Net Profit/(Loss) per employee	Rs. (6.40) lakh

5 Earning per Share

(Amount in Rs.)

a)	Profit/(Loss) after Tax	(38,398,888)
	Profit/(Loss) attributable to ordinary Share Holders	(38,398,888)

b)	Weighted Average of Common Stock	No.	Period Outstanding (days)	Weighted Average
	Shares outstanding as on 31.03.2017	207658100	365	207658100

Earning Per Share (a/b)

NA

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

NIL

- P. 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.

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

R. Khurana

Rakesh Khurana
General Manager

Dr. Raja Sekhar Vundru

Dr. Raja Sekhar Vundru, 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. 083882
Firm Regd. No. 04867N

Place : Chandigarh

Dated : 26th March, 2018

Annexure to Schedule - 'F' & 'I'



Statement Showing Particulars of Investments in shares as on 31st March, 2017

S.No.	Name of the Company	Face value	Cost per Share	Value per Share as on	No. of Shares	Cost	Value
as on 31.3.2017							(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	89.00	124000	2480000	11036000*
	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 Jivan 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.	Swet 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 Suitex Ltd., Gurgaon	10.00	10.00		500000	5000000	1
11.	Bharat Polyfab Ltd., Rewari	10.00	12.50		500000	6250000	1
	Total (i)				2587106	30439260	11
	ii) Unlisted : Ordinary - Fully Paid Up						
1.	INA Polyster Buttons Ltd., Faridabad	10.00	10.00		200000	2000000	1
2.	Apex Multitech Ltd., Panchkula	10.00	10.00		200000	2000000	1
3.	Nitika Cements Ltd., Panchkula	10.00	14.00		214280	2999920	1
4.	INA Polyster Buttons Ltd., Faridabad	10.00	10.00		200000	2000000	1
5.	Apex Multitech Ltd., Panchkula	10.00	15.00		375000	5625000	1
6.	Hardicon	100.00	100.00	5209.00	800	80000	4167200**
	Total (ii)				1190080	14704920	4167205
	Total (II) (Un-quoted investments (i + ii))				3777186	45144180	4167216
III)	Total Current Investments (Quoted + Unquoted)				3901186	47624180	15203216
	Total Investments (I + II + III)				5351186	1497624180	1465203216
	COST					1497624180	
	VALUE					1465203216	
	DIMINUTION					32420964	

Note : (*) Value of the shares as on 31st March, 2017.

(**) Value of share has been determined on the basis of balance sheet as on 31st March, 2017.



Annexure to Schedule - 'G'

Details of Loans and Advances - as on 31.03.2017

(Rs. in Thousands)

I. Particulars of Loans & Advances

1.	Debts considered good in respect of which the Corporation is fully secured :-		
	(i) Standard Assets	16,503	
	(ii) Sub Standard Assets	20	16,523
2.	Debts previously fully secured		
	(i) Doubtful Assets	59,137	
	(ii) Loss Assets	6,741	65,878
			82,401
	Soft Loans - SIDBI		3,168
			85,569
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		33,808
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).		4,691,597
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.)		562,744
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. 65,878 thousands		65,878

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

i)	Debts due from small scale industrial concerns	78,828	
ii)	Debts due from concerns other than those included under (i) above	6,741	85,569

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

a)	Proprietorship	63,157	
b)	Partnership	1,299	
c)	Private Limited Companies	21,113	
d)	Public Limited Companies	0	85,569

HARYANA FINANCIAL CORPORATION, CHANDIGARH
CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.16 TO 31.03.17



Amount (Rs.)

	FY 2016-17	FY 2015-16
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Income Tax & Provisioning	(41,870,888)	(14,050,108)
Add :		
Depreciation	3,520,590	3,861,183
Bad debts written off	227,848	367,552
Less :		
Other Income :		
Rent	23,383,370	21,857,508
Dividend on Investments	20,000	20,000
Misc. Income	2,460,407	25,822
Interest on deposits/staff advances & I.Tax refund	9,927,230	12,255,282
Net Cash from Operating Activities (A)	(73,913,457)	(43,979,985)
CASH FLOW FROM INVESTMENTS ACTIVITIES		
Purchase of fixed Assets	(8,500)	(220,303)
Sale of fixed assets and profit	414,482	0
Dividend on investments	20,000	20,000
Net Cash from Investment Activities (B)	425,982	(200,303)
OTHER CASH FLOWS		
Rental Income	23,383,370	21,857,508
Misc. Income	2,460,407	25,822
Interest on deposits/staff advances & I.Tax refund	9,927,230	12,255,282
Increase/(decrease) in Current Liabilities		
Gratuity	(3,797,207)	2,259,886
Leave	0	(41,611,881)
Compassionate Assistance	(1,496,164)	(2,564,696)
Earnest Money	0	(1,165,000)
Borrowers Imprest	(2,144,724)	(57,459)
Security Deposits	25,000	(10,000)
Sundry Deposits	(5,194,171)	3,091,094
Agency and Seed Money Loans	0	0
Service Tax payable	180,526	0
Provision against expenses payable	39,288,632	(447,585)
Increase/ (decrease) in Loans and Advances (Assets)	17,411,431	77,240,092



HARYANA FINANCIAL CORPORATION CHANDIGARH
CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.18 TO 31.03.19

Amount (Rs.)

Increase/(decrease) in Current Assets		
Staff Advances	948,652	1,680,237
Advance Income Tax, TDS	2,371,568	75,715
Claim Recoverable	(3,171,472)	1,572,474
Interest Accrued but not due	4,609,088	420,813
Excess fund- Leave Salary	620,480	(3,212,217)
State Govt. Funds - Agency	15,089	0
Advance to HSIIDC for repair work	(2,000,000)	0
Sundry Advances	181,215	351,251
Net Cash from other Cash Flows (C)	83,618,950	71,761,336
Net Cash flows (A+B+C)	10,131,475	27,581,048
Net increase/(decrease) in cash and cash equivalents	10,131,475	27,581,048
Cash and Cash equivalents at the beginning of the year	124,983,704	97,402,656
Cash and Cash equivalents at the end of the year	135,115,179	124,983,704

R. Khurana

Rakesh Khurana
General Manager

Dr. Raja Sekhar Vundru

Dr. Raja Sekhar Vundru, 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.083882
Firm Regd. No.04867N

Place : Chandigarh

Dated : 26th March, 2018