# 51st ANNUAL REPORT 2017 - 2018



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

#### STATUTORY AUDITORS

M/s PARVEEN KAPOOR & ASSOCIATES, Chartered Accountants, SCO 59, 2nd Floor, Madhya Marg, Sector 26 Chandigarh

#### REGISTRAR & SHARE 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

#### **HEAD OFFICE**

HARYANA FINANCIAL CORPORATION 30 Bays Building (Ground Floor) Sector 17-C, Chandigarh - 160 017

Ph.: 2702755-57, 2702568 Fax: 2721624,2702666 Website: www.hfcindia.org GST No.: 04AAACH4685B1ZY PAN No.: AAACH4685B

Registered at : Chandigarh (UT)



#### HARYANA FINANCIAL CORPORATION

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



#### 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 51st Annual General Meeting of Shareholders of the Corporation will be held on Tuesday, the 3rd September, 2019 at 11.30 AM (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-160017 to transact the following business:-

- 1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2018 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 reappoint M/s Parveen Kapoor & 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 2018-19 at an audit fee of Rs.45,000/- plus applicable GST and and admissible TA/DA.

#### NOTES:

- The Register of Members and Share Transfer Books of the Corporation will remain closed from Friday 23rd August 2019 to Tuesday 3rd September 2019 (both days inclusive).
- ii) 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.
- 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) alongwith certified copies of resolutions appointing duly authorised representative. Authorizations in order to be effective must be deposted with the Head Office of the Corporation not less than 48 hours before the time fixed for the meeting.
- The Shareholders of the Corporation in its 50th Annual General Meeting held on 02.07.2018 appointed M/s Parveen Kapoor & Associates, Chartered Accountants, Chandigarh as Statutory Auditors of the Corporation for the financial year 2017-18 u/s 37(1) of SFC's Act, 1951 and they have conducted the audit for the year. As per RBI Guidelines, an Auditor can be reappointed upto four terms. The RBI vide their letter dated 08.03.2019 have confirmed the eligibility of the existing Audit Firm. The audit firm has also confirmed their eligibility and given consent/declaration under the provisions of the Companies Act/RBI Guidelines and accordingly the case is placed before the Shareholders for their re-appointment.

By Orders of the Board for Haryana Financial Corporation

Relundang General Manager

Dated: 30th July, 2019 Place: Chandigarh



Directors on the Board of the Corporation as on 31.03.2018 (under section 10 of the SFCs Act, 1951)

1. none	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. 15.12.2018
2.	Sh. Sudhir Rajpal, 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. 12.04.2017
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 Section10(e)(iv) of SFCs Act, 1951. w.e.f. 30.12.2014, 336th BD Meeting
4.	Sh. Wazeer Singh Goyat, IAS Special Secretary Finance, 8th Floor, 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. 06.11. 2017, 345th 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. Sanjeev Kumar Bajaj, 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. 21.06.2017 for a period of 3 years
7.	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
8.	Sh. T.L. Satyaprakash, 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 21.03.2018





#### **Directors' Report**

The Board of Directors, Haryana Financial Corporation has pleasure in presenting this 51st Annual Report on working of the Corporation together with the Audited statements of Accounts for the year ended 31st March, 2018.

#### **Financial Results**

During the financial year 2017-18 the Corporation has achieved the following working results : (Rs. in crore)

		2017 - 18	2016 - 17
A	Income		
	Income from operations/other income	4.74	6.68
B.	Expenditure	in the Seales	STATE OF THE STATE OF
	Interest & Other Financial Expenses	0.10	0.06
	Personnel Expenses	7.47*	5.65
	Administrative Expenses	0.67	1.37
	Depreciation	0.32	0.35
-	Bad Debts written off	0.00	0.02
4	Total Expenditure	8.56	7.46
C.	Operating Profit / (Loss) (A-B)	(3.82)	(0.78)
D.	Add: Prior Period Expenditure Adjustment/ Provision against NPAs, Loan Assets & investments written back	(0.63)	(3.06)
118	Net Profit / (Loss) ( C - D )	(4.45)	(3.84)

<sup>\*</sup> The personnel expenses of Rs. 7.47 crore includes Rs. 1.28 crore on account of implementation of 7th Pay Commission.

#### 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)

rinds on to the distribution	Performance for the Year 2017-18	ter at significant
Sanction	0.00	
Disbursement	0.00	manual An
Recovery	2.80	& sellostemn.



#### Recovery of Dues

The amount fallen due during the year was Rs. 120.15 lakh, out of which the Corporation recovered Rs. 119.94 lakh i.e. more than 99%. The Corporation also recovered Rs. 1.07 lakh from previous over due which is about 25% of the previous over due. As per requirements of the borrowers, the 'One Time Settlement Schemes' of the Corporation were also extended during the year to make recovery under the NPA 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 10 accounts. 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. 2.80 Crore.

#### Resources Management

The Corporation has stopped fresh Sanctions since May 2010. No borrowings from the market/banks have been 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, 2018 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. 2.50 lakh plus service tax to the Stock Exchange (BSE) within time.

#### Audit

The shareholders in its 50th Annual General Meeting held on 02.07.2018 as per provisions of section 37 of State Financial Corporations' Act, 1951 appointed M/s Parveen Kapoor & Associates, Chartered Accountants, Chandigarh (on the panel of the RBI) as Statutory Auditors for the financial year 2017-2018 (for 1st term) who have conducted the audit of the Corporation.

As per RBI guidelines, in the normal course, an audit firm may continue for a term of 4 years in one spell. The reappointment of the existing statutory auditors M/s Parveen Kapoor & Associates, Chartered Accountants, Chandigarh (on the panel of the RBI) as Statutory Auditors for F.Y. 2018-19 is subject to confirmation of the same by the RBI. Accordingly, the RBI vide their letter dated 08.03.2019 have confirmed the eligibility of the Statutory Auditors for F.Y. 2018-19.

#### 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 2016-17 and their report has been placed before the State Legislature as per provisions of State Financial Corporations Act, 1951. The audit of the accounts of the Corporation for the F.Y. 2017-18 has also been conducted by the Comptroller & Auditor General of India and their report has been received and the same will be placed before State Legislature.



#### Cash flow Statement

In conformity with the provisions of SEBI (LODR) Regulations, 2015, the Cash Flow Statement for the year ended on 31.03.2018 is annexed with the Annual Accounts.

#### **Board of Directors**

The list of the Board of Directors as on 31.03.2018 has seperately been given in the Annual Report.

During the year under review, 2 meetings of Board of Directors have been held. The detail of the number of meeting of the Board held during the FY 2017-18 forms part of the report on Corporate Governance in terms of regulation 34(3) of SEBI (LODR) Regulations, 2015.

#### Position of Winding Up/Liquidation of Corporation

It was already informed to the shareholders in the previous Annual General Meetings that the proposal for liquidation/ winding up of the Corporation has been forwarded to the State Govt. and the State Govt. has appointed MD, HSIIDC as the Nodal Officer for commencing and completing the liquidation proceedings.

#### 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 & Commerce and 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 Directors Dr. Raja Sekhar Vundru, IAS and Sh. T.L. Satyaprakash, 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

Date: 30.07.2019
Place: Chandigarh



#### CORPORATE GOVERNANCE / MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### Report on Corporate Governance

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

Haryana Financial Corporation has been established under the State Financial Corporations' Act, 1951. The Companies Act, 2013 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 there under. 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 31.03.2018 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 Harvana 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 coopted 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. has nominated two Directors. SIDBI has nominated one Director against the provision of two Directors. The banks/insurance companies have nominated two Directors as per provision. There are two directors (elected) by the shareholders u/s 10(e) of the SFCs Act, 1951. 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 was one woman director (as on 31.03.2018) on the Board of the Corporation, the list of which has separately been published in the Annual Report.

#### 2(b) Board Meetings

During the year 2017-18 two meetings of the Board of Directors were held. The dates on which the Board Meetings were held are as follows:

344th Board Meeting dated 21.06.2017 345th Board Meeting dated 06.11.2017



#### 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 been 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 Special Secretary Finance, Finance Department, Chairman of the Audit Committee (as on 31.03.2018), 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, 951). All the above Directors (except Managing Director) are non-executive directors. 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/HCS officer and is appointed by the State Govt., 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 of 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/reconstituted 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
2014-2015	48th AGM	HO of the Corporation	20.10.2015	12.45 P.M.
2015-2016	49th AGM	DO	10.11.2016	11.30 A.M.
2016-2017	50th AGM	HARCO Bank, Sector 17B	02.07.2018	01.00 P.M.
		Chandigarh		

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



#### Disclosures

#### Disclosures on materially significant related party transactions a)

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

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

The Bombay Stock Exchange has levied penalties for delay in compliance of Listing Regulations particularly Regulation 33 for submission of quarterly financial results. In this regard, Corporation has requested BSE for waiver of penalty and clarify to the Exchange that the Corporation is in the process of winding up as ordered by the State Government and for which Nodal officer has also been appointed for completion of liquidation process. Hence, no penalty has been paid to BSE.

It is also pertinent to mention here that the Adjudication proceedings for non-compliance of Minimum Public Shareholdings (MPS) Requirements have been dispensed with by the Securities and Exchange Board of India (SEBI) vide its letter no. EAD / AOSM / JR / OW / 33882 / 2018 dated 11.12.2018.

#### Means of Communication 8.

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 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 despatched through post.

#### General Shareholders information 9.

#### 9.1 **Annual General Meeting**

- Date and Time

03.09.2019 at 11.30 A.M.

- Venue

Head Office of the Corporation or as decided at some other place at 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, 2019

by 15th Aug, 2019

30th Sept, 2019

by 15th Nov, 2019

31st Dec. 2019

by 15th Feb, 2020

31st March, 2020

by 30th May, 2020

**Book Closure date** 

23rd Aug., to 3rd September, 2019

Dividend payment date 9.4

(Not applicable)

No dividend has been recommended by the Board Bombay Stock Exchange Ltd. (BSE)

Listing of Shares 9.5

9.3

9.6 Stock code/Script Code 530927

Stock Market Data 9.7

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 & Share Transfer Agents

M/s Beetal Financial & Computer Services (P) Ltd., New Delhi has been appointed as the Registrar and Share Transfer Agent of the Corporation for handling the share transfer work in physical form. All correspondences 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: beetalrta@gmail.com

#### 9.10 Share Transfer System

The Corporation has constituted Share Transfer Committee of the Corporation. The Share Transfer Committee consists 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 makes 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, 2018

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)	Charles and A	20,20,11,650	97.28%	
b	SIDBI ·	1	43,26,550	2.08%	
С	Banks, Financial Institutions, Insurance Co.,Central/State Govt. Institutions/Non Govt. Institutions	9 In suffice and leading		0.10%	
d	Others (Shareholders other than those referred to in category (a), (b), (c) above)	1919	11,18,200	0.54%	
	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 in the year 2006. 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. However, Corporation has again initiated process for dematerialization of shares pursuant to the Notification issued by the SEBI and fresh advise of NSDL.

# 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 2 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: contact@hfcindia.org.in

#### 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.

It was already informed to the shareholders in the previous Annual General Meetings that the proposal for liquidation/winding up of the Corporation has been forwarded to the State Govt. and the State Govt. has appointed MD, HSIIDC as the Nodal Officer for commencing and completing the liquidation proceedings. 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's Performance

You are aware that the Corporation's 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. 2.80 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 54 as on 31.03.2017 to 44 as on 31.03.2018. 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)

0172-5012112, 5079239 Tel. 0172-5079110

Dated: 10.04.2019

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

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, 2018.

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

(Pa artner)

Place: Chandigarh Date: 10.04.2019

## PARVEEN KAPOOR & ASSOCIATES

CHARTERED ACCOUNTANTS

S.C.O. 59, 2ND FLOOR, SECTOR 26, MADHYA MARG, CHANDIGARH PHONE: 0172 - 2791934

The Members of Haryana Financial Corporation Chandigarh

#### INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Haryana Financial Corporation (HFC), which comprise of the Balance Sheet as at 31st March,2018 and the Statement of Profit and Loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### Management's responsibility for the Financial Statements

1. Management is reponsible for the preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance and the cash flow of the Corporation in accordance with the accounting principles generally accepted in India and as per the requirements of Small Industries Development Bank of India. 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 .

2. Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of the Act and Rules made there under.

We conducted our audit in accordance with the standards on auditing issued by 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 misstatement.

3. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure selected depend on 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 financial control relevant to the Corporation's preparation of the Financial Statements that give a true and fair view 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.

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

#### Opinion

- 5. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by 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, 2018
- b) In the case of the Statement of Profit & Loss Account, of the Loss of the year for the year ended on that date and,
- c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

#### 6. 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 :

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) 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.
- c) 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.
- d) In our opinion, the aforesaid 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.
- e) The transactions of the Corporation that have come to our notice have been within the powers of the Corporation.

FOR PARVEEN KAPOOR & ASSOCIATES
CHARTERED ACCOUNTANTS

PARVEEN KAPOOR (Prop.) M. No. 90987 Firm Regd. No. 011958N

Place: Chandigarh Dated: 27.03.2019



# HARYANA FINANCIAL CORPORATION, CHANDIGARH BALANCE SHEET AS AT 31ST MARCH, 2018

As at 31.03.2017 (Amount in Rs.)	A	Particulars EQUITY & LIABILITIES	Schedule	As at 31.03.201 (Amount in Rs
2,076,581,000 165,818,950	1	Shareholders' funds a) Share capital b) Reserves and surplus	A B	2,076,581,00 165,826,95
618,321,142 155,015,150	2	Current liabilities a) Other current liabilities b) Provisions	C D	593,849,77 161,059,142
3,015,736,242		Total	ers laggades Resultinia	2,997,316,863
			S arrumosa, no dekult al maigu	n the case of ose and a
	В	ASSETS		
	1	Non-current assets		
96,509,774 1,450,000,000		<ul><li>a) Fixed assets</li><li>b) Non-current investments</li></ul>	E F S Is skood	90,213,809 1,450,000,000
88,855,627	2	Loans and Advances	In 11919 bis Good searth in	78,705,331
135,115,179 47,624,180 107,025,277	3	Current Assets a) Cash and bank balances b) Current investments c) Other current assets		88,444,660 47,624,180 107,238,160
1,090,606,205	4	Profit and Loss Accounts	K	1,135,090,723
3,015,736,242		Total	o use their energians and	2,997,316,863

Notes on Accounts

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

Rillinsang

Rakesh Khurana General Manager Narhari Banger, HCS Managing Director

In terms of our separate report of even date attached

FOR PARVEEN KAPOOR & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: Chandigarh Dated: 27.03.2019

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PARYEF/ KAPOOR (Prop.) M. No. 90987

Firm Regd. No. 011958N



# HARYANA FINANCIAL CORPORATION, CHANDIGARH STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

For the year ended 31.03.2017	metall trace of the second statement of the fee		For the year ended 31.03.2018
(Amount in Rs.)	INCOME Schedule		(Amount in Rs.)
31,064,801	INCOME  Revenue from Operations	beditoedue boA peuesi	13,872,689
35,791,007	Other Income	Mary Mary Mary Mary Mary Mary Mary Mary	33,536,824
66,855,808	Total Revenue	. 1681 JbA 9070	47,409,513
0	OPERATIONAL EXPENDITURE		(q 1)(q)
375,372	Interest Expenses	- ITEL SA NOTE sat for	691,180
224,164	Other Financial & Misc. Expenses	0	287,645
56,535,271	Employees Benefit Expenses	P surelan	74,675,165
13,751,272	Administrative Expenses	Q	6,752,675
3,520,590	Depreciation	E	3,164,445
227,848	Bad Debts Written Off		26,929
74,634,517	Total Expenditure		85,598,039
(7,778,709)	Profit / (Loss) before provisioning	क्षण वर्षणात्र में कार्य में है। जेते हैं वर्षण वर्षणात्र में कार्य में हैं। जेते हैं	(38,188,526)
34,092,179	Less: Prior Period Income Adjustment		0
0.00168341021	Add : Provision Against NPAs Leasing	Assets Written Back	3,111,408
6,598,000	: Provision Against Investments Wr	ritten Back	0
0	Less: Provision Against Investments		8,630,400
3,126,000	Provision Against NPAs Loans A	Assets	777,000
(38,398,888)	Net Profit / (Loss)		(44,484,518)
	Notes on Accounts	R	
Nil	Earning Per Share  Note: The Schedules referred to above	form integral part of the	Ni Profit & Loss Account

Rillingang

Rakesh Khurana General Manager Narhari Banger, HCS Managing Director

In terms of our separate report of even date attached

FOR PARVEEN KAPOOR & ASSOCIATES

CHARTERED ACCOUNTANTS

PARVEYN KAPOOR (Prop.)

M. No. 90987

3.2019

Place: Chandigarh

Dated: 27.03.2019

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Firm Regd. No. 011958N

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# Schedule 'A' - Share Capital

	Schedule A - Share Capital		
As at 31.03.2017 Amount (Rs.)	・ 日日本のでは、		As at 31.03.201 Amount (Rs
	Authorised		
3,000,000,000	300,000,000 Equity Shares of Rs.10/- each		3,000,000,00
	Issued And Subscribed		
2 110 655 000		0.440.055.000	
2,110,655,000	a) 211,065,500 Equity (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 undersection 4A(1)	6,266,000	
	of the SFCs' Act,1951 as special class of shares.		
2,116,921,000		Planto Na	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
	emater at larger manager		
2,076,581,000	Total		2,076,581,000
	Schedule 'B' - Reserve and Surplus		
As at 31.03.2017 Amount (Rs.)			As at 31.03.2018 Amount (Rs.)
	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 Less: Utilised towards provisioning for NPAs in earlier years	178,567,013 166,800,000	
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
and the second of the second o			573,937
565,937	d) Reserve under clause 91(vii) of General Regulation of HFC	,	
565,937 22,976,000	<ul><li>d) Reserve under clause 91(vii) of General Regulation of HFC</li><li>e) Shares Forfeiture Reserve</li></ul>	E Heffi	22,976,000

그녀가 뭐 하나 보다 먹다 하다.	Sand Finance
lle 'C' - Other Current Liabilities	amonad
	As at 31.03.2018

	,	Schedule 'C' - Other Current Liabilities			
As at 31.03.2017 Amount (Rs.)		- Latinosti - Production - Prod		A	s at 31.03.2018 Amount (Rs.)
		Other Liabilities			Amount (NS.)
6,462,549 0	- 1	Provision against Gratuity Provision against Leave Encashment			8,317,480 15,698
2,327,438 119,143,115 372,445,297 1,850,250 4,949,084 6,925,000 0 180,526		Provision against Compassionate Assistance Sundry Deposits Advance from HSIIDC - Sale of properties Earnest Money Borrowers' Imprest Security Deposit GST Payable Service Tax payable			1,542,128 119,496,021 372,445,297 130,250 4,875,293 6,900,000 391,227
44,496,544		Provision against expenses payable			19,742,762
		State Government Funds (As an Agency)			
97,160 2,350,500		1) Subsidies : Credit Linked Capital Subsidy State Subsidy 2) Agency and Seed Money Loans :		97,160 2,550,776	2,647,936
77,602 132,258		State Govt. funds under Agency agreement Sundry Deposits		77,602 132,258	A Facing Enlarge
217		Borrowers' Imprest - Agency Funds		217	
13,770 472,214		Borrowers' Imprest - Seed Money	201,401	13,770	
1,125,787 5,739,423 651,254 11,813 48,828,341		Interest Due - Agency Loans Interest Due - Seed Money RIS Seed Money from State Govt. Seed Money RIS Interest due - Agency Funds Interest due - Seed Money (Agency)	0	472,214 1,125,787 5,739,423 651,254 11,813 48,828,341	57,052,679
	c) (	Contingent provision against Standard Assets		The state of the s	Weeds and a second
82,000 0		Opening balance Add : Provision during the year	1	41,000 252,000	
41,000		Less: Excess provision provided in earlier years	written ba	ick 0	293,000
618,321,142	T	otal British & F. C. Standard British			593,849,771
		Schedule 'D' - Provisions			
As at 31.03.2017 Amount (Rs.)	n	Provision for Non-performing Loan Assets :		As	s at 31.03.2018 Amount (Rs.)
69,159,000 3,167,000		Opening balance Add: Provision during the year		72,326,000 525,000	72,851,000
72,326,000			-	020,000	7 2,00 1,000
antening of the	ii)	Provision for non-performing leasing assets			
50,268,186	,	Opening balance		50,268,186	
<u>0</u>		Less: Excess provision provided in earlier years written b		3,111,408	47,156,778
50,268,186 39,018,964	III)	Provision for diminution in value of Investments : Opening balance		32,420,964	
0		Add : Provision during the year		8,630,400	
6,598,000		Less: Excess provision provided in earlier years written b	oack	0	41,051,364
155,015,150		Total			161,059,142
					The second secon



#### Schedule 'E' - Fixed Assets

(Amount in Rs.)

Previous Year	50,168,160	0	8,500	414,482	0	49,762,178	- those	3,520,590	46,241,588
Grand Total - (A+B+C)	46,241,588	117,280	0	137,392	0	46,221,476	eris, j	3,164,445	43,057,031
Total	738,301	0	0	292	0	738,009	BGD and	137,726	600,283
4.Bicycles	3,288	0	0	106	mage mone	3,182	15	478	2,704
3.Staff Cars & Jeep	673,071	0	0	0	enchia Laure	673,071	15	100,961	572,110
<ol><li>Typewriters, Duplicators etc.</li></ol>	1,888	0-	0	186	and the only	1,702	15	255	1,447
1.Computers	60,054	0	0	0	ar all areas	60,054	60	36,032	24,022
C) Plant & Machinery		- 7 4	g: 300	SIR V	encis (aC	1945 (E95) 1970 Jako		25,127	7
Total	1,316,611	117,280	0	137,100	0	1,296,791	69	129,680	1,167,111
4. Electric Fittings	599,597	117,280	0	63,500	A MARKET	653,377	10	65,337	588,040
3. Misc.	112,560	0	0	19,400	S DESCRIPTION	93,160	10	9,317	83,843
Safes, Cabinets &     Padlocks	151,093	0	0	1,200	and the second	149,893	10	14,989	134,904
B) Furniture & Fittings 1. Furniture	453,361	0	0	53,000	Captur We	400,361	10	40,037	360,324
Total	44,186,676	0	0	0	=01E/3 0	44,186,676	eners	2,897,039	41289,637
- Residential	18,445,328	0	0	0	PANCISUAE	18,445,328	5	922,266	17,523,062
1. Land 2. Building - Office	5,993,616 19,747,732	0	0 0	0		5,993,616 19,747,732	0 10	0 1,974,773	5,993,616 17,772,959
A) Land & Building			4			y Dago A	TIJSIPE .	000,65	i,d
ENTAL E	(1)	180 days (2)	180 days (3)	the year (4)	WEST 104	Value (5)	/6 age	the year (7)	(8)
Sr. Particulars No.	WDV as on 01.04.2017	Assets put more than	less than	Sold/ Transferred during	Liability written off	unened o	Rate of Dep. % age	Total Dep. during	WDV as on 31.03.2018

Particulars	WDV of Equipments leased as on 01.04.2017	Additions During the Year	Sale/ Adjustment	Value as on 31.03.2018	Lease Rentals Received During the Year	Interest out of Rentals Received	Principal out of rentals Charged to Depreciation	WDV of Equipments leased as on 31.03.2018
D) Leasing Assets	50,268,186	0	3,111,408	47,156,778	0	0	0	47,156,778
Previous Year	50,268,186	0	0	50,268,186	0	0	0	50,268,186

		FY 2016-17	FY 2017-18
Total Depreciation	i	3,520,590	3,164,445
Total WDV (A+B+C+D)	e, i piej adus	96,509,774	90,213,809

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(Sparround)
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	Schedule 'F' - Non-current Investme	nts	Chargento
As at 31.03.2017 Amount (Rs.)	Investments (As per annexure to Schedul	le 'F' & 'l') :	As at 31.03.2018 Amount (Rs.)
1,450,000,000	Investment in the Equity of Haryana Power G	Generation Corp. Ltd.	1,450,000,000
1,450,000,000	Total		1,450,000,000
1778 Result			0
	Schedule 'G' - Loans and Advances		
As at 31.03.2017 (Amount Rs.)			As at 31.03.2018 (Amount Rs.)
82,401,345	Loans & advances (As per annexure to Schedule	'G') 72,262,893	1,929,492
3,275,000 85,676,345	Adhoc Limit - Boughtout Deals	3,275,000	75,537,893
11,844	Interest accrued and due		000,000.9
3,167,438	Soft loan - NEF, MUN & SEMFEX		3,167,438
88,855,627	Total		78,705,331
			000,970.5
	Schedule 'H' - Cash and Bank Balanc	ces	
As at 31.03.2017 Amount (Rs.)	Scheries 7 children 198	Sinte Dovernment State	As at 31.03.2018 Amount (Rs.)
00.050	Cash in hand	A Vend Morey A	884,212,485
99,853 214	i) Corporation Funds ii) Agency Funds & Seed Money	113,369	113,583
	Balance with Schedule Banks	feren	
65,076,888	i) In Current Accounts-Corporation Funds		26,362,239
69,938,224	ii) In Fixed/Short Term Deposits		61,968,838
135,115, 179	Total		88,444,660
	Schedule 'I' - Current Investments		
As at 31.03.2017 Amount (Rs.)	The state of the s		As at 31.03.2018 Amount (Rs.)
	Investments (As per annexure to Schedule 'F		
2,480,000	(a) Quoted	2,480,000	
45,144,180	(b) Unquoted	45,144,180	47,624,180
47,624,180	Total		47,624,180
			47,024,10



31,064,801

Total

#### Schedule 'J' - Other Current Assets

	Call Dilling Controller Cooks		
As at 31.03.2017 Amount (Rs.)			As at 31.03.201 Amount (Rs
1,193,113 966,685	Staff Loans Advance against expenses		638,60 916,33
2,332,314 0	Tax deducted at source : Financial year 2016-17 Financial year 2017-18	2,332,314 2,663,205	4,995,51
	Income Tax deposited against demand (Pending in	appeal):	
7,048,576 7,430,044 7,929,497 2,591,737	Financial year 1980-81 Financial year 1981-82 Financial year 1982-83 Excess funds against Leave Encashment	7,048,576 7,430,044 7,929,497	
115,863 2,000,000 7,843,932	Security Deposits Advance to HSIIDC for renovation work Claims recoverable		114,963 2,930,000 7,466,458
212,822 2,044,866 301,320	Interest Accrued but not due : On Loans and advances On Staff advances On Deposits	63,021 1,225,227 1,465,417	2,753,665
16,556,484	Dividend Paid - Adjustable against Subvention from		16,556,484
594,661 47,231,485 625,497 6,381	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	48,458,024
107,025,277	Total	Sale or with ".e.	107,238,160
- ICP 16	Schedule 'K' - Profit and Loss Accounts		w.c.ate.ca
As at 31.03.2017 Amount (Rs.)			As at 31.03.2018 Amount (Rs.)
1,052,207,317	Accumulated loss as per last Balance Sheet	1,090,606,205	
38,398,888	Add : Net loss for the year	44,484,518	1,135,090,723
1,090,606,205	Total	36.4	1,135,090,723
	Schedule 'L' - Revenue from Operations	School of	0.00031
For the Year Ended 31.03.2017 Amount (Rs.)			For the Year Ended 31.03.2018 Amount (Rs.)
	Interest Income on :		
7,090,166	Loans & Advances	3,871,285	
1,594,872	Leasing Equipments Advances	1,898,718	5,770,003
22,379,763	Amount received out of bad debits written off		8,102,686
24 004 004	T-4-1		40 000 000

13,872,689



# Schedule 'M' - Other Income

	COLICE IN OUR	er income	
For the year ended 31.03.2017 Amount (Rs.)			For the year ended 31.03.2018 Amount (Rs.)
2 400 407	e on Talmana bill	Selector & Astronomores Cores (b. m)	42,307,635
2,460,407	Miscellaneous Income		262,464
	Interest Income on:		THE LANGE WAY
262,148	Income Tax Refunds	0	
118,464	Staff Advances	69,488	816.6 0.1
9,546,618	Deposits with Banks	7,678,543	7.740.004
20,000	Dividend on Investments	7,070,343	7,748,031
23,383,370	Rental Income		20,000
0			25,330,666
- 10	Profit on Sale of Assets		175,663
35,791,007	Total		33,536,824
			A Section of the second

# Schedule 'N' - Interest Expenses

For the year ended 31.03.2017 Amount (Rs.)		For the year ended 31.03.2018 Amount (Rs.)
and the second	a) State	
375,372	Interest on Earnest Money	571,920
0	Interest on surrender of plot	371,920
075.000	The second state of the second	119,260
375,372	Total	691,180

# Schedule 'O' - Other Financial & Misc. Expenses

31.03.2017 Amount (Rs.)		For the year ended 31.03.2018 Amount (Rs.)
24,164	Bank Charges	37,645
200,000	Stock Exchange Fee	
224,164	Total	250,000
BLC. OF	Security 1517 and in comes in 1 at any one program of the control	287,645



# Schedule 'P' - Employees Benefit Expenses

For the year ended 31.03.2017 Amount (Rs.)			For the year ended 31.03.2018 Amount (Rs.)
42,307,635 3,934,669 3,735 870,542 943,840	Salaries & Allowances: Other Staff Contribution to Staff Provident Fund Gratuity Premium Provisioning - Gratuity Leave Salary	microni supenellece ki no emicro famoral	53,817,827 3,461,421 3,000,000 1,811,964
1,089,918 1,553,446 63,500 70,894	Leave Salary Leave Travelling Concession Medical Expenses Training & Participation Fees Staff Welfare		3,827,267 596,752 2,946,718 60,000 132,836
0 110,524 4,824,064 375,021	Uniforms Provisioning - Compassionate Assistance Pension EDLI Premium	Divisor of transference  Remail incomits  Tan Carlo Sale of Assets	720 42,307 4,403,542 323,270
387,483 <b>56,535,271</b>	Administrative Expenses on Provident Fund  Total		250,541 <b>74,675,165</b>

# Schedule 'Q' - Administrative Expenses

For the year ended 31.03.2017 Amount (Rs.)		estani - Williamor	For the year ended 31.03.2018 Amount (Rs.)
400.402	Travelling and other Expenses :		(.es) hittomA
409,102	a) Staff	357,1	58
21,000 217,000	<ul><li>b) Statutory Auditors</li><li>c) Directors &amp; Committee Members</li></ul>	247,00	0 604,158
2,904,619	Rent, Taxes, Insurance, Electricity etc.	loig in regnance no minus.	729,966
385,360	Postage, Telegram & Telephone		308,819
348,593	Printing & Stationery		278,665
49,088	Computer Expenses		40,195
123,743	Publicity & Business Promotion		215,658
228,408	Repairs and Renewals-Office Equipments		155,697
564,475	Repairs and Maintenance-Staff cars		503,828
2,640,188	Legal Charges		1,265,298
26,849	Books & News Papers		23,144
167,820	Repairs & Renewals - Residential Building		516,201
361,326	Professional Charges		335,508
0	Property and Fire Tax		248,530
31,250	Audit Fee		45,000
58,514	Entertainment		37,887
56,503	Others Expenses - Service Tax		45,196
2,930,000	Renovation work		0
1,971,764	Security Charges		1,298,387
255,670	Branch Office Shifting Charges		100,538
13,751,272	Total		6,752,675



#### 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
- 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.
- 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 31.03.2019 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 31.03.2018 the the amount payable is Rs. 64.37 lakh. In addition to the above a sum of Rs. 18.80 lakh is also payable to retirees whose gratuity has not been released upto 31.03.2018, so the total outstanding amount of provision as on 31.03.2018 comes to Rs. 83.17 lakh. During the year the Corporation has paid a sum of Rs. 30.00 lakh to LIC and received a sum of Rs. 0.43 lakh from other departments where the employees were deployed on deputation. The net expenditure towards gratuity amounting to Rs. 18.12 lakh (Rs. 18.55 lakh provisioning - Rs. 0.43 lakh received from other department) 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. 38.27 lakh as expenditure towards Leave Encashment of existing / ex-employees (Rs. 31.63 lakh provisioning + Rs. 7.24 lakh paid to the ex-employees - Rs. 0.60 lakh received from other department). As per the LIC actuarial valuation of the leave liability of existing staff as on 31.3.18, the amount payable is Rs. 0.16 lakh.

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 Miscllaneous 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 tot beliniosos m	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 or acquistion price whichever is less. 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 BalancevSheets.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 acquistion 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.
- The contingent liabilities in respect of claims lodged against the Corporation by ex-employees/pensioners and other claims (17 cases) are to the extent of Rs. 4.81 crore (approx.) not acknowledged (out of which Rs. 0.32 crore have been deposited with The Controller Authority under Gratuity Act as per their orders in case of gratuity of 9 ex-employees and the Corporation has filed appeals before higher court against above orders). In addition to above there are 15 court cases/appeals filed by the employees/ex-employees against which amount is indeterminate.
- 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.
- 4. The Corporation auctioned mortgaged property in case of M/s S.K. Wood Products, Yamunanagar, 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 Corporation forfeited the amount of Rs. 16.00 lakh. Auction purchaser has filed a case against the Corporation and the case is yet to be decided.

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 and Delhi) during the financial year 2014-15. There is an outstanding advance of Rs. 37.24 crore from HSIIDC as on 31.03.2018 which will be adjusted against residential flats at Sector 14, Panchkula and by transfering the shares of HPGCL of the equivalent amount in view of decision of Board of Directors in its meeting held on 06.11.2017. All the liabilities towards borrowings of the Corporation have been settled. The Corporation has already deployed 30 employees of different categories in Haryana Government/Haryana Government Undertaking through Surplus Staff Cell of Haryana.

As Corporation's efforts for transfer of its loans assets to an Asset Reconstruction Company (ARC) could not materilize, hence for transfer of stressed loan assets, Merchant Banking & Leasing portfolios (including prudently written off cases, the Corporation is considering the possibility of creating an Alternative Investment Fund (AIF).

- 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 31.03.2018 as per the provisioning norms of SIDBI.
- 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	Curren	t Year	Previo	ous Year	Change i	in
	Loans outstanding	Provision	Loans outstanding	Provision	provision ov previous	
Standard Loan Assets : Including Upgraded A/c and Restructured A/c	58.55	2.93	165.03	0.41	w ballietap	2.52
Non-Performing Loan Assets		a middle set		AV VIII SAV K	HIV I'S STREET	
Sub Standard Assets Upto 6 Months	0.00	0.00	0.00	0.00	0.00	100
NPA 6 Months to 1 year	0.00	0.00	0.20	0.05	-0.05	-0.05
Doubtful Assets I	0.00	0.00	0.00	0.00	0.00	ina.
Doubtful Assets II	0.00	0.00	0.26	0.26	-0.26	HE
Doubtful AssetsIII (Including Adhoc Limit)	629.42	629.42	623.86	623.86	5.56	
(Soft Loans)	31.68	31.68	31.68	31.68	0.00	5.30
Loss Assets	67.41	67.41	67.41	67.41	of beginning	0.00
Total	787.06	731.44	888.44	723.67	Stations S	7.77

Provision of Rs. 2.52 lakh against standard loan assets and shown in Schedule 'C' - Other Current Liabilities and Rs. 5.25 lakh have been provided against Non-performing loan assets during the year and shown in Schedule 'D' - Provisions.



Leasing Portfolio	Cı	irrent Year	Previ	ous Year
	Amount	Provision	Amount	Provision
Equipment Leasing	420.30	420.30	451.41	451.41
Vehicle Leasing	51.27	51.27	51.27	51.27
Total	471.57	471.57	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.410.51 lakh upto 31.03.2018 against which the Corporation has already made provision of Rs. 324.21 lakh upto 31.03.2017. Therefore, provision of Rs.86.30 lakh has been provided during the year which has been shown in Schedule 'D'-Provisions.
- 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.26.48 lakh against various subsidies has been shown under the sub head "(b)(1) State Govt. Funds (As an Agency)" of Schedule 'C' Other Current 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.1194.96 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 repossesed 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. Borrower's Imprest shown under Schedule 'C'- Other Liabilities is the amount received from the parties at the time adjustment of loan account for payment of pending bills ( legal fee, security charges etc. ) to be submitted by the respective agencies. The balance excess amount, if any after the adjustment of above expenses is refunded to the parties. In some cases excess amount received from party / recovered through auction of properties over the above the outstanding loan amount is claimed by different parties and the matter goes to court for decision, the amount is kept pending under the head till the decision of Court.
- M. During the year a sum of Rs. 8,000/- being the amount of dividend warrant not encashed has been transferred to Reserve under clause 91(vii) of General Regulation of HFC shown in Schedule 'B' - Reserve & Surplus.
- N. During the current financial year a provision of Rs. 45,000/- towards audit fee has been made, but no TDS has been deducted at the time of payment of audit fee.
- O. During the current financial year a sum of Rs. 2,00,276/- has been recovered from M/s Vallabh Packers, Ambala on account of excess State Subsidy released to them. The amount is kept under the head State Subsidy in Schedule 'C' Other Current Liabilities.

Claim Recoverable under Schedule 'J' - Other Current Assets amounting to Rs. 74,66,458/- 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 & Haryana 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/- including Rs. 8,427/- debited towards expenses.

Claim Recoverable also includes a sum of Rs.10.14 lakh relating to period for more than three years old, which will be reversed by debiting the proper expenditure after taking necessary approval from the competent authority in the next financial year.

Q. 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.

During the current financial year fixed assets amounting to Rs. 1,37,392/- pertaining to different blocks of fixed assets have been sold during shifting of Head Office building & due to paucity of space and credited to fixed assets accounts in the books of accounts. The block of assets does not cease to exist

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.

During the current financial year a sum of Rs 29,46,718/- has been shown as Medical Expenses in Schedule 'P'- Employees Benefit Expenses which includes Rs. 7,32,956/- paid in FY 2018-19, but pertains to FY 2017-18.

T. A sum of Rs. 29,30,000/- was paid to HSIIDC as an advance for renovation of 30 Bays Building, Sector 17-C, Chandigarh for Head Office of the Corporation by debiting to Advance to HSIIDC for renovation work and TDS as per rules was also deducted and deposited. During the financial year 2016-17, a provision for renovation work was made by debiting the Renovation work account and crediting the provision against expenses account, as the proper bills were not received from HSIIDC. The bills for renovation work are yet to be finalized so the above amount of Rs. 29,30,000/- is still outstanding and shown under the Advance to HSIIDC for renovation work in Schedule 'J' - Other Current Assets and shown under the head Provision against expenses payable in Schedule 'C' - Other Current Liabilities.

U. A sum of Rs. 9,16,330/- has been shown as Advance against Expenses in Schedule 'J' - Other Current Assets includes amount deposited with sale tax authorities against various demands and the Corporation has filed appeals in the High Court and the same are pending and it also includes an advance given to HARTON for development of Web Portal.

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

R.

S.

1	Capital	F.Y. 2017-18 (Rs. in lakh)
a)	CRAR %	52.30%
b)	The amount of subordinated debt raised and outstanding as Tier - II capital	potential necessity of the second
c)	Risk Weighted Assets	
	i. On Balance Sheet items	18137.68
	ii. Off Balance Sheet	-

	THE REPORT OF THE PROPERTY OF	AL PARTY MILLS		F.Y. 2017- (Rs. in lake
d)	The Share holding pattern as on the date of the Balar	nce 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		THE RESERVE	M set sted you
e)	% age of net NPAs to Net loans and advances			0.00
f)	Amount and %age of Net NPAs under the prescribed			
	asset classification categories		Amount	% age
	i. Sub Standard Assets		0.00	0.00
	ii. Doubtful Assets		0.00	0.00
	Total:		0.00	0.00
g)	Amount of provision made during the year			
	i. Provision for Standard Assets			2.52
	ii. Provision for NPAs			5.25
	iii. Provision for Investments			86.30
	iv. Provision for Leasing Assets			-31.11
	Total			62.96
h)	Movement in Net NPA			
	i. Sub Standard Assets			-0.15
i)	Credit Exposure as percentage to Capital Funds and	percentage to To	otal Assets	
l -e	Particulars	Principal	To Total	To Total
		500.07	Capital	Assets Funds
	Largest single borrower	596.67	2.66%	3.20%
	Largest borrower group	596.67	2.66%	3.20%
	The 10 Largest single borrowers	745.41	3.32%	4.00%
zeic )	The 10 Largest borrower groups	745.41	3.32%	4.00%
j)	Credit exposure to 5 largest industrial sectors as % to total loan assets	89.58		12.40%
3	Liquidity			
k).	Maturity pattern of Rupee assets and liabilities as per	Balance Sheet	and	
1)	Maturity pattern of foreign currency assets and liabiliti	es on the following	ng 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	943.00	17679.27	0.00	0.00	0.00	0.00	18622.26
Foreign Currency Assets		perfetture g 101	NIL -		Supplementation of		
TOTAL	943.00	17679.27	0.00	0.00	0.00	0.00	18622.26
Rupee Liabilities	5281.87	23077.78	0.00	0.00	0.00	0.00	28359.65
Foreign Currency Liabilities		(4	NIL -				= (d
TOTAL	5281.87	23077.78	0.00	0.00	0.00	0.00	28359.65



#### Operating Results

	m)	Interest income as a percentage to average working fur	nds		0.71 %
	n)	Non-interest income as a percentage to average working	g funds		1.79 %
	0)	Net Profit/(Loss) as a percentage to Average Working R	unds		(2.35) %
	p)	Net Profit/(Loss) per employee			Rs. (6.74) lakh
5	Ea	arning per Share			(Amount in Rs.)
	a)	Profit/(Loss)after Tax			(44,484,518)
		Profit/(Loss) attributable to ordinary Share Holders			(44,484,518)
	b)	Weighted Average of Common Stock	No.	Period Outstanding	Weighted Average
				(days)	

Earning Per Share (a/b)

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

Shares outstanding as on 31.03.2018

NIL

207658100

W. 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.

207658100

X. Schedules 'A' to 'R' alongwith Cash Flow statement form integral part of the Balance Sheet and Profit & Loss Account.

Rakesh Khurana General Manager

Narhari Banger, HCS Managing Director

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In terms of our separate report of even date attached

FOR PARVEEN KAPOOR & ASSOCIATES

CHARTERIED ACCOUNTANTS

Place: Chandigarh

Dated: 27.03.2019

PARVBEN KAPOOR (Prop.)

M. No. 90987

Firm Regd. No. 011958N

#### Annexure to Schedule - 'F' & "I'



#### Statement Showing Particulars of Investments in shares as on 31st March, 2018

S.No.	Name of the Company	Face value	Cost per Share	Value per Share as on	Shares	Cost	
			W again	43 011		31.3.2018	(Amount)
(1)	Non-current Investments						
1.	Haryana Power Generation Corp. Ltd.	1000.00	1000.00	1000.00	1450000	1450000000	145000
(11)	Current Investments						
	A. Quoted						
1.	GRM Overseas Ltd. Panipat	10.00	20.00	20.00	124000	2480000	2480
2.5	B. Un-quoted	W7.157		77958			0.34.3
	i) Listed : Ordinary - Fully Paid Up						
1.	Global Inds. Ltd., Gurgaon	10.00	10.00		300000	3000000	
2.	Green Mark Infra Ltd. (Formerly Jivan Flora Ltd., Gurgaon)	10.00	12.00		146600	1759200	
3.	Veer Vardhman Inds., Panipat	10.00	10.00		250000	2500000	
4.	Indo Britain Agro Farms Ltd.	10.00	10.00		180300	1803000	
5.	Aravali Pipes Ltd., Hisar	10.00	15.00		205000	3075000	
6.	Doon Valley Rice Mills, Karnal	10.00	30.00		100000	3000000	
7.	Pam Raffia Ltd., Panchkula	10.00	10.00	E CONTRACTOR	10406	104060	
8.	Swet Chem Antibiotic Ltd., Karnal	10.00	10.00	The market in	44800	448000	
9.	Uma Fabrics Ltd., Gurgaon	10.00	10.00		350000	3500000	
10.	Shiva Suitex Ltd., Gurgaon	10.00	10.00		500000	5000000	
11.	Bharat Polyfab Ltd., Rewari	10.00	12.50		500000	6250000	1708
	Total (i)				2587106	30439260	de la 1
	ii) Unlisted : Ordinary - Fully Paid Up						
1.	INA Polyster Buttons Ltd., Faridabad	10.00	10.00		200000	2000000	
2.	Apex Multitech Ltd., Panchkula	10.00	10.00		200000	2000000	
3.	Nitika Cements Ltd., Panchkula	10.00	14.00		214280	2999920	
4.	INA Polyster Buttons Ltd., Faridabad	10.00	10.00		200000	2000000	
5.	Apex Multitech Ltd., Panchkula	10.00	15.00		375000	5625000	
6.	Hardicon	100.00	100.00	5116.00	800	80000	409280
	Total (ii)				1190080	14704920	409280
	Total (II) ( Un-quoted investments (i + ii) )				3777186	45144180	409281
III)	Total Current Investments (Quoted + Unquo	ted)			3901186	47624180	657281
	Total investments (I + II + III)				5351186	1497624180	145657281
					COST VALUE DIMINUTION	1497624180 1456572816 41051364	Tree and

Note: (\*) Value of the shares has been taken at cost price which is less than market price.

<sup>(\*\*)</sup> Value of share has been determined on the basis of balance sheet as on 31st March, 2018.



# Annexure to Schedule - 'G'

		Details of Loans and Advances - as on 31.03.2018	(Rs. in	Thousand)
I.		Particulars of Loans & Advances		
1.		Debts considered good in respect of which the Corporation is fully secured (i) Standard Assets (ii) Sub Standard Assets	5,855 0	5.855
2.		Debts previously fully secured (i) Doubtful Assets	59,667	3.635
		(ii) Loss Assets	6,741	66,408
		Soft Loans - SIDBI		72,263 3,167
				75,430
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.		14 05 754
5.	i)	Total amount of instalments whether of principal or interest of which default was made at any time during the year		14,098
(OX	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).		
	iii)	Total amount of instalments whether of principal or interest overdue in concerns in which the Directors of the Corporation are interested		75,495
	iv)	Total amount due from Industrial concerns against whom suits are pending courts (this includes cases in which decrees other than consent decrees have been obtained and where other legal action has been taken.)	in seesay	4,849,365
	V)	Debts guaranteed by the State Govt.		4,049,303
6.		Debts due from loanee concerns whose management has been taken over by the Corporation		no firestot A
7.		Debts considered doubtful and loss assets. Provisioning made to the extent of Rs. 66,408 thousands		66,408
H o		The Classification of Loans and Advances according to the size of the Industrial Units	. 101	30,100
		i) Debts due from small scale industrial concerns ii) Debts due from concerns other than those included under (i) above	68,689 6,741	75,430
Ш		The Classification of Loans and Advances according to the Constitution of the Industrial Units.		
		a) Proprietorship	61,556	
		b) Partnership	1,279	
		c) Private Limited Companies d) Public Limited Companies	12,595	75,430

# HARYANA FINANCIAL CORPORATION, CHANDIGARH CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.17 TO 31.03.18



		Amount (R
TO ASSESS TO PROPERTY OF THE P	FY 2017-18	FY 2016-17
CASH FLOW FROM OPERATING ACTIVITIES	Sheet A Louis & Aden	others
Profit/(Loss) before Income Tax & Provisioning	(38,188,526)	(41,870,888)
Add:	Standard Assett	GE (6
Depreciation	3,164,445	3,520,590
Bad debts written off	26,929	227,848
Less:		- X
Profit on sale of Assets	175,663	0
Other Income :		
Rent	25,330,666	23,383,370
Dividend on Investments	20,000	20,000
Misc. Income	262,464	2,460,407
Interest on deposits/staff advances & I.Tax refund	7,748,031	9,927,230
Net Cash from Operating Activities (A)	(68,358,313)	(73,913,457)
CASH FLOW FROM INVESTMENTS ACTIVITIES	The selection of branchis	
Purchase of fixed Assets	(117,280)	(8,500)
Sale of fixed assets and profit	137,392	414,482
Dividend on investments	20,000	20,000
Net Cash from Investment Activities (B)	40,112	425,982
OTHER CASH FLOWS	(this including class to m	arum.
Rental Income	25,330,666	23,383,370
Misc. Income	262,464	2,460,407
Interest on deposits/staff advances & I.Tax refund	7,748,031	9,927,230
Increase/(decrease) in Current Liabilities	u une lett gen, benggeren	addeG .
Gratuity	1,854,931	(3,797,207)
Leave Miles appropriate the file	15,698	0
Compassionate Assistance	(785,310)	(1,496,164)
Earnest Money	(1,720,000)	0
Borrowers Imprest	(73,791)	(2,144,724)
Security Deposits	(25,000)	25,000
Sundry Deposits	360,906	(5,194,171)
Decrease in State Govt. Funds - Subsidies	200,276	0
Tax payable	210,701	180,526
Provision against expenses payable	(24,753,782)	39,288,632



Amount (Rs.)

Increase/ (decrease) in Loans and Advances/Lease (Assets)	13,234,775	17,411,431
Increase/(decrease) in Current Assets		Tell tell
Staff Advances	554,513	948,652
Advance Income Tax, TDS	(2,663,205)	2,371,568
Claim Recoverable	377,474	(3,171,472
Interest Accured but not due	(194,657)	4,609,088
Excess fund- Leave Salary	2,591,737	620,480
State Govt. Funds - Agency	0	15,089
Advance to HSIIDC for repair work	(930,000)	(2,000,000
Sundry Advances	50,355	181,215
Security Deposits	900	188
Net Cash from other Cash Flows (C)	21,647,682	83,618,950
Net Cash flows (A+B+C)	(46,670,519)	10,131,47
Net increase/(decrease) in cash and cash equivalents	(46,670,519)	10,131,47
Cash and Cash equivalents at the beginning of the year	135,115,179	124,983,704
Cash and Cash equivalents at the end of the year	88,444,660	135,115,179

Rakesh Khurana

Rakesh Khurana General Manager Narhari Banger, HCS Managing Director

In terms of our separate report of even date attached

FOR PARVEEN KAPOOR & ASSOCIATES CHARTERY DACCOUNTANTS

> PARVEEN KAPOOR (Prop.) M. No. 90987

Firm Regd. No. 011958N

Place: Chandigarh
Dated: 27.03.2019



# PROXY FORM

(Vide General Regulation 58)

Resident of		mesus of and socialists
being a shareholder of the Haryana Fin	nancial Corporation holding shares	(Nos.) hereb
appoint Sh.	of	Secure Deposits
(or failing him Sh.		modifica Profonio i dac 194
STATE OF THE PARTY	) as my / our proxy to vote for n	me/us and on my/our behalf at the 51st
Annual General Meeting of Shareho	olders of the Corporation to be held in	the Committee Room of The Haryan
State Cooperative Apey Bank I td. (HA	ARCO Bank), 1st Floor, SCO 78-80, Bar	nk Square, Sector 17-B, Chandigarh, a
State Cooperative Apex Bank Ltd. (117	11.00 Balik), 1311 1001, 000 70-00, Bal	ik oquare, oeotor 17-b, orianulgam a
11.30 a.m. on 3rd September, 2019	or at any adjournment thereof.	
BILL I SHE SHALIMBAR		
Dated this day of	2019.	
Dated this day of	2019.	
Dated this day of	2019.	Affix Re 1
Dated this day of	2019.	Affix Re 1 Revenue Stam
Dated this day of	2019.	
Dated this day of	2019.	
Dated this day of	2019.	Revenue Stam Signature of Shareholder(
Specimen Signature of Proxy holder(s	2019.	Revenue Stam
Specimen Signature of Proxy holder(s	2019.	Revenue Stam Signature of Shareholder(
Specimen Signature of Proxy holder(s  For Office use Only  No. of Shares  No. of Votes	2019.	Revenue Stam Signature of Shareholder(



#### SPECIMEN OF AUTHORISATION FORM

(Applicable to Institutions & Companies)

resolved that Shiri		All A all a chief	rtenent2 ent to emout
or failing him Shri			2 Registered Address
he and is hereby appointed to	act as DI II V AI ITHORISI	ED DEDDESENTATIVE OF	3. Registered Number
be and is hereby appointed to	act as DOLI AUTHORISI	ED REPRESENTATIVE OF	4. Class of the Shareh
		Folio No.	8 and whether he is su
to exercise voting rights and o	other powers on its behalf	at the 51st Annual General Mee	eting of the Shareholders of
# II F: 10			6. I Number of votes to
the Haryana Financial Corpora	ition to be held in the Com	mittee Room of The Haryana State	Cooperative Apex Bank Ltd
(HARCO Bank), 1st Floor, SC		Sector 17-B, Chandigarh at 11.30	
2019 or at any adjournment	thereof.		
			CHAIRMAN
	СНА	IRMAN'S CERTIFICATE	
Certified that the above is	true copy of the resolution	on passed at the duly convened me	eeting of the Directors of the
Company			360
held on	at		
The undersigned was the Cha	irman of the said mosting		
	mindi oi ule salu meetinu		

Specimen Signature of Authorised person(s)

Signature of the Chairman (Rubber Stamp of the Company)



# FORM FOR ATTENDENCE/IDENTIFICATION AND FOR DETERMINING THE VOTING RIGHTS SHAREHOLDERS (FOR 51st AGM for the FY 2017-2018)

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

1.	Nam	ne of the Shareholder (in full)			
2.	Regis	Registered Address			
3.	Regis	Registered Number of Shares			
4.	Class	Class of the Shareholder			
5.	a) W	a) Whether he is entitled to vote at the General Meeting			
		e: To be entitled to vote, a shareholder must have been registered as a shareholder go days prior to the date of a General Meeting.	nolder for a period of not les		
6.	Number of votes to which he is entitled				
		to start of the last of the communities for the Hervaria starts of the Hervaria			
7)	i)	Attending in person			
	ii)	Attending through a proxy.			
	iii)	Attending through a duly authorised representative			
		Acceptable A			
		EVACUATION OF STANSARY OF STANSARY			
			Signature		
Place	390	U set to Part the country set of the set of the country of the country of	Folio No		
Date_					

#### Category/Class of shareholder as per Section 4(3) of SFCs Act, 1951

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

To,

# If undelivered, please return to: HARYANA FINANCIAL CORPORATION

30 Bays Building (Ground Floor) Sector 17- C, Chandigarh - 160 017 Ph.: 2702755-57, 2702568 Fax: 2721624,2702666