

57th
ANNUAL REPORT
2023 - 2024



Haryana Financial Corporation



BANKERS

PUNJAB NATIONAL BANK
Bank Square, Sector 17
Chandigarh-160017

UNION BANK OF INDIA
SCO 137-138, Sector 8-C
Chandigarh-160018

STATUTORY AUDITORS

M/s PREM RAVINDER & CO.,
Chartered Accountants,
16, Plot No. 24, Barkeley Square, Industrial Area,
Phase -1, 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
E-mail : hfclegal@gmail.com Website : www.hfcindia.org.in
GST No. : 04AAACH4685B1ZY PAN No. : AAACH4685B
Registered at : Chandigarh (UT)



HARYANA FINANCIAL CORPORATION, CHANDIGARH

Directors on the Board of the Corporation as on 31.03.2024

(under section 10 of the SFCs Act, 1951)

1.	Shri V. Umashankar, IAS Principal Secretary to Hon'ble Chief Minister, Haryana, Chandigarh.	Chairman
2.	Shri Anand Mohan Sharan, IAS Additional Chief Secretary to Government Haryana, Industries & Commerce Department, Haryana Civil Secretariat, Chandigarh	Director
3.	Smt. Amneet P. Kumar, IAS Commissioner & Secretary to Govt. Haryana, Women & Child Development Deptt., New Haryana Civil Secretariat Sector 17, Chandigarh	Director
4.	Shri C.G. Rajini Kaanthan, IAS Director General, Industries & Commerce Department, Haryana, 30 Bays Building, Sector 17, Chandigarh	Director
5.	Smt. Radhika Singh, HCS, Joint Secretary, Finance, Haryana Haryana Civil Secretariat, Chandigarh	Director
6.	Shri Piyush Bhargava, DGM, SIDBI, SCO 906, NAC, Housing Board Chowk, Sector 13, Chandigarh	Director
7.	Shri Shrawan Kumar Anand, Senior, Divisional Manager, Life Insurance Corporation of India, Sector 17-B, Chandigarh.	Director
8.	Shri Mohinder Kumar Chopra H.No 44, Sector 5, Trikuta Nagar Jammu - 180012	Director
9.	Shri Yash Garg, IAS MD, HSIIDC & HFC,	Managing Director

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



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 57th Annual General Meeting of Shareholders of the Corporation will be held on 30th December, 2024 at 11:30 AM in the Committee Room of The Haryana State Cooperative Apex Bank Ltd. (HARCO Bank), 1st Floor, SCO 78-80, Bank Square, Sector-17B, Chandigarh - 160017 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2024 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 Prem Ravinder & Co., 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 2024-25 at an audit fee of Rs. 50,000/- plus applicable GST and admissible TA/DA.

NOTES :

- i) The Register of Members and Share Transfer Books of the Corporation will remain closed from 19.12.2024 to 29.12.2024 (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.
- iii) 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.
- iv) The Shareholders of the Corporation in its 56th Annual General Meeting held on 27.03.2023 had appointed M/s Prem Ravinder & Co., Chartered Accountants, Chandigarh as Statutory Auditors of the Corporation for the financial year 2023-24 u/s 37 (1) of SFCs Act, 1951 and they have conducted the audit for the year. As per RBI Guidelines, an Auditor can be re-appointed upto four terms. The audit firm has also confirmed their eligibility and given their consent/ declaration under the provisions of the Companies Act/ RBI Guidelines and accordingly the case is placed before the Shareholders for their re-appointment.

By Orders of the Board
for Haryana Financial Corporation

Company Secretary

Dated : 28th Nov., 2024
Place : Chandigarh

HARYANA FINANCIAL CORPORATION CHANDIGARH



Directors' Report

The Board of Directors of Haryana Financial Corporation has pleasure in presenting the 57th Annual Report on the working of the Corporation together with the Audited statements of Accounts for the year ended 31st March, 2024.

Financial Results

During the financial year 2023-24 the Corporation has achieved the following working results.
(Rs. in crore)

		2023-24	2022-23
A.	Income		
	Income from operations	1.37	0.52
	Other Income	30.19	4.42
	Total Income	31.56	4.94
B.	Expenditure		
	Interest & Other Financial Expenses	0.04	0.04
	Personnel Expenses	3.74	3.53
	Administrative Expenses	0.55	0.76
	Bad debts / Leasing Assets written off	0.03	—
	Depreciation	0.01	0.12
	Total Expenditure	4.37	4.45
C.	Operating Profit / (Loss) (A - B)	27.19	0.49
D.	Add : Excess Provision against Investments and Income Tax written back	0.00	0.32
E.	Less : i) Provision against NPAs Loan Assets, Investments	0.10	0.09
	ii) Provision against Income Tax	1.65	—
	Net Profit / (Loss) (C + D - E)	25.44	0.72

Explanation :

* During the FY 2023-24, the Other Income was Rs. 30.19 crores which includes a sum of Rs. 26.43 crore, income from sale of Corporate Building at Panchkula and Rs. 2.27 crore (P.Y. 1.77 crore) as interest income from Bank deposits.

Operational Highlights

The Corporation has already stopped sanction of the 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 2023-24	Performance for the Year 2022-23
Sanction	0.00	0.00
Disbursement	0.00	0.00
Recovery	0.96	0.52



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.

Share Capital from State Government

Since the State Government has already decided to wind up 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 & Disclosure Requirements) Regulations 2015 is annexed as Annexure with the Directors' Report. A certificate from M/s Sharma Sarin & Associates, Company Secretaries on the above for the year ending on 31st March, 2024 is also annexed with this report.

DEMATERIALIZATION FACILITY

The demat facility of the Corporation has been activated. The ISIN No. issued to the Corporation is INE737G01016

Listing

The equity shares of the Corporation are listed at Bombay Stock Exchange Ltd. (BSE Script Code No. 530927). The Corporation has paid the Annual Listing fee of Rs. 3.25 lakh plus GST to the Stock Exchange (BSE) within time. The State Govt. (being promoters) had filed an exemption application with SEBI in accordance with Regulation 42 of SEBI (Delisting of equity shares) regulations, 2021 for delisting of shares of the Corporation from Bombay Stock Exchange and the SEBI has granted certain exemptions/relaxations to the Corporation from delisting procedure subject to certain conditions.

Audit

The shareholders in its 56th Annual General Meeting held on 27.03.2024 as per provisions of section 37 of State Financial Corporations' Act, 1951 had appointed M/s Prem Ravinder & Co., Chartered Accountants, Chandigarh (on the panel of the RBI) as Statutory Auditors for the financial year 2023-24, (for 3rd term), who have conducted audit of the Financial Statements of the Corporation, which form part of the Report.

As per RBI guidelines, in the normal course, an audit firm may continue for a term of 4 years in one spell. The re-appointment of existing Statutory Auditors M/s Prem Ravinder & Co., Chartered Accountants, Chandigarh for F.Y 2024-25 is subject to confirmation of the same by the RBI. Accordingly, the RBI vide their letter dated 12.06.2024 have confirmed the eligibility of the Statutory Auditor for F.Y 2024-25.

Audit By Comptroller & Auditor General of India(CAG)

The Comptroller & Auditor General of India (CAG) had conducted the audit of the accounts of the Corporation upto FY 2023-24 and their reports has nill comments and the same shall form part of this Director's Report and is being forwarded to the Sate Govt. for placing before the the State Legislature.

Cash flow Statement

In conformity with the provisions of SEBI (LODR) Regulations, 2015, the Cash Flow Statement for the year ending on 31.03.2024 is annexed with the Annual Accounts.

Board of Directors

The composition of Board of Directors of your company as on 31.03.2024 is as under :

1.	Shri V Umashankar, IAS	Chairman
2.	Shri Anand Mohan Sharan, IAS	Director
3.	Smt. Amneet P. Kumar, IAS	Director
4.	Shri C. G. Rajini Kaanthan, IAS	Director
5.	Smt. Radhika Singh, HCS	Director
6.	Shri Kashmiri Lal Kukreja	Director
7.	Shri Piyush Bhargava	Director
8.	Shri Shrawan Kumar Anand	Director
9.	Shri Mohinder Kumar Chopra	Director
10.	Shri Yash Garg, IAS	Managing Director

During the year under review, four meetings of Board of Directors were held on 24.06.2023, 21.09.2023, 09.11.2023 and 16.02.2024. The detail of the number of meetings of the Board held during the FY 2023-24 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. Further, the Merchant Banker for delisting procedure of the Corporation has already been appointed.

Further, the Board of Directors of the Corporation in its meeting held on 09.11.2023 had reconstituted the Winding up Committee, which comprises of the following :

1. Managing Director, HSIIDC	Chairman
2. Nominee from Finance Deptt., Haryana	Member
3. Nominee of SIDBI	Member
4. Shri M.K. Chopra	Member

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 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

Dated : 28 .11. 2024

Place : Chandigarh



CORPORATE GOVERNANCE / MANAGEMENT DISCUSSION & ANALYSIS REPORT

Report on Corporate Governance

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

Haryana Financial Corporation has been established under the State Financial Corporations' Act, 1951. The Companies Act, 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 prescribes 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 prescribes the composition of Board of Directors of the Corporation. The details of the Directors of the Corporation as on 31.03.2024 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 Govt. 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. Sh. Mohinder Kumar Chopra was appointed as director elected by the shareholders u/s 10(e) of the SFCs Act, 1951, in 54th AGM held on 07.07.2022. The Board has also co-opted three 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 were two woman director as on 31.03.2024 on the Board of the Corporation, the list of which has separately been published in the Annual Report

2(b) Board Meetings

The Board of Directors had four meetings during the Financial Year 2022-23 as per details given below :

S.No.	Number of Board Meeting	Date of Board Meeting
1.	356th	24.06.2023
2.	357th	21.09.2023
3.	358th	09.11.2023
4.	359th	16.02.2024



The Composition of Board during the year under review and detail of meetings during their tenure alongwith their attendance, is as under :

S.No.	Name of Director	No. meetings during their tenure	No. meetings attended
1.	Shri V. Umashankar, IAS	4	2
2.	Shri Anand Mohan Sharan, IAS	4	4
3.	Smt. Amneet P. Kumar, IAS	4	3
4.	Ms Radhika Singh, HCS	4	1
5.	Shri Sudhir Kumar	1	0
6.	Shri Piyush Bhargava	3	3
7.	Shri Mohinder Kumar Chopra	4	4
8.	Shri Sharwan Kumar Anand	4	2
9.	Shri Yash Garg, IAS	4	4
10.	Shri Kashmiri Lal Kukreja	3	2

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 latest constitution of the Audit Committee comprised of three non executive Directors, out of which 2 Directors are independent Director. The scope of the Audit Committee is as per the provisions of Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

4. Nomination and Remuneration Committee

The Corporation has constituted Nomination and Remuneration Committee comprising of the Non-Executive Directors who are not entitled for any remuneration. The latest constitution of the Nomination and Remuneration Committee comprised of three non-executive Directors, out of which 2 directors are independent Director. The Managing Director of the Corporation is an IAS 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. 2500/- 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 on the basis of the State Govt., Haryana and as per provisions of the State Financial Corporations' Act, 1951 & approved by HBPE

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. Risk Management Committee

Pursuant to Regulation 21 (5) of SEBI (LODR) Regulation, 2015, Risk Management Committee is required to be constituted by the top 1000 listed entities, determined on the basis of market capitalization as at the end of the immediate preceding financial years and high value debt listed entities. Corporation does not fall within the said criteria and hence not constituted Risk Management Committee.

7. General Body Meetings

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

Year	AGM	Location	Date	Time
2020-2021	54th AGM	HARCO Bank, Sector 17B, Chandigarh	07.07.2022	11.30 AM
2021-2022	55th AGM	HARCO Bank, Sector 17B, Chandigarh	25.11.2022	11.30 AM
2022-2023	56th AGM	HARCO Bank, Sector 17B, Chandigarh	27.03.2024	11.30 AM

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

8. 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 in terms of reference of Related Party Transactions.

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

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, however the Corporation has taken remedial steps and now the Quarterly Financial Results are being placed before the Board and filed timely with BSE Ltd. It has also been clarified 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/AO-SM/JR/OW/33882/2018 dated 11.12.2018.

9. Secretarial Audit and Annual Secretarial Compliance Report

Pursuant to the regulation 24A of SEBI (LODR) Regulation, 2015 Mr. Vishal Arora, Practicing Company Secretaries was appointed as Secretarial Auditors of the Corporation to conduct a Secretarial Audit and related records for the years ended 31st March, 2024. The Corporation has obtained the Secretarial Audit Report from Mr. Vishal Arora, Practicing Company Secretaries and the same is annexed to the Board Report. Further, the Corporation has also obtained the Secretarial Compliance Report and the same was submitted to the BSE Ltd.

10. 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 Jagran (Hindi Edition), Chandigarh".

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

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.

11. General Shareholders information

11.1 Annual General Meeting

- Date and Time 30th December 2024 at 11.30 AM
- Venue Head Office of the Corporation or as decided at some other place at Chandigarh

11.2 Financial Calendar (Tentative)

(from 1st April to 31st March)

The tentative dates for publishing of quarterly results are as under :

- 30th June, 2023 : by 15th Aug, 2023
- 30th Sept, 2023 : by 15th Nov, 2023
- 31st Dec, 2023 : by 15th Feb, 2024
- 31st March, 2024 : by 30th May, 2024

11.3 Book Closure date 19.12.2024 to 29.12.2024

11.4 Dividend payment date (Not applicable)

No dividend has been recommended by the Board

11.5 Listing of Shares Bombay Stock Exchange Ltd. (BSE)

11.6 Stock code/Script Code 530927

11.7 Stock Market Data

The shares are not being traded.

The available quotes at BSE Rs. 24.65 on 13.07.2011

11.8 Share price performance Refer 11.7

11.9 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

11.10 Dematerialization 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. In furtherance to the orders of Board of Directors of the Corporation in its meeting held on 22.07.2019, a demat request was again filed by the Corporation to NSDL, which has been approved by NSDL and the ISIN issued to the Corporation is INE737G01016. Further, 84,600 shares are now dematerialised

11.11 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.	Executive Director/GM HSIIDC	Member
3.	Deputy General Manager	Member
4.	Deputy General Manager	Member
5.	Company Secretary	Member

As per SEBI Guidelines, transfer of shares can be done through demat mode only. Shares received by the Corporation for transmission are sent to Registrar/Share Transfer Agent (RTA). The RTA after completion of formalities forward the share transmission register containing all the details to the Corporation for approval. A meeting of the Share Transfer/Transmission Committee is then held to approve the transmission(s) and forward its minutes to the RTA for necessary action. Thereafter, the Registrar makes the endorsement on the share certificates and forwards the share certificates duly transferred to transferee. The same procedure is adopted for the shares directly received by the RTA.

11.12 Shareholding pattern as on 31st March, 2024

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	2.08%
c Banks, Financial Institutions, Insurance Co., Central/State Govt. Institutions/Non Govt. Institutions	9	2,01,700	0.10%
d Others (Shareholders other than those referred to in clause (a), (b), (c) above)	1919	11,18,200	90.54%
TOTAL	1930	20,76,58,100	100%

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

11.14 Plant Office Location

The Corporation has its Head Office at Chandigarh and 2 Branch Offices in Gurgaon and Panipat. There is no plant/manufacturing unit of the Corporation..

11.15 Address for Correspondence

The Shareholders may correspond with the Share Transfer Agent (the address of which has been given above, at S.No. 11.9) 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: hfcsectt@gmail.com

MANAGEMENT DISCUSSION & ANALYSIS REPORT

i) **Term Lending Institution**

You are aware that the Haryana Financial Corporation was established under the State Financial Corporations Act, 1951 as a State level development financial institution to provide financial assistance to the industrial units 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 loans 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. During the year a sum of Rs. 96.00 lakh has been recovered.

iv) **Opportunities/Resources**

As you are aware the Corporation has already 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 as such the Corporation is debt free. There is no interest liability in this regard.

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

v) **Internal Control System**

The Corporation is under winding up process. Therefore, due to paucity of staff, the internal audit is limited to only certain payments above specified amount.

vi) **Human Resources**

With the retirement of the staff, the staff strength has been reduced from 18 to 16 as on 31.03.2024. 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), IP, FCS

G S Sarin

B.Com., LL.B., MFC, IP, FCS



SHARMA SARIN & ASSOCIATES
COMPANY SECRETARIES

OFFICE

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

Phone : 0172-5012112, 5079239

e-mail : sharmasarinassociate@yahoo.com

sharma.sarinoffice@gmail.com, cssharma.sarin@gmail.com

Website : www.cslaws.com

**COMPLIANCE CERTIFICATE OF CORPORATE GOVERNANCE
HARYANA FINANCIAL CORPORATION**

To
The Members of
Haryana Financial Corporation
Chandigarh

In accordance with the regulations and obligations under Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we have examined all relevant records of Haryana Financial Corporation (HFC) for the financial year ended on 31st March, 2024.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 the applicable requirements of the said SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, to the extent applicable to the Corporation which is constituted under a Central statute i.e. State Financial Corporations Act, 1951.

We further 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.

For Sharma Sarin & Associates
Company Secretaries

CS P.D. Sharma
(Partner)

FCS No. 2285

CP No. 2692

Date: 08.11.2024
Place: Chandigarh
UDIN: F002285F001974013

VISHAL ARORA
COMPANY SECRETARY

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

TO
THE MEMBERS,
HARYANA FINANCIAL CORPORATION
30 BAYS, BUILDING, SECTOR - 17,
CHANDIGARH - 160017

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good Corporate Practices by HARYANA FINANCIAL CORPORATION (hereinafter referred to as "the Corporation") incorporated under State Financial Corporations Act, 1951. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the HARYANA FINANCIAL CORPORATION books, papers, minute books, forms and returns filed and other records maintained by the Corporation and also the information provided by the Corporation, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Corporation has, during the audit period covering the Financial Year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by HARYANA FINANCIAL CORPORATION ("the Corporation") for the Financial Year ended on 31st March, 2024 according to the provisions of:

- (i) The State Financial Corporation Act, 1951
- (ii) The Companies Act, 2013 (the Act) and the rules wherever applicable, made thereunder;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) The Reserve Bank of India Act, 1934

Chd. Office: #651, Top Floor, Sec. 8-B, Chandigarh - 160009
Tel. 0172-4644288, 98142-96288
Email: csteamva@gmail.com



VISHAL ARORA
COMPANY SECRETARY

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (not applicable to the company during the review period)
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (not applicable to the company during the review period)
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (not applicable to the company during the review period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable to the company during the review period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (not applicable to the company during the review period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable to the company during the review period)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (not applicable to the company during the review period)
- (i) The Securities and Exchange Board of India (listing obligations & disclosure requirements) regulations, 2015.

(vi) **OTHER APPLICABLE ACTS :**

- (a) The Finance Act, 2018.
- (b) Prevention of Money Laundering Act, 2002 and the prevention of Money-Laundering (Amendment) Act 2012.
- (c) Banking Companies (period of preservation of records) rules, 1985
- (d) Bankers Book Evidence Act, 1891
- (e) Employee's State Insurance act, 1948, and rules made thereunder.
- (f) The Employee's Provident Fund and Miscellaneous Provisions Act, 1952 and rules made thereunder.
- (g) The Payment of Bonus Act, 1956, and rules made thereunder.
- (h) The Payment of Gratuity Act, 1972.
- (i) Indian Contract Act, 1872.

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VISHAL ARORA
COMPANY SECRETARY

- (j) The Apprentices Act, 1961.
- (k) The Workmen's Compensation act, 1923.
- (l) Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013.
- (m) The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002
- (n) The Public Financial Institutions (obligations as to Fidelity and Secrecy) Act, 1983
- (o) The Credit Information Companies (Regulation) Act, 2005
- (p) The State Bank of India Act, 1955
- (q) The Income Tax Act, 1961

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by "The Institute of Company Secretaries of India"
The Secretarial Standards are not applicable to the Corporation, since the provisions of the Companies Act, 2013 are not applicable to it.
- (ii) The listing agreement and Securities and Exchange Board of India (listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with BSE Limited.

COMPLIANCE OF CONDITION OF CORPORATE GOVERNANCE IS THE RESPONSIBILITY OF THE MANAGEMENT. OUR EXAMINATION WAS LIMITED TO PROCEDURES AND IMPLEMENTATION THEREOF, ADOPTED BY THE CORPORATION FOR ENSURING THE COMPLIANCE OF THE CONDITIONS OF CORPORATE GOVERNANCE. IT IS NEITHER AN AUDIT NOR AN EXPRESSION OF OPINION ON THE FINANCIAL STATEMENTS OF THE CORPORATION.

Qualifications:

During the period under review the corporation has complied with the provisions of the Act, Rules, Regulations w.r.t the above mentioned acts whichever are applicable and rules apart from the following observations:

- a. *The provisions of the Companies Act, 2013 are not applicable to the Corporation as the Corporation is not registered under the Companies Act.*
- b. *The applicability of the Secretarial Audit is required as per the Listing requirements.*

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VISHAL ARORA
COMPANY SECRETARY

- c. *As the Corporation is not registered under the Companies Act therefore the scope of this audit is limited to compliance with the SEBI (LODR) Regulations and Compliances of State Financial Corporation Act, 1951.*

The Corporation is a Government Sector Undertaking established under a special law; The requirements of the SEBI (LODR) Regulations have been complied extent to the proviso to sub-regulation 2(b) of regulation 15 of SEBI(LODR) Regulations, 2015, which specifically provides as under: -

"Provided that for other listed entities which are not companies, but body corporate or are subject to regulations under other statues, the provisions of corporate governance provisions as specified in regulation 17, [17A,] 18, 19, 20, 21, 22, 23, 24, [24A,] 25, 26, 27 and clauses (b) to (i) of sub -regulation (2) of regulation 46 and para C, D and E of Schedule V shall apply to the extent that it does not violate their respective statutes and guidelines or directives issued by the relevant authorities."

- d. *There has been a deviation in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the following:*

- I) They have conducted Annual General Meeting for the Financial Year 22-23 on 27th March, 2024 due to change in management and late approvals of accounts.*
- II) As per Regulation 44, the voting results of 56th Annual General Meeting has been filed with Stock exchange in pdf format and has not been filed in XBRL format. The Corporation is required to provide e-voting facility to its shareholders which is not being done.*

The other observations with respect to the Statutory Books apart from the State Financial Corporation Act, 1951, are based upon the certification received from various department heads.

This report is to be read with my letter of even date which is annexed as "Annexure A" and forms and integral part of this report.



DATE: 08.08.2024
PLACE: CHANDIGARH
UDIN: F004566F000933593

VISHAL ARORA
COMPANY SECRETARY

"Annexure -A"

TO
THE MEMBERS,
HARYANA FINANCIAL CORPORATION
30 BAYS, BUILDING, SECTOR - 17,
CHANDIGARH - 160017

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records, based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Whenever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws. Rules, regulations, standards are the responsibility of the management. My examination was limited to the extent of verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.



DATE: 08.08.2024
PLACE: CHANDIGARH
UDIN: F004566F000933593



Head Office : 16, Berkeley Square, Level-2, Plot No. 24, Industrial Park, Phase-1, Chandigarh-160 002

Auditor's Certificate (F.Y.2023-24)

In accordance with the provisions of section 37(1) of the State Financial Corporations Act,1951, we have audited the Balance Sheet of Haryana Financial Corporation as at 31March, 2024 and also the annexed Profit and Loss Account for the years ended on the date.

We conducted our audit in accordance with auditing standard generally accepted in India. In our opinion and to the best of our information and according to the explanations given to us:

- a) The operations of Haryana Financial Corporation have been conducted in accordance with provisions of the SFCs Act,1951.
- b) The income recognition, asset classification and provisioning have been done as per the guidelines issued by SIDBI from time to time.
- c) The investment of surplus fund is made in accordance with the prudential norms laid down by the Board of Directors.
- d) Authentication of Calculate of CRAR and assessment of capital adequacy ratio in the 'Notes on Accounts' attached to the Balance Sheet and various other ratio/ items have been disclosed in the 'Notes of Accounts' (Schedule Q- Point p)
- e) The corporation has no Govt. guarantee outstanding as on 31.03.2024 as the account with SIDBI has already been settled.
- f) The level of risk management practices and compliance to regulatory directives issued by SIDBI with regard to exposure norms, segregation of refinanced assets is not applicable because the corporation is in the process of winding up and it has repaid/settled entire refinance with SIDBI. In view of the above, the corporation has not taken any step with regard to the valuation of loan assets .However at the time of settlement or sale of mortgaged assets, valuation of assets is being done on case to case basis.
- g) All the Loans & Advance of the Corporation, financial statements and salaried to staff have been computerized.

Further, there is no adverse observations/ qualifications in our Auditor's Report. We have an unmodified opinion in respect of Contingent Liabilities, physical verification of fixed assets and non-execution of sale deed in respect of sale of property, as mentioned in para B of Schedule Q of Notes on Accounts and in respect of Material Uncertainty Related to Going Concern of the corporation as reflected in para B (c) of Schedule Q of Notes on Accounts of this financial statements. This may be considered as a nil report.

Place : Chandigarh
Date : 30-05-2024



For Prem Ravinder & Co.
Chartered Accountants
Registration No. 006573N

Vishav Garg
Partner

M.No.515718
UDIN-24515718 BKAITU6450

The Members,
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, 2024** and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information.

1. Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

2. Management's responsibility for the Financial Statements

The Corporation's Management is responsible 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 flows 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. 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; and 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 misstatement, whether due to fraud or error.

3. Auditor's responsibility

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 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 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.

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. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

4. Emphasis of Matter

We draw attention to the Paragraph B of Schedule - 'Q' (Notes on Account) in regards to Contingent Liabilities as under

- a)** Note no. b(1) regarding contingent liability in respect of units disposed off but in dispute-amount indeterminate.
- b)** Note no. b(3) regarding Liability in respect of claim lodged against the Corporation by ex-employees/pensioners to the extent of Rs. 1348.44 lacs (approx.) not acknowledged and other court cases/appeals filed by the employees/ex-employees/pensioners against which amount is indeterminate.

There is a Contingent liability amounting to Rs. 125.88 lacs in respect of claims lodged by Loanees/Auction purchasers. The Corporation is generally unable to reasonably estimate possible loss for proceedings or disputes other than estimated.

Other Current Assets includes Rs. 349.83 lacs deposited with Income Tax Department against demand for Financial years 1980-81 to 1982-83 & 2013-14 to 2015-16 and the Corporation has filed appeals (separately for each years) before Hon'ble Punjab and Haryana High Court/CIT(A)/ITAT. The matter is sub-judice, no provision against this amount has been made in the books of account.

c) Note no. B of Schedule -'Q' (Notes on Accounts) which discloses that the Corporation has maintained Fixed Assets Purchaser register, where all items of fixed assets are entered with date, amount of purchase and its location. Further as the purchases are of meager amount, no separate physical verification of fixed assets is being done by the Corporation.

d) Note no. B (o) of Schedule - 'Q' (Notes on Accounts) which discloses that the Corporation has handed over the physical possession of Property at Panchkula to HSIIDC, after receiving the total price of Rs. 2750.88 lacs and the sale has been accounted for in the books of account, showing profit of Rs. 2642.56 lacs, however sale deed in regard to the same is yet to be executed.

Our opinion is not modified in respect of these matter.

5. Information other than the Financial Statements and Auditor's Report thereon.

The Corporation's Board of Directors and Management is responsible for the preparation of the other information. The other information comprises the information included in the Corporation's Annual Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusions thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact and we have nothing to report in this regard

6. Material Uncertainty Related to Going Concern

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Corporation's financial reporting process.

We draw attention to the Paragraph B(c) of Schedule -'Q' (Notes on Accounts) which discloses that the Corporation has recommended to the State Govt. for winding up/liquidation u/s 45 of SFCs Act, 1951. Further the State Govt. has appointed Managing Director HSIIDC as Nodal Officer for completing the formalities of winding up. The board of directors constituted a committee under the chairmanship of Director of Industries & Commerce, Haryana for the winding up purpose and the committee is now reconstituted under Chairmanship of Managing Director, HSIIDC. Further, the State Govt. has decided to delist the shares of the Corporation from Bombay Stock Exchange (BSE) and request for relaxation from detailed procedure of delisting of shares was made with SEBI. The SEBI has granted relaxations from applicability of certain provisions of Delisting Regulations, 2021 subject to fulfillment of certain conditions. The Board requested HSIIDC to take further action for hiring of Merchant banker for delisting of equity shares of HFC from Bombay Stock Exchange (BSE) in accordance with the SEBI delisting guidelines and the Merchant Banker has been appointed for the purpose of delisting of shares from BSE Ltd. as per Directions of the SEBI.

These events, conditions and matters indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

7. Opinion

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 :

- In the case of the Balance Sheet, of the state of affairs of the Corporation as at **31st March, 2024**
- In the case of the Statement of Profit & Loss Account, of the Profit of the Corporation of the year for the year ended on that date, and
- In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

8. Report on Other Legal and Regulatory Requirements

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

- We have sought & obtained all the information and explanations which to the best to our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of accounts as required by law have been kept by the Corporation so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from Branches.
- The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts and with the returns received from the Branches.
- 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.
- The transactions of the Corporation that have come to our notice have been within the powers of the Corporation.



Vaibhav Garg
Vaibhav Garg
FCA (Partner)
Membership No. 515718
Firm Regd. No. 06573N

Place : Chandigarh
Dated : 30th May, 2024

UDIN : 24515718BKAITU6450



HARYANA FINANCIAL CORPORATION, CHANDIGARH
BALANCE SHEET AS ON 31ST MARCH, 2024

As at 31.03.2023 (Amount in Rs.)	Particulars	Schedule	As at 31.03.2024 (Amount in Rs.)
	A EQUITY & LIABILITIES		
	1 Shareholders' funds		
2,076,581,000	a) Share capital	A	2,076,581,000
165,826,950	b) Reserves and surplus	B	165,826,950
	2 Current liabilities		
444,056,830	a) Other current liabilities	C	215,437,904
115,807,085	b) Provisions	D	116,848,599
2,802,271,865	Total		2,574,694,453
	B ASSETS		
	1 Non-current assets		
16,888,426	a) Fixed assets	E	5,917,658
1,450,000,000	b) Non-current investments	F	1,450,000,000
72,724,457	2 Loans and Advances	G	73,509,089
	3 Current Assets		
45,144,180	a) Current investments - Shares	H	45,144,180
276,117,170	b) Current investments - Fixed Deposits	H	297,500,000
18,858,174	c) Cash and bank balances	I	13,594,313
69,340,549	d) Other current assets	J	90,199,684
853,198,909	4 Profit and Loss Accounts	K	598,829,529
2,802,271,865	Total		2,574,694,453

Notes on Accounts

Q

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

Richa Garg
Chief Financial Officer

Harnam Singh Rana
Company Secretary

Sanjay Garg
General Manager

Sushil Sarwan, IAS
Managing Director



Vaibhav Garg
FCA (Partner)
Membership No. 515718
Firm Regd. No. 06573N

Place : Chandigarh

Dated : 30th May, 2024

UDIN : 24515718BKAITU6450

HARYANA FINANCIAL CORPORATION, CHANDIGARH



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

For the year ended 31.03.2023 (Amount in Rs.)		Schedule	For the year ended 31.03.2024 (Amount in Rs.)
	INCOME		
5,270,008	Revenue from Operations	L	13,706,006
44,177,592	Other Income	M	301,892,609
49,447,600	Total Revenue		315,598,615
	OPERATIONAL EXPENDITURE		
449,594	Other Financial & Misc. Expenses	N	409,416
35,255,672	Employees Benefit Expenses	O	37,392,555
7,574,272	Administrative Expenses	P	5,520,155
1,260,893	Depreciation	E	126,369
0	Bad Debts Written Off		288,346
44,540,431	Total Expenditure		43,736,841
4,907,169	Profit / (Loss) before provisioning		271,861,774
0	Add : Provision Against Claims Recoverable Written Back		69,518
110,400	: Provision Against Investments Written Back		0
3,100,649	: Excess provision Against Income Tax Written Back (FY 2021-22)		0
0	Less : Provision Against Investments		326,400
873,457	: Provision Against NPAs Loan Assets		784,632
0	: Provision for Income Tax		16,450,880
7,244,761	Net Profit /(Loss)		254,369,380
	Notes on Accounts	Q	
0.03	Earning Per Share		1.22

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

Richa Garg
Chief Financial Officer

Harnam Singh Rana
Company Secretary

Sanjay Garg
General Manager

Sushil Sarwan, IAS
Managing Director



Vaibhav Garg
FCA (Partner)
Membership No. 515718
Firm Regd. No. 06573N

UDIN : 24515718BKAITU6450

Place : Chandigarh

Dated : 30th May, 2024



Schedule 'A' - Share Capital

As at 31.03.2023 Amount (Rs.)			As at 31.03.2024 Amount (Rs.)
	Authorised		
<u>3,000,000,000</u>	300,000,000 Equity Shares of Rs.10/- each		<u>3,000,000,000</u>
	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	
	b) 626,600 Shares of Rs.10/- each issued under Section 4A(1) of the SFCs' Act,1951 as special class of shares.	<u>6,266,000</u>	
<u>6,266,000</u>			
<u>2,116,921,000</u>			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	<u>40,340,000</u>	
<u>2,076,581,000</u>	Balance 207,658,100 (Previous year 207,658,100) shares of Rs.10/- each	<u>2,076,581,000</u>	
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.	<u>6,266,000</u>	2,076,581,000
<u>2,076,581,000</u>	Total		<u>2,076,581,000</u>

Schedule 'B' - Reserve and Surplus

As at 31.03.2023 Amount (Rs.)			As at 31.03.2024 Amount (Rs.)
	a) Special Reserve for the purpose of Section 36(1)(viii) of the Income Tax Act,1961		
178,567,013	Gross Amount	178,567,013	
166,800,000	Less : Utilised towards provisioning for NPAs in earlier years	<u>166,800,000</u>	
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
573,937	d) Reserve under clause 91(vii) of General Regulation of HFC		573,937
22,976,000	e) Shares Forfeiture Reserve		22,976,000
<u>165,826,950</u>	Total		<u>165,826,950</u>



Schedule 'C' - Other Current Liabilities

As at 31.03.2023		As at 31.03.2024
Amount (Rs.)		Amount (Rs.)
a) Other Liabilities		
55,196,622	Dividend Payable	55,196,622
678,748	Provision against Gratuity	119,297
15,005,163	Provision against Leave Encashment	16,289,565
119,121,838	Sundry Deposits	112,038,168
222,445,297	Advance from HSIIDC - Sale of properties	0
10,050,000	Earnest Money	18,282,250
2,032,650	Borrowers' Imprest	1,042,950
6,900,000	Security Deposit	0
111,688	GST payable	59,957
334	TDS on GST payable	0
1,135,928	Provision against expenses payable	1,350,809
b) State Government Funds (As an Agency)		
1) Subsidies :		
97,160	Credit Linked Capital Subsidy	97,160
2,550,776	State Subsidy	2,230,500
8,730,626	2) Balance Amount - Seed Money Agency/RIS	8,730,626
444,056,830	Total	215,437,904

Schedule 'D' - Provisions

As at 31.03.2023		As at 31.03.2024
Amount (Rs.)		Amount (Rs.)
i) Provision for Non-performing Loan Assets :		
71,851,000	Opening balance	72,724,457
873,457	Add : Provision during the year	784,632
<u>72,724,457</u>		<u>73,509,089</u>
ii) Provision against Claims Recoverable		
1,092,064	Opening balance	1,092,064
0	Less: Excess provision provided in earlier years written back	69,518
<u>1,092,064</u>		<u>1,022,546</u>
iii) Provision for diminution in value of Investments :		
42,100,964	Opening balance	41,990,564
0	Add : Provision during the year	326,400
110,400	Less : Excess provision provided in earlier years written back	0
<u>41,990,564</u>		<u>42,316,964</u>
115,807,085	Total	116,848,599



Schedule 'E' - Fixed Assets

(Amount in Rs.)

Sr. No.	Particulars	WDV as on 01.04.2023 (1)	Assets put to use for		Sold/ Transferred during the year (4)	Value (5)	Rate of Dep. % age (6)	Total Dep. during the year (7)	WDV as on 31.03.2024 (8)
			more than 180 days (2)	less than 180 days (3)					
A) Land & Building									
	1. Land	5,752,158	0	0	811,531	4,940,627	0	0	4,940,627
	2. Building - Office	10,494,753	0	0	10,020,168	474,585	10	47,459	427,126
	Total	16,246,911	0	0	10,831,699	5,47,459		47,459	5,367,753
B) Furniture & Fittings									
	1. Furniture	95,923	0	0	12,700	83,223	10	8,322	74,901
	2. Safes, Cabinets & Padlocks	79,658	0	0	0	79,658	10	7,966	71,692
	3. Electric Fittings	230,418	0	0	0	230,418	10	23,042	207,376
	Total	405,999	0	0	12,700	393,299		39,330	353,969
C) Plant & Machinery									
	1. Computers	17,011	0	0	0	17,011	40	6,804	10,207
	2. Staff Cars & Jeep	218,505	0	0	0	218,505	15	32,776	185,729
	Total	235,516	0	0	0	235,516		39,580	195,936
	Grand Total - (A+B+C)	16,888,426	0	0	10,844,399	6,044,027		126,369	5,917,658
	Previous Year	18,552,659	0	3,660	407,000	8,149,319		1,260,893	16,888,426

FY 2022-23 FY 2023-24

Total Depreciation : 1,260,893 126,369
Total WDV (A+B+C+D) : 16,888,426 5,917,658

Schedule 'F' - Non-current Investments

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

As at 31.03.2023
Amount (Rs.)
 1,450,000,000
1,450,000,000

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

As at 31.03.2024
Amount (Rs.)
 1,450,000,000
1,450,000,000

Schedule 'G' - Loans and Advances

As at 31.03.2023
(Amount Rs.)
 69,449,457
 3,275,000
72,724,457

Loans & advances 70,234,089
 Adhoc Limit - Boughtout Deals 3,275,000
Total

As at 31.03.2024
(Amount Rs.)
 73,509,089
73,509,089



Schedule 'H' - Current Investments

As at 31.03.2023 Amount (Rs.)		As at 31.03.2024 Amount (Rs.)
	Investments (As per annexure to Schedule 'F' & 'H') :	
45,144,180	i) Unquoted	45,144,180
276,117,170	ii) Fixed Deposits with Banks	297,500,000
<u>321,261,350</u>	Total	<u>342,644,180</u>

Schedule 'I' - Cash and Bank Balances

As at 31.03.2023 Amount (Rs.)		As at 31.03.2024 Amount (Rs.)
	Balance with Schedule Banks	
7,482,785	i) In Current/Saving Accounts	5,539,594
8,500,000	ii) Short Term Deposits	5,000,000
2,875,389	iii) Fixed Deposit for Bank Guarantee	3,054,719
<u>18,858,174</u>	Total	<u>13,594,313</u>

Schedule 'J' - Other Current Assets

As at 31.03.2023 Amount (Rs.)		As at 31.03.2024 Amount (Rs.)
66,000	Staff Loans	65,400
297,446	Advance against expenses	269,008
1,722,989	TDS - Financial Year 2022 -23	0
140,712	Income Tax Refund -FY 2019-20	140,712
6,521,950	Income Tax Refund -FY 2021-22	0
	Income Tax deposited against demand (Pending in appeal):	
0	Financial year 1912-13	8,574,740
0	Financial year 1914-15	4,000,000
7,048,576	Financial year 1980-81	7,048,576
7,430,044	Financial year 1981-82	7,430,044
7,929,497	Financial year 1982-83	<u>7,929,497</u>
218,048	Security Deposits	34,982,857
5,256,636	Claims recoverable	216,658
9,000,479	Rent due but not received	4,064,093
	Interest Accrued but not due :	23,144,873
185,437	On Staff advances	146,437
9,732,445	On Deposits	<u>12,419,669</u>
13,790,290	Funds with LIC - Leave Encashment Policy	12,566,106
<u>69,340,549</u>	Total	<u>14,749,977</u>
		<u>90,199,684</u>



Schedule 'K' - Profit and Loss Accounts

For the Year Ended 31.03.2023 Amount (Rs.)			For the Year Ended 31.03.2024 Amount (Rs.)
860,443,670	Accumulated loss as per last Balance Sheet	853,198,909	
7,244,761	Less : Net Profit for the year	254,369,380	598,829,529
853,198,909	Total		598,829,529

Schedule 'L' - Revenue from Operations

For the Year Ended 31.03.2023 Amount (Rs.)			For the Year Ended 31.03.2024 Amount (Rs.)
972,905	Interest Income on :		
0	Loans & Advances	3,381,628	
	Leasing Equipment Advances	114,614	3,496,242
4,297,103	Prior Period Income (Recovery of Security Charges)		4,852,382
5,270,008	Amount received out of bad debits written off		5,357,382
	Total		13,706,006

Schedule 'M' - Other Income

For the year ended 31.03.2023 Amount (Rs.)			For the year ended 31.03.2024 Amount (Rs.)
5,950	Miscellaneous Income		1,017,369
215,740	Interest Income on :		
15	Income Tax Refunds	329,801	
17,725,518	Staff Advances	0	
20,000	Deposits with Banks	22,692,010	23,021,811
26,210,369	Dividend on Investments		18,000
0	Rental Income		13,579,128
44,177,592	Profit on Sale of Assets		264,256,301
	Total		301,892,609

Schedule 'N' - Other Financial & Misc. Expenses

For the year ended 31.03.2023 Amount (Rs.)			For the year ended 31.03.2024 Amount (Rs.)
4,144	Bank Charges		25,916
91,450	Demat Charges		0
354,000	Stock Exchange Fee		383,500
449,594	Total		409,416



Schedule 'O' - Employees Benefit Expenses

For the year ended 31.03.2023 Amount (Rs.)			For the year ended 31.03.2024 Amount (Rs.)
22,209,573	Salaries & Allowances : Other Staff		23,066,053
3,228,530	Payment to Security Agency (Outsourcing Staff)		3,330,933
1,893,853	Contribution to Staff Provident Fund		2,009,425
	Provisioning- Gratuity / Leave Encashment		
446,469	Gratuity Leave	(17,875)	
1,212,401	Leave Encashment	<u>1,398,139</u>	
	Total		1,380,264
4,349	Gratuity/Leave Encashment Premium		1,984
124,718	Gratuity Payment		0
551,012	Leave travelling Concession		369,419
1,328,452	Medical Expenses		2,856,733
65,445	Staff Welfare		97,674
4,070,883	Pension		4,153,981
16,275	EDLI Premium		15,225
103,712	Administrative Expenses on Provident Fund		110,864
<u>35,255,672</u>	Total		<u>37,392,555</u>

Schedule 'P' - Administrative Expenses

For the year ended 31.03.2023 Amount (Rs.)			For the year ended 31.03.2024 Amount (Rs.)
	Travelling and other Expenses :		
176,172	a) Staff & Others	250,452	
80,000	b) Directors & Committee Members	<u>147,000</u>	397,452
0	Directors & Committee Members' Fees		10,000
31,593	Directors' Meetings Expenses		0
1,446,089	Rent, Taxes, Insurance, Electricity etc.		361,047
196,488	Postage, Telegram & Telephone		280,196
347,849	Printing & Stationery		275,529
46,764	Computer Expenses		58,681
75,350	Publicity & Business Promotion		215,535
83,484	Repairs and Renewals - Office Equipments		76,040
469,884	Repairs and Maintenance - Staff Cars		491,867
906,517	Legal Charges		283,033
13,099	Books & News Papers		14,871
305,742	Professional Charges		185,400
50,000	Audit Fee		59,000
36,814	Entertainment		38,767
3,308,427	Security Charges (Guards at units under possession)		2,772,737
<u>7,574,272</u>	Total		<u>5,520,155</u>

Schedule - 'Q'

Notes & Significant Accounting Policies Formating Part of the Accounts for the Financial Year 2023-24



A SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared under the historical cost convention and accrual basis of accounting, unless otherwise stated, in accordance with Indian Generally Accepted Accounting Principles (GAAP) and other accounting principles generally accepted in India, to the extent applicable and conform to the statutory requirements prescribed under the State Financial Corporation (SFCs) Act, 1951, circulars and guidelines issued by the Small Industries Development Bank of India.(SIDBI).

b) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date financial statements and the reported amount of revenue and expenses during the reporting period. Any difference between the actual results and estimates are recognised in the financial statements in the period in which the results are known/materialized.

c) Fixed Assets

Fixed Assets are stated at written down value. Cost of acquisition or construction is inclusive of duties, taxes and other incidental.

d) Depreciation

Depreciation on fixed assets is provided on written down value method (WDV) at the rates prescribed under provisions of Income Tax Rules, 1962.

e) Revenue Recognition

All expenses and income to the extent ascertained as payable and receivable respectively, are accounted for on accrual basis except the matters as under:

- Additional demand raised upon completion of assessment under Sales Tax, Income Tax, ESIC and EPF, etc are being debited in Profit & Loss a/c in the year of demand raised.
- Interest on NPA's are accounted for on receipt basis as per RBI guidelines.

f) Appropriation

The amount received from the borrowers against loans and advances is appropriated in the following order:-

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

g) As per policy in respect of mortgaged properties, the Auction Purchaser has to make the payment within 3 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. compounded on monthly basis. The possession of the unit is handed over to the Auction Purchaser after receipt of full amount of bid.

h) The Corporation has introduced new settlement policies namely, "The Policy for Compromise Settlement of Chronic Non-Performing Assets (Doubtful Loan Accounts) of Haryana Financial Corporation-2021" and "The Policy for Compromise Settlement of Loss Accounts of Haryana Financial Corporation-2021" in the financial year 2021-22 which were valid upto 31.03.22 to reduce NPAs/written off portfolios. There is no settlement policy for settlement of NPA's now.

i) Retirement Benefits

Gratuity to Staff is covered under the Group Gratuity Scheme of Life Insurance Corporation of India and Leave Encashment to staff is covered under the Group Leave Encashment Scheme of Life Insurance Corporation of India.

Post employment and other long term employee benefits viz. Contribution to Gratuity, Leave Encashment etc. are recognized as an expense in the Profit & Loss account in which the employee has been rendered services. The expense is recognized at the present value of the amount payable determining using actuarial valuation. Actuarial gains and losses in respect of post employment and other long-term benefits are charged to profit and loss account.

The basis of actuarial valuation for Gratuity and Leave Encashment considered by LIC are as under:

VALUATION METHOD	Projected Unit Credit Method
ACTUARIAL ASSUMPTIONS	
Mortality Rate	LIC (2006-08) ultimate
Withdrawal Rate	1% to 3% depending on age
Discount Rate	7% p.a.
Salary Escalation	7%



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.

j Asset Classification and Provisioning

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

Standard Assets

Asset Classification	Age of Default for Principal and/or Interest (in months)	Provisioning on Loans Outstanding (%age)
Standard	0 - 3	0.25
Standard Upgraded A/c and Restructured A/c	0 - 3	5.00

Non-Performing Assets

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

k Investments

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' & 'H')

iii) The provisioning has been made without giving the effect of the amount lying in the Sundry Deposits under Schedule-'C' – Other Current Liabilities.

B. NOTES ON ACCOUNTS

A 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 31.03.24 the amount payable is Rs.1.19 lakh (shown in Schedule 'C' - Other Current Liability) and fund value lying with LIC towards above gratuity fund is Rs.1,27,36,011/-..

Leave Encashment to staff is covered under the Group Leave Encashment Scheme of Life Insurance Corporation of India (LIC). As per books of accounts total liability towards Leave Encashment at the end of year is Rs.1,62,89,565/- shown in Schedule 'C' - Other Current Liability. Against this liability the fund size of Leave Encashment Policy with LIC is Rs.1,47,49,977/- shown in Schedule 'J' – Other Current Assets. The balance amount payable to LIC comes to Rs.15,39,588/- (Rs.1,62,89,565/- – Rs.1,47,49,977/-) As per actuarial valuation of LIC the amount payable to LIC at the end of the year is Rs.15,39,588/-.



The detail of fund size with LIC is as under :

(Amount in Rs.)

1. Opening fund balance with LIC	13790290
2. Earnings credited by LIC	995732
3. Payment made to LIC	1366061
4. Claims received from LIC	1320600
5. Fund management expenses	81506
6. Closing fund balance with LIC (1+2+3-4-5)	14749977

At the time of retirement, the Corporation is paying Leave Encashment maximum upto 10 months of salary (last pay drawn plus applicable DA). Similarly Gratuity is also paid maximum upto 16.5 months to other staff (17.5 months in case of class IV employees) of salary (last pay drawn plus applicable DA).

The basis of actuarial valuation for Gratuity and Leave Encashment considered by LIC are as under:

VALUATION METHOD	Projected Unit Credit Method
ACTUARIAL ASSUMPTIONS	
Mortality Rate	LIC(2006-08) ultimate
Withdrawal Rate	1% to 3% depending on age
Discount Rate	7.25% p.a.
Salary Escalation	7%

- 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.

b) Contingent liabilities

- 1 Liability in respect of units disposed off but in dispute - amount indeterminate.
- 2 Bank Guarantee earlier issued is not acknowledged as debt- Rs. 20,47,820/-
3. The contingent liabilities in respect of claims lodged against the Corporation by ex-employees/pensioners (11 cases) are to the extent of Rs.1348.44 lakh (approx.) not acknowledged. In addition to above there are 16 court cases/appeals filed by the employees/ex-employees/pensioners against which amount is indeterminate.

Further, there is contingent liability amounting to Rs.125.88 lakh in respect of claims lodged by Loanees/ Auction purchasers. The corporation is generally unable to reasonably estimate possible loss for proceedings or disputes other than estimated, including where parties have not claimed an amount of damages. There is uncertainty as to the outcome of pending appeals or legal cases pending at any stage.

A sum of Rs.224.08 lakh Shown in Other Assets Schedule 'J' – Other Current Assets' deposited with Income Tax Department against demand for Financial Years 1980-81 to 1982-83 and the Corporation has filed appeals before Hon'ble High Court against the orders of Income Tax department. Since the matter is sub-judice, no provision against this amount has been provided in the books of accounts.

The Income Tax Department has raised demand of Rs.5897 lakh u/s 271(1)(c) and 147 r.w.s. 144 in respect of assessment year 2013-14, 2014-15 and 2015-16. The Corporation has filed appeals against these demands and the same are pending with CIT(A)/ITAT. During the year the Corporation



has deposited a sum of Rs. 40.00 lakh and Income Tax department adjusted Income Tax refund of Rs.85.75 lakh of FY 2021-22 and FY 2022-23 against the above demand.

4. The sale tax assessment for the financial year 2007-08 was also completed and an additional demand of Rs. 60.01 lakh was raised. The Corporation filed appeal before the Court of Jt. ETC(A), Ambala against the above demand. The case was remanded back to Assessing Authority, Panchkula for fresh decision vide orders dt.19.03.2013 of appellate authority. The fresh decision of sale tax department is still awaited. The Sale Tax number was surrendered on 05.12.2014 and the sale tax returns were filed till FY 2014-15 and no assessment is pending.
- c) The Corporation has recommended to the State Government for its winding up/liquidation u/s 45 of SFCs Act 1951. The State Govt. has appointed Managing Director HSIIDC as Nodal Officer for completing the formalities of winding up.

The Board of Directors of the Corporation in its meeting held on 22.07.2019 had constituted a Committee under the chairmanship of the Director of Industries & Commerce, Haryana to give its recommendations regarding steps/ modalities regarding winding up of the Corporation considering legal/ financial aspect and to give detailed modalities/ steps for liquidating all the assets (including loan assets) and liabilities (including court cases) of the Corporation. A total of three meetings of the Committee were held on 17.09.2019, 26.09.2019 & 14.10.2019.

The Board of Directors of the Corporation in its meeting held on 11.02.2022 reconstituted the Committee for winding up as under :

1. Managing Director, HSIIDC	Chairman
2. Director of I&C, Haryana	Member
3. Nominee from Finance Deptt., Haryana	Member

First meeting of Winding up Committee was held on 16.12.2022 at 12.30 P.M. in the Office of MD, HSIIDC, Sector- 6, Panchkula under the Chairmanship of MD, HSIIDC.

The State Govt., Haryana (being Promoter) has decided to delist the shares of the Corporation from BSE. In furtherance to that, a request for relaxation from detailed procedure of delisting pursuant to Regulation 42 of SEBI (Delisting of Equity Shares) Regulations, 2021 has been filed by Industries Deptt., Haryana with SEBI vide Letter dated 11.02.2022 which has been accepted by SEBI vide letter dt.27.09.2023 subject to fulfillment of certain conditions.

In furtherance to the decision of the Board in its 359th Meeting held on 16.02.2024; HSIIDC has appointed M/s VC Corporate Advisor, Kolkata, as Merchant Banker for the purpose of delisting of shares of Haryana Financial Corporation from BSE Ltd. as per the direction of the SEBI.

Further, the Board of Directors in its 359th meeting held on 16.02.2024 resolved to constitute a Committee of Directors comprising of Smt. Radhika Singh, Joint Secy/Finance, Shri Piyush Bhargava, GM/SIDBI, Shri M.K. Chopra and Managing Directors/HFC for finalizing the modalities for determination of the price of shares as well as the valuation of the Assets of the Corporation, as per the advice of the Merchant Banker appointed for delisting of the shares of the Corporation.

- 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 asset/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) The value of primary and collateral securities of all the Loan & Advances as on the date of the balance sheet is not re-assessed. However, adequate provision against non-performing assets (NPAs) has been made in the books of accounts as on 31.03.2024 as per the provisioning norms of SIDBI.



- f. 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	0.00	0.00	0.00	0.00	0.00
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	0.00	0.00	0.00	0.00	0.00
Doubtful Assets I	0.00	0.00	0.00	0.00	0.00
II	0.00	0.00	0.00	0.00	0.00
III (Including Adhoc Limit)	672.89	672.89	665.04	665.04	7.85
Loss Assets	62.20	62.20	62.20	62.20	0.00
Total	735.09	735.09	727.24	727.24	7.85

Provisioning of Rs.7.85 lakh has been made against Non-performing/Loss loan assets provided during the year and shown in Schedule 'D'- Provisions

- g. 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.423.17 lakh upto 31.03.2024 against which the Corporation has already made provision of Rs. 419.91 lakh upto 31.03.2023 and provision of Rs. 3.26 lakh has been made during the year as shown in Schedule 'D'- Provisions
- h. The State Government has appointed Corporation as agent for disbursement of its various subsidies, seed money and agency loans. Unutilized amount of Rs.23.28 lakh against various subsidies and balance amount of Seed Money Agency/RIS amounting to Rs.87.31 lakh has been shown under the sub head "(b) (1) & (2) State Govt. Funds (As an Agency)" of Schedule 'C' – Other Current Liabilities.
- i. Sundry Deposits under Schedule 'C' – Other Current Liabilities amounting to Rs.1120.38 lakh includes a sum of Rs.1066.10 lakh in case of M/s Surendera Enterprises Pvt. Ltd., Rewari a joint financing case with Haryana State Industrial and Infrastructure Development Corporation Ltd. (HSI IDC). The unit was auctioned for Rs.1095 lakh on 14.06.2012 to M/s Balaji Enterprises (AP) on deferred payment basis. Out of sale amount of Rs.1095 lakh, down payment of Rs. 273.75 lakh i.e. 25% received from auction purchaser (AP) and a new loan account of Rs. 821.25 lakh (75% of auction price) in the name of the AP under the head Loans and Advances was opened. The AP paid a sum of Rs.678.20 lakh (including interest and down payment) 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, the AP filed a suit against the Corporation in the Court of Civil Judge (JD), Rewari. The AP also raised the issue of shortage of land area. The suit of the AP was dismissed vide orders dated 04.07.2018. Now as per orders dt.18.08.2021 of Hon'ble Supreme Court of India, the case titled Balaji Enterprises V/s HFC has been restored to its original number in Distt. Court Rewari and is pending. Keeping in view the above circumstances, the proper accounting entries are yet to be passed and amount is still kept in Sundry Deposit A/c. Further, out of Rs.1095 lakh, a sum of Rs. 28.90 lakh was paid to HSI IDC being a joint financing case and the balance amount of Rs.1066.10 lakh is kept in sundry.



- j. Earnest Money amounting to Rs.1,82,82,250/- (in three cases Rs.1,00,50,000/- + Rs.74,16,250 +Rs.8,16,000/-) shown under Schedule 'C' – Other Current Liabilities is the amount of earnest money received against e-auction of primary security held on 14.11.2019 in case of M/s Devi Dayal Castings Pvt. Ltd., Gurgaon. Principal and Misc. expenses outstanding in this case have been prudentially written off in financial year 2014 -15 with retaining the Recovery rights. The borrower has filed a contempt petition in the Hon'ble Supreme Court and also a stay application against e-auction. Vide orders dt.13.12.19, the Hon'ble Supreme Court of India has directed the Corporation not to take any coercive steps and the matter is pending in Hon'ble Supreme Court.

During the current financial year the Corporation has auctioned its building at Karnal for Rs.297 lakh. The auction purchaser has deposited 25% of the auctioned amount i.e Rs.74 lakh and the same is kept in Earnest Money account. The Corporation has also auctioned collateral security in case of M/s Panj Rattan Food, Sirsa situated at Sardulgarh, Distt. Mansa, Punjab for Rs. 33 lakh. Auction purchaser has deposited 25% of auctioned amount i.e Rs. 8 lakh which is kept in Earnest Money Account.

- k. Borrowers' Imprest amounting to Rs.10,42,950/- shown under Schedule 'C' – Other Current 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.

- l. Claims Recoverable under Schedule 'J'- Other Current Assets amounting to Rs.40,64,093/-, includes a sum of Rs.22,09,712/- recoverable in case of M/s S.K.Wood Products, Yamuna Nagar. 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 23.08.07 and credited to the loan account of the loanee. 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 the Hon'ble Court directed the Corporation to refund the amount along with interest. Accordingly the Corporation refunded a sum of Rs.38,01,285/- including interest 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 filed a case against the Corporation which was decided in favour of auction purchaser. An appeal was filed against the above orders before the higher Court and same has been decided on 10.08.2023 in favour of the Corporation. Now the recoverable amount in the above case is Rs.22,09,712/- including Rs. 8,427/- debited subsequently towards expenses. The unit will be put to auction after taking legal opinion from the advocate.

Brief detail of Claims Recoverable is as under :

S.No.	Amt. (Rs.)	Particulars
1	2209712	As per detail given above in c/o S.K.Wood
2	1022546	Provision made shown in Schedule 'D'- Provisions.
3	241458	Recoverable from HSIIDC against resumption of Plots at Sonipat.
4	567010	Recoverable from HSIIDC against settlement in c/o Bruno santé
5	23367	Recoverable from M/s Reliance Bulk Drugs
Total	4064093	

- 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 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. As the purchases are of meager amount, no separate physical verification is being done by the Corporation.

n. The Corporate building of the Corporation at Panchkula was leased out to UHBVN, Panchkula in the financial year 2008-09. UHBVN, Panchkula shifted to its own premises and vacated the office building in the month of October, 2022. The Corporation leased out the Conference Room at First Floor, and complete 2nd and 3rd Floor of the said building to Haryana Parivar Pehchan Authority, Panchkula (HPPA) at a monthly rent of Rs.15,08,792/- plus GST extra w.e.f. December, 2022. The Corporation has issued demand of the rent from December, 2022 to December, 2023 amounting to Rs.2,31,44,873/- (Rs.1,96,14,296/- plus Rs.35,30,579/- as GST shown under the head Rent and GST due but not received in Schedule 'J'- Other Current Assets) from HPPA, Panchkula. But no amount has been received from HPPA so far. The Corporation has shown above amount as rental income in the books of accounts of financial year 2023 - 24 as rent due but not received. The Corporation has already deposited GST amounting to Rs. 35,30,579/- with the GST Authorities as it was a statutory liability of the Corporation and would have attracted penalty from the GST Authorities.

o. The Board of Directors of the Corporation, in the year 2011 decided to transfer the Corporate Building to Haryana State Industrial Infrastructure Development Corporation (HSIIDC) at a price of Rs. 2750.88 lakh. This decision has been duly approved by the state government vide letter dated 13/ 05/2013.

The Corporation had previously received an advance amounting to Rs 2224.45 lakh upto 31st March, 2015. Now during the current financial year (2023 - 24), the HSIIDC transferred the balance amount of Rs. 498.92 lakh after deducting TDS of Rs.27.51 lakh at the rate of 1% as per Provisions of Income Tax Act during the current year.

The corporation has handed over physical possession of the property i.e Land & Building to HSIIDC on 03.01.2024 after receipt of full amount and has been accounted for as Sale of Land & Building in the books of account, resulting in a profit of Rs 2642.56 lakhs during the current year. The Corporation has deposited capital gain tax of Rs. 164.51 lakh with the income Tax Department.

Although a letter has been issued to HSIIDC on 1st March 2024, but Sale deed is yet to be executed for the same.

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

		F.Y. 2023-24	
1	Capital	(Rs. in lakh)	
	a) CRAR %		78.26%
	b) The amount of subordinated debt raised and outstanding as Tier - II capital		---
	c) Risk Weighted Assets		
	i. On Balance Sheet items		19728.10
	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) Amount of provision made during the year		
	i. Provision for NPAs		7.85
	ii. Provision for Investments		3.26
	Total		<u>11.11</u>



3. Operating Results

f) Interest income as a percentage to average working funds	1.35 %
g) Non-interest income as a percentage to average working funds	14.74 %
h) Net Profit/(Loss) as a percentage to Average Working Funds	12.96 %
i) Net Profit/(Loss) per employee	Rs. 158.98 lakh

4. Earning per Share

(Amount in Rs.)

a) Profit/(Loss) after Tax			254,369,380
b) Weighted Average of Common Stock	No.	Period Outstanding (days)	Weighted Average
Shares outstanding as on 31.03.2024	207658100	365	207658100
Profit/(Loss) Per Share (a/b)			1.22

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

q. 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.

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

Richa Garg
Chief Financial Officer

Harnam Singh Rana
Company Secretary

Sanjay Garg
General Manager

Sushil Sarwan, IAS
Managing Director



Vaibhav Garg
FCA (Partner)
Membership No. 515718
Firm Regd. No. 06573N

Place : Chandigarh

Dated : 30th May, 2024

UDIN : 24515718BKAITU6450

Annexure to Schedule - 'F' & 'H'



Statement Showing Particulars of Investments in shares as on 31st March, 2024

(Amount in Rs.)

S.No.	Name of the Company	Face value	Cost per Share	Value per Share	No. of Shares	Cost	Value
----- as on 31.3.2024-----							
(I) Non-current Investments							
1.	Haryana Power Generation Corp. Ltd.	1000.00	1000.00	1000.00	1450000	1450000000	1450000000
(II) Current Investments : 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 Polyester 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 Polyester 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	3534.00	800	80000	2827200
	Total (ii)				1190080	14704920	2827205
	Total (II) (Un-quoted investments (i + ii))				3777186	45144180	2827216
III) Total Current Investments (Quoted + Unquoted)							
					3777186	45144180	2827216
Total Investments (I + II + III)							
					5227186	1495144180	1452827216
					COST	1495144180	
					VALUE	1452827216	
					DIMINUTION	42316964	

Note : (*) Value of share has been determined on the basis of balance sheet as on 31st March, 2023.
(Capital+Reserve-deferred tax i.e. (10+391.32-47.96)*10 lakh)

HARYANA FINANCIAL CORPORATION, CHANDIGARH
CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.23 TO 31.03.24



Amount (Rs.)

	FY 2023-24	FY 2022-23
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before income tax & provisioning	271,861,774	4,907,169
Add :		
Depreciation	1,26,369	1,260,893
Increase/(decrease) in Current Liabilities		
Gratuity	(559,451)	678,748
Leave	1,284,402	364,209
Earnest Money	8,232,250	0
Borrowers Imprest	(989,700)	(1,546,896)
Security Deposits	(6,900,000)	0
Advance for sale of property	(222,445,297)	0
Sundry Deposits	(7,083,670)	(647,630)
Stale Cheques	0	(21,465)
Tax payable	(52,065)	(245,032)
Provision against expenses payable	214,881	(1,699,501)
State Subsidy	(320,276)	0
Increase/(decrease) in Loans and Advances (Assets)	(784,632)	(873,494)
Increase/(decrease) in Current Assets		
Staff Advances	600	4,000
Advance Income Tax, TDS	(20,780,681)	1,653,551
Claim Recoverable	1,192,543	(754,863)
Interest Accrued but not due	(2,648,224)	(398,960)
Rent due but not received	(14,144,394)	(9,000,479)
Funds with LIC - Staff Leave Encashment	(959,687)	850,664
Sundry Advances	28,438	(4,501)
Security Deposits	1,390	(78,085)
Less :		
Profit on Sale of Shares	264,256,301	0
Other Income :		
Rent	13,579,128	26,210,369
Dividend on investments	18,000	20,000
Misc. Income	1,017,369	5,950
Interest on deposits/staff advances & I.Tax refund	23,021,811	17,941,273
Net cash from operating Activities (A)	(32,361,738)	(49,729,264)



Amount (Rs.)

CASH FLOW FROM INVESTMENTS ACTIVITIES		
Purchase of fixed Assets	0	(3,660)
Sale of fixed assets and profit	10,844,399	407,000
Dividend on investments	18,000	20,000
Net cash from Investment Activities (B)	10,862,399	423,340
CASH FLOW FROM FINANCING/OTHER ACTIVITIES		
Rental Income	13,579,128	26,210,369
Misc. Income	1,017,369	5,950
Interest on deposits/staff advances & I.Tax refund	23,021,811	17,941,273
Net cash from Other Cash Flows (C)	37,618,308	44,157,592
Net cash flows (A+B+C)	16,118,969	(5,148,332)
Net increase/(decrease) in cash and cash equivalents	16,118,969	(5,148,332)
Cash and Cash equivalents at the beginning of the year	294,975,344	300,123,676
Cash and Cash equivalents at the end of the year	311,094,313	294,975,344

Richa Garg
Chief Financial Officer

Harnam Singh Rana
Company Secretary

Sanjay Garg
General Manager

Sushil Sarwan, IAS
Managing Director



Vaibhav Garg
FCA (Partner)

Membership No. 515718
Firm Regd. No. 06573N

UDIN : 24515718BKAITU6450

Place : Chandigarh

Dated : 30th May, 2024

 <p>सम्बन्धित जयते (शैलेन्द्र विक्रम सिंह) (आई.ए.एस.)</p>	<p>प्रधान खातेपालक (लेखाधीन) हरियाणा प्लॉट नं. 5, सेक्टर 33 - दक्षिण मार्ग, चण्डीगढ़ - 160020</p> <p>THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT) HARYANA, PLOT NO.5, SECTOR 33-B, DAKSHIN MARG, CHANDIGARH-160020</p> <p>No AMG-IV/Section-III/BS-HFC/2023-24/2024-25/378 दिनांक 20-09-2024</p>	
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मे राज्य वित्तिय निगम एक्ट 1951 की धारा 37 (6) के अन्तर्गत हरियाणा वित्तिय निगम की 31 मार्च 2024 को समाप्त हुए वर्ष का प्रतिवेदन एवं प्रबन्धन पत्र संलग्न करता हूँ। जैसा कि एक्ट की धारा 37(7) में अपेक्षित है, कृपया प्रतिवेदन को राज्य विधान सभा में प्रस्तुत करें तथा प्रस्तुति की तारीख से इस कार्यालय को यथाशीघ्र अवगत करवायें।

संलग्न: उपरोक्त

आपका शुभेच्छु,



(शैलेन्द्र विक्रम सिंह)


श्री अरुण कुमार गुप्ता (आई.ए.एस.)
अतिरिक्त मुख्य सचिव
उद्योग एवं वाणिज्य विभाग, हरियाणा सरकार
चण्डीगढ़।




No. AMG-IV/Section-III/BS-HFC/2023-24/2024-25/

dated :- 20-09-2024

प्रतिवेदन की प्रति निम्नलिखित को सूचनाार्थ एवं आवश्यक कार्यावाही हेतु प्रेषित है।

- 1 अतिरिक्त मुख्य सचिव, वित्त विभाग, हरियाणा सरकार, चण्डीगढ़।
- 2 निदेशक, उद्योग एवं वाणिज्य विभाग, हरियाणा सरकार, चण्डीगढ़।
- 3 प्रबन्ध निदेशक, हरियाणा वित्तीय निगम, 30 ब्लॉक, सेक्टर 17 सी, चण्डीगढ़।


व. उपमहालेखापाल
(AMG-IV)

SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE FINANCIAL STATEMENTS OF HARYANA FINANCIAL CORPORATION FOR THE YEAR ENDED 31 MARCH 2024.

The preparation of the financial statements of Haryana Financial Corporation (Corporation) for the year ended 31 March 2024, in accordance with financial reporting framework prescribed under the State Financial Corporation Act, 1951 and the generally accepted accounting principles is the responsibility of the management of the Corporation. The Statutory Auditors appointed by the Corporation in the Annual General Meeting of the shareholders, out of panel of Auditors, approved by the Reserve Bank of India under Section 37(1) of the State Financial Corporation Act, 1951 are responsible for expressing an opinion on these financial statements based on independent auditing in accordance with the Standards on Auditing prescribed by the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 30 May 2024.

This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with best accounting practices, Accounting Standards and disclosures norms etc. Audit observations on financial transactions with regard to compliance with the law, rules and regulations (propriety and regularity) and efficiency cum-performance aspects etc., if any, are reported through Inspection Reports/ CAG's Audit Reports separately.

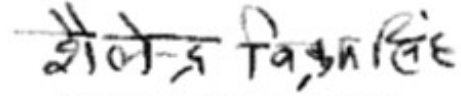
We, on behalf of the Comptroller & Auditor General of India, have conducted the audit of financial Statements of the above said Corporation for the year ended 31st March 2024 under Section 37(6) of the State Financial Corporations Act, 1951. This audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and the corporation's personnel and a selective examination of some of the accounting records. Based on our audit,

nothing significant has come to our attention to report upon the Financial Statements and the related Audit Report issued by the Statutory Auditors.

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

Place: Chandigarh

Date: 20.09.2024



**(Shailendra Vikram Singh)
Principal Accountant General (Audit)
Haryana**



**HARYANA FINANCIAL CORPORATION
CHANDIGARH**

PROXY FORM

(Vide General Regulation 58)

I/We _____

Resident of _____

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

appoint Sh. _____ of _____

(or failing him Sh. _____ of _____

_____) as my / our proxy to vote for me/us and on my/our behalf at the **57th**

Annual General Meeting of Shareholders of the Corporation to be held 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 at

11.30 a.m. on Monday, the 30th December, 2024 or at any adjournment thereof.

Dated this _____ day of _____ 2024.

Affix Re 1/-
Revenue Stamp

Signature of Shareholder(s)

Specimen Signature of Proxy holder(s)

Folio No. _____

For Office use Only

No. of Shares

No. of Votes

Denoting Nos.

Class of Shareholders



**HARYANA FINANCIAL CORPORATION
CHANDIGARH**

**SPECIMEN OF AUTHORISATION FORM
(Applicable to Institutions & Companies)**

Resolved that Shri _____

or failing him Shri _____

be and is hereby appointed to act as DULY AUTHORISED REPRESENTATIVE OF _____

_____ Folio No. _____

to exercise voting rights and other powers on its behalf at the **57th Annual General Meeting** of the Shareholders of the Haryana Financial Corporation be held in the Committee Room of The Haryana State Cooperative Apex Bank Ltd. (HARCO Bank), 1st Floor, SCO 78-80, Bank Square, Sector 17B, Chandigarh at **11.30 a.m. on Monday, the 30th December, 2024** or at any adjournment thereof.

CHAIRMAN

CHAIRMAN'S CERTIFICATE

Certified that the above is true copy of the resolution passed at the duly convened meeting of the Directors of the

Company _____

held on _____ at _____

The undersigned was the Chairman of the said meeting.

Signature of the Chairman
(Rubber Stamp of the Company)

Specimen Signature of Authorised person(s)



HARYANA FINANCIAL CORPORATION CHANDIGARH

FORM FOR ATTENDANCE/IDENTIFICATION AND FOR DETERMINING THE VOTING RIGHTS OF SHAREHOLDERS (FOR 57th AGM for the FY 2023-2024)

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

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

Note : To be entitled to vote, a shareholder must have been registered as a shareholder for a period of not less than 90 days prior to the date of a General Meeting.

6. Number of votes to which he is entitled _____
- 7)
 - i) Attending in person
 - ii) Attending through a proxy.
 - iii) Attending through a duly authorised representative

Place _____

Date _____

Signature

Folio No.

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)

BOOK - POST

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