



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

Auditor's Certificate (F.Y.2024-25)

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 31st March, 2025 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:

- The operations of Haryana Financial Corporation have been conducted in accordance with provisions of the SFCs Act, 1951.
- The income recognition, asset classification and provisioning have been done as per the guidelines issued by SIDBI from time to time.
- The investment of surplus fund is made in accordance with the prudential norms laid down by the Board of Directors.
- Authentication of Calculation 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- para B (r))
- The corporation has no Govt. guarantee outstanding as on 31.03.2025 as the account with SIDBI has already been settled.
- 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.
- 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 : 21-05-2025



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

Vaibhav Garg
Vaibhav Garg
Partner

M.No.515718

UDIN-25515718BMJJOS2292



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INDEPENDENT AUDITORS' REPORT

The Members,
Haryana Financial Corporation
Chandigarh

Report on the Financial Statements

We have audited the accompanying financial statements of **Haryana Financial Corporation (HFC)**, which comprise of the **Balance Sheet as at 31st March, 2025** 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 there under, 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.





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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 Accounts) 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 (2) regarding Liability in respect of claim lodged against the corporation by ex-employees/pensioners to the extent of Rs.1357.22 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.89.32 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 year) 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 (m) of Schedule -'Q' (Notes on Accounts) which discloses that the corporation has maintained Fixed Assets Purchase 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.





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- d) Note no. B (p) 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 and the sale & profit has already been accounted for in the previous year, however sale deed in regard to same is yet to be executed.
- e) Note no. B (q) of Schedule '-Q' (Notes on Accounts) which discloses that the Paid-up share capital of the Corporation includes State Govt. Share Capital of Rs.202.01 crores, whereas the Share Capital of State Govt. as per Finance Accounts is mentioned as Rs.204.22 crores, resulting difference of Rs.2.21 crores and the same is subject to reconciliation.

Our opinion is not modified in respect of these matters.

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 conclusion 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 winding up purpose and the committee is now reconstituted under the 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. The Merchant Banker has been appointed for the purpose of delisting of shares from BSE Ltd. as per Directions of the SEBI.





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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, 2025.
- In the case of the Statement of Profit & Loss Account, of the Loss of the Corporation 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 per Part B of 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.

Place : Chandigarh
Date : 21-05-2025

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



Vaibhav Garg
Vaibhav Garg
Partner

M.No.515718
UDIN-25515718BMJJOS2292

HARYANA FINANCIAL CORPORATION, CHANDIGARH
BALANCE SHEET AS ON 31ST MARCH, 2025

As at 31.03.2024

Particulars

As at 31.03.2025

(Amount in Rs.)

A EQUITY AND LIABILITIES

Schedule

(Amount in Rs.)

1 Shareholders' funds

2,07,65,81,000

a) Share capital

A

2,07,65,81,000

16,58,26,950

b) Reserve Fund and Other Reserves

B

16,58,26,950

2 Current liabilities

21,54,37,904

a) Other current liabilities

C

20,93,72,867

11,68,48,599

b) Provisions

D

11,73,40,956

2,57,46,94,453

Total

2,56,91,21,773

B ASSETS

1 Non-current assets

59,17,658

a) Fixed Assets

E

52,47,812

1,45,00,00,000

b) Non-current investments

F

1,45,00,00,000

7,35,09,089

2 Loans and Advances

G

7,41,37,446

3 Current assets

4,51,44,180

a) Current investments - Shares

H

4,51,44,180

29,75,00,000

b) Current investments - Fixed Deposits

H

29,57,49,321

1,35,94,313

c) Cash and bank balances

I

1,72,94,642

9,01,99,684

d) Other current assets

J

8,26,14,368

59,88,29,529

4 Profit and Loss Account balance

K

59,89,34,004

2,57,46,94,453

Total

2,56,91,21,773

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



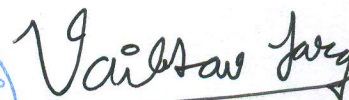
Sushil Sarwan, IAS
Managing Director

In terms of our separate report of even date attached
For Prem Ravinder & Co.
Chartered Accountants

Place : Chandigarh

Dated : 21-05-2025





Vaibhav Garg
FCA (Partner)

Membership No. 515718

Firm Regd. No. 06573N

UDIN-25515718BMJTJOS2292


HARYANA FINANCIAL CORPORATION, CHANDIGARH
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2025


For the year ended 31.03.2024 (Amount in Rs.)	INCOME	Schedule	For the year ended 31.03.2025 (Amount in Rs.)
1,37,06,006	Revenue from operations	L	41,57,907
30,18,92,609	Other income	M	5,34,90,522
<u>31,55,98,615</u>	Total Revenue		<u>5,76,48,429</u>
	OPERATIONAL EXPENDITURE		
4,09,416	Other Financial & Misc. Expenses	N	3,99,332
3,73,92,555	Employees Benefit Expenses	O	4,95,82,163
55,20,155	Administrative Expenses	P	64,15,114
1,26,369	Depreciation	E	1,07,698
2,88,346	Bad Debts Written Off		0
<u>4,37,36,841</u>	Total Expenditure		<u>5,65,04,307</u>
<u>27,18,61,774</u>	Profit/(Loss) before provisioning		<u>11,44,122</u>
69,518	Add : Provision Against Claims Recoverable Written Back		0
0	: Provision Against Investments Written Back		1,36,000
3,26,400	Less : Provision Against Investments		0
7,84,632	: Provision Against NPAs Loans Assets		6,28,357
1,64,50,880	: Provision for Income Tax		0
0	: Provision for Income Tax - FY 2023-24		7,56,240
<u>27,08,20,260</u>	Net Profit/(Loss)		<u>(1,04,475)</u>
	Notes on Accounts	Q	
1.30	Earning per shares		0.00

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

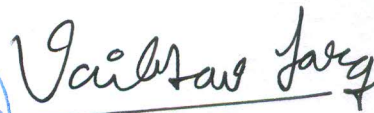

Sushil Sarwan, IAS
Managing Director

In terms of our separate report of even date attached
For Prem Ravinder & Co.
Chartered Accountants

Place : Chandigarh

Dated : 21-05-2025




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

As at 31.03.2024 Amount (Rs.)	Schedule 'A' - Share Capital	As at 31.03.2025 Amount (Rs.)
<u>3,00,00,00,000</u>	Authorised 300,000,000 equity shares of Rs. 10/- each.	<u>3,00,00,00,000</u>
	Issued And Subscribed	
2,11,06,55,000	a) 211,065,500 (Previous year 211,065,500) equity shares of Rs.10/-each issued under section 4 of SFCs' Act, 1951.	2,11,06,55,000
<u>62,66,000</u>	b) 626,600 shares of Rs.10/- each issued under section 4A (1) of the SFCs' Act, 1951 as special class of shares.	<u>62,66,000</u>
2,11,69,21,000		2,11,69,21,000
	Paid-Up	
2,11,69,21,000	Issued and Subscribed	2,11,69,21,000
<u>4,03,40,000</u>	Less : Amount forfeited - 4,034,000 equity shares of Rs.10 each	<u>4,03,40,000</u>
<u>2,07,65,81,000</u>	Balance 207,658,100 (Previous year 207,658,100) shares of Rs.10 eac	<u>2,07,65,81,000</u>
2,07,03,15,000	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	2,07,03,15,000
<u>62,66,000</u>	b) 626,600 Shares of Rs.10/- each issued under section 4A (1) of the SFCs' Act, 1951 as special class of shares.	<u>62,66,000</u>
<u>2,07,65,81,000</u>	Total	<u>2,07,65,81,000</u>

As at 31.03.2024 Amount (Rs.)	Schedule 'B' - Reserve Fund and Other Reserves	As at 31.03.2025 Amount (Rs.)
	a) Special Reserve for the purpose of Section 36(1)(viii) of the Income Tax Act, 1961	
17,85,67,013	Gross amount	17,85,67,013
<u>16,68,00,000</u>	Less: Utilised towards provisioning for NPAs in earlier years.	<u>16,68,00,000</u>
1,17,67,013		1,17,67,013
10,55,10,000	b) Share Premium	10,55,10,000
2,50,00,000	c) Special Reserve Fund (Section 35A of SFCs' Act)	2,50,00,000
5,73,937	d) Reserve under clause 91(vii) of General Regulation of HFC	5,73,937
<u>2,29,76,000</u>	e) Shares forfeiture Reserve	<u>2,29,76,000</u>
<u>16,58,26,950</u>	Total	<u>16,58,26,950</u>

As at 31.03.2024 Amount (Rs.)	Schedule 'C' - Other Current Liabilities	As at 31.03.2025 Amount (Rs.)
	a) Other liabilities	
5,51,96,622	Dividend Payable	5,51,96,622
1,19,297	Provision against Gratuity	11,03,903
1,62,89,565	Provision against Leave Encashment	1,65,70,207
11,20,38,168	Sundry Deposits	11,22,49,874
1,82,82,250	Earnest Money	1,00,50,000
10,42,950	Borrowers' Imprest	10,42,950
59,957	GST payable	0
13,50,809	Provision against expenses payable	21,01,025
	b) State Government Funds (As An Agency)	
	1) Subsidies :	
97,160	Credit Linked Capital Subsidy	97,160
22,30,500	State Subsidy	22,30,500
<u>87,30,626</u>		<u>23,27,660</u>
<u>21,54,37,904</u>	2) Balance Amount - Seed Money Agency/RIS	<u>87,30,626</u>
	Total	<u>20,93,72,867</u>



