

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, 2026** 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

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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

A. 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.1372.81 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.108.32 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.

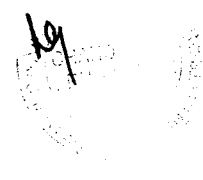
- c) Note no. B (g) of Schedule -'Q' (Notes on Accounts) which discloses the provision made for diminution in value of Investments (un-quoted Listed/unlisted) to the extent of Rs.4,18,44,084/- (net) including provision of Rs.4,50,64,164/- towards diminution in the value of equity investments (16 Companies) and considering value of Investment in HARDICON. (Refer Schedule -'D and H' and Annexure to Schedule H).
- d) Note no. B (1) 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 the purchases are of meager amount. However, verification of movable assets lying with the corporation, is subject to reconciliation.
- e) 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 and the sale & profit has already been accounted for in the financial year 2023-24, however sale deed in regard to same is yet to be executed.
- f) Note no. B (p) 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.

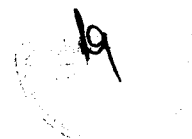
We draw attention to the Paragraph B (c) of Schedule -'Q' (Notes on Accounts) which discloses that the Corporation has recommended to the State Govt. for winding up/liquidation u/s 45 of SFCs Act, 1951. Further the State Govt. has appointed Managing Director HSIIDC as Nodal Officer for completing the 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. 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. As advised by the Merchant Banker, Registered Valuer was appointed and the valuer has submitted the valuation report and the same is under consideration.

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 :

- a) In the case of the Balance Sheet, of the state of affairs of the Corporation as at 31st March, 2026.
- b) In the case of the Statement of Profit & Loss Account, of the Profit of the Corporation for the year ended on that date, and
- c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.



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 :

- a) 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.
- b) 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.
- c) 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.
- d) In our opinion the aforesaid Balance Sheet, Statement of Profit & Loss and Cash Flow Statements comply with the Accounting Standards and guide lines issued by SIDBI for SFCs from time to time.
- e) The transactions of the Corporation that have come to our notice have been within the powers of the Corporation.

For **A A R S H & Associates**
Chartered Accountants
FRN: 024177N



Rachit Goyal
Partner

M.No.520418

UDIN- 26520418FHQFZE1675



Place : Chandigarh

Date : 29.05.2026

HARYANA FINANCIAL CORPORATION, CHANDIGARH

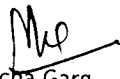
BALANCE SHEET AS ON 31ST MARCH, 2026

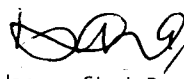
Particulars		As at 31.03.2026	As at 31.03.2025
	Schedule	(Amount in Rs.)	(Amount in Rs.)
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share capital	A	2,076,581,000	2,076,581,000
b) Reserve Fund and Other Reserves	B	165,826,950	165,826,950
Current liabilities			
a) Other current liabilities	C	142,770,512	209,372,867
b) Provisions	D	117,919,676	117,340,956
Total		2,503,098,138	2,569,121,773
ASSETS			
Non-current assets			
a) Fixed Assets	E	5,431,894	5,247,812
b) Non-current investments	F	1,450,000,000	1,450,000,000
Loans and Advances	G	75,053,046	74,137,446
Current assets			
a) Current investments - Shares	H	45,144,180	45,144,180
b) Current investments - Fixed Deposits	H	317,255,944	295,749,321
c) Cash and bank balances	I	14,922,860	17,294,642
d) Other current assets	J	73,720,866	82,614,368
Profit and Loss Account balance	K	521,569,348	598,934,004
Total		2,503,098,138	2,569,121,773

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

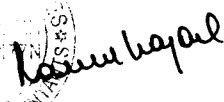
In terms of our separate report of even date attached
For AARSH & Associates
Chartered Accountants

Place : Chandigarh

Dated : 29.05.2026

UDIN : 26520418PHQFZE1675





Rachit Goyal
FCA (Partner)
Membership No. 520418
Firm Regd. No. 024177N

HARYANA FINANCIAL CORPORATION, CHANDIGARH
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2026

INCOME	Schedule	For the year ended 31.03.2026 (Amount in Rs.)	For the year ended 31.03.2025 (Amount in Rs.)
Revenue from operations	L	100,942,369	4,157,907
Other income	M	22,242,786	53,490,522
Total Revenue		123,185,155	57,648,429
OPERATIONAL EXPENDITURE			
Other Financial & Misc. Expenses	N	416,245	399,332
Employees Benefit Expenses	O	32,301,361	49,582,163
Administrative Expenses	P	5,872,781	6,415,114
Depreciation	E	151,392	107,698
Total Expenditure		38,741,779	56,504,307
Profit/(Loss) before provisioning		84,443,376	1,144,122
Add : Provision Against Claims Recoverable Written Back		0	0
Add : Provision Against Investments Written Back		336,880	136,000
Less : Provision Against Investments		0	0
: Provision Against NPAs Loans Assets		915,600	628,357
: Provision for Income Tax (Previous year)		0	756,240
: Provision for Income Tax - FY 2025-26		6,500,000	0
Net Profit/(Loss)		77,364,656	(104,475)
Notes on Accounts	Q		
Earning per shares		0.37	(0.00)

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


Richa Garg
Chief Financial Officer

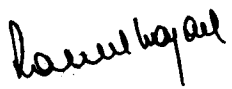

Harnam Singh Rana
Company Secretary


Sanjay Garg
General Manager


Sushil Sarwan, IAS
Managing Director

In terms of our separate report of even date attached
For AARSH & Associates
Chartered Accountants

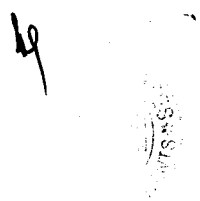
Place : Chandigarh
Dated : 29.05.2026
VDIN: 2652D418FHQFZE1675


Rachit Goyal
FCA (Partner)
Membership No. 520418
Firm Regd. No. 024177N

Schedule 'A' - Share Capital		As at 31.03.2026	As at 31.03.2025
		Amount (Rs.)	Amount (Rs.)
Authorised			
300,000,000 equity shares of Rs. 10/- each.		<u>3,000,000,000</u>	<u>3,000,000,000</u>
Issued And Subscribed			
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	2,110,655,000
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>
		2,116,921,000	2,116,921,000
Paid-Up			
Issued and Subscribed		2,116,921,000	2,116,921,000
Less : Amount forfeited - 4,034,000 equity shares of Rs.10 each		<u>40,340,000</u>	<u>40,340,000</u>
Balance 207,658,100 (Previous year 207,658,100) shares of Rs.10 each		<u>2,076,581,000</u>	<u>2,076,581,000</u>
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	2,070,315,000
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>
		2,076,581,000	2,076,581,000
Total		<u>2,076,581,000</u>	<u>2,076,581,000</u>

Schedule 'B' - Reserve Fund and Other Reserves		As at 31.03.2026	As at 31.03.2025
		Amount (Rs.)	Amount (Rs.)
Special Reserve for the purpose of Section 36(1)(viii) of the Income Tax Act, 1961			
Gross amount		178,567,013	178,567,013
Less: Utilised towards provisioning for NPAs in earlier years.		<u>166,800,000</u>	<u>166,800,000</u>
		11,767,013	11,767,013
Share Premium		105,510,000	105,510,000
Special Reserve Fund (Section 35A of SFCs' Act)		25,000,000	25,000,000
Reserve under clause 91(vii) of General Regulation of HFC		573,937	573,937
Shares forfeiture Reserve		<u>22,976,000</u>	<u>22,976,000</u>
Total		<u>165,826,950</u>	<u>165,826,950</u>

Schedule 'C' - Other Current Liabilities		As at 31.03.2026	As at 31.03.2025
		Amount (Rs.)	Amount (Rs.)
Other liabilities			
Dividend Payable		0	55,196,622
Provision against Gratuity		0	1,103,903
Provision against Leave Encashment		15,566,502	16,570,207
Sundry Deposits		112,227,346	112,249,874
Earnest Money		0	10,050,000
Borrowers' Imprest		1,028,950	1,042,950
GST payable		83,954	0
TDS on GST payable		331	0
Provision against expenses payable		2,805,143	2,101,025
State Government Funds (As An Agency)			
1) Subsidies :			
Credit Linked Capital Subsidy (SIDBI)		97,160	97,160
State Subsidy		2,230,500	2,230,500
2) Balance Amount - Seed Money Agency/RIS		<u>8,730,626</u>	<u>8,730,626</u>
Total		<u>142,770,512</u>	<u>209,372,867</u>



Schedule 'D' - Provisions

	As at 31.03.2026	As at 31.03.2025
	Amount (Rs.)	Amount (Rs.)
Provision for non-performing loan assets :		
Opening balance	74,137,446	73,509,089
Add : Provision during the year	<u>915,600</u>	<u>628,357</u>
	75,053,046	74,137,446
Provision against Claims Recoverable	1,022,546	1,022,546
Provision for diminuation in value of investments :		
Opening balance	42,180,964	42,316,964
Less: Excess provision provided in earlier years written back.	<u>336,880</u>	<u>136,000</u>
	41,844,084	42,180,964
Total	<u>117,919,676</u>	<u>117,340,956</u>

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Schedule 'E' - Fixed Assets

(Amount in Rs.)

Sr. No.	Particulars	WDV as on 01.04.2025 (1)	Assets put to use for more than (2)	less than 180 days (3)	Sold/ transferred during the year (4)	Liability written off	Value (5)	Rate of Dep. %age (6)	Total Depreciation during the year (7)	WDV as on 31.03.2026 (8)
A. Land & Building										
	1. Land (Freehold)	4,402,022	0	0	5,395		4,396,627	0	0	4,396,627
	2. Building - Office	363,224	0	0	0		363,224	10	36,323	326,901
	Total	4,765,246	0	0	5,395	0	4,759,851		36,323	4,723,528
B. Furniture & Fittings										
	1. Furniture	67,411	16,727	0	0		84,138	10	8,414	75,724
	2. Safes, Cabinets & Padlocks	64,523	0	0	0		64,523	10	6,452	58,071
	3. Electric Fittings	186,638	0	62,800	0		249,438	10	21,804	227,634
	Total	318,572	16,727	62,800	0	0	398,099		36,670	361,429
C. Plant & Machinery										
	1. Computers	6,124	0	261,342	0		267,466	40	54,718	212,748
	2. Staff Cars & Jeep	157,870	0	0	0		157,870	15	23,681	134,189
	Total	163,994	0	261,342	0	0	425,336		78,399	346,937
	Grand Total (A+B+C)	5,247,812	16,727	324,142	5,395	0	5,583,286		151,392	5,431,894
	Previous Year	5,917,658	5,395	0	567,543	0	5,355,510		107,698	5,247,812

			FY 2025-26	FY 2024-25
Total Depreciation	-		151,392	107,698
Total WDV (A+B+C+D)	-		5,431,894	5,247,812



Schedule 'F' - Non-current Investments
Investments (As per annexure to Schedule 'F' & 'H') :
Investment in the Equity of Haryana Power Generation Corp. Ltd.

As at 31.03.2026	As at 31.03.2025
Amount (Rs.)	Amount (Rs.)
1,450,000,000	1,450,000,000
<u>1,450,000,000</u>	<u>1,450,000,000</u>

Schedule 'G' - Loans and Advances

Loans and Advances
Adhoc Limit - Boughtout Deals
Total

As at 31.03.2026	As at 31.03.2025
Amount (Rs.)	Amount (Rs.)
71,778,046	70,862,446
3,275,000	3,275,000
<u>75,053,046</u>	<u>74,137,446</u>

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

Unquoted
Fixed Deposits with Banks
Total

As at 31.03.2026	As at 31.03.2025
Amount (Rs.)	Amount (Rs.)
45,144,180	45,144,180
317,255,944	295,749,321
<u>362,400,124</u>	<u>340,893,501</u>

Schedule 'I' - Cash and Bank Balances

Balance with Schedule Banks :
i) In Current/Saving Accounts
ii) Short Term Deposits
Total

As at 31.03.2026	As at 31.03.2025
Amount (Rs.)	Amount (Rs.)
7,922,860	2,788,889
7,000,000	14,505,753
<u>14,922,860</u>	<u>17,294,642</u>

Schedule 'J' - Other Current Assets

Staff Loans
Advance against expenses
TDS - Financial Year 2024-25
TDS - Financial Year 2025-26
(Net of total tax liability and advance tax/TDS)
Income Tax Refund - FY 2019-20
Income tax deposited against demand (Pending in appeals):
Financial year 2012-13
Financial year 2014-15
Financial year 1980-81
Financial year 1981-82
Financial year 1982-83
Excess funds against gratuity with LIC
Excess funds against Leave Encashment with LIC
Security Deposits
GST recoverable
Claims recoverable
Rent due but not received
Interest Accrued but not due :
On Staff advances
On Deposits
Funds with LIC - Leave Encashment Policy
Total

As at 31.03.2026	As at 31.03.2025
Amount (Rs.)	Amount (Rs.)
0	51,000
257,931	264,008
5,137,332	6,482,890
1,220,178	0
140,712	140,712
8,574,740	8,574,740
4,000,000	4,000,000
7,048,576	7,048,576
7,430,044	7,430,044
<u>7,929,497</u>	<u>7,929,497</u>
34,982,857	
1,638,973	0
223,123	0
216,658	216,658
0	148,286
4,064,093	4,064,093
6,806,116	6,806,116
0	122,437
<u>3,243,268</u>	<u>12,501,873</u>
15,789,625	16,833,438
<u>73,720,866</u>	<u>82,614,368</u>



Schedule 'K' - Profit and Loss Account Balance	As at 31.03.2026 Amount (Rs.)	As at 31.03.2025 Amount (Rs.)
Accumulated loss as per the last Balance Sheet	598,934,004	598,829,529
Add : Net loss for the year	0	104,475
Less : Net Profit for the year	77,364,656	0
Total	<u>521,569,348</u>	<u>598,934,004</u>

Schedule 'L' - Revenue From Operations	For the year ended 31.03.2026 (Rs.)	For the year ended 31.03.2025 (Rs.)
Interest Income on : Loans & Advances	91,724,075	3,276,425
Amount received out of bad debts written off	2,556,092	881,482
Prior Period Income (Expenses Recovered)	6,662,202	0
Total	<u>100,942,369</u>	<u>4,157,907</u>

Schedule 'M' - Other Income	For the year ended 31.03.2026 (Rs.)	For the year ended 31.03.2025 (Rs.)
Miscellaneous income	13,565	20,920
Interest Income on Deposits with Banks	22,213,221	24,354,145
Dividend on Investments	16,000	18,000
Profit on Sale of Assets	0	29,097,457
Total	<u>22,242,786</u>	<u>53,490,522</u>

Schedule 'N' - Other Financial & Misc. Expenses	For the year ended 31.03.2026 (Rs.)	For the year ended 31.03.2025 (Rs.)
Bank/Interest Charges	15,045	4,032
Demat Charges	17,700	0
Stock Exchange Fee	383,500	395,300
Total	<u>416,245</u>	<u>399,332</u>

Schedule 'O' - Employees Benefit Expenses	For the year ended 31.03.2026 (Rs.)	For the year ended 31.03.2025 (Rs.)
Salaries & Allowances : Other Staff	21,955,674	26,812,532
Payment to Security Agency (Outsourcing Staff)	3,593,651	3,368,586
Contribution to Staff Provident Fund	2,151,925	2,210,088
Provisioning - Gratuity/Leave Encashment		
- Gratuity	(1,638,973)	984,606
- Leave Encashment	(184,577)	(100,879)
- Total	<u>(1,823,550)</u>	
Gratuity/Leave Encashment Premium	3,043	1,574
Gratuity contribution to LIC	485,771	10,316,137
Leave Salary	52,000	411,020
Leave Travelling Concession	539,400	270,198
Medical Expenses	1,590,371	1,459,228
Staff Welfare	169,269	114,198
Pension	3,466,134	3,607,896
EDLI Premium	11,025	14,100
Administrative Expenses on Provident Fund	106,648	112,879
Total	<u>32,301,361</u>	<u>49,582,163</u>

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Schedule 'P' - Administrative Expenses

For the year ended 31.03.2026 (Rs.) For the year ended 31.03.2025 (Rs.)

	For the year ended 31.03.2026 (Rs.)	For the year ended 31.03.2025 (Rs.)
Travelling and other Expenses :		
a) staff & Others	135,141	259,638
b) Directors & Committee Members	<u>24,500</u>	98,000
	159,641	
Directors & Committee Members' Fees	0	2,500
Directors' Meetings Expenses	11,700	17,068
Rent Taxes Insurance Electricity etc.	218,937	381,417
Postage,Telegram & Telephone	266,696	187,557
Printing & Stationery	186,854	241,779
Computer Expenses	35,400	40,710
Publicity and Business Promotion	1,450	40,054
Repairs and Renewals-Office Equipments	155,945	153,152
Repairs and Maintenance-Staff Cars	135,703	208,776
Legal Charges	506,664	772,826
Books & News Papers	14,136	15,444
Professional Charges	308,817	169,038
Processing Charges	0	2,286
Audit Fee	67,496	68,000
Entertainment	28,484	31,001
Liability of Auctioned Unit (Aravli Tubes Ltd) paid to EPFO	1,601,690	0
Security Charges (Guards at units under possession)	<u>2,173,168</u>	<u>3,725,868</u>
Total	<u>5,872,781</u>	<u>6,415,114</u>

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SCHEDULE- Q

NOTES & SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR 2025-26 :

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 charges.

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:

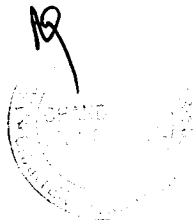
- Additional demand raised upon completion of assessment under Sales Tax, Income Tax, ESIC and EPF, etc are being debited in Profit & Loss a/c in the year of demand raised.
- Interest on NPA's are accounted for on receipt basis as per RBI guidelines.

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 had introduced 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 to reduce NPAs/written off portfolios which were valid upto 31.03.2022. At present there is no settlement policy for settlement of NPA's.

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 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	IALM(2012-14) ultimate
Withdrawal Rate	1% to 2% depending on age
Discount Rate	7.25% 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

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Non Performing Assets

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

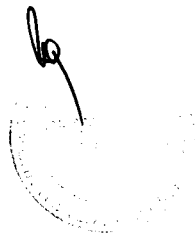
ii. As per guidelines issued by SIDBI in respect of Investments in equity shares (available for sale), valuation has been done as per market rate, which is the price of the script available from traders/quotes on the Stock Exchange. Those scripts, for which current quotations are not available or where the shares are not quoted on Stock Exchange, have been valued at book value ascertained from their latest available 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 31.03.26, the excess amount with LIC is Rs.16,38,973/- (shown in Schedule 'J' - Other Current Assets) and fund value lying with LIC towards above gratuity fund is Rs.2,21,74,453/- against the liability of Rs.2,05,35,480/- .

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.1,55,66,502/- shown in Schedule 'C' - Other Current Liability. Against this liability the fund size of Leave Encashment Policy with LIC is Rs.1,57,89,625/- shown in Schedule 'J' - Other Current Assets. There is no liability towards leave encashment as per actuarial valuation of LIC. The detail of fund size with LIC is as under:



(Amount in Rs.)

1. Opening fund balance with LIC	1,68,33,438
2. Earnings credited by LIC	11,54,413
3. Payment made to LIC	-
4. Claims received from LIC	21,08,000
5. Fund management expenses	90,226
6. Closing fund balance with LIC (1+2+3-4-5)	1,57,89,625

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 now paid as per Gratuity Act, 1972 upto maximum of Rs.20.00 lakh.

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	IALM(2012-14) ultimate
Withdrawal Rate	1% to 2% depending on age
Discount Rate	7.25% p.a.
Salary Escalation	7%

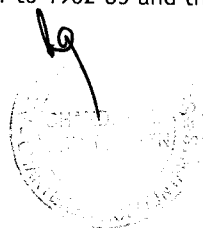
ii. Monthly matching contribution towards Employees Provident Fund is remitted to the Regional Provident Fund Commissioner, Chandigarh as per provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and is charged to profit and loss account.

b) **Contingent liabilities**

1. Liability in respect of units disposed off but in dispute - amount indeterminate.
2. The contingent liabilities in respect of claims lodged against the Corporation by ex-employees/pensioners (32 cases) are to the extent of Rs.1372.81 lakh (approx.) not acknowledged. In addition to above there are 8 court cases/appeals filed by the employees/ex-employees/pensioners against which amount is indeterminate.

Further, there is contingent liability amounting to Rs. 108.32 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' was 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 raised demand of Rs.58.97 crore 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 filed appeals against these demands and the the Hon'ble ITAT has referred back the cases to the Assessing Officer for fresh assessment. So technically demands stands deleted. The Assessing Officer has issued orders in respect of AY 2013-14 and AY 2014-15 and has declared the demand as Nil. However, against these demands , the Corporation has deposited a sum of Rs.40.00 lakh and Income Tax department adjusted Income Tax refund of Rs.85,74,740/-.

3. 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 and the winding up process of the Corporation has been initiated by the State Govt. vide Memo No.49/30/2016-1IB-I dt.21.08.2018. 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.

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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. Corporation has appointed Merchant Banker for delisting of the shares of the Corporation. As advised by Merchant Banker, Registered Valuer Sh.Abhishek Goel was appointed for valuation of HFC shares. The valuer has submitted its draft valuation report which was approved by Hon'ble CM and Finance Department. After that the valuer has submitted the final valuation report which has also been approved by Hon'ble CM and is under consideration of Finance Department.

d) No amount towards deferred tax asset/liability is outstanding in the books of account of the Corporation. The Corporation has stopped fresh sanctions since May, 2010 and is under winding up. In such circumstances it is not feasible to create any deferred tax asset/liability for the current financial year.

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 31.03.2026 as per the provisioning norms of SIDBI.

f) Loans and Advances are categorized on the basis of guidelines received from SIDBI as Standard, Sub-Standard, Doubtful and Loss Assets and provisioning has been made as under:-

Assets Classification	Current Year		Previous year		(Rs. in lakh)	
	Loans	Provision	Loans	Provision	Change in provision over the previous year	
	Out-standing		Out- Standing			
Standard Loan Assets:-						
Including Upgraded 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	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	9.16
II	0.00	0.00	0.00	0.00	0.00	
III (including Adhoc Limit)	688.33	688.33	679.17	679.17	9.16	
Loss Assets	62.20	62.20	62.20	62.20	0.00	
Total	750.53	750.53	741.37	741.37	9.16	

Provisioning of Rs.9.16 lakh has been made against Non-performing/Loss loan assets 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.418.44 lakh upto 31.03.2026 against which the Corporation has already made provision of Rs.421.81 lakh upto 31.03.2025 and a provision of Rs.3.37 lakh has been written back during the year as shown in Schedule 'D'- Provisions.

h) The State Government/SIDBI 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.1122.27 lakh includes a sum of Rs.1066.10 lakh in case of M/s Surendra Enterprises Pvt. Ltd., Rewari a joint financing case with Haryana State Industrial and Infrastructure Development Corporation Ltd. (HSIIDC). 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 dt.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 HSIIDC being a joint financing case and the balance amount of Rs.1066.10 lakh is kept in sundry.

j) Borrowers' Imprest amounting to Rs.10.29 lakh 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.

k) Claims Recoverable under Schedule 'J'- Other Current Assets amounting to Rs.40.64 lakh, includes a sum of Rs.22.10 lakh 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 lakh 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.22.10 lakh including expenses debited subsequently. The case is still under process for recovery.

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	

l) The Corporation is maintaining Fixed Assets Purchase register where all items of fixed assets are entered with date, amount of purchase and its location. Mostly the fixed asset item is purchased on the request of the particular division/branch and after the purchase of the item, the same is under the control of that particular division/branch. The purchases are of meager amount. Assets lying with the Corporation have been physically verified.

m) Advance Against Expenses under Schedule 'J'- Other Current Assets includes a sum of Rs.0.54 lakh given for purchase of Stamp Paper by Panipat branch office in July 2015 for executing sale deed. However, sale deed could not be executed on these stamp papers. The Corporation has started action for recovering the above amount.

Further, Security Deposits under Schedule 'J'- Other Current Assets includes a sum of Rs.0.30 lakh pertaining to telegram services etc. The Corporation is finding the details to recover the amount.

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 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.35,30,577/- as GST shown under the head Rent and GST due but not received in Schedule 'J'- Other Current Assets) from HPPA, Panchkula. HPPA, Panchkula remitted a sum of Rs.1,63,38,757/- to HFC as rent including GST of Rs.24,92,253/- on 11.12.2024. Corporation is pursuing HPPA for payment of balance rent of Rs.68,06,116/- including GST. Balance receivable rent is shown in the books of accounts as 'Rent Due but not received'.

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 has handed over physical possession of the property i.e Land & Building to HSIIDC on 03.01.2024 after receipt of full amount and sale of Land & Building has been accounted for in last year. HUDA vide letter dated 30.04.2026 has permitted to online transfer the above property to HSIIDC and the process of Sale deed is under process.

p) As per the books and records of the Corporation, the Paid-up Share Capital of the State Govt. to the Corporation is Rs.202,01,16,500/-i.e Rs.202.01 crores, whereas the Share Capital by the State Govt. as per Finance accounts is mentioned as Rs.204.22 crores, resulting difference of Rs.2.21 crores. The Corporation has requested to provide year-wise details of investments by the State Govt. as no investment has been made by the State Govt. after 2014, however the same is subject to reconciliation.

q) During the year, the Corporation has paid the entire outstanding amount of Dividend Payable of Rs.551.97 lakh to State Govt. and SIDBI.

r) During the year, the Corporation has paid a sum of Rs.16.02 lakh to Regional Provident Fund Commissioner on account of PF liability of M/s Aravali Tubes Ltd. (a unit auctioned by the Corporation) as per EPFO orders and the paid amount is shown under Schedule 'P' - Administrative Expenses. The auction of property of M/s Aravali Tubes Ltd. has already been accounted for in the earlier years.

s) Earnest Money amounting to Rs.1005.00 lakh shown under Schedule 'C' - Other Current Liabilities - During the last financial year, it included 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 while retaining the Recovery rights. The borrower filed a contempt petition in the Hon'ble Supreme Court and also a stay application against e-auction. Vide orders dt.13.12.2019, the Hon'ble Supreme Court of India directed the Corporation not to take any coercive steps and hence the auction could not be finalized. The contempt petition was dismissed vide orders dt.07.04.2025 of Hon'ble Supreme Court of India. Pursuant to Hon'ble Supreme Court orders, full payment of sale amount of Rs.1005.00 lakh has been received from the Auction Purchaser during FY 2025-26. The relevant entries have been passed during the current financial year as under:-

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No.	Particulars	(Amt. in Rupees)
1	Interest received	Rs. 9,07,15,075/-
2	Amount recovered out of Bad Debts written off	Rs. 25,56,092/-
3	Prior period income	
	Security Expenses - Rs.62,64,333/-	
	Legal Expenses - Rs. 2,49,970/-	
	Publicity and Advt. - Rs. 88,791/-	
	Professional Fee - Rs. 59,008/-	
	Printing & Stationery- Rs. 100/-	Rs. 66,62,202/-
4	General Charges FY 2025-26 reversed	Rs. 5,66,631/-
Total		Rs.10,05,00,000/-


Sale deed of auctioned primary security has been executed in favour of the Auction Purchaser on 14.05.2026.


t)	Disclosure requirements for SFCs in compliance of SIDBI's guidelines.		
	1. Capital		F.Y. 2025-26
	a) CRAR %		(Rs. in lakh) 82.35%
	b) The amount of subordinated debt raised and outstanding as Tier-II capital		-
	c) Risk Weighted Assets		
	i. On Balance Sheet Items		19815.29
	ii. Off Balance Sheet		-
	d) The share holding pattern as on the date of the Balance Sheet		
		<u>Amount</u>	<u>%age</u>
	i. Government of Haryana	20201.17	97.28
	ii. SIDBI	432.65	2.08
	iii. Commercial Banks, Insurance Cos. etc.	20.17	0.10
	iv. Private Shareholders	111.82	0.54
	Total	20765.81	100.00
	2. Asset Quality and Credit Concentration		
	e) Amount of provision made during the year		
	i. Provision for NPAs		9.16
	ii. Provision for Investments		(-)3.37
	Total		5.79
	3. Operating Results		
	f) Interest income (Loans & deposits) as a %age to average working funds		5.77 %
	g) Non-interest income as a percentage to average working funds		0.47 %
	h) Net Profit/(Loss) as a percent to Average Working Funds		3.92%
	i) Net profit/(Loss) per employee		Rs. 59.51 lakh
	4. Earning per Share		(Amount in Rs.)
	a) Profit/(Loss) after Tax		7,73,64,656
	b) Weighted Average of Common Stock	No.	Period Outstanding (days)
			Weighted Average
	Shares outstanding as on 31.03.2026	207658100	365
	Profit/(Loss) per Share (a/b)		207658100
			0.37

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

Nil

- u) 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.
- v) Schedules 'A' to 'Q' along with 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

In terms of our separate report of even date attached
For AARSH & Associates
Chartered Accountants

Place : Chandigarh
Date : 29.05.2026
UDIN : 26520418FHQFZE1675



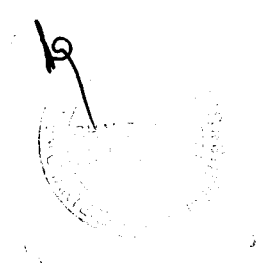
Rachit Goyal
FCA (Partner)
Membership No. 520418
Firm Regd. No. 024177N

Annexure to Schedule - 'F' & 'H'

Statement Showing Particulars of Investments in Shares as on 31st Mar., 2026

Sr. No.	Name of the Company	Face Value	Cost per Share	Value per Share	Nos. of Shares	(Amount in Rs.)	
						Cost	Value
----- As on 31.03.2026 -----							
(I) Non-current Investments (Held to maturity)							
1.	Haryana Power Generation Corp. Ltd.	1000.00	1000.00	1000.00	1450000	<u>1450000000</u>	<u>1450000000</u>
(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., Hishar	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	<u>30439260</u>	11
ii) Unlisted : Ordinary - Fully Paid Up							
1.	Ina Polyester Button 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 Button 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	4125.10	800	80000	3300080 *
	Total (ii)				1190080	<u>14704920</u>	3300085
	Total (II) (Un-quoted investments (i+ii))				3777186	<u>45144180</u>	<u>3300096</u>
(III) Total Current Investments (Quoted+Unquoted)					3777186	<u>45144180</u>	<u>3300096</u>
Total Investments (I+II+III)					5227186	<u>1495144180</u>	<u>1453300096</u>
					Cost	1495144180	
					Value	1453300096	
					Diminution	<u>41844084</u>	

Note : (*) Value of share has been determined on the basis of balance sheet as on 31st March, 2025.
(Capital+Reserve i.e. (10+402.51)*10 lakh)





HARYANA FINANCIAL CORPORATION, CHANDIGARH		
CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.25 TO 31.03.26		
		(Amount Rs.)
	FY 2025-26	FY 2024-25
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before income tax & provisioning	84,443,376	1,144,122
Add :		
Depreciation	151,392	107,698
Bad debts written off		
Increase/(decrease) in Current Liabilities		
Gratuity	(1,103,903)	984,606
Leave	(1,003,705)	280,642
Earnest Money	(10,050,000)	(8,232,250)
Borrowers Imprest	(14,000)	0
Sundry Deposits	(22,528)	211,706
Dividend Payable	(55,196,622)	0
Tax payable	84,285	(59,957)
Provision against expenses payable	704,118	750,216
Increase/(decrease) in Loans and Advances (Assets)	(915,600)	(628,357)
Increase/(decrease) in Current Assets		
Staff Advances	51,000	14,400
Advance Income Tax, TDS	(6,374,620)	(7,239,130)
Interest Accrued but not due	9,381,042	(58,204)
Rent due but not received	0	16,338,757
Funds with LIC - Staff Leave Encashment	1,043,813	(2,083,461)
Sundry Advances	6,077	5,000
GST Recoverable	148,286	(148,286)
Excess funds against gratuity/Leave with LIC	(1,862,096)	0
Less :		
Profit on sale of Assets	0	29,097,457
Other Income :		
Dividend on investments	16,000	18,000
Misc. Income	13,565	20,920
Interest on deposits/staff advances & I.Tax refund	22,213,221	24,354,145
Net cash from operating Activities (A)	(2,772,471)	(52,103,020)
CASH FLOW FROM INVESTMENTS ACTIVITIES		
Purchase of fixed Assets	(340,869)	(5,395)
Sale of fixed assets and profit	5,395	29,665,000
Dividend on investments	16,000	18,000
Net cash from Investment Activities (B)	(319,474)	29,677,605
CASH FLOW FROM FINANCING/OTHER ACTIVITIES		
Misc. Income	13,565	20,920
Interest on deposits/staff advances & I.Tax refund	22,213,221	24,354,145
Net cash from Other Cash Flows (C)	22,226,786	24,375,065

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CASH FLOW FROM FINANCING/OTHER ACTIVITIES		
Misc. Income	13,565	20,920
Interest on deposits/staff advances & I.Tax refund	22,213,221	24,354,145
Net cash from Other Cash Flows (C)	22,226,786	24,375,065
Net cash flows (A+B+C)	19,134,841	1,949,650
Net increase/(decrease) in cash and cash equivalents	19,134,841	1,949,650
Cash and Cash equivalents at the beginning of the year	313,043,963	311,094,313
Cash and Cash equivalents at the end of the year	332,178,804	313,043,963


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 AARSH & Associates
Chartered Accountants

Place : Chandigarh
Dated : 29.05.2026
UDIN: 26520418FHQFZE1675




Rachit Goyal
FCA (Partner)
Membership No. 520418
Firm Regd. No. 024177N