

**42nd**  
**ANNUAL REPORT**  
**2008 - 2009**



**Haryana Financial Corporation**



### **BANKERS**

CORPORATION BANK,  
SCO 137-138, Sector 8-C,  
Chandigarh-160018

PUNJAB NATIONAL BANK,  
Bank Square, Sector 17,  
Chandigarh-160017

ORIENTAL BANK OF COMMERCE,  
Bank Square, Sector 17,  
Chandigarh-160017

HDFC Bank,  
SCO 371-372, Sector 35-B,  
Chandigarh

### **STATUTORY AUDITORS**

M/s A. K. SOOD & ASSOCIATES,  
Chartered Accountants,  
SCO 126-127, IInd Floor, Sector 8, Madhya Marg,  
Chandigarh

### **REGISTRAR & 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

### **OFFICE**

HARYANA FINANCIAL CORPORATION  
Bays Nos. 17, 18 & 19, Sector 17-A  
Chandigarh - 160 017  
Ph. : 2702755-57, 2702568  
Fax : 2721624, 2702666  
E-mail : mdhfc@airtelmail.in  
Website : www.hfcindia.org



# HARYANA FINANCIAL CORPORATION

NOS 17,18 & 19, SECTOR 17-A, CHANDIGARH

## NOTICE

In terms of Regulation 22 of General Regulations of the Corporation read with section 36 of the State Financial Corporations' Act, 1951 (SFCs), it is hereby notified that the 42nd Annual General Meeting of Shareholders of the Corporation will be held on Thursday, the 30th July, 2009 at 11.00 A.M. (I.S.T.) at Head Office of the Corporation i.e. Nos. 17,18 & 19, Sector 17-A, opp. L.I.C. Building, Chandigarh to transact the following business :-

- 1) To receive, consider and adopt the audited Balance Sheet of the Corporation as on 31st March, 2009 and the Profit and Loss Accounts for the year ended on that date together with the Reports of the Directors and Auditors' thereon.
- 2) To appoint an audit firm (to be appointed by the shareholders out of the panel of RBI as per detail given in the note No.4) 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 2009 - 2010 at a audit fee of Rs. 40,000/- , applicable service tax and admissible TA/DA.

### NOTES :

- 1 The Register of Members and Share Transfer Books of the Corporation will remain closed from Monday, July 27, 2009 to Thursday, July 30th, 2009 (both days inclusive).
- 2 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 received at the Head Office of the Corporation by not later than 22nd July, 2009.
- 3 Last date for deposit of certified copies of resolutions appointing duly authorized representatives by companies / banks / insurance companies shall be 27th July, 2009.
- 4 As per section 37(I) of SFCs (Amendment) Act, 2000, the Reserve Bank of India has forwarded the panel of the audit firms and the Corporation has short-listed the following audit firms from Category - I :
  1. M/s Raj Gupta & Co.  
1850, Sector 34-D,  
Chandigarh



2. M/s Dhillon & Associates  
Quiet Office No. 4, Sector 35-A,  
Chandigarh
3. M/s Avnish Sharma & Associates  
SCO 47, 2nd Floor, Dakshin Marg,  
Sector 20-C, Chandigarh - 160020

The brief profile of the audit firms will be circulated to the shareholders at the meeting to consider and make the appointment.

- 5 The members are requested to bring their copy of Annual Report in the meeting.

By Order of the Board  
for HARYANA FINANCIAL CORPORATION

Dated : 24.06.2009

Place : Chandigarh

  
GENERAL MANGER

# HARYANA FINANCIAL CORPORATION, CHANDIGARH

## LIST OF DIRECTORS ON THE BOARD OF THE CORPORATION AS ON 31-03-2009



- |    |   |          |  |
|----|---|----------|--|
| 1. | Sh. M.L. Tayal, IAS<br>Principal Secretary to<br>Chief Minister, Haryana  | Chairman | Nominated by the State Govt. in terms of Section 10(b) of SFCs Act and appointed as Chairman by SIDBI in terms of Sub-section (1) of Section 15 of SFCs Act. |
| 2. | Sh. Y.S. Malik, IAS<br>Financial Commissioner &<br>Principal Secretary<br>to Govt. of Haryana, Industries Deptt.<br>Chandigarh  | Director | Nominated by the State Govt. in terms of Section 10(b) of SFCs Act.  |
| 3. | Sh. Rajeev Arora, IAS<br>Managing Director,<br>Haryana State Industrial & Infrastructure<br>Development Corporation Ltd, (HSIIDC, Ltd.),<br>Plot No. C-13-14, Sector 6, Panchkula | Director | Co-opted by the Board in terms of Section 10(e)(iv) of SFCs Act.   |
| 4. | Sh. M.K. Sharma<br>General Manager<br>Small Industries Development Bank<br>of India (SIDBI),<br>Videocon Tower, E-1, rani Jhansi Road,<br>Jhandewalan Extn., New Delhi            | Director | Nominated by SIDBI in terms of section 10(c) of SFCs Act.  |
| 5. | Sh. Vivek Malhotra.<br>Dy. General Manager,<br>Small Industries Development Bank of India,<br>SCO 145-146, Sector 17-C,<br>Chandigarh - 160017                                    | Director | Nominated by SIDBI in terms of section 10(c) of SFCs Act.  |
| 6. | Sh. Rohtash Kumar<br>Dy. General Manager,<br>Punjab National Bank,<br>Chandigarh - 160017   | Director | Representing shareholders referred to in clause (c) of Sub-Section (3) of Section 4 of SFCs Act.   |
| 7. | Sh. Gautam Nair<br>M/s Matrix Clothing P. Ltd.<br>107-B, Beverly Park - I<br>DLF City - II,<br>Gurgaon - 122002   | Director | Representing shareholders referred to in clause (d) of Sub-Section (3) of Section 4 of SFCs Act.   |
| 8. | Sh. Shashi Kapur<br># 225, Sector 14,<br>Urban Estate<br>Gurgaon  | Director | Representing shareholders referred to in clause (d) of Sub-Section (3) of Section 4 of SFCs Act.   |
| 9. | Smt. Dheera Khandelwal, IAS<br>Managing Director<br>Haryana Financial Corporation,<br>Chandigarh - 160017   | Director | Appointed by the State Govt. in terms of Sub-Section (1) of Section 17 of SFCs Act.  |



## HARYANA FINANCIAL CORPORATION CHANDIGARH

### DIRECTORS' REPORT

Board of Directors of the Haryana Financial Corporation have great pleasure in presenting the 42nd Annual Report together with the Audited statements of accounts on the working of the Corporation for the year ended 31st March, 2009.

#### **WORKING RESULTS**

During the year 2008-2009, the Corporation has achieved the following working results :

		(Rs. in Crores)	
		2008-09	2007-08
A.	Income	34.62	28.99
B.	Interest & Other Financial Expenses	23.15	25.87
C.	Personnel Expenses	8.78	15.86
D.	(i) Administrative Expenses	1.70	1.91
	(ii) Bad debts written off	0.04	87.27
E.	Depreciation	0.84	0.93
F.	Profit before tax & provision for NPAs	0.11	(-) 102.85
G.	(i) Provision for Income tax & Interest tax for earlier years	-	0.86
	(ii) Fringe benefit tax	0.03	0.03
	(iii) Provision for deferred tax	(-)2.70	33.50
H.	Provision against NPAs, leased assets & investments written back	3.99	85.86
I.	Net Profit	1.37	15.62

#### **OPERATIONAL HIGHLIGHTS**

The operational areas of the Corporation viz sanction, disbursement and recovery of its dues during the year with regard to targets are given as under.

		(Rs. in Crores)	
		<u>TARGET (2008-09)</u>	<u>PERFORMANCE FOR THE YEAR 2008-09</u>
Sanction.		90.00	64.57
Disbursement.		55.00	23.94
Recovery		73.00	73.73

#### **SANCTION OF LOANS**

The Corporation sanctioned Rs. 64.57 crores to 75 units. The Corporation made efforts to provide loans to the good units and are established in the HUDA/HSIIDC approved industrial estates after obtaining sufficient security to avoid NPAs at the later stage. The loan amounting to Rs. 56.19 crore were sanctioned to 73 units in the Micro/Small Scale Sector and Rs. 8.38 crore to two medium scale units. Due to recession in the market, the Corporation was not able to achieve the targets in respect of sanction & disbursement inspite of a number of open house meets held at District level. Efforts are being made to improve the performance of the Corporation.



### **INDUSTRY WISE SANCTION**

The important industrial sectors which have obtained term loan assistance from the Corporation during the year includes Rs. 16.98 crores to readymade garments, Rs. 6.98 crores to textiles/spinning/weaving & finishing, Rs. 6.99 crores to infrastructure, Rs. 3.80 crores to metal industries, Rs. 4.10 crores to footwear & leather industries, Rs. 1.28 crores to paper printing, Rs. 0.97 crores to electrical & electronics and balance to other type of industries.

### **SIZEWISE SANCTION**

The detail of size-wise sanctions of term loan during the year is given as under :-

<b><u>Size of Assistance</u></b>	<b>2008-2009 (Rs. in Lacs)</b>	
	<b><u>No.</u></b>	<b><u>Amount</u></b>
Upto Rs. 01 Lakh	01	0.90
Rs. 01 Lakh to Rs. 05 Lakhs	07	16.76
Rs. 05 Lakhs to Rs. 10 Lakhs	02	16.65
Rs. 10 Lakhs to Rs. 20 Lakhs	07	110.20
Rs. 20 Lakhs to Rs. 50 Lakhs	30	1062.92
Rs. 50 Lakhs to Rs. 90 Lakhs	13	852.82
Rs. 90 Lakhs to Rs. 120 Lakhs	03	300.00
Above Rs.120 Lakhs	12	4097.00
<b>Total</b>	<b>75</b>	<b>6457.25</b>

### **DISBURSEMENT**

The Corporation made total disbursement of Rs. 23.94 crores during the year under review against target of Rs. 55.00 crores. The Corporation could not achieve the targets of disbursement due to postponement of and slow implementation of projects by the borrowers due to recession in the market.

### **RECOVERY OF DUES**

In order to improve further liquidity position and reduce dependence on larger debts, the Corporation gave top priority throughout the year to the recovery of its dues. Effective persuasion and follow-up in all cases was done so as to maximize recovery. Efforts were made to make the units viable by making reschedulement of repayments and extension in currency of loans in deserving cases. Wherever, the revival of the unit was not possible, the Corporation also tried for one time settlement. Efforts were also made for out of court settlement in legal cases. Due to all these steps, the Corporation could achieve total recovery of Rs. 73.73 crore against the target of Rs. 73.00 crore.

### **RESOURCES MANAGEMENT**

During the year under review, the Corporation was able to meet all its commitments of disbursements and had also repaid all dues of the SIDBI & Banks etc. without any default. Brief details of major resources from which the funds were raised are discussed hereunder :-

### **SHARE CAPITAL FROM STATE GOVT.**

In order to strengthen the equity base of the Corporation, to achieve positive net worth and the desired CRAR as advised by SIDBI in terms of the RBI guidelines, the Corporation approached the State Govt. to provide adequate Share Capital. The State Govt. considered our case and provided share capital contribution of Rs. 80.88 crores during the financial year 2008-09 as against Rs. 65.75 crore during the financial year 2007-08.



## **REFINANCE**

During the year under review, the Corporation availed refinance to the tune of Rs. 21.97 crores from SIDBI and repaid Rs. 9.09 crore including soft loan of Rs. 0.13 crore to SIDBI.

## **BONDS**

During the year, no SLR Bonds quota was allocated to the Corporation. Further, bonds worth Rs. 1.78 crore repaid on maturity during the year.

## **LINE OF CREDIT (LOC) FROM BANK**

During the financial year 2005-06, the Corporation got LOC worth Rs. 20.00 crores from Punjab & Sind Bank against State Govt. guarantee and secured by immovable asset of the Corporation. A sum of Rs. 11.62 crore was repaid during the year and the account stands adjusted.

## **LOANS FROM HUDA**

During the year 2006-07, the Corporation availed a loan of Rs. 32.00 crores from HUDA to make pre-mature payment of high cost borrowings. During the current financial year the entire principal outstanding balance of Rs. 22.00 crore has been repaid.

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

The Corporate Governance and Management discussion and Analysis report as per clause 49 of the listing agreement is annexed as Annexure with the Directors' Report.

## **LISTING**

The equity shares of the Corporation are listed at Bombay Stock Exchange Ltd. (BSE).

## **AUDIT**

The shareholders in its 41st Annual General Meeting held on 31.07.2008 re-appointed M/s A. K. Sood & Associates, Chartered Accountants, Chandigarh out of the panel of the RBI as Statutory Auditors for the financial year 2008-2009, who have conducted the audit of the Corporation.

## **AUDIT BY COMPTROLLER & AUDITOR GENERAL OF INDIA**

The audit of the affairs of the Corporation for the year will be undertaken by the Comptroller & Auditor General of India under section 37 (6) of the SFCs Act, 1951 in due course.

## **BOARD OF DIRECTORS & EXECUTIVE COMMITTEE MEETINGS**

During the year under review 5 meetings of Board of Directors and 5 meetings of Executive Committees were held.

## **ACKNOWLEDGEMENTS**

The Board of Directors wishes to place on record its gratitude to Govt. of Haryana, Department of Finance & Department of Industries for their continued co-operation and assistance.

The Board of Directors wishes to place on record its gratitude to Small Industrial Development Bank of India (SIDBI) for their continued support and guidance in all operational and financial matters.

The Board wishes to take opportunity to thank the Banks, Bond subscribers and shareholders for extending their support & co-operation.

The Board of Directors also places on record its appreciation of the contribution made by Sh. N.K. maini, Sh. SVG Nandagopal & Sh. Vineet Virmani the outgoing Directors.

The employees of the Corporation at all levels put in their best in achieving these results. The Board records its appreciation for the continued and sincere efforts put in by the officers and staff of the Corporation.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

  
(Dheera Khandelwal)

MANAGING DIRECTOR





## CORPORATE GOVERNANCE / MANAGEMENT DISCUSSION & ANALYSIS REPORT

### CORPORATE GOVERNANCE REPORT

#### 1. Brief Statement

The Haryana Financial Corporation has been established under the State Financial Corporation's Act, 1951. The Companies Act, 1956 is not applicable to the Corporation. Accordingly, the recommendations of the Securities & Exchange Board of India (SEBI) on Corporate Governance as per clause 49 of the listing agreement is applicable to the limited extent, being a listed company.

#### 2. Board of Directors

The Board of Directors of the Corporation has been constituted as per section 10 of State Financial Corporations Act, 1951 as amended by SFCs (Amendment) Act, 2000. The detail of the Directors have been given in the annual report. Except Managing Director, all other Directors are Non-Executive. The Chairman is also Non-Executive Director.

#### 3. Audit Committee

The Corporation have since constituted the Audit Committee. At present the committee consists of Sh. Rajeev Arora, IAS, Chairman of the Audit Committee, Sh. Vivek Malhotra, and Sh. Shashi Kapur, Members of the committee. All the above Directors are non executive directors & are independent Directors as required under clause 49.

#### 4. Remuneration Committee

The Managing Director of the Corporation an IAS officer is a full time Director and is appointed by the State Govt. The remuneration is also being paid to him as per norms of the Centre / State Govt. So the Remuneration Committee has not been constituted by the Corporation.

#### 5. Shareholders/Investors Grievances Committee.

The Corporation have since constituted Shareholders/Investors Grievances Committee. At present the committee consist of Sh. Vivek Malhotra, Chairman of the committee, Sh. Gautam Nair & Sh. Shashi Kapur, Members of the committee. All the above directors are non executive and independent Directors as required under clause 49.

#### 6. General Body Meetings

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

YEAR	AGM	LOCATION	DATE	TIME
2005-2006	39th AGM	HFC, 17,18 & 19 Sector 17-A, Chandigarh	09.08.06	11.00 A.M.
2006-2007	40th AGM	--DO--	30.07.07	11.00 A.M.
2007-2008	41st AGM	--DO--	31.07.08	11.00 A.M.

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

#### 7. Disclosures

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

None of the transactions with any of the related parties were in conflict with the interest of the Corporation.

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

None



## 8. Means of Communication

The quarterly financial results of the Corporation are being published in the two news papers - "The Indian Express (English Ed.) and Dainik Bhaskar (Hindi Ed.), Chandigarh and also placed on the Website of the Corporation (www.hfcindia.org.). The Annual Reports are being despatched under UPC.

## 9. General Shareholders information

### 9.1 Annual General Meetings

- Date and Time 30.07.2009 at 11.00 A.M.
- Venue Head Office of the Corporation

### 9.2 Financial Calendar (Tentative)

Results for quarter ending June, 2009 will be published at the end July, 2009  
Results for quarter ending Sept, 2009 will be published at the end Oct, 2009  
Results for quarter ending Dec, 2009 will be published at the end Jan, 2010  
Results for quarter ending Mar, 2009 will be published at the end April, 2010

- 9.3 Book Closure date 27th to 30th July, 2009
- 9.4 Dividend payment date No dividend has been recommended by the Board
- 9.5 Listing of Shares Bombay Stock Exchange Ltd. (BSE), Mumbai.
- 9.6 Stock code/Script Code 530927
- 9.7 Stock Market Data  
(Quoted at BSE) Rs. 18.50 on 19.03.2009  
Rs. 19.40 on 11.05.2009
- 9.8 Share price performance Refer 9.7
- 9.9 Registrar & 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

### 9.10 Share Transfer System

The Share Transfer cases received by the Corporation or by M/s Beetal Financial & Computer Services (P) Ltd., New Delhi (Corporation's Share Transfer Agent (STA) are being processed by the STA. The STA after completion of formalities forward the share transfer register containing all the details of transferor/transferee to the Corporation for approval. The Share Transfer committee of the Corporation considered/approved the transfer(s) and forward its minutes to the STA for necessary action. Thereafter, the Registrar make the endorsement on the share certificates and forward the share certificates duly transferred to transferee.

### 9.11 Distribution of shareholding as on 31st March, 2009

State Govt.	-	96.96%
SIDBI	-	2.33%
Banks/Insurance Co.	-	0.11%
Private Shareholders	-	0.60%



**9.12 Dematerialisation of Shares**

The Corporation has already applied to National Stock Depository Ltd. (NSDL) for dematerialisation of its shares. The Corporation is pursuing the NSDL to immediately demat the shares of the Corporation.

**9.13 Outstanding GDR/Warrants and Convertible Bonds, Conversion date and likely impact on the equity.**

- Nil -

**9.14 Plant Locations**

The Corporation has its Head Office at Chandigarh and 9 Branch Offices in the various districts of Haryana. There is no plant/manufacturing unit of the Corporation.

**9.15 Address for Correspondence**

The Shareholders may correspond with the share transfer agent for their queries with regard to change of address, transfer of shares etc.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Haryana Financial Corporation was established under the State Financial Corporations Act, 1951 with the object to make financial assistance to the industries especially the small scale units set up in the State of Haryana.

The Corporation have introduced a number of financing schemes to increase its business. The Corporation has started financial assistance to Hotels, Multiplexes, Commercial Complexes, Hospitals etc. and efforts are being made to strengthen its business/financial position.

To strengthen its capital base, the Corporation has taken up its case with the State Govt. to provide adequate support by way of equity to achieve positive net worth and CRAR. The State Govt. provided Rs. 80.88 crore during the year 2008-09.

The Corporation has initiated various steps to increase its business. The Corporation has sanctioned term loan of Rs. 64.57 crore during the year 2008 - 09. The Corporation is facing competition from the banks and other financial institutions but efforts are being made to maintain competitive interest rate of the Corporation with other banking institutions for further growth of its business.

The performance of the Corporation with regard to its operational/financial results are given in the directors report.

Partners

*P D Sharma*

M.A., LL.B. (A), FCS

*G S Sarin*

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



**SHARMA SARIN & ASSOCIATES**

COMPANY SECRETARIES

OFFICE

SCO 186-188, First Floor, Adj. Ghazal Restaurant,  
Sector 17-C, Chandigarh-160017 (Entry Backside)

Telefax : 0172-5012112, 5079239 Tel. 0172-5079110

e-mail : sharmasarinassociate@yahoo.com

sharmasarin@cslaws.com

Website : www.cslaws.com

**CERTIFICATE OF COMPLIANCE OBTAINED FROM  
PRACTISING COMPANY SECRETARY AS STIPULATED  
UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

TO  
THE MEMBERS OF  
HARYANA FINANCIAL CORPN.  
SECTOR 17  
CHANDIGARH

Dated:08.06.2009

In accordance with Clause 49 of the Listing Agreement entered into by Haryana Financial Corporation with Mumbai Stock Exchange, we have examined all relevant records of the Corporation as stipulated in Clause 49 for the financial year ended on 31<sup>st</sup> March, 2009

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification and have been provided with such records, documents, certifications, etc. as had been required by us.

We certify that on the basis of records produced and the explanations given to us by the Corporation for the purposes of this certificate, has complied with all the requirements of the said Clause 49 of the Listing Agreement.

FOR SHARMA SARIN & ASSOCIATE





**A. K. SOOD & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
S.C.O. 126-127, IIND FLOOR, SECTOR 8C,  
MADHYA MARG, CHANDIGARH.  
E-mail : aksood\_53@hotmail.com

PHONE : 0172-2707121/2704378  
TELE FAX : 0172-2707121

## **AUDITORS' REPORT**

The Members

Haryana Financial Corporation  
Chandigarh

In accordance with the provision of section 37(1) of State Financial Corporations Act 1951 (As amended by The State Financial Corporations (Amendment) Act, 2000), we have audited the attached Balance Sheet of Haryana Financial Corporation as at 31st March, 2009 and also the annexed Profit & Loss Account for the year ended on the date together with schedules forming integral part of the accounts. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

**A)** Further to the above, we are giving our qualificatory remarks on the accounts, as below :

1. *In respect of Note No. 2 (i) & (ii) (Schedule 'S') relating to Contingent Liabilities, opinion is constrained in the absence of exact amount determinable in respect of it.*
2. *In respect of Note No. 4 (Schedule 'S') relating to non-determination of diminution in the value of primary and collateral securities of all the loans and advances as on the date of Balance Sheet. Due to want of valuation report of these securities, the adequacy of provisioning of Non Performing Assets cannot be ensured. The value of securities for classification of loans & advances are not taken on realization basis but is being taken as valued at the time of sanction of loan. Therefore, we are unable to form an opinion on the consequential adverse impact on the revenues and assets of the Corporation.*
3. *The Corporation has not properly maintained fixed assets register showing full particulars including quantitative details and situation of fixed assets. Therefore, existence of fixed assets in quantity and value and consequential impact on accounts relating to depreciation as well as fixed assets cannot be enumerated. The physical verification of fixed assets has not been carried out during the year.*
4. *The earning per share, capital adequacy and other business ratios computed and disclosed in Annexure to Schedule 'S' are subject to the impact of observations in para 1 to 3 above.*



- B) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- C) In our opinion, proper books of accounts have been kept by the Corporation so far as it appears from our examination of those records.
- D) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with books of account.
- E) Subject to our qualificatory remarks referred in paragraph "A" above, in our opinion and to the best of our information and according to the explanations given to us the said accounts give a true and fair view :
- i) In case of Balance Sheet the State of Affairs of the Corporation as at 31st March, 2009 and
  - ii) In case of Profit & Loss Account of the profit for the year ended on that date.

**For A. K. Sood & Associates  
Chartered Accountants**



**(A. K. Sood)  
F.C.A**

**Membership No. 80232**

**Place : CHANDIGARH**

**Dated : 24th June, 2009**



## MANAGEMENT'S REPLY TO THE AUDITORS' REPORT

1. Please refer to note No. 2 (i) & (ii) of Schedule 'S' to Balance Sheet.
2. Please refer to Note no. 4 of Schedule 'S' . However in view of the large number of accounts with the Corporation, it is not possible to reassess the value of primary and collateral securities as on the date of balance sheet every year.
3. The Corporation is maintaining fixed assets purchase register where all items of fixed assets are entered with date, quantity, amount of purchase and its location. As such all required details are available in the register maintained by the Corporation. However, as per the requirement of the Statutory Auditors, the same will be completed by the end of next financial year.



**HARYANA FINANCIAL CORPORATION, CHANDIGARH**  
**BALANCE SHEET AS ON 31ST MARCH, 2009**

As at 31.03.2008 Amount (Rs.)	<u>CAPITAL &amp; LIABILITIES</u>	SCHEDULE	As at 31.03.2009 Amount (Rs.)
1,046,751,000	SHARE CAPITAL	A	1,855,501,000
165,253,013	RESERVES AND SURPLUS	B	165,253,013
514,500,000	BONDS AND DEBENTURES	C	496,750,000
2,242,551,267	BORROWINGS	D	1,996,582,313
230,896,881	OTHER LIABILITIES	E	225,588,401
885,982,165	PROVISIONS	F	846,229,178
<u>5,085,934,326</u>	<b>TOTAL</b>		<u>5,585,903,905</u>
	 <u>PROPERTY &amp; ASSETS</u>		
209,665,605	CASH AND BANK BALANCES	G	157,300,687
707,689,635	INVESTMENTS	H	1,505,139,635
2,235,683,621	LOANS AND ADVANCES	I	2,043,976,075
152,165,259	FIXED ASSETS	J	145,273,773
123,846,232	OTHER ASSETS	K	118,092,371
335,000,000	DEFERRED TAX ASSET		308,000,000
1,321,883,974	MISC. EXPENSES TO THE EXTENT NOT WRITTEN OFF/ADJUSTED	L	1,308,121,364
<u>5,085,934,326</u>	<b>TOTAL</b>		<u>5,585,903,905</u>
	<b>NOTES ON ACCOUNTS</b>	S	

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

  
**B.R. GOYAL**  
GENERAL MANAGER

  
**DHEERA KHANDELWAL, IAS**  
MANAGING DIRECTOR

In terms of our separate report of  
even date attached  
FOR A. K. SOOD & ASSOCIATES  
CHARTERED ACCOUNTANTS

PLACE : CHANDIGARH  
DATED : 24th June, 2009



  
**(A. K. SOOD)**  
(PARTNER)





**HARYANA FINANCIAL CORPORATION, CHANDIGARH**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

For the year ended 31.03.2008 Amount (Rs.)		SCHEDULE	For the year ended 31.03.2009 Amount (Rs.)
	<b><u>INCOME</u></b>		
271,096,462	INCOME FROM OPERATIONS	M	257,956,066
18,793,657	OTHER INCOME	N	88,209,315
<b>289,890,119</b>	<b>TOTAL</b>		<b>346,165,381</b>
	<b><u>EXPENDITURE</u></b>		
258,142,202	INTEREST PAID	O	231,432,170
581,158	OTHER FINANCIAL EXPENSES	P	79,790
158,632,929	PERSONNEL EXPENSES	Q	87,750,035
28,320,532	ADMINISTRATIVE EXPENSES	R	25,371,195
872,738,589	BAD DEBT WRITTEN OFF		410,390
<b>1,318,415,410</b>	<b>TOTAL</b>		<b>345,043,580</b>
<b>(1,028,525,291)</b>	OPERATING PROFIT / (LOSS)		<b>1,121,801</b>
858,632,056	ADD : PROVISION AGAINST NPAs WRITTEN BACK		39,964,987
(169,893,235)	PROFIT / (LOSS) BEFORE TAX		41,086,788
	LESS :		
(335,000,000)	PROVISION FOR DEFERRED TAX	27,000,000	
8,599,488	INCOME/INTEREST TAX FOR EARLIER YEARS	0	
350,000	FRINGE BENEFIT TAX	324,178	27,324,178
<b>156,157,277</b>	<b>NET PROFIT</b>		<b>13,762,610</b>
	<b>NOTES ON ACCOUNTS</b>	S	

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

  
**B.R. GOYAL**  
GENERAL MANAGER

  
**DHEERA KHANDELWAL, IAS**  
MANAGING DIRECTOR

**PLACE : CHANDIGARH**  
**DATED : 24th June, 2008**

In terms of our separate report of  
even date attached  
FOR **A. K. SOOD & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**



  
**(A. K. SOOD)**  
**(PARTENER)**



### SCHEDULE 'A' - SHARE CAPITAL

As at 31.03.2008 Amount (Rs.)		As at 31.03.2009 Amount (Rs.)
<b><u>AUTHORISED</u></b>		
<u>3,000,000,000</u>	300,000,000 Equity Shares of Rs. 10/- each	<u>3,000,000,000</u>
<b><u>ISSUED AND SUBSCRIBED</u></b>		
1,080,825,000	a) 188,957,500 (Previous year 108,082,500) Equity Shares of Rs.10/- each under section 6(1)of State Financial Corporations' Act, 1951	1,889,575,000
6,266,000	b) 626,600 Shares of Rs. 10/- each issued under section 4A(1) of the State Financial Corporations' Act, 1951 as special class of shares.	6,266,000
		<u>1,895,841,000</u>
<u>1,087,091,000</u>		
<b><u>PAID-UP</u></b>		
1,087,091,000	Issued & Subscribed	1,895,841,000
40,340,000	Less : Amount Forfeited - 4,034,000 shares of Rs. 10 each	40,340,000
<u>1,046,751,000</u>	Balance 185,550,100 (Previous year 104,675100) shares of Rs. 10 each	<u>1,855,501,000</u>
1,040,485,000	a) 184,923,500 (Previous year 104,048,500 Equity Shares of Rs. 10/- each under section 6(1) of State Financial Corporation' Act, 1951 fully paid up.	1,849,235,000
6,266,000	b) 626,600 Shares of Rs. 10/- each issued under section 4A(1) of the State Financial Corporations Act, 1951 as special class of shares.	6,266,000
		<u>1,855,501,000</u>
<u>1,046,751,000</u>	<b>TOTAL</b>	<u>1,855,501,000</u>

### SCHEDULE 'B' - RESERVES AND SURPLUS

As at 31.03.2008 Amount (Rs.)		As at 31.03.2009 Amount (Rs.)
178,567,013	a) Special Reserve for the purpose of Section 36(1)(viii) of the Income Tax Act. 1961	
166,800,000	Balance as per the last Balance Sheet	178,567,013
	Less : Utilised towards provisioning for NPA upto Previous year	166,800,000
<u>11,767,013</u>		<u>11,767,013</u>
105,510,000	b) Share Premium	105,510,000
25,000,000	c) Special Reserve Fund (Section 35A)	25,000,000
22,976,000	d) Shares forfeiture Reserve (40,34,000 shares)	22,976,000
<u>165,253,013</u>	<b>TOTAL</b>	<u>165,253,013</u>



## SCHEDULE 'C' - BONDS AND DEBENTURES

As at 31.03.2008  
Amount (Rs.)

As at 31.03.2009  
Amount (Rs.)

**a) BONDS - SLR**

GUARANTEED BY THE STATE GOVERNMENT UNDER SECTION 7(1)  
OF STATE FINANCIAL CORPORATIONS' ACT, 1951

1,000,000	11.50%	Bonds of Rs. 100 Each Redeemable in 2008--31st Series	0	
9,750,000	11.50%	Bonds of Rs. 100 Each Redeemable in 2008--32nd Series	0	
7,000,000	11.50%	Bonds of Rs. 100 Each Redeemable in 2009--33rd Series	0	
13,250,000	11.50%	Bonds of Rs. 100 Each Redeemable in 2009--34th Series	13,250,000	
5,000,000	11.50%	Bonds of Rs. 100 Each Redeemable in 2009--35th Series	5,000,000	
3,000,000	11.50%	Bonds of Rs. 100 Each Redeemable in 2010--36th Series	3,000,000	
20,500,000	11.50%	Bonds of Rs. 100 Each Redeemable in 2010--37th Series	20,500,000	
17,250,000	11.50%	Bonds of Rs. 100 Each Redeemable in 2010--38th Series	17,250,000	
4,250,000	11.50%	Bonds of Rs. 100 Each Redeemable in 2011--39th Series	4,250,000	
16,000,000	11.50%	Bonds of Rs. 100 Each Redeemable in 2011--40th Series	16,000,000	
9,000,000	12.00%	Bonds of Rs. 100 Each Redeemable in 2012--41st Series	9,000,000	88,250,000

**b) BONDS - SLR**

GUARANTEE FROM THE STATE GOVERNMENT UNDER SECTION 7(1)  
OF STATE FINANCIAL CORPORATIONS' ACT, 1951 YET TO BE RECEIVED.

10,000,000	11.33%	Bonds of Rs. 100 Each Redeemable in 2010--58th Series	10,000,000	
60,000,000	10.82%	Bonds of Rs. 100 Each Redeemable in 2011--59th Series	60,000,000	
20,000,000	10.50%	Bonds of Rs. 100 Each Redeemable in 2011--60th Series	20,000,000	
50,000,000	09.90%	Bonds of Rs. 100 Each Redeemable in 2011--61st Series	50,000,000	
11,000,000	08.35%	Bonds of Rs. 100 Each Redeemable in 2011--62nd Series	11,000,000	
72,500,000	08.30%	Bonds of Rs. 100 Each Redeemable in 2012--63rd Series	72,500,000	
35,000,000	08.00%	Bonds of Rs. 100 Each Redeemable in 2012--64th Series	35,000,000	
67,500,000	07.92%	Bonds of Rs. 100 Each Redeemable in 2012--65th Series	67,500,000	
2,500,000	06.50%	Bonds of Rs. 100 Each Redeemable in 2013--66th Series	2,500,000	
80,000,000	06.75%	Bonds of Rs. 100 Each Redeemable in 2013--67th Series	80,000,000	408,500,000
<b><u>514,500,000</u></b>		<b>TOTAL</b>		<b><u>496,750,000</u></b>



## SCHEDULE 'D' - BORROWINGS

As at 31.03.2008  
Amount (Rs.)

As at 31.03.2009  
Amount (Rs.)

	a) <b>SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)</b>		
	Holding for SIDBI in trust the securities offered by the Corporation's constituents against loans advanced to them by the Corporation :		
	i) <b>Guaranteed by State Government</b>		
880,000,000	- Refinance under LOC and TUF scheme	1,099,733,474	
	ii) <b>Not Guaranteed by State Government</b>		
980,924,128	- Refinance under LOC and TUF scheme	891,328,677	
6,776,946	- Refinance under Seed Capital, MUN,NEF scheme	5,520,162	1,996,582,313
	b) <b>Scheduled banks (Secured)</b>		
116,232,920	Line of Credit from Punjab & Sind Bank, Chandigarh guaranteed by Government of Haryana and secured against immoveable property of the Corporation.		0
	c) <b>Others (Unsecured)</b>		
220,000,000	i) Term Loan from Haryana Urban Development Authority	0	
38,617,273	ii) Interest accrued and due on (i) above	0	0
<u>2,242,551,267</u>	<b>TOTAL</b>		<u>1,996,582,313</u>



## SCHEDULE 'E' - OTHER LIABILITIES

As at 31.03.2008  
Amount (Rs.)

As at 31.03.2009  
Amount (Rs.)

### A) CURRENT LIABILITIES

	Interest accrued but not due :		
7,846,590	On Bond and Debentures	7,183,832	
13,903,667	On Borrowings	<u>61,938,405</u>	69,122,237
565,346	Unclaimed Dividend		565,936
35,013,588	Provision against Gratuity		22,262,213
37,585,464	Provision against Leave Encashment		38,707,079
35,114,049	Sundry Deposits		16,817,824
40,502,569	Earnest Money		11,971,870
9,208,246	Borrowers' Imprest		10,607,626
360,000	Security Deposits		7,160,000
6,495,000	Sundry Creditors		3,088,000
1,238,403	Other Expenses Payable		1,490,433

### B) STATE GOVT. FUNDS (AS AN AGENCY)

#### 1) SUBSIDIES

0	Tuf Subsidy	19,732	
1,048,472	Credit Linked Capital Subsidy	242,472	
924,055	Central Subsidy	924,055	
75,357	Generating Set Subsidy	75,357	
4,453,603	State Subsidy	4,071,603	
2,679,260	NHB Subsidy Reserve Fund	<u>2,679,260</u>	8,012,479

#### 2) AGENCY AND SEED MONEY LOANS

77,602	State Govt. funds under Agency agreement	77,602	
132,258	Sundry Deposits	132,258	
217	Borrowers' Imprest - Agency Funds	217	
13,770	Borrowers' Imprest - Seed Money	13,770	
472,214	Interest Due - Agency Loans	472,214	
756,382	Interest Due - Seed Money RIS	844,646	
5,739,423	Seed Money from State Govt.	5,739,423	
651,254	Seed Money RIS	651,254	
10,133	Interest Received - Agency Funds	10,133	
22,725,959	Interest Received - Seed Money (Agency)	<u>24,749,187</u>	32,690,704

### C) CONTINGENT PROVISION AGAINST STANDARD ASSETS

2,677,000	Upto previous year	3,304,000	
627,000	Add : Provision during the year	0	
0	Less : Excess provision provided in earlier year written back	<u>212,000</u>	3,092,000
<u>230,896,881</u>	<b>TOTAL</b>		<u><b>225,588,401</b></u>



### SCHEDULE 'F' - PROVISIONS

As At 31.03.2008 Amount (Rs.)		As At 31.03.2009 Amount (Rs.)
1,386,466,000	i) Provision for Non-performing Loan Assets	
856,849,000	Upto previous year	529,617,000
	Less : Excess provision provided in earlier year written back	<u>41,497,000</u>
		488,120,000
136,103,134	ii) Provision for non-performing leasing assets	
0	Upto previous year	135,990,439
112,695	Add : Provision during the year	3,640,332
166,800,000	Less : Excess provision provided in earlier year written back	<u>0</u>
		139,630,771
	iii) Adjusted out of Special Reserve u/s 36(i)(viii)	166,800,000
55,872,087	iv) Provision for diminution in value of Investments	
2,297,361	Upto previous year	53,574,726
	Less : Excess provision provided in earlier year written back	<u>1,896,319</u>
	<b>TOTAL</b>	<b><u>51,678,407</u></b>
<b><u>885,982,165</u></b>		<b><u>846,229,178</u></b>

### SCHEDULE 'G' - CASH AND BANK BALANCES

As At 31.03.2008 Amount (Rs.)		As At 31.03.2009 Amount (Rs.)
	<b>CASH IN HAND</b>	
671,403	i) Corporation Fund	706,776
214	ii) Agency Fund & Seed Money	<u>214</u>
		706,990
	<b>BALANCE WITH SCHEDULED BANKS</b>	
1,289,287	i) In Current Accounts	
4,701	a) Corporation Funds	33,119,071
207,700,000	b) Agency Funds	<u>4,701</u>
	ii) In Fixed/Short Term Deposits	33,123,772
		123,469,925
	<b>TOTAL</b>	<b><u>157,300,687</u></b>
<b><u>209,665,605</u></b>		

### SCHEDULE 'H' - INVESTMENTS

As At 31.03.2008 Amount (Rs.)		As At 31.03.2009 Amount (Rs.)
650,000,000	i) Held till maturity - Unquoted	1,450,000,000
	ii) Available for sale	
40,434,715	a) Quoted	40,434,715
17,254,920	b) Unquoted	<u>14,704,920</u>
		55,139,635
	<b>TOTAL (As per annexure)</b>	<b><u>1,505,139,635</u></b>
<b><u>707,689,635</u></b>		

### SCHEDULE 'I' - LOANS AND ADVANCES

As At 31.03.2008 Amount (Rs.)		As At 31.03.2009 Amount (Rs.)
2,133,764,158	Loans & advances (as per annexure)	1,943,203,453
1,264,027	Interest Accrued and due	7,556,125
10,461,730	Adhoc Limit - Boughtout Deals	<u>3,275,000</u>
2,145,489,915		1,954,034,578
5,478,448	Soft loan - NEF, MUN & SEMFEX	<u>5,320,035</u>
		1,959,354,613
2,150,968,363	Loans for Leasing Equipments (Advance)	57,148,124
57,148,124	Vehicle Sub-Leasing	<u>27,473,338</u>
27,567,134		27,473,338
	<b>TOTAL</b>	<b><u>2,043,976,075</u></b>
<b><u>2,235,683,621</u></b>		



## SCHEDULE 'J' - FIXED ASSETS

### i) CORPORATION'S ASSETS

(Amount in Rupees)

Sr. No.	PARTICULARS	WDV AS ON 01.04.2008 (1)	SOLD DURING THE YEAR (2)	ADDI-TIONS UPTO 30.09.2008 (3)	VALUE AS ON 30.09.2008 (4)	RATE OF DEP. % AGE (5)	DEP. ON COLUMN (4) (6)	ADDITIONS AFTER 30.09.2008 (7)	DEP. ON COLUMN (7) (8)	TOTAL DEP. DURING THE YEAR (9)	WDV AS ON 31.03.2009 (10)
<b>A) LAND &amp; BUILDING</b>											
1.	Land	6396037	0	0	6396037	0	0	0	0	0	6396037
2.	Building -Office	54801336	0	14675	54816011	10	5481601	409341	20467	5502068	49723284
	-Residential	28445717	2447513	0	25998204	5	1299910	2846410	71160	1371070	27473544
	<b>TOTAL</b>	<b>89643090</b>	<b>2447513</b>	<b>14675</b>	<b>87210252</b>		<b>6781511</b>	<b>3255751</b>	<b>91627</b>	<b>6873138</b>	<b>83592865</b>
<b>B) FURNITURE &amp; FITTINGS</b>											
1.	Furniture	1418118	54377	2700	1366441	10	136643	46015	2301	138944	1273512
2.	Safes, Cabinets & Padlocks	428592	15	2632	431209	10	43119	0	0	43119	388090
3.	Misc.	249871	1052	27844	276663	10	27667	0	0	27667	248996
4.	Electric Fittings	1756517	47069	17930	1727378	10	172737	1700	85	172822	1556256
	<b>TOTAL</b>	<b>3853098</b>	<b>102513</b>	<b>51106</b>	<b>3801691</b>		<b>380166</b>	<b>47715</b>	<b>2386</b>	<b>382552</b>	<b>3466854</b>
<b>C) PLANT &amp; MACHINERY</b>											
1.	Computers	290578	145301	0	145277	60	87165	1017189	305156	392321	770145
2.	Typewriters, Duplicators etc.	12430	3720	0	8710	15	1307	0	0	1307	7403
3.	Staff Cars & Jeep	2010555	0	0	2010555	15	301583	0	0	301583	1708972
4.	Bicycles	14968	325	0	14643	15	2196	2450	184	2380	14713
	<b>TOTAL</b>	<b>2328531</b>	<b>149346</b>	<b>0</b>	<b>2179185</b>		<b>392251</b>	<b>1019639</b>	<b>305340</b>	<b>697591</b>	<b>2501233</b>
	<b>Grand Total - (A+B+C)</b>	<b>95824719</b>	<b>2699372</b>	<b>65781</b>	<b>93191128</b>		<b>7553928</b>	<b>4323105</b>	<b>399353</b>	<b>7953281</b>	<b>89560952</b>
<b>D CAPITAL WORK IN PROGRESS</b>											
1.	Computer Software	511743	0	0	511743	0	0	0	0	0	511743

### ii) LEASING ASSETS

Particulars	WDV of Equipments leased as on 01.04.08	Additions During the Year	Sale/ Adjustment	Value as on 31.03.2009	Lease Rentals Received During the Year	Interest out of Rentals Received	Principal out of rentals Charged to Depreciation	WDV of Equipments leased as on 31.03.2009
<b>E LEASING ASSETS</b>	55828797	0	111046	55717751	768979	252306	516673	55201078

Total Depreciation	:	8,469,954	
Less : Previous year excess depreciation reversed	:	62,757	8,407,197
<b>Total WDV (A+B+C+D+E)</b>	:		<b>145,273,773</b>



### SCHEDULE 'K' - OTHER ASSETS

As at 31.03.2008 Amount (Rs.)		As at 31.03.2009 Amount (Rs.)
19,055,508	Staff loans	18,442,808
687,446	Advances against Expenses	625,998
0	Advance Income Tax (TDS)	859,950
120,282	Security Deposits	116,289
0	Advance for purchase of plot	4,444,031
22,588	Advance to HSIDC for Head Office Building	122,147
1,254,729	Claims recoverable	1,848,526
63,830,166	Interest-Accrued but not due	50,723,617
16,556,484	Dividend paid - Adjustable against Subvention from state Govt.	16,556,484
	State Government loans (as an agency)	
594,661	i) Agency Loans	594,661
21,166,197	ii) Seed Money Agency	23,152,906
558,171	iii) Seed Money (RIS)	604,954
<u>123,846,232</u>	<b>TOTAL</b>	<u>24,352,521</u>
		<u>118,092,371</u>

### SCHEDULE 'L' - MISC. EXPENSES TO THE EXTENT NOT WRITTEN OFF/ADJUSTED

As at 31.03.2008 Amount (Rs.)		As at 31.03.2009 Amount (Rs.)
1,478,041,251	Accumulated loss as per last Balance Sheet	1,321,883,974
156,157,277	Less : Net profit for the year	13,762,610
<u>1,321,883,974</u>	<b>TOTAL</b>	<u>1,308,121,364</u>
		<u>1,308,121,364</u>

### SCHEDULE 'M' - INCOME FROM OPERATIONS

For the year ended 31.03.2008 Amount (Rs.)		For the year ended 31.03.2009 Amount (Rs.)
257,977,544	<b>Interest received on :</b>	
926,155	Loans & Advances	248,026,462
1,101,991	Leasing Equipments Advances	6,394,541
237,621	Interest in Suspense	0
	Merchant Banking Portfolio	0
3,608,967	Equipment Lease Rental	642,617
2,843,488	Profit on Sale of Shares	0
174,040	Dividend on Investments	258,000
4,226,656	Upfront Fee/Processing Fee	2,634,446
<u>271,096,462</u>	<b>TOTAL</b>	<u>257,956,066</u>
		<u>257,956,066</u>





## SCHEDULE 'N' - OTHER INCOME

For the year ended  
31.03.2008  
Amount (Rs.)

For the year ended  
31.03.2009  
Amount (Rs.)

229,717	Miscellaneous Income		2,657,080
	<b>Interest Received on :</b>		
373,775	Income Tax/Interest Tax	0	
14,219,881	Staff Advances	779,940	
2,637,922	Deposits with Banks	30,267,429	31,047,369
794,426	Amount received out of bad debts written off		33,515,162
243,379	Vehicle Lease Rental - Staff Members		126,362
66,456	Rent Recovered		10,430,164
228,101	Profit on Sale of Assets		37,500
	Prior period excess provision written back :		
0	Wealth Tax	42,157	
0	Gratuity Premium	10,353,521	10,395,678
<u>18,793,657</u>	<b>TOTAL</b>		<u>88,209,315</u>

## SCHEDULE 'O' - INTEREST PAID ON BONDS & BORROWINGS

For the year ended  
31.03.2008

For the year ended  
31.03.2009

55,401,090	Interest on Bonds	46,834,242
151,965,760	Interest on Refinance	167,603,792
50,254,725	Interest on Loans	12,529,353
90,620	Interest on Deposits/Earnest Money	2,424,539
430,007	Interest on limit against Fixed Deposits with banks	2,040,244
<u>258,142,202</u>	<b>TOTAL</b>	<u>231,432,170</u>

## SCHEDULE 'P' - OTHER FINANCIAL EXPENSES

For the year ended  
31.03.2008

For the year ended  
31.03.2009

460,908	Bank Charges	49,790
4,000	Demat Charges	0
116,250	Stock Exchange Fee	30,000
<u>581,158</u>	<b>TOTAL</b>	<u>79,790</u>

## SCHEDULE 'Q' - PERSONNEL EXPENSES

For the year ended  
31.03.2008

For the year ended  
31.03.2009

566,455	Salaries & Allowances		
62,521,876	a) Managing Director	1,086,051	
6,620,828	b) Other Staff	63,061,530	64,147,581
38,956,171	Contribution to Staff Provident Fund		6,660,793
39,557,607	Gratuity Premium		1,606,690
4,230,192	Leave Salary		5,274,874
89,320	Medical Expenses		3,011,915
252,666	Training & Participation Fees		113,200
911,169	Staff Welfare		383,986
3,955,589	Compassionate Assitance		550,752
274,041	Pension		5,067,408
653,242	EDLI Premium		323,905
32,773	Administrative Expenses on Provident Fund		608,931
11,000	Staff Group Insurance		0
	Honorarium		0
<u>158,632,929</u>	<b>TOTAL</b>		<u>87,750,035</u>



### SCHEDULE 'R' - ADMINISTRATIVE EXPENSES

For the year ended 31.03.2008 Amount (Rs.)		For the year ended 31.03.2009 Amount (Rs.)
	Travelling and other Expenses	
167,199	a) Managing Director	16,010
5,989,085	b) Others	4,787,667
92,791	c) Directors & Committee Members	<u>89,725</u>
		4,893,402
8,500	Directors & Committee Members' Fees	9,000
44,791	Director's Meeting Expenses	46,002
3,377,421	Rent, Taxes, Insurance, Electricity etc.	2,865,382
1,688,765	Postage, Telegram & Telephone	1,360,071
1,420,619	Printing & Stationary	893,380
71,676	Computer Expenses	219,478
615,850	Publicity & Business Promotion	397,013
9,245,171	Depreciation	8,407,197
1,034,458	Repairs and Renewals-Office Equipments	1,180,265
1,276,269	Repairs and Maintenance-Staff cars	1,039,044
350,993	Legal Charges	815,497
82,136	Books & News Papers	68,141
131,861	Loss on Sale of Assets	42,006
328,481	Repairs & Renewals - Residential Building	602,514
1,903,939	Professional Charges	1,649,957
303,547	Entertainment	243,349
138,420	Wealth Tax	24,000
48,560	Others - Misc. Expenses	267,127
0	Security Charges	348,370
<u>28,320,532</u>	<b>TOTAL</b>	<u>25,371,195</u>

# **SCHEDULE - 'S'**



## **Notes on Accounts**

### **1 Significant Accounting Policies**

- a) From 1st April 2007, the Corporation changed its method of accounting from cash system of accounting to accrual (Mercantile) basis. Accordingly, the Balance Sheet as on 31st March, 2009 and Profit & Loss Account for the year ended on that date have been prepared on Accrual basis except for Interest on NPAs which has been accounted for on receipt basis as per RBI guidelines.
- b) The amount received from the borrowers against loans and advances is appropriated in the following orders :
- Miscellaneous Expenses.
  - Interest.
  - Principal.
- c) In cases, where the Corporation sells borrower's assets on deferred payment basis, respective borrowers' loan accounts are credited by the full amount of the sale proceeds. The deferred part of sale proceeds is treated as fresh loans to the auction purchasers and recovered as per the terms of the sale agreements.
- d) **Retirement Benefits**
- From 1st April 2007, the Corporation changed its method of accounting from cash system of accounting to accrual basis, accordingly provision for Gratuity and Leave Encashment payable to staff has been provided in the books of accounts.
  - Monthly matching contribution towards employees provident fund is remitted to the Regional Provident Fund Commissioner, Chandigarh as per provisions of the Employees Provident and Miscellaneous Provisions Act, 1952 and is charged to profit and loss account.

### **e) Asset Classification and Provisioning**

- i) Loans and Advances have been categorised and provisioning has been made their against as per guidelines received from SIIDBI which are as under :

<u>Category</u>	<u>Age of Default for Principal And/or Interest (in months)</u>	<u>Provisioning on Loans Outstanding (%age)</u>
Standard	0 - 3	0.25
Sub-standard	Above 3 - 15	10.00
Doubtful-I	Above 15-27	20.00
Doubtful-II	Above 27-51	30.00
Doubtful-III	Above 51	100.00
Loss	No security available	100.00

- ii) SIDBI vide circular No. FI 03/2006-07 dated April 27, 2006 advised certain modifications in classification of Doubtful Assets and provisioning requirements their against. The major changes were of requirement of provisioning against Doubtful Assets - III to 100% in place of earlier norm of 50% with effect from March 31, 2007. Consequent increase in provisioning requirement is to be applied in a phased manner over a period of three years in respect of existing stock of Doubtful-III category as on March 31, 2006. Accordingly 100% provision against Doubtful Assets - III has been provided in the books of account as on 31.03.2009.
- iii) As per guidelines issued by SIDBI in respect of investments in equity shares (available for sale), evaluation has been done as per market rate, which is the market 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 value ascertained from the latest balance sheet. In case the latest balance sheet is not available, the shares have been valued at Re. 1/- per company. In case of Investment in equity shares (held to maturity) evaluation has been done at acquisition price.
- iv) Entire lease rentals in respect of Equipment Leasing, Vehicle Leasing and Special Vehicle leasing (except employees vehicle leasing) cases have fallen due for payment before the date of balance sheet, hence provisioning equivalent to the entire amount outstanding on this account as on 31.03.2009 has been made. Since lease rentals in the case of Employees Vehicle Leasing are being recovered



on due dates, hence no provisioning has been made there against. Lease finance in respect of Loans for Leasing Equipments (advance) and vehicle sub leasing cases are treated as loans, for the purpose of provisioning.

- v) The provisioning has been made without giving the effect of the amount lying in the Sundry Deposits under Schedule 'E' - Other Liabilities.

f) **Depreciation**

Depreciation on fixed assets has been provided on written down value method at the rates prescribed under provisions of Income Tax Rules 1962. Depreciation in respect leasing portfolio is charged equivalent to principal amount out of lease rentals recovered on the basis of Capital Recovery Method. However, amount received in settled cases has been appropriated as per terms of settlement.

2. **Contingent liabilities**

- i) Liability in respect of units disposed off but in dispute - amount indeterminate.
  - ii) Claims lodged against the Corporation by ex-employees/pensioners and other claims not acknowledged as debts - amount indeterminate.
  - iii) State Govt. guarantee in respect of 58th to 67th series of SLR Bonds issued by Corporation during the period from 27.06.2000 to 24.03.2003, is awaited. As on 31.03.2009 amount of Rs. 40.85 crore is outstanding against these bonds. The guarantee fee is leviable in respect of 62nd to 67th Series of SLR Bonds issued by the Corporation against which Rs. 26.85 crores is outstanding as on 31.03.2009. The Corporation has already made request to the State Government. to waive off the guarantee fee on the guarantee to be provided against these bonds. The liability, if the State Government declines the request of the Corporation for waiver of guarantee fee against these bonds will be to the tune of Rs. 53.70 lacs.
  - (iv) As per MoU signed by the Corporation with SIDBI on 25th day of March 2004, certain benefits, relief and concessions were provided by SIDBI, to the Corporation which as per terms of the MoU can ipso-facto be withdrawn at the sole discretion of SIDBI in the event of non-compliance of terms and conditions of this MoU. There shall be a liability of Rs. 1219.95 lacs upto 31.03.2009, if the reliefs/concessions so given by the SIDBI are withdrawn.
  - (v) There will be a liability of Rs. 4.19 crore (approx.), in case the Corporation approves the revision of payscale of its employees on the basis of the report of 6th pay commission.
3. Subvention amounting to Rs. 7,17,53,106 is receivable from State Govt. for payment of the minimum guaranteed dividend for the period of financial years 1996-97 to 2000-01 (upto 05.09.2000) against the guarantee given by the State Govt. under Section 6 read with Section 35 of the State Financial Corporations Act, 1951 for which claim has been lodged with the State Govt.. Against above, the Corporation has since paid Rs. 1,65,56,484 to the retail investors/others from its own sources. The said amount has been shown under the head - Dividend Paid (adjustable against subvention to be received from State Govt.) in 'Schedule 'K' - Other Assets'. The State Govt. guarantee has been withdrawn w.e.f. 06.09.2000 as per SFCs (Amendment) Act, 2000 and thereafter no dividend has been provided / declared.
  4. The loans were fully secured at the time of disbursement. The diminution in value of securities, as on the date of balance sheet is indeterminate. The impact of any dilution in the value of security is taken into account at the time of sale of such securities.
  5. The Corporation advanced loans in the name of various equipment suppliers to lessees for purchase of Leasing Equipments. In some of the cases, the lessees have not submitted bills and other documents against purchase of these equipments. A sum of Rs. 5,71,48,124/- is still outstanding in this regard as on 31.03.2009 which has been shown under the head " Loans for Leasing Equipments (Advance)" in Schedule - 'I' - 'Loans and Advances'. The Corporation has already initiated necessary action for recovery of this amount.
  6. Loans and advances are categorised and provisioning made there against on the basis of guidelines received from Small Industries Development Bank of India as Standard, Sub Standard, Doubtful and Loss Assets as detailed below :

<u>Assets Classification</u>	<u>Current Year</u>		<u>Previous Year</u>	
	<u>Loan</u>	<u>Provision</u>	<u>Loan</u>	<u>Provision</u>
Standard Assets	123.68	0.31	132.14	0.33
Sub Standard Assets	4.80	0.48	2.33	0.23
Doubtful Assets	60.26	59.10	79.95	69.41
Loss Assets	5.91	5.91	0.00	0.00
	<u>194.65</u>	<u>65.80</u>	<u>214.42</u>	<u>69.97</u>



Provision on Leasing Portfolio (except in respect of Employees Vehicle Lease Finance amounting to Rs. 0.02 crore) for the year, worked out to Rs. 13.96 crore against which provision to the extent of Rs. 13.60 crore has already been made upto 31.03.2008. Hence provision of Rs. 0.36 crore as detailed below on this account has been made during the year.

(Rs. in Crore)

<u>Leasing Portfolio</u>	<u>Current Year</u>		<u>Previous Year</u>	
	<u>Amount</u>	<u>Provision</u>	<u>Amount</u>	<u>Provision</u>
Loan for Leasing Equipments (Advance)	5.71	5.71	5.71	5.52
Vehicle Sub Leasing	2.75	2.75	2.76	2.54
Equipment Leasing	4.99	4.99	5.03	5.03
Vehicle Leasing	0.51	0.51	0.51	0.51
	<u>13.96</u>	<u>13.96</u>	<u>14.01</u>	<u>13.60</u>

7. As per guidelines issued by SIDBI, provision towards diminution in the value of investments of Rs.3.70 crore in respect of listed shares and Rs. 1.47 crore in respect of unlisted shares, totalling to Rs. 5.17 crore is required to be made upto 31.03.2009 against which the Corporation has already made provision of Rs. 5.36 crore upto 31.03.2008. Therefore, excess provision of Rs. 0.19 crore has been written back during the year which has been shown in Schedule 'F' - Provisions.
8. i) Amount shown as Building - Residential under Schedule 'J' - Fixed Assets amounting to Rs. 2,74,73,544/- includes cost of flats purchased from Housing Board Haryana. The Housing Board Haryana repeatedly enhanced cost of these flats without any justifications. In view of this and poor quality of construction, change in specifications and not providing the facilities as envisaged in the original scheme, the Corporation has decided not to pay further enhancement in cost of flats amounting to Rs. 34.07 lacs. The said amount was capitalised during the financial year 2007-08. However, during the current financial year the Corporation has settled the above issue with the Housing Board, Haryana and made the full and final payment of Rs. 8,96,730/- against their demand of Rs. 34.07 lacs. Accordingly a sum of Rs. 25,10,270/- being the excess booked in the building account and a sum of Rs. 62,757/- being the amount of depreciation charged on the above amount in the previous year, has been written back during the year. The conveyance deed in respect of these flats has been executed in the month of May,2009.
- ii) Amount of Rs. 4,97,23,284/- shown as Building-Office under Schedule 'J'- Fixed Assets includes Rs. 68,06,312/- paid and Rs. 30,88,000/- to be paid by the Corporation against allotment of 4 suites in HUDCO Place, Andrews Ganj, New Delhi. Though the physical possession of the same is with Corporation, but title documents in this regard is yet to be executed in favour of the Corporation.
- iii) Out of the total amount of Rs. 4,87,00,000/- paid to HSIIDC for construction of Corporate Office Building at Panchkula, amount of Rs. 4,85,77,853/- has been utilised by them upto 31.03.2009 in the construction of building. The occupation certificate with regard to above corporate building has been issued by HUDA on 26.02.2008 and accordingly the office building has been shown under the head Fixed Assets Building and the necessary depreciation has been charged accordingly. The balance unutilized amount of Rs. 1,22,147/- with HSIIDC has been shown as advance to HSIIDC in Schedule 'K' - Other Assets.
9. The Leasing Assets under Schedule 'J' - Fixed Assets, have been depreciated on Capital Recovery Method. The leased assets financed by the Corporation belongs to the period prior to 01.04.2001, hence the equipment leasing has not been classified as Loans and Advances as per the Accounting Standard (AS-19) because it is applicable only on the leasing activities done after 01.04.2001.
10. The State Govt. has appointed Corporation as agent for disbursement of its various subsidies and seed money and agency loans. Unutilized amount against various subsidies has been shown under the sub head "(B)(1) State Govt. Funds (as an Agency)" of Schedule 'E' - Other Liabilities. Liabilities towards State Govt. against Agency & Seed Money Loans have been shown against '(B)(2)' under the said sub head. The balance of Agency and seed Money loans have been shown in Schedule 'K' - Other Assets. The amount of interest accrued in these loans is credited to respective interest account under Other Liabilities and debited to relevant loan account as the amount so received from the borrowers on this account is payable to the State Govt. These are outstanding since long and are subject to confirmation by the State Government.
11. No provision for arrears of pay revision of the employees of the Corporation on the basis of the report of 6th pay commission has been made in books of accounts since the Corporation is yet to decide on the adoption of the same.



5

12. During the financial year 2007-08, the Corporation created Deferred Tax Asset to the tune of Rs. 33.50 crore on the basis of the accumulated losses up to 31.03.2008. Out of this a sum of Rs. 2.70 crore has been set off during the year.

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

		F.Y. 2008-09 (Rs. in Lacs)	
<b>A CAPITAL</b>			
a)	CRAR %		9.64%
b)	The amount of subordinated debt raised and outstanding as Tier - II capital		—
c)	Risk Weighted Assets		
	1. On Balance Sheet items		42534.25
	2. Off Balance Sheet		—
d)	The Share holding pattern as on the date of the Balance Sheet	<u>Amount</u>	<u>% age</u>
	1. Govt. of Haryana	17990.37	96.96
	2. SIDBI	432.65	2.33
	3. Commercial Banks, Insurance Cos. etc.	20.17	0.11
	4. Private Shareholders	111.82	0.60
	TOTAL	<u>18555.01</u>	<u>100.00</u>
<b>B ASSET QUALITY AND CREDIT CONCENTRATION</b>			
e)	% age of net NPAs to Net loans and advances		4.25
f)	Amount and %age of Net NPAs under the prescribed asset classification categories	<u>Amount</u>	<u>%</u>
	1. Sub Standard Assets	431.77	3.35
	2. Doubtful	115.96	0.90
	TOTAL :	<u>547.73</u>	<u>4.25</u>
g)	Amount of provision made during the year		
	1. Provision for standard Assets		-2.12
	2. Provision for NPAs		- 414.97
	3. Provision for Investments		- 18.96
	4. Provision for Leasing Portfolio		36.40
	TOTAL		<u>- 399.65</u>
h)	Movement in Net NPA		
	1. Sub Standard Assets		222.53
	2. Doubtful		- 938.47
i)	<u>Credit Exposure as percentage to Capital Funds and percentage to Total Assets</u>		
	Particulars	Principal	To Total Capital Funds
			To Total Assets
	Largest single borrower	449.43	1.00%
	Largest borrower group	490.75	1.09%
	The 10 Largest single borrowers	3314.69	7.34%
	The 10 Largest borrower groups	2721.06	6.03%



(Rs. in Lacs)

j)	Credit exposure to five largest industrial sectors as % to total loan assets	9130.62	46.86%
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**C LIQUIDITY**

- k) Maturity pattern of Rupee assets and liabilities and  
l) Maturity pattern of foreign currency assets and liabilities on the following format :

Items	Less than or equal to 1 year	More than 1 year upto 3 years	More than 3 years upto 5 years	More than 5 years upto 7 years	More than 7 years upto 10 years	More than 10 years	Total
Rupee assets	4147.22	4794.83	4036.80	9782.31	20.90	16840.20	39622.26
Foreign Currency Assets	-----NIL-----						
<b>TOTAL</b>	<b>4147.22</b>	<b>4794.83</b>	<b>4036.80</b>	<b>9782.31</b>	<b>20.90</b>	<b>16840.20</b>	<b>39622.26</b>
Rupee Liabilities	4181.73	7614.08	11055.80	3283.85	486.22	20744.14	47365.82
Foreign Currency Liabilities	-----NIL-----						
<b>TOTAL</b>	<b>4181.73</b>	<b>7614.08</b>	<b>11055.80</b>	<b>3283.85</b>	<b>486.22</b>	<b>20744.14</b>	<b>47365.82</b>

**D OPERATING RESULTS**

m)	Interest income as a percentage to average working funds	7.72%
n)	Non-interest income as a percentage to average working funds	1.64%
o)	Net Profit as a percentage to Average Working Funds	0.37%
p)	Net Profit per employee	0.54

**E EARNING PER SHARE**

(Amount in Rupees)

a)	Profit after Tax	13,762,610
	Profit attributable to ordinary Share Holders	13,762,610



b) Weighted Average of Common Stock

	No.	Period Outstanding (days)	Weighted Average
Shares outstanding as on 31.3.2009	185550100	365	152458319
EARNING PER SHARE (a/b)			0.09

F Disclosure requirements under the RBI guidelines dated

7th July,1999 on forward rate agreements under Interest Rate Swaps NIL

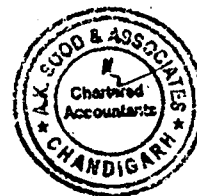
14. Figures have been rounded off to the nearest rupee and wherever necessary figures for the previous year have been rearranged/regrouped in order to make it in conformity with current year's figures.
15. Schedules 'A' to 'S' form integral part of the Balance Sheet and Profit & Loss Account.

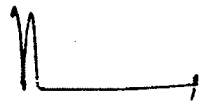
  
B.R. GOYAL  
GENERAL MANAGER

  
DHEERA KHANDELWAL, IAS  
MANAGING DIRECTOR

In terms of our separate report of  
even date attached  
FOR A. K. SOOD & ASSOCIATES  
CHARTERED ACCOUNTANTS

PLACE : CHANDIGARH  
DATED : 24th June, 2009



  
(A. K. SOOD)  
(PARTNER)





## ANNEXURE TO SCHEDULE - 'H'

( Amount in Rs.)

### STATEMENT SHOWING PARTICULARS OF INVESTMENTS IN SHARES AS ON 31.03.2008

S.No.	Name of the Company	Face value	Cost per Share	Value per Share as on 31.3.2009	No. of Shares	Cost as on 31.3.2009	Value as on 31.03.2009
<b>I) HELD TO MATURITY</b>							
1.)	HARYANA POWER GENERATION CORP. LTD.	1000.00	1000.00	1000.00	1450000	1450000000	1450000000
<b>II) AVAILABLE FOR SALE</b>							
<b>A LISTED : ORDINARY - FULLY PAID UP</b>							
1.	GLOBAL INDS. LTD., GGN	10.00	10.00		300000	3000000	1
2.	JIVAN FLORA LTD., GGN	10.00	12.00		146600	1759200	1
3.	VEER VARDHMAN INDS., PPT	10.00	10.00		250000	2500000	1
4.	PICCADILY AGRO FARMS LTD., KNL	10.00	13.00	6.20	115600	1502800	716720*
5.	INDO BRITAIN AGRO FARMS LTD.	10.00	10.00		180300	1803000	1
6.	ARAVALI PIPES LTD., HSR	10.00	15.00		205000	3075000	1
7.	SYSCEMINDIALTD. (FORMERLY ANIL PESTICIDES LTD., AMBALA)	1.00	1.00	0.41	992655	992655	406989*
8.	DOON VALLEY RICE MILLS , KNL	10.00	30.00		100000	3000000	1
9.	PAM RAFFIA LTD., PKL.	10.00	10.00		10406	104060	1
10.	SWET CHEMANTIBIOTIC LTD., KNL	10.00	10.00		44800	448000	1
11.	GRM OVERSEAS LTD., PNP.	10.00	20.00	18.70	125000	2500000	2337500*
12.	M/S KLA BIOTECH INDS. LTD. (Formerly RCC CEMENT LTD., Gurgaon)	10.00	10.00		150000	1500000	1
13.	PROFIN MONEY MARKET LTD., GGN.	10.00	10.00		350000	3500000	1
14.	UMA FABRICS LTD., GGN	10.00	10.00		350000	3500000	1
15.	SHIVA SUITEX LTD., GGN.	10.00	10.00		500000	5000000	1
16.	BHARAT POLYFAB LTD., REWARI	10.00	12.50		500000	6250000	1
					<u>4320361</u>	<u>40434715</u>	<u>3461222</u>



**Annexure to Schedule -H** .....contd.....

S.No.	Name of the Company	Face value	Cost per Share	Value per Share as on 31.3.2009	No. of Shares	Cost as on 31.3.2008	Value as on 31.03.2009
<b>B. UNLISTED : ORDINARY - FULLY PAID UP</b>							
1.	INA POLYSTER BUTTON LTD., FBD.	10.00	10.00	0.00	200000	2000000	1
2.	APEX MULTITECH LTD., PKL.	10.00	10.00	0.00	200000	2000000	1
3.	NITIKACEMENTS LTD., PKL.	10.00	14.00	0.00	214280	2999920	1
4.	INA POLYSTER BUTTONS LTD.,	10.00	10.00	0.00	200000	2000000	1
5.	APEX MULTITECH LTD., PKL	10.00	15.00	0.00	375000	5625000	1
6.	HARDICON	10.00	100.00	0.00	800	80000	1
					<u>1190080</u>	<u>14704920</u>	<u>6</u>
III)	HELD FOR TRADING					NIL	
	GRAND TOTAL (I + II + III)				<u>6960441</u>	<u>1505139635</u>	<u>1453461228</u>
						COST	1505139635
						VALUE	1453461228
						DIMINUTION	<u>51678407</u>

Note : Value of the shares as on 31st March, 2009



## ANNEXURE TO SCHEDULE - 'I'

### DETAILS OF LOANS AND ADVANCES - AS ON 31.03.2009

(Rs in Thousands)

<b>I. PARTICULARS OF LOANS &amp; ADVANCES</b>		
1.	Debts considered good in respect of which the Corporation is fully secured :-	
	(i) Standard Assets	1,236,785
	(ii) Sub Standard Assets	47,975
		1,284,760
2.	Debts previously fully secured	
	(i) Doubtful Assets	599,309
	(ii) Loss Assets	59,134
		658,443
		1,943,203
	Soft Loans - SIDBI	5,320
		1,948,523
3.	Debts due by concerns in which one or more Directors of the Corporation are interested as Directors, Partners, Proprietors or Managing Agents or in case of Private Companies as Members.	---
4.	Total amount of Loans disbursed during the year to concern in which one or more Directors, Partners, Proprietors or Managing Directors or in case of Private Companies as Members.	---
5. i)	Total amount of instalments whether of principal or interest of which default was made at any time during the year	2,184,562
ii)	Total amount of instalments whether of principal or interest over due at the end of year (excluding those against whom legal action has been taken and are disclosed under (iv) below).	242,440
iii)	Total amount of instalments whether of principal or interest overdue in concerns in which the Directors of the Corporation are interested	---
iv)	Total amount due from Industrial concerns against whom suits are pending in courts (this includes cases in which decrees other than consent decrees have been obtained and where other legal action has been taken.)	20,945,285
v)	Debts guaranteed by the State Govt.	155,909
6.	Debts due from loanee concerns whose management has been taken over by the Corporation	---
7.	Debts considered doubtful and loss assets. Provisioning made to the extent of Rs.646,847 thousands	658,443
<b>II THE CLASSIFICATION OF LOANS AND ADVANCES ACCORDING TO THE SIZE OF THE INDUSTRIAL UNITS</b>		
i)	Debts due from small scale industrial concerns	1,731,837
ii)	Debts due from concerns other than those included under (i) above	216,686
		1,948,523
<b>III THE CLASSIFICATION OF LOANS &amp; ADVANCES ACCORDING TO THE CONSTITUTION OF THE INDUSTRIAL UNITS.</b>		
a)	Proprietorship	481,456
b)	Partnership	269,982
c)	Private Limited Companies	1,012,176
d)	Public Limited Companies	184,909
		1,948,523

**HARYANA FINANCIAL CORPORATION, CHANDIGARH**  
**CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.08 TO 31.03.09**

Amount (Rs. in lacs)

**USES**

1. DISBURSEMENTS OF LOANS		2394.00
2. INVESTMENT		8000.00
3. REPAYMENTS		
REFINANCE - SIDBI LOC	895.95	
REFINANCE - SIDBI NEF/MUN/SEMFEX	12.57	
SLR BONDS	177.50	
LOAN -HUDA	2200.00	
LOC - PUNJAB & SIND BANK	1162.33	4448.35
4. INTEREST PAYMENTS ON		
REFINANCE FROM SIDBI	1658.79	
SLR BONDS, BANKS AND OTHERS	567.99	2226.78
5. SALARY & WAGES		890.27
6. OTHER ADMINISTRATIVE EXPENSES		167.48
7. FRINGE BENEFIT / INTEREST TAX		3.24
8. CAPITAL EXPENDITURE		88.33
9. OTHER CASH OUTGOINGS		415.87
10. CLOSING CASH AND BANKS BALANCES		1573.01
<b>TOTAL</b>		<b><u>20207.33</u></b>

**SOURCES**

1. OPENING CASH AND BANK BALANCES		2096.66
2. INCREASE IN SHARE CAPITAL		8087.50
3. BORROWINGS :REFINANCE/LOC FROM SIDBI		2197.33
4. RECOVERY OF PRINCIPAL		
TERM LOANS	4301.19	
LEASING/MERCHANT BANKING PORTFOLIO	98.31	4399.50
5. REVENUE RECEIPTS		
INTEREST TERM LOANS	2588.63	
INTEREST - BANK DEPOSITS	311.46	
RECOVERY OUT OF BAD DEBTS WRITTEN OFF	335.15	
OTHER INCOME	191.10	3426.34
<b>TOTAL</b>		<b><u>20207.33</u></b>

  
**B.R. GOYAL**  
 (GENERAL MANAGER)



  
**DHEERA KHANDELWAL, IAS**  
 (MANAGING DIRECTOR)



**HARYANA FINANCIAL CORPORATION  
CHANDIGARH**

**PROXY FORM**

(Vide General Regulation 35)

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 42nd

**Annual General Meeting** of Shareholders of the Corporation to be held at the Head Office of the Corporation i.e.

17,18, & 19, Sector 17-A, (Opp. L.I.C. Building), Chandigarh on 30th July, 2009 at 11.00 A.M. or at any adjournment

thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

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  
M/s. \_\_\_\_\_ Folio No. \_\_\_\_\_

to exercise voting rights and other powers on its behalf at the 42nd Annual General Meeting of the Shareholders of  
the Haryana Financial Corporation to be held at the Head Office of the Corporation i.e. Nos. 17,18, & 19, Sector 17-A,  
Chandigarh at 11.00 A.M. on 30th July, 2009 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 Company M/s \_\_\_\_\_

held on \_\_\_\_\_ at \_\_\_\_\_

The undersigned was the Chairman of the said meeting.

Specimen Signature of Authorised person(s)

Signature of the Chairman  
(Rubber Stamp of the Company)



## HARYANA FINANCIAL CORPORATION CHANDIGARH

### FORM FOR ATTENDANCE/IDENTIFICATION AND FOR DETERMINING THE VOTING RIGHTS OF SHAREHOLDERS (FOR 42<sup>nd</sup> AGM 2008-2009)

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

1. Name of the Shareholder (in full) \_\_\_\_\_
2. Registered Address \_\_\_\_\_
3. Registered Number of Shares \_\_\_\_\_
4. Class of the Shareholder (General Regulation: 7(vii)) \_\_\_\_\_
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. ....

Sub-regulation (vii) of Regulation 7 of the General Regulations read as follows:-

For the purpose of this Regulation there shall be the following classes of Shareholders, namely

- a) The State Government
- b) The Small Industrial Development Bank of India (SIDBI)
- c) Public Sector banks/LIC/other Insurance Companies owned or controlled by the Central Govt. , other institutions owned or controlled by the Central Govt. or State Govt.
- d) Parties other than those referred to in clause (a) (b) and (c) of sub section (3) of section 4 of the State Financial Corporations' (Amendment) Act, 2000.

**U.P.C. / BOOK - POST**

To,

*If undelivered, please return to :*  
**HARYANA FINANCIAL CORPORATION**  
Nos. 17,18 & 19, Sector 17-A  
Chandigarh - 160 017