

46th
ANNUAL REPORT
2012 - 2013



Haryana Financial Corporation



BANKERS

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

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

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

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

STATUTORY AUDITORS

M/s DHILLON & ASSOCIATES,
Quite Office No. 4,
Sector 35-A,
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 , contact@hfcindia.org
Website : www.hfcindia.org

HARYANA FINANCIAL CORPORATION
Bays Nos. 17,18 & 19, Sector 17-A, Chandigarh
Notice



In terms of Regulation 46 of General Regulations of the Corporation read with Section 36 of the State Financial Corporations Act, 1951, it is hereby notified that the 46th Annual General Meeting of Shareholders of the Corporation will be held on Wednesday, the 18th December, 2013 at 11.00 AM (I.S.T.) at Head Office of the Corporation i.e Bays Nos. 17, 18 & 19, Sector 17-A, Opposite. L.I.C. Building, Chandigarh, to transact the following business:-


- 1 To receive, consider and adopt the audited Balance Sheet as on 31st March, 2013 and the Profit and Loss Accounts of the Corporation for the year ended on that date together with Report of the Board of Directors on the working of the Corporation throughout the year and the Auditor's Report on the said Balance Sheet and Accounts.
- 2 To appoint an audit firm (to be appointed by the shareholders out of the panel of RBI as per detail given in the Note No. v) 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 2013-2014 at a audit fee of Rs. 31,250/- plus applicable service tax and admissible TA/DA.
- 3 To appoint one Director nominated in the prescribed manner by the shareholders referred to in clause 4(3)(c) of SFCs Act 1951 (i.e. from Schedule Banks, Insurance Companies etc.) for a period of three years.
- 4 To elect one Director in the prescribed manner by the shareholders referred to in clause (d) of sub section 3 of section 4 of SFCs Act 1951 (i.e. from Public Shareholders) for a period of three years.

NOTES:

- i) The Register of Members and Share Transfer Books of the Corporation will remain closed from Monday, 16th December, 2013 to Wednesday, 18th December, 2013 (both days inclusive).
- ii) Nomination papers for election as Directors by the shareholders (category 'c' & 'd') in order to be effective must reach, complete in all respects (as per applicable format published in the Annual Report), at Head Office of the Corporation on a working day not less than 14 clear days before the date fixed for the meeting (i.e. by 3rd December, 2013).
- iii) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Corporation. Proxies in order to be effective must be deposited (as per format published in the Annual Report) with the Head Office of the Corporation not less than 48 hours before the time fixed for the meeting.
- iv) The Institutional Shareholders i.e. SIDBI / Banks / Co-Op Banks /Insurance Companies and Bodies Corporate/ Companies etc. in order to attend & vote at the meeting submit authorization (as per format published in the Annual Report) along with certified copies of resolutions appointing duly authorized representative. Authorizations in order to be effective must be deposited with the Head Office of the Corporation not less than 48 hours before the time fixed for the meeting.
- v) As per section 37(l) of SFCs Act, 1951, the Reserve Bank of India vide its letter dated 07.06.2013 has forwarded the panel of the audit firms and the Corporation has short listed the following audit firms as per details :
 - a) M/s R.P. Mallick & Associates
#1442, Sector 44-B, Chandigarh
 - b) M/s G.S. Gambhir & Associates
SCO 1106-1107, 1st Floor, Sector 22-B, Chandigarh
 - c) M/s Rupinder & Co.
SCO 52, 2nd Floor, Sector 20-C, Chandigarh.

The above audit firms have confirmed their eligibility/given their consent under the provision of the Companies Act, 1956 and as per RBI letter. The brief profile of the audit firms will be circulated to the shareholders at the meeting to consider and make the appointment.

By Order of the Board
for Haryana Financial Corporation


General Manager

Dated: 15th November, 2013
Place: Chandigarh



HARYANA FINANCIAL CORPORATION, CHANDIGARH

Directors on the Board of the Corporation as on 31.03.2013

1. Sh. Chhatar Singh, IAS
Principal Secretary to
Chief Minister, Haryana, Chandigarh. 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, 1951.
2. Sh. Sanjeev Kaushal, IAS
Financial Commissioner & Principal
Secretary to Government of Haryana,
(Finance Department). Director Co-opted by the Board in its 327th meeting held on 10. 07. 2012 in terms of section 10(e)(iv) of SFCs Act, 1951.
3. Sh. Y.S. Malik, IAS
Financial Commissioner & Principal
Secretary to Government of Haryana,
Industries Deptt., Chandigarh. Director Nominated by the State Govt. in terms of Section 10(b) of SFCs Act, 1951.
4. Sh. Manish Sinha
Deputy General Manager,
Small Industries Development Bank of India,
SCO 145-146, Sector 17-C,
Chandigarh. Director Nominated by SIDBI in terms of section 10(c) of SFCs Act, 1951.
5. Sh. L.C. Meena
Sr. Divisional Manager,
Life Insurance Corporation of India,
Sec 17-A, Chandigarh. Director Nominated by LIC in terms of section 10(d) to represent shareholders in clause (c) of Sub-Section (3) of Section 4 of SFCs Act, 1951.
6. Sh. Shashi Kapur
H.No. 225, Sector 14,
Urban Estate,
Gurgaon (Haryana). Director Representing shareholders referred to in clause (d) of Sub-Section (3) of Section 4 of SFCs Act, 1951.
7. Sh. Tarun Bajaj, IAS
Managing Director,
Haryana Financial Corporation,
Chandigarh. Director Appointed by the State Govt. in terms of Sub-Section (1) of Section 17 of SFCs Act, 1951.



HARYANA FINANCIAL CORPORATION CHANDIGARH

Director's Report

The Board of Directors of the Haryana Financial Corporation have great pleasure in presenting the 46th Annual Report together with the audited statements of accounts on the working of the Corporation for the year ended 31st March, 2013.

Working Results

During the financial year 2012-13, the Corporation has achieved the following working results :

	(₹ in Crores)	
	2012- 13	2011- 12
A. Income from operations/other income	15.16	15.51
B. Interest & Other Financial Expenses	0.87	2.37
C. Personnel Expenses	17.25*	11.59
D. Administrative Expenses	0.74	0.96
E. Depreciation	0.55	0.61
F. Bad Debts Written off	0.36	0.00
G. Total Expenditure (B to F)	19.77	15.53
H. Profit/(Loss) before tax & provision for NPAs (G - A)	(4.61)	(0.02)
I. Add provision against NPAs, leased assets & investments, written back	4.30	1.60
J. Net Profit/(Loss) before tax (H + I)	(0.31)	1.58
K. Less Deferred Tax written off	0.00	30.80
L. Profit/(Loss) after provision for deffered tax assets (J - K)	(0.31)	(29.22)

* Includes ₹6.34 crore on account of provision of enhanced gratuity from ₹3.50 lakh to ₹10.00 lakh.

Operational Highlights

The shareholders have already been informed in the previous reports that the Corporation has stopped sanctioning of the fresh loans. The Corporation is giving emphasis on recovery of the loans especially from NPAs/bad debts etc. The operational areas of the Corporation viz sanction, disbursement and recovery of its dues during the year are given as under :

Performance for the Year 2012-13

	(₹ in Crores)
Sanction.	11.39*
Disbursement.	11.92*
Recovery	39.36

* Includes Auction purchaser cases.



Sanction/Disbursement

The Corporation made sanction and disbursement of ₹ 11.39 crore and Rs. 11.92 crore respectively during the year in the auction purchaser cases.

Recovery of Dues

The Corporation is mainly focusing on recovery of its loans. The Corporation has persuaded borrowers to come forward under the 'One Time Settlement Scheme' to settle dues of NPAs/Loss cases with a view to maximize the recovery and minimize the loan cases. All other cases were also followed up to prevent standard units to fall under NPAs. Due to the above measures, the Corporation was able to recover a sum of ₹ 39.36 crore during the year 2012-13.

Resources Management

During the year under review, the Corporation was able to meet all its commitments of disbursement and had also repaid the amount due to the banks/others against bonds raised by the Corporation from time to time.

Share Capital

The Corporation has not received any share capital from the State Govt. during the year 2012-13.

Refinance

As already stated in the Annual Report for the year 2010-11, the Corporation was able to settle the entire outstanding refinance of ₹181.68 crore due to the SIDBI at ₹130.00 crore payable within a period of three years without any further interest. The Corporation has paid ₹86.67 crore upto 31.03.2013 being the 2/3rd of the total amount of OTS. The balance amount of OTS of ₹43.33 crore is payable during FY 2013-14.

Bonds

During the year, no SLR Bond quota was allocated to the Corporation. Further, bonds worth ₹ 15.00 crore have been repaid on maturity during the year. The Corporation has no outstanding bonds as on 31.03.2013.

Corporate Governance/ Management Discussion & Analysis

The Corporate Governance and Management discussion and Analysis report as per clause 49 of the Listing Agreement is annexed as Annexure with the Director's Report.

Listing

The equity shares of the Corporation are listed at Bombay Stock Exchange Ltd. (BSE Script No. 530927).



Audit

The shareholders in its 45th Annual General Meeting held on 06.02.2013 re-appointed M/s Dhillon & Associates, Chartered Accountants, Chandigarh (out of the panel submitted by RBI) as Statutory Auditors for the financial year 2012-2013 (for 4th term), who have conducted the audit of the Corporation.

Audit By Comptroller & Auditor General of India

The Comptroller & Auditor General of India (CAG) conducted the audit of the accounts of the Corporation for Financial year 2012-13 under section 37 (6) of the SFCs Act, 1951. Their report will be placed before State Legislature in the next Assembly Session.

Board of Directors

The list of the Board of Directors as on 31.03.2013 has separately been given in the Annual Report.

Sh. L.C. Meena, Sr. Divisional Manager of LIC of India was nominated/elected as a director in the AGM held on 06.02.2013 for a period of three years under section 4(3)(c) of SFCs Act, 1951.

During the year under review, 3 meetings of Board of Directors were held.

Acknowledgement

The Board of Directors wish to place on record its gratitude to Govt. of Haryana, Department of Finance & Department of Industries for their continuous co-operation and support in all the operational matters.

The Board of Directors wish 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 thanks the Banks, Bond subscribers and shareholders for extending their support & co-operation.

The Board placed on record its appreciation for the services rendered by the staff of the Corporation at all levels during the year.

For and on behalf of Board of Directors

(TARUN BAJAJ)
MANAGING DIRECTOR

**CORPORATE GOVERNANCE / MANAGEMENT DISCUSSION & ANALYSIS****Corporate Governance Report****1. Brief Statement**

The Haryana Financial Corporation has been established under the State Financial Corporations 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. The Corporation has given due importance to Corporate Governance and attended its customers, shareholders and others. Efforts are being made to make the necessary compliances as per requirements of the Stock Exchange (BSE) and Listing Agreement etc.

2. Board of Directors**2(a) Composition of Board**

The Board of Directors of the Corporation has been constituted as per section 10 of State Financial Corporations Act, 1951. The detail of the Directors as on 31.03.2013 have been given in the Annual Report separately. The Board of Directors consists of seven Directors viz Chairperson, Managing Director, Director nominated by Government of Haryana, one representative of Small Industries Development Bank of India (SIDBI), one Director of Banks /Insurance Companies, one Director co-opted by Board of Directors and one Director from public shareholders. Except Managing Director, all other Directors are Non-Executive. The Chairman is also a Non-Executive Director.

2(b) Board Meeting

During the year 2012-13 three meetings of the Board of Directors were held.

2(c) Fidelity & Secrecy

As per requirements the certificate of fidelity and secrecy and other details were obtained from the incoming directors, placed before the Board and taken on record.

3. Audit Committee

The Audit Committee of the Corporation was re-constituted by the Board in its 327th meeting held on 10.07.2012. The committee comprised of Sh. Sanjeev Kaushal, IAS, Principal Secretary Finance, Government of Haryana as Chairman of the Audit Committee, Director nominated by SIDBI and Sh. Shashi Kapur, Director both members (as on 31.03.2013). All the above Directors are non executive & independent Directors. During the year under reference the audit committee met two times.

4. Remuneration Committee

The Corporation has not constituted Remuneration Committee as the Non-Executive Directors are not entitled for any remuneration. The Managing Director of the Corporation is an IAS officer and is appointed by the State Government, Haryana and the remuneration payable is in accordance with the conditions prescribed by the State Government, Haryana. The other Directors are entitled to sitting fee (₹ 500 for attending Board & other meetings) besides TA/DA.

Sh. Shashi Kapur, Director hold 1000 equity shares of ₹10/- each of the Corporation. None of the other Directors hold equity shares of the Corporation in their individual capacity.

5. Shareholders/Investors Grievances Committee.

The Corporation in its 329th meeting held on 22.03.2013 has reconstituted Shareholders/Investors grievances Committee. As on 31.03.2013, the committee consists of Sh. Manish Sinha, Ms. Kalpana Gupta and Sh. Shashi Kapur, Directors of the Corporation. The above Directors are non-executive and independent Directors.



6. General Body Meetings

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

Year	AGM	Location	Date	Time
2009-2010	43rd AGM	At HO of the Corporation Bays Nos. 17,18 & 19, Sector 17 A, Chandigarh	19.01.2011	11.00AM
2010-2011	44th AGM	---DO---	19.01.2012	11.30 A.M.
2011-2012	45th AGM	---DO---	06.02.2013	11.30 A.M.

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

7. Disclosures

a) Disclosures on materially significant related party transactions

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

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

Nil

8. Means of Communication

The quarterly, half yearly and annual financial results of the Corporation are published in the two newspapers - "The Indian Express (English Edition) and Dainik Bhaskar (Hindi Edition), Chandigarh.

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

The Annual Report containing interalia, Audited Annual Accounts, Consolidated Financial Statements, Director's Report, Auditor's Report and other important information is circulated to the members / shareholders. The Annual Reports are being despatched under Postal Certificate.

9. General Shareholders information

9.1 Annual General Meeting

- Date and Time	18th December, 2013 at 11.00 A.M.
- Venue	Head Office of the Corporation

9.2 Financial Calendar (Tentative)

(from 1st April to 31st March)

The tentative dates for publishing of quarterly results will be as under :

Results for quarter ending June, 2013 published	on 29th September, 2013
Results for quarter ending Sept, 2013 will be published	by November, 2013
Results for quarter ending Dec, 2013 will be published by	15th February, 2014
Results for quarter ending March, 2014 will be published	by 15th May, 2014

9.3 Book Closure date 16th to 18th December, 2013

9.4 Dividend payment date (Not applicable)
No dividend has been recommended by the Board

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

9.6 Stock code/Script Code 530927



9.7 Stock Market Data

The shares are thinly traded
The available quotes at BSE ₹ 23.50 in July 2010
₹ 24.65 on 13.07.2011

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, 29961282,
Fax : 011-29961284

9.10 Share Transfer System

The Share Transfer Committee of the Corporation was reconstituted on 22.03.2013. As on 31.03.2013 the Share Transfer Committee consisted of the following members :

1	Sh. Tarun Bajaj, IAS Managing Director	Chairman
2	Sh. Ashok Pahwa General manager	Member
3	Sh. Ashok Gupta Dy. Gen. Manager	Member
4	Sh. Rakesh Khurana Dy. Gen. Manager	Member

M/s Beetal Financial & Computer Services (P) Ltd., New Delhi is the Registrar and Share Transfer Agent (RTA) of the Corporation and carries out the process of share transfer. The shares received by the Corporation for transfer are sent to RTA. The RTA after completion of formalities forward the share transfer register containing all the details of transferor/transferee to the Corporation for approval. A meeting of the Share Transfer/Transmission Committee is then held to approve the transfer(s) and forward its minutes to the RTA for necessary action. Thereafter, the Registrar make the endorsement on the share certificates and forward the share certificates duly transferred to transferee. The same procedure is adopted for the shares directly received by the RTA

9.11 Shareholding pattern as on 31st March, 2013

Category of shareholders as per section 4(3) of SFCs Act, 1951	No. of Shareholders	No. of shares held of ₹ 10/- each	%age of holding
a State Govt. (Haryana)	1	20,18,61,650	97.28%
b SIDBI	1	43,26,550	2.08%
c Banks, Financial Institutions, Insurance Co., Central/State Govt. Institutions/Non Govt. Institutions	9	2,01,700	0.10%
d Others (Shareholders other than those referred to in clause (a), (b), (c) above)	1919	11,18,200	0.54%
TOTAL	1930	20,75,08,100	100%

9.12 Dematerialisation of Shares

The shares of the Corporation are in physical form. The Corporation applied to National Stock Depository Ltd. (NSDL) for dematerialisation of its shares but the same has not been dematerialized due to Corporation's accumulated losses/erosion of net worth.



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 4 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 (the address of which has been given above, at S.No. 9.9) or at the address given below for their queries with regard to change of address, transfer of shares

The Compliance Officer
Haryana Financial Corporation
Secretarial Cell
Bays Nos. 17, 18 & 19
Sector 17 A, Chandigarh-160017
Ph. : 0172-2714530, 2702755-57,
Fax : 0172-2702666
E-mail : investors@hfcindia.org

MANAGEMENT DISCUSSION & ANALYSIS REPORT

i) Term Lending Institution

The Haryana Financial Corporation was established under the State Financial Corporations Act, 1951 as a State level development financial institution to provide financial assistance to the industrial units in small scale sectors set up in State of Haryana.

ii) Threats

With the reforms of the financial sector, the traditional area have been entered into by new entrants i.e. Banks and Non-banking Financial Companies (NBFCs) who have access to cheaper source of funds. Accordingly, the Corporation is facing stiff competition from them. The Corporation could not withstand the competition from these institutions due to which the Corporation's performance was adversely affected in terms of volume, business and profitability.

iii) Corporation Performance

The Corporation has stopped fresh sanction of loans. The Corporation is making disbursement in the partly disbursed cases. The emphasis is to maximize recovery from existing loans. During the year, a sum of ₹ 39.36 crore has been recovered.

iv) Opportunities/Resources

During the year 2010-11, the Corporation took up the matter with the SIDBI for the restructuring of its debts to reduce the cost of the funds. The Corporation was able to settle the entire outstanding refinance of ₹181.68 crore due to the SIDBI at ₹130.00 crore payable within a period of 3 years without any further interest. Thus, the Corporation has reduced its liability and recurring expenses towards interest. The Corporation has repaid ₹ 86.67 crore in two installments upto 31.03.2013 and last installment of ₹ 43.33 crore is payable by 31.03.2014.

v) Internal Control System

The Corporation has the Internal Audit Wing and Internal Control System to check financial and other records.

vi) Human Resources

With the retirement of the staff, the staff strength has been reduced from 182 as on 31.03.2012 to 162 as on 31.03.2013.

The Management and discussion report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and actual results may differ.

Partners

P.D. Sharma

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

G. S. Sarin

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



SHARMA SARIN & ASSOCIATES

COMPANY SECRETARIES

OFFICE

**SCO 186-188, First Floor, Adj. Ghazal Restaurant,
Sector 17-C, Chandigarh-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: 17.06.2013

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 31st March, 2013.

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

We certify that on the basis of the record 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.

We state that no Investor Grievance was pending for a period exceeding one month against the Corporation as per the records maintained and produced before us by the Corporation.

We further state that such compliance is neither an assurance as to the future viability of the Corporation nor efficiency or effectiveness with which the Management has conducted the affairs of the Corporation.

For Sharma Sarin & Associates
Company Secretaries

Place : Chandigarh
Date : 17th June, 2013

P.D. Sharma
Partner Chandigarh
FCS NO 2265

DHILLON & ASSOCIATES

CHARTERED ACCOUNTANTS

QUIET OFFICE NO. 4, SECTOR 35-A,
CHANDIGARH

TELEFAX : 0172-2609257, 2602157

E-MAIL : rkm731@yahoo.co.in

Service Tax No. AAFFD 6557F/ST001

AUDITOR'S 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, 2013 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) 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.
- B) In our opinion, proper books of accounts have been kept by the Corporation so far as it appears from our examination of those records.
- C) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with books of account.
- D) 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 :
- In case of Balance Sheet the State of Affairs of the Corporation as at 31st March, 2013 and
 - In case of Profit & Loss Account of the Loss for the year ended on that date.



Place : Chandigarh

Dated : 8th August, 2013

For Dhillon & Associates
Chartered Accountants

A handwritten signature in black ink, appearing to read "Rajiv Makkar".

Rajiv Makkar (F.C.A.)
Partner

Membership No. 503009
Firm Regd. No. 002783N



HARYANA FINANCIAL CORPORATION, CHANDIGARH


BALANCE SHEET AS ON 31ST MARCH, 2013

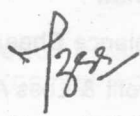
As at 31.03.2012 Amount (₹)	Capital & Liabilities	Schedule	As at 31.03.2013 Amount (₹)
2,075,081,000	Share Capital	A	2,075,081,000
165,253,013	Reserves and Surplus	B	165,683,860
150,000,000	Bonds and Debentures	C	0
1,383,412,153	Borrowings	D	950,112,153
159,340,559	Other Liabilities	E	491,467,016
733,104,134	Provisions	F	690,488,443
4,666,190,859	Total		4,372,832,472
	Property & Assets		
151,953,915	Cash and Bank Balances	G	34,306,881
1,499,144,180	Investments	H	1,497,644,180
1,129,910,779	Loans and Advances	I	971,131,767
127,061,058	Fixes Assets	J	119,002,071
125,547,057	Other Assets	K	115,054,899
1,632,573,870	Profit and Loss Accounts (Accumulated Losses)	L	1,635,692,674
4,666,190,859	Total		4,372,832,472

Notes on Accounts

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

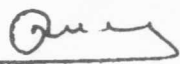

Ashok Pahwa
General Manager


Tarun Bajaj, IAS
Managing Director

In terms of our separate report of even date attached

For Dhillon & Associates
Chartered Accountants




Rajiv Makkar (F.C.A.)
Partner
Membership No. 503009
Firm Regd. No. 002783N

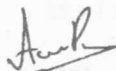
Place : Chandigarh
Dated : 8th August 2013

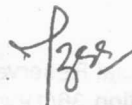
HARYANA FINANCIAL CORPORATION, CHANDIGARH
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013



For the year ended 31.03.2012 Amount (₹)		Schedule	For the year ended 31.03.2013 Amount (₹)
	Income		
98,417,442	Income From Operations	M	73,504,610
56,725,073	Other Income	N	78,090,277
<u>155,142,515</u>	Total Income		<u>151,594,887</u>
	Expenditure		
23,659,155	Interest Expenses	O	8,700,486
19,043	Other Financial Expenses	P	30,867
115,971,317	Personnel Expenses	Q	172,462,513
15,744,058	Administrative Expenses	R	12,885,342
0	Bad Debts Written Off		3,607,174
<u>155,393,573</u>	Total Expenditure		<u>197,686,382</u>
<u>(251,058)</u>	Operating Profit / (Loss)		<u>(46,091,495)</u>
16,021,400	Add : Provision Against NPAs Written Back		42,972,691
<u>15,770,342</u>	Profit / (Loss) Before Tax		<u>(3,118,804)</u>
308,000,000	Less : Deferred Tax Written Off		0
<u>(292,229,658)</u>	Net / Profit (Loss)		<u>(3,118,804)</u>
	Notes on Accounts	S	
Nil	Earning Per Share		NIL

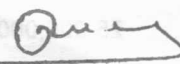
Note : The schedules referred to above form integral part of the Profit & Loss Account


 Ashok Pahwa
 General Manager


 Tarun Bajaj, IAS
 Managing Director

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




 Rajiv Makkar (F.C.A.)
 Partner
 Membership No. 503009
 Firm Regd. No. 002783N

Place : Chandigarh
 Dated : 8th August 2013



Schedule 'A' - Share Capital

As at 31.03.2012 Amount (₹)			As at 31.03.2013 Amount (₹)
	Authorised		
<u>3,000,000,000</u>	300,000,000 Equity Shares of ₹10/- each		<u>3,000,000,000</u>
	Issued And Subscribed		
2,109,155,000	a) 210,915,500 (Previous year 210,915,500) Equity Shares of ₹10/- each issued under section 4 of State Financial Corporations' Act, 1951	2,109,155,000	
6,266,000	b) 626,600 Shares of ₹10/- each issued under section 4A(1) of the State Financial Corporations' Act, 1951 as special class of shares.	6,266,000	
<u>2,115,421,000</u>	Total	<u>2,115,421,000</u>	
	Paid-Up		
2,115,421,000	Issued & Subscribed	2,115,421,000	
40,340,000	Less : Amount Forfeited - 4,034,000 equity shares of ₹10/- each	40,340,000	
<u>2,075,081,000</u>	Balance 207,508,100 (Previous year 207,508,100) shares of ₹10/- each	<u>2,075,081,000</u>	
2,068,815,000	a) 206,881,500 (Previous year 206,881,500) Equity Shares of ₹10/- each under section 4 of State Financial Corporation' Act, 1951 fully paid up.	206,881,500	
6,266,000	b) 626,600 Shares of ₹10/- each issued under section 4A(1) of the State Financial Corporations Act, 1951 as special class of shares.	6,266,000	2,075,081,000
<u>2,075,081,000</u>	Total	<u>2,075,081,000</u>	<u>2,075,081,000</u>

Schedule 'B' - Reserve and Surplus

As at 31.03.2012 Amount (₹)			As at 31.03.2013 Amount (₹)
	a) Special Reserve for the purpose of Section 36(1)(viii) of the Income Tax Act. 1961		
178,567,013	Balance as per the last Balance Sheet	178,567,013	
<u>166,800,000</u>	Less : Utilised towards provisioning for NPA upto Previous year	<u>166,800,000</u>	
11,767,013			11,767,013
105,510,000	b) Share Premium		105,510,000
25,000,000	c) Special Reserve Fund (Section 35A of SFCs Act)		25,000,000
0	d) Reserve under clause 91(VII) of General Regulation of HFC		430,847
22,976,000	e) Shares Forfeiture Reserve		22,976,000
<u>165,253,013</u>	Total	<u>165,253,013</u>	<u>165,683,860</u>



Schedule 'C' - Bonds and Debentures

As at 31.03.2012
Amount (₹)

As at 31.03.2013
Amount (₹)

Bonds - SLR

(Guaranteed by the State Government under section 7(1)
of SFCs' Act, 1951)

67,500,000	07.92%	Bonds 2012 of ₹100 Each --65th Series
2,500,000	06.50%	Bonds 2013 of ₹100 Each --66th Series
80,000,000	06.75%	Bonds 2013 of ₹100 Each --67th Series

150,000,000 Total

0	
0	
0	0
0	0

Schedule 'D' - Borrowings

As at 31.03.2012
Amount (₹)

As at 31.03.2013
Amount (₹)

Small Industries Development Bank of India (SIDBI)
holding for SIDBI in trust the securities offered by the
Corporation's constituents against loans advanced
to them by the Corporation :

Guaranteed by State Government

1,050,000,000	- Refinance under LOC, Seed Capital, MUN and NEF scheme	950,112,153
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Not Guaranteed by State Government

333,412,153	- Refinance under LOC, Seed Capital, MUN and NEF scheme	0
-------------	--	---

1,383,412,153 Total

950,112,153
950,112,153



Schedule 'E' - Other Liabilities

As at 31.03.2012
Amount (₹)

As at 31.03.2013
Amount (₹)

a) Other Liabilities

1,123,672	Interest accrued but not due on Bonds and Debentures	0
565,936	Unclaimed Dividend	135,089
0	Provision against Gratuity	63,380,308
50,849,778	Provision against Leave Encashment	47,917,686
4,287,374	Provision against Compassionate Assistance	4,972,672
23,706,140	Sundry Deposits	126,416,691
0	Advance from HSIIDC - Sale of properties	170,000,000
4,198,450	Earnest Money	2,919,450
8,258,432	Borrowers' Imprest	9,482,596
7,168,832	Security Deposits	7,010,000
3,088,000	Sundry Creditors	3,088,000
3,312,038	Other Expenses Payable	2,677,896

b) State Government Funds (As an Agency)

1) Subsidies

97,160	Credit Linked Capital Subsidy	97,160
924,055	Central Subsidy	924,055
75,357	Generating Set Subsidy	75,357
3,825,238	State Subsidy	3,985,238
2,679,260	NHB Subsidy Reserve Fund	0
		5,081,810

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
938,702	Interest Due - Seed Money RIS	1,073,874
5,739,423	Seed Money from State Govt.	5,739,423
651,254	Seed Money RIS	651,254
11,098	Interest Received - Agency Funds	11,327
35,238,299	Interest Received - Seed Money (Agency)	38,663,879
		46,835,818

c) Contingent provision against Standard Assets

1,843,000	Upto previous year	1,906,000
63,000	Add : Provision during the year	0
0	Less : Excess provision provided in earlier years written back	357,000
<u>159,340,559</u>	Total	<u>1,549,000</u>
		<u>491,467,016</u>



Schedule 'F' - Provisions

As At 31.03.2012 Amount (₹)		As At 31.03.2013 Amount (₹)
398,426,000	i) Provision for Non-performing Loan Assets : Upto previous year	382,517,000
15,909,000	Less : Excess provision provided in earlier years written back	38,229,000
		<u>344,288,000</u>
139,630,771	ii) Provision for non-performing leasing assets Upto previous year	139,630,771
0	Less : Excess provision provided in earlier years written back	2,740,442
		<u>136,890,329</u>
166,800,000	iii) Adjusted out of Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961	166,800,000
44,331,763	iv) Provision for diminution in value of Investments : Upto previous year	44,156,363
175,400	Less : Excess provision provided in earlier years written back	1,646,249
		<u>42,510,114</u>
<u>733,104,134</u>	Total	<u>690,488,443</u>

Schedule 'G' - Cash and Bank Balances

As At 31.03.2012 Amount (₹)		As At 31.03.2013 Amount (₹)
380,769	Cash in hand	
214	i) Corporation Funds	187,376
	ii) Agency Funds & Seed Money	214
		<u>187,590</u>
	Balance with Schedule Banks	
12,530,300	i) In Current Accounts	
5,666	a) Corporation Funds	32,061,375
139,036,966	b) Agency Funds	5,895
		<u>32,067,270</u>
	ii) In Fixed/Short Term Deposits	2,052,021
<u>151,953,915</u>	Total	<u>34,306,881</u>

Schedule 'H' - Investments

As At 31.03.2012 Amount (₹)	Investments (As per annexure to Schedule 'H') :	As At 31.03.2013 Amount (₹)
1,450,000,000	I) Held till maturity - Unquoted	1,450,000,000
34,439,260	II) Available for sale	
14,704,920	a) Quoted	32,939,260
	b) Unquoted	14,704,920
		<u>47,644,180</u>
<u>1,499,144,180</u>	Total	<u>1,497,644,180</u>

Schedule 'I' - Loans and Advances

As At 31.03.2012 Amount (₹)		As At 31.03.2013 Amount (₹)
1,035,748,259	Loans & advances (as per annexure to Schedule 'I')	879,388,133
2,315,799	Interest accrued and due	562,835
3,275,000	Adhoc Limit - Boughtout Deals	3,275,000
		<u>883,225,968</u>
1,041,339,058	Soft loan - NEF, MUN & SEMFEX	3,284,337
3,950,259		
		<u>886,510,305</u>
1,045,289,317	Loans for Leasing Equipments (Advance)	57,148,124
57,148,124	Vehicle Sub-Leasing	27,473,338
27,473,338		
<u>1,129,910,779</u>	Total	<u>971,131,767</u>



Schedule 'J' - Fixed Assets

Corporation's Assets

(Amount in ₹)

Sr. No.	Particulars	WDV as on 01.04.2012 (1)	Additions Upto 30.09.2012		Sold/ Transferred during the year (4)	Value (5)	Rate of Dep. % age (6)	Total Dep. during the year (7)	WDV as on 31.03.2013 (8)
			(2)	(3)					
A) Land & Building									
	1. Land	6,490,726	0	0	0	6,490,726	0	0	6,490,726
	2. Building - Office	37,417,846	0	122,147	0	37,539,993	10	3,747,891	33,792,102
	- Residential	23,837,920	0	0	0	23,837,920	5	1,191,896	22,646,024
	TOTAL	67,746,492	0	122,147	0	67,868,639		4,939,787	62,928,852
B) furniture & Fittings									
	1. Furniture	922,999	0	0	0	922,999	10	92,301	830,698
	2. Safes, Cabinets & Padlocks	282,691	0	0	0	282,691	10	28,267	254,424
	3. Misc.	180,782	0	0	0	180,782	10	18,079	162,703
	4. Electric Fittings	1,260,031	12,800	18,600	0	1,291,431	10	128,213	1,163,218
	TOTAL	2,646,503	12,800	18,600	0	2,677,903		266,860	2,411,043
C) Plant & Machinery									
	1. Computers	51,738	0	9,500	0	61,238	60	33,893	27,345
	2. Typewriters, Duplicators etc.	4,495	0	0	0	4,495	15	674	3,821
	3. Staff Cars & Jeep	1,593,749	0	0	0	1,593,749	15	239,062	1,354,687
	4. Bicycles	8,772	0	0	0	8,772	15	1,316	7,456
	Total	1,658,754	0	9,500	0	1,668,254		274,945	1,393,309
	Grand Total - (A+B+C)	72,051,749	12,800	150,247	0	72,214,796		5,481,592	66,733,204

Leasing Assets

Particulars	WDV of Equipments leased as on 01.04.12	Additions During the Year	Sale/ Adjustment	Value as on 31.03.2013	Lease Rentals Received During the Year	Interest out of Rentals Received	Principal out of rentals Charged to Depreciation	WDV of Equipments leased as on 31.03.2013
D) Leasing Assets	55,009,309	0	2,740,442	52,268,867	0	0	0	52,268,867

Total Depreciation : 5,481,592

Total WDV (A+B+C+D) : 119,002,071



Schedule 'K' - Other Assets

As at 31.03.2012 Amount (₹)		As at 31.03.2013 Amount (₹)
11,259,925	Staff loans	9,054,871
1,063,163	Advances against Expenses	998,046
	Tax deducted at source :	
1,820,206	Financial year 2010-11	0
1,845,235	Financial year 2011-12	1,998,718
0	Financial year 2012-13	2,118,572
	Excess Income Tax deposited :	
1,479,647	Financial year 1981-82	3,490,977
9,570,353	Financial year 1982-83	9,570,353
3,524,224	Excess funds against gratuity with LIC	0
114,963	Security Deposits	114,963
122,147	Advance to HSIIDC for Head Office Building	0
2,433,645	Claims recoverable	6,833,062
	Interest Accrued but not due :	
29,271,486	On Loans and advances	17,431,072
10,383,092	On staff advances and deposits	8,626,043
1,391,500	Rent due but not received	0
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
33,554,556	ii) Seed Money Agency	37,088,493
561,770	iii) Seed Money (RIS)	578,584
<u>125,547,057</u>	Total	<u>115,054,899</u>

Schedule 'L' - Profit and Loss Accounts (Accumulated Losses)

As at 31.03.2012 Amount (₹)		As at 31.03.2013 Amount (₹)
1,340,344,212	Accumulated loss as per last Balance Sheet	1,632,573,870
292,229,658	Add : Net loss for the year	3,118,804
<u>1,632,573,870</u>	Total	<u>1,635,692,674</u>



Schedule 'M' - Income from Operations

For the year ended
31.03.2012
Amount (₹)

For the year ended
31.03.2013
Amount (₹)

	Interest Income on :	
98,417,169	Loans & Advances	71,764,188
0	Leasing Equipment Advances	1,390,422
		73,154,610
141,000	Dividend on Investments	350,000
(140,727)	Upfront Fee/Processing Fee	0
98,417,442	Total	73,504,610

Schedule 'N' - Other Income

For the year ended
31.03.2012
Amount (₹)

For the year ended
31.03.2013
Amount (₹)

	Miscellaneous Income	
(632,221)	Interest Income on :	267,333
	Income Tax	191,124
1,108,430	Staff Advances	1,205,880
480,892	Deposits with Banks	24,863,112
31,130,574		26,260,116
7,742,721	Amount received out of bad debts written off	33,598,835
1,561	Vehicle Lease Rental - Staff Members	0
16,889,387	Rental Income	17,872,493
0	Profit on Sale of Assets	91,500
3,729	Prior period excess provision written back- Wealth Tax	0
56,725,073	Total	78,090,277

Schedule 'O' - Interest Expenses - Bonds & Borrowings

For the year ended
31.03.2012
Amount (₹)

For the year ended
31.03.2013
Amount (₹)

	Interest on Bonds	
22,461,911	Interest on Earnest Money etc.	7,111,828
723,517	Interest on limit against Fixed Deposits with Banks	1,120,766
473,727		467,892
23,659,155	Total	8,700,486

Schedule 'P' - Other Financial Expenses

For the year ended
31.03.2012
Amount (₹)

For the year ended
31.03.2013
Amount (₹)

	Bank Charges	
19,043	Stock Exchange Fee	14,013
0		16,854
19,043	Total	30,867



Schedule 'Q' - Personnel Expenses

For the year ended 31.03.2012 Amount (₹)		For the year ended 31.03.2013 Amount (₹)
87,836,974	Salaries & Allowances : Other Staff	82,449,052
8,838,792	Contribution to Staff Provident Fund	8,557,673
228,122	Gratuity Premium	66,904,532
9,583,448	Leave Salary	5,787,199
0	Leave Travelling Concession	1,610,460
2,589,432	Medical Expenses	3,290,367
58,000	Training & Participation Fees	50,000
298,449	Staff Welfare	283,948
16,575	Uniforms	65,622
5,446,992	Compassionate Assistance	2,343,056
278,529	EDLI Premium	320,397
796,004	Administrative Expenses on Provident Fund	800,207
115,971,317	Total	172,462,513

Schedule 'R' - Administrative Expenses

For the year ended 31.03.2012 Amount (₹)		For the year ended 31.03.2013 Amount (₹)
	Travelling and other Expenses :	
635,437	a) Staff	586,146
40,338	b) Directors & Committee Members	20,875
500	Directors & Committee Members' Fees	14,104
2,727,859	Rent, Taxes, Insurance, Electricity etc.	2,311,177
564,782	Postage, Telegram & Telephone	529,804
483,723	Printing & Stationery	457,163
580,640	Computer Expenses	86,203
116,732	Publicity & Business Promotion	73,611
6,068,206	Depreciation	5,481,592
345,655	Repairs and Renewals-Office Equipments	448,244
548,611	Repairs and Maintenance-Staff cars	668,493
964,741	Legal Charges	786,638
35,828	Books & News Papers	33,872
380,313	Repairs & Renewals - Residential Building	230,370
1,587,437	Professional Charges	556,847
40,000	Audit Fee	40,000
107,817	Entertainment	75,503
350,000	Wealth Tax	361,247
83,440	Service Tax	115,053
2,430	Short Deduction TDS	0
79,569	Branch Office Shifting Charges	8,400
15,744,058	Total	12,885,342



Schedule - 'S'

Notes on Accounts

A Significant Accounting Policies

- 1 The Financial Statements of the Corporation are prepared on Accrual basis except for Interest on NPAs which has been accounted for on receipt basis as per RBI guidelines.
- 2 The amount received from the borrowers against loans and advances is appropriated in the following orders :
 - i) Miscellaneous Expenses.
 - ii) Interest.
 - iii) Principal.
- 3 In cases, where the Corporation sells borrowers' assets on deferred payment basis, respective borrowers' loan accounts are credited by the full amount of the sale proceeds after execution of agreement to sell. 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.
- 4 The Corporation introduced settlement policies namely, the policy for Compromise Settlement of Chronic Non-Performing Assets (Doubtful Loan Accounts) of Haryana Financial Corporation-2011 and the policy for Compromise Settlement of Loss Accounts of Haryana Financial Corporation - 2011 in the financial year 2011-12 for prompt recovery of NPAs. The Corporation has approved settlement in 194 accounts under above OTS policies upto 31-03-2013.

In the normal course, the recoveries are adjusted first against the actual misc. expenses and then against the outstanding interest and thereafter the balance amount is adjusted against outstanding principal amount. However, at the time of settlement in terms of the above policies, the accounts are recast by appropriating the amount realized by way of sale of mortgaged assets by the Corporation or sale by promoters / guarantors /mortgagers with the permission of the Corporation or by order of any court, on the date of sale, first against actual misc. expenses, then against the principal amount balance if any against the outstanding interest.

5 Retirement Benefits

- i) Gratuity to staff is covered under the Group Gratuity Scheme of Life Insurance Corporation of India. The Board of Directors in its meeting held on 22.12.2011 has approved the enhancement of gratuity limit payable to staff (w.e.f. 01.04.09) from ₹ 3.50 lakh to ₹ 10.00 lakh. The State Government has approved the same and issued necessary Gazette notification. Provision for gratuity for the existing staff as per revised limit amounting to ₹3.97crore as per actuarial valuation of Life Insurance Corporation of India (LIC) has been provided in the books of account and a provision of ₹ 2.37 crore in case of retirees as on 31.03.2013 who are eligible for the enhanced gratuity has also been made. Provision for leave Encashment payable to staff amounting to ₹4.79 crore has been provided in the books of accounts
- 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.

6) Asset Classification and Provisioning

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

Category	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	2.75
Sub-standard	Above 3 - 15	15.00
Doubtful-I	Above 15 - 27	25.00
Doubtful-II	Above 27 - 51	40.00
Doubtful-III	Above 51	100.00
Loss	No Security available	100.00



Provision of 2.75% has been made on the standard assets which are upgraded from NPAs for the first year from the date of upgradation and on restructured accounts classified as standard assets in the first two years from the date of restructuring. In cases of moratorium of payment of interest/principal after restructuring, such advances will attract a provision of 2.75% for the period covering moratorium and two years thereafter.

ii) 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 price of the script available from trades / quotes on the stock exchange. Those scripts for which current quotations are not available or where the shares are not quoted on stock exchange, have been valued at book value ascertained from their latest Balance Sheets. In case the latest Balance Sheet is not available, the shares have been valued at ₹ 1/- per company. In case of Investment in equity shares (held to maturity) evaluation has been done at acquisition price.

iii) Entire lease rentals in respect of Equipment Leasing, Vehicle Leasing and Special 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 31.03.2013 has been made. Lease finance in respect of Loans for Leasing Equipments (advance) and Vehicle Sub Leasing cases are treated as loans, for the purpose of provisioning.

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

7 Depreciation

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

B. Contingent liabilities

1 Liability in respect of units disposed off but in dispute - amount indeterminate.

2 The contingent liabilities in respect of claims lodged against the Corporation by ex-employees/pensioners and other claims (13 cases) are to the extent of ₹5.31 crore (approx.) not acknowledged. In addition to above, there are 18 court cases/appeals filed by the employees/ex-employees against which amount is indeterminate.

3 As per MoU signed by the Corporation with SIDBI on 25th March 2004 and renewed on 7th August, 2009, 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 ₹1384.35 lakh upto 31.05.2010, if the reliefs/concessions so given by the SIDBI are withdrawn. Further in view of One-time Settlement of outstanding refinance by SIDBI as discussed in note 'C' below, the provision of accrued interest w.e.f. 01.06.2010 onwards has not been made during the current financial year.

4 A demand of ₹1.39 crore (approx.) (after adjusting the refund of ₹1.10 crore against assessment year 2005-06 and ₹ 0.20 crore against assessment year 2011-12) has been raised by the Income Tax Department for the FY 1981 - 82 and 1982 - 83 on account of excess amount refunded by Income Tax Department in the earlier years against which appeals are pending with ITAT.

5 Sale Tax assessments for the financial years 2004-05, 2005-06, 2006-07, 2007-08 & 2008-09 has been completed by the Assessing Authority, Panchkula & Sales Tax/VAT liability for these financial years has been assessed at ₹125.45 lakh. As the Corporation has filed appeals with higher authority so the above liability of ₹125.45 lakh has not been provided in the accounts against these orders.

C. SIDBI vide their letter dated 10.01.2011 has approved one time settlement of outstanding refinance amount of ₹181.68 crore at ₹130 crore with no further interest (outstanding and future) to be paid within three years subject to the condition that in the event of default(s) in the payment of OTS dues, SIDBI shall have right to reverse the waiver of dues as envisaged under OTS and restore the original liability. Keeping in view the above OTS, no provision of accrued interest w.e.f. 01.06.2010 onwards has been made during the current financial year. The effect of principal waiver of ₹51.68 crore has accordingly been not given in the books of accounts and the same shall be given in the year of final payment as per OTS. Against the total OTS amount of ₹ 130.00 crore, the Corporation has paid ₹ 86.67 crore upto 31.03.13 being the 2/3rd of the total OTS amount. There is a State Government Guarantee against refinance of ₹ 105.00 crore in favour of SIDBI which is outstanding as on date as the same shall be extinguished when the entire payment of SIDBI is squared.



- D.** The Corporation appointed IFCI Ltd. to study the pros. and cons. of merger/winding up of the Corporation. The report of the financial consultant was deliberated by the Board of Directors of the Corporation in its meeting held on 10.07.2012 and decided to complete the process of sale of properties owned by the Corporation / settlement of liabilities by 31.03.2015 and deploy the surplus staff to other departments. The Board of Directors of the Corporation as well State Govt., Haryana has approved transfer of three properties of the Corporation to HSIIDC for ₹46.45 crore (against which Corporation has received ₹17.00 crore as token money upto 31.03.2013). The Corporation has also initiated steps for the deployment of surplus staff and got seven class IV employees deployed in Haryana Govt. through Surplus Staff Cell of Haryana.
- E.** Subvention amounting to ₹ 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 ₹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.
- F.** The value of primary and collateral securities of all the Loans and Advances as on the date of Balance sheet is not re-assessed. However, adequate provision against non-performing assets (NPAs) has been made in the books of accounts as on 31.03.2013 as per the provisioning norms of SIDBI.
- G.** 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 ₹ 5,71,48,124/- is still outstanding in this regard as on 31.03.2013 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.
- H.** 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 :

(₹ in Crore)

Assets Classification	Current Year		Previous Year		Change in provision over the prev. year
	Loans outstanding	Provision	Loans outstanding	Provision	
Standard Loan Assets : Including Upgraded A/c and Restructured A/c	22.39	0.15	40.62	0.19	-0.04
Non-Performing Loan Assets					
Sub Standard Assets	17.28	2.59	9.46	1.42	1.17
Doubtful Assets	37.85	37.77	41.97	41.66	-3.89
Loss Assets	10.75	10.75	11.85	11.85	-1.10 -3.82
Total	88.27	51.26	103.90	55.12	-3.86

Corporation has written back excess provision of ₹0.04 crore against standard loan assets and ₹3.82 crore against Non-performing loan assets during the year.

Provision on Leasing Portfolio has been made at 100 percent of the portfolio. During the year, Corporation has written back excess provision of ₹0.27 crore against Leasing Portfolio.

(₹ in Crore)

Leasing Portfolio	Current Year		Previous Year	
	Amount	Provision	Amount	Provision
Loan for Leasing Equipments (Advance)	5.71	5.71	5.71	5.71
Vehicle Sub Leasing	2.75	2.75	2.75	2.75
Equipment Leasing	4.72	4.72	4.99	4.99
Vehicle Leasing	0.51	0.51	0.51	0.51
Total	13.69	13.69	13.96	13.96



- I. As per guidelines issued by SIDBI, provision towards diminution in the value of investments of ₹2.94 crore in respect of listed shares and ₹1.31 crore in respect of unlisted shares, totalling to ₹4.25 crore is required to be made upto 31.03.2013 against which the Corporation has already made provision of ₹4.41 crore upto 31.03.2012. Therefore, provision of ₹0.16 crore has been written back during the year which has been shown in Schedule 'F' - Provisions.
- J. Amount of ₹ 3,37,92,102/- shown as Building - Office under Schedule 'J' - Fixed Assets includes ₹68,06,312/- paid and ₹30,88,000/- to be paid by the Corporation against allotment of 4 suites in HUDCO Place, Andrews Ganj, New Delhi by Government of Haryana. The Board of Directors of the Corporation in its meeting held on 22.12.2011 has decided to transfer these suits to HSIIDC along with Corporate office building at Plot No. 6, Sector 6, Panchkula and 59 Flats at Housing Board Complex, Sector 14, Panchkula. The Corporation has received ₹17.00 crore as token money against these properties. The possession of these suits has been handed over to HSIIDC.
- K. The Leasing Assets under Schedule 'J' - Fixed Assets, have been depreciated on Capital Recovery Method. The leased assets financed by the Corporation belong to the period prior to 01.04.2001, hence the equipment leasing has not been classified as Loans and Advances as per the Accounting Standard (AS-19) because it is applicable only on the leasing activities done after 01.04.2001.
- L. The State Govt. has appointed Corporation as agent for disbursement of its various subsidies, 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 Government.
- M. Sundry Deposits include a sum of ₹1095 Lakh being the sale price in case of M/s Surindera Enterprises Pvt. Ltd., Rewari, a joint financing case with Haryana State Industrial and Infrastructure Development Corporation Ltd. (HSIIDC). A new account for the same amount in the name of Auction purchaser namely M/s Balaji Enterprises under the head Loan & Advances has been opened. The auction purchaser has deposited 25% i.e. ₹ 273.75 lakh of the bid amount. As per the practice, the entire sale proceeds are credited into the original borrowers account after receipt of 25% of the sale amount and execution of agreement to sell. As per direction of the Hon'ble Supreme Court in this case, sale of unit was subject to final adjudication of pending writ petition in Hon'ble Punjab & Haryana High Court. As the petition pending in the Hon'ble Punjab & Haryana High Court was not finalized till 31.03.2013, the sale amount of ₹1095 lakh has been shown under the head Sundry Deposits' account. The sale proceed is to be shared between HFC and HSIIDC.

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

		F.Y. 2012-13 (₹ in lakh)	
1	Capital		
a)	CRAR %		19.87%
b)	The amount of subordinated debt raised and outstanding as Tier - II capital		—
c)	Risk Weighted Assets		
	i. On Balance Sheet items		26988.72
	ii. Off Balance Sheet		—
d)	The Share holding pattern as on the date of the Balance Sheet	Amount	% age
	i. Govt. of Haryana	20186.17	97.28
	ii. SIDBI	432.65	2.08
	iii. Commercial Banks, Insurance Cos. etc.	20.17	0.10
	iv. Private Shareholders	111.82	0.54
	Total	<u>20750.81</u>	<u>100.00</u>
2	Asset Quality and Credit Concentration		
e)	% age of net NPAs to Net loans and advances		39.90
f)	Amount and %age of Net NPAs under the prescribed asset classification categories	Amount	% age
	i. Sub Standard Assets	1468.35	39.68
	ii. Doubtful Assets	8.12	0.22
	Total :	<u>1476.47</u>	<u>39.90</u>



(₹ in Lakh)

g)	Amount of provision made during the year	
i.	Provision for Standard Assets	-3.57
ii.	Provision for NPAs	-382.29
iii.	Provision for Investments	-16.46
iv.	Provision for Leasing Assets	-27.41
	Total	- 429.73
h)	Movement in Net NPA	
i.	Sub Standard Assets	663.60
ii.	Doubtful Assets	- 22.31
i)	Credit Exposure as percentage to Capital Funds and percentage to Total Assets	

Particulars	Principal	To Total Capital	To Total Assets Funds
Largest single borrower	710.75	2.23%	2.60%
Largest borrower group	521.55	1.63%	1.91%
The 10 Largest single borrowers	2850.69	8.93%	10.41%
The 10 Largest borrower groups	1692.03	5.30%	6.18%

j)	Credit exposure to 5 largest industrial sectors as % to total loan assets	3740.98	42.23%
----	---	---------	--------

3 Liquidity

- k) Maturity pattern of Rupee assets and liabilities as per Balance Sheet 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 than 10 years	Total
Rupee assets	1175.11	1069.80	25126.49	0.00	0.00	0.00	27371.40
Foreign Currency Assets			-----NIL-----				
TOTAL	1175.11	1069.80	25126.49	0.00	0.00	0.00	27371.40
Rupee Liabilities	7650.84	0.00	23988.99	0.00	0.00	0.00	31639.83
Foreign Currency Liabilities			-----NIL-----				
TOTAL	7650.84	0.00	23988.99	0.00	0.00	0.00	31639.83



4 Operating Results

m)	Interest income as a percentage to average working funds	3.45%
n)	Non-interest income as a percentage to average working funds	1.81%
o)	Net Profit/(Loss) as a percentage to Average Working Funds	(0.11)%
p)	Net Profit/(Loss) per employee	₹ (0.19) lakh

5 Earning per Share

(Amount in ₹)

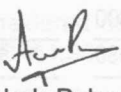
a)	Profit/(Loss) after Tax	(3,118,804)
	Profit/(Loss) attributable to ordinary Share Holders	(3,118,804)

b)	Weighted Average of Common Stock	No.	Period Outstanding (days)	Weighted Average
	Shares outstanding as on 31.3.2013	207508100	365	207508100
	Earning Per Share (a/b)			nil

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

O. 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.

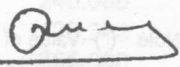
P. Schedules 'A' to 'S' form integral part of the Balance Sheet and Profit & Loss Account.


Ashok Pahwa
General Manager


Tarun Bajaj, IAS
Managing Director

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




Rajiv Makkar (F.C.A.)
Partner

Place : Chandigarh
Dated : 8th August 2013

Membership No. 503009
Firm Regd. No. 002783N



Annexure to Schedule - 'H'

Statement Showing Particulars of Investments in shares as on 31st March, 2013

S.No.	Name of the Company	Face value	Cost per Share	Value per Share as on 31.3.2013	No. of Shares	Cost as on 31.3.2013	Value as on 31.03.2013
I) Held to Maturity							
1.)	Haryana Power Generation Corp. Ltd.	1000.00	1000.00	1000.00	1450000	1450000000	1450000000
II) Available for Sale							
A 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., GGN.)	10.00	12.00		146600	1759200	1
3.	Veer Vardhman Inds., Panipat	10.00	10.00		250000	2500000	1
4.	Indo Britain Agro Farms Ltd.	10.00	10.00		180300	1803000	1
5.	Aravali Pipes Ltd., Hisar	10.00	15.00		205000	3075000	1
6.	Doon Valley Rice Mills, Karnal	10.00	30.00		100000	3000000	1
7.	Pam Raffia Ltd., Panchkula	10.00	10.00		10406	104060	1
8.	Swet Chem Antibiotic Ltd., Karnal	10.00	10.00		44800	448000	1
9.	GRM Overseas Ltd., Panipat	10.00	20.00	28.17	125000	2500000	3521250*
10.	Uma Fabrics Ltd., Gurgaon	10.00	10.00		350000	3500000	1
11.	Shiva Suitex Ltd., Gurgaon	10.00	10.00		500000	5000000	1
12.	Bharat Polyfab Ltd., Rewari	10.00	12.50		500000	6250000	1
					2712106	32939260	3521261
B. Unlisted : Ordinary - Fully Paid Up							
1.	INA Polyester Buttons Ltd., Faridabad	10.00	10.00		200000	2000000	1
2.	Apex Multitech Ltd., Panchkula	10.00	10.00		200000	2000000	1
3.	Nitika Cements Ltd., Panchkula	10.00	14.00		214280	2999920	1
4.	INA Polyester Buttons Ltd., Faridabad	10.00	10.00		200000	2000000	1
5.	Apex Multitech Ltd., Panchkula	10.00	15.00		375000	5625000	1
6.	Hardicon	100.00	100.00	2016.00	800	80000	1612800**
					1190080	14704920	1612805
III) Held for Trading						NIL	
Grand Total (I + II + III)					5352186	1497644180	1455134066
COST						1497644180	
VALUE						1455134066	
DIMINUTION						42510114	

Note : (*) Value of the shares as on 31st March, 2013.

(**) Value of share has been determined on the basis of balance sheet as on 31st March, 2012.



Annexure to Schedule - 'I'

Details of Loans and Advances - as on 31.03.2013


(₹ in Thousands)

I. Particulars of Loans & Advances

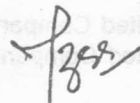
1.	Debts considered good in respect of which the Corporation is fully secured :-		
	(i) Standard Assets	223,929	
	(ii) Sub Standard Assets	172,747	396,676
2.	Debts previously fully secured		
	(i) Doubtful Assets	375,249	
	(ii) Loss Assets	107,464	482,713
	Soft Loans - SIDBI		879,389
			3,284
			<u>882,673</u>
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		601,566
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).		2,276,949
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.)		38,440,777
v)	Debts guaranteed by the State Govt.		---
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 ₹481,901 thousands		482,713
II	The Classification of Loans and Advances according to the size of the Industrial Units		
i)	Debts due from small scale industrial concerns	724,049	
ii)	Debts due from concerns other than those included under (i) above	158,624	
		<u>882,673</u>	
III	The Classification of Loans and Advances according to the Constitution of the Industrial Units.		
a)	Proprietorship	240,080	
b)	Partnership	123,363	
c)	Private Limited Companies	385,890	
d)	Public Limited Companies	133,340	
		<u>882,673</u>	

HARYANA FINANCIAL CORPORATION, CHANDIGARH
CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.12 TO 31.03.13

Sources		Amount (₹ in lakh)	
1. Opening Cash and Bank Balances			1519.54
2. Increase in Share Capital			0.00
3. Recovery of Principal			
Term Loans		2408.42	
Leasing Advances		27.40	
Disinvestment of Equity		15.00	2450.82
4. Interest Receipts			
Term Loans		853.57	
Leasing Advances		13.90	
Other Interest (Staff Adv. + STD)		280.17	1147.64
5. Misc. Income :			
Dividend on Investments		3.50	
Profit on Sale of Assets		0.92	
Rent Received		192.65	
Miscellaneous Income		2.67	
Recovery out of Bad Debts		335.99	535.73
6. Advance from HSIIDC - Sale of Properties			1700.00
7. Other Cash Inflows			237.13
		Total	<u>7590.86</u>
Uses			
1. Disbursements Of Loans			52.98
2. Repayments			
Refinance - SIDBI		4333.00	
SLR Bonds		1500.00	5833.00
3. Interest Payments on			
OD Against FDs		4.68	
SLR Bonds		82.36	
Others		11.20	98.24
4. Salary & Wages			1092.14
5. Administrative & Other Expenses			63.24
6. Other Cash Outgoings			108.19
7. Closing Cash and Banks Balances			343.07
		Total	<u>7590.86</u>


Ashok Pahwa
 General Manager




Tarun Bajaj, IAS
 Managing Director

**HARYANA FINANCIAL CORPORATION
CHANDIGARH**



FORM OF NOMINATION OF DIRECTOR IN TERMS OF REGULATION 62 OF THE GENERAL REGULATIONS

(For election of a director pursuant to clause (e) of Section 10 of the Act., when the nomination is not made by a resolution of the shareholding institution.)

We, the undersigned, being the parties referred to in clause (d) of Sub-section (3) of Section 4 of the State Financial Corporations Act, 1951 and holding shares of the Haryana Financial Corporation, the numbers of which are given hereunder against our respective names, do hereby nominate Shri _____ having

folio no. _____ Resident of _____

as a candidate for election of director at the forthcoming **46th Annual General Meeting** of the Haryana Financial Corporation to be held in Chandigarh at **11.00 a.m. on 18th December, 2013** or at any adjournment thereof to represent the parties other than those referred to in clause (a) (b) & (c) of sub-section (3) of section 4 of the State Financial Corporations Act, 1951 on the Board of Directors of the Haryana Financial Corporation.

Name of the Shareholders	Folio No.	Denoting numbers of shares	Signature of the the shareholders
1. _____	_____	_____	_____
2. _____	_____	_____	_____

Note : If any Shareholder signs through his duly constituted attorney, this fact should be shown against his signature and the original or a true copy of attorney certified by the Notary Public or a Magistrate should be attached.

DECLARATION BY THE CANDIDATE

I, _____ S/o _____

the candidate hereinabove mentioned, declare that I hereby accept the nomination and am willing to stand for election and that I am not disqualified for election under section 12 of the State Financial Corporation Act., 1951.

Signature of the Candidate Nominated

Declaration signed before me by
the candidate nominated

(Judge/ Magistrate/Registrar/
Sub Registrar of Assurance/
or other Gazetted Officer

Dated



HARYANA FINANCIAL CORPORATION CHANDIGARH

FORM OF NOMINATION OF DIRECTOR IN TERMS OF REGULATION 62 OF THE GENERAL REGULATIONS

(For nomination/election of a director pursuant to clause (d) or (e) of Section 10 of the Act when the nomination is made by a resolution of the shareholding institution)

(Applicable to Institutions & Companies)

Resolved that Shri _____ of M/s _____
_____ having folio no. _____

be and is hereby nominated as a candidate as for nomination/election as a director at the forthcoming **46th Annual General Meeting** of the shareholders of the Haryana Financial Corporation to be held at Head Office of the Corporation i.e. Bays Nos 17, 18, & 19, Sector 17-A, Opp. L.I.C. Building Chandigarh at **11.00 a.m. on 18th December, 2013** or at any adjournment thereof to represent as a class of shareholders on the Board of Directors of the Corporation.

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.

Signature of the Chairman
(Rubber Stamp of the Company)

DECLARATION BY THE CANDIDATE

I, _____ S/o Shri _____
Resident of _____
the candidate hereinabove mentioned, declare that I hereby accept the nomination and am willing to stand for election and that I am not disqualified for election under section 12 of the State Financial Corporations Act., 1951.

Signature of the Candidate (Nominated)

Declaration signed before me by
the candidate nominated
(Attestation to be done by 1st Class Magistrate/Registrar/
Sub Registrar of Assurance/
or other Govt./Gazetted Officer

Dated



**HARYANA FINANCIAL CORPORATION
CHANDIGARH**

**PROXY FORM
(Vide General Regulation 58)**

I/We _____

Resident of _____

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

appoint Sh. _____ of _____

(or failing him Sh. _____ of _____

_____) as my / our proxy to vote for me/us and on my/our behalf at the **46th**

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

Bays Nos 17,18, & 19, Sector 17-A, (Opp. L.I.C. Building), Chandigarh at **11.00 a.m. on 18th December, 2013** or at any adjournment thereof.

Dated this _____ day of _____ 2013.

Affix ₹ 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 **46th Annual General Meeting** of the Shareholders of
the Haryana Financial Corporation to be held at the Head Office of the Corporation i.e. Bays Nos. 17,18, & 19, Sector
17-A, Chandigarh at **11.00 a.m. on 18th December, 2013** 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 ATTENDENCE/IDENTIFICATION AND FOR DETERMINING THE VOTING RIGHTS OF
SHAREHOLDERS (FOR 46th AGM for the FY 2012-2013)**

(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.

Category of shareholders as per section 4(3) of SFCs Act, 1951

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

BOOK - POST

To,

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