

Haryana Financial Corporation
30 Bays Building, (Ground Floor)
Sector 17-C, Chandigarh-160017

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===== 806 =====
REF: NO.HFC/52/AGM/Reg.42/2021/

DATED: 14.07.2021
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<http://listing.bseindia.com>
corp.relations@bseindia.com

The Bombay Stock Exchange Ltd.
Department of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001.

Dear Sir,

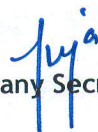
**RE: 52nd ANNUAL GENERAL MEETING OF THE CORPORATION
- ANNUAL REPORT FY 2018-19 OF THE CORPORATION.**

This is in continuation to our letter dated 16.06.2021 under regulation 42 of SEBI (LODR) Regulations, 2015 uploading the notice for convening 52nd AGM and date of book closure etc.

We are hereby uploading the Annual Report of the Corporation for the year 2018-19 under regulation 34 of the SEBI (LODR) Regulations, 2015 adopted by the shareholders in the AGM held on 13.07.2021. The annual report contains :-

- a) Audited financial statement i.e. Balance Sheet, profit and Loss Account etc..
- b) Financial statement audited by Statutory Auditors.
- c) Cash flow statement (at page 31 - 32)
- d) Director Report (at page- 2)
- e) Management discussions Analysis Report (at page- 9)

Yours faithfully,


Company Secretary

Encls. As above.

**52nd
ANNUAL REPORT
2018 - 2019**



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

STATUTORY AUDITORS

M/s PARVEEN KAPOOR & ASSOCIATES,
Chartered Accountants,
S.C.O. 59, 2nd Floor, Madhya Marg, Sector 26
Chandigarh

REGISTRAR & SHARE TRANSFER AGENTS

M/s BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.
'Beetal House', 3rd Floor, 99 Madangir, Behind Local Shopping
Centre, Near Dada Harsukhdas Mandir, New Delhi - 110062
Phone : 011-29961281-82, Fax : 011-29961284
E-mail : beetalrta@gmail.com

HEAD OFFICE

HARYANA FINANCIAL CORPORATION
30 Bays Building (Ground Floor)
Sector 17-C, Chandigarh - 160 017
Ph. : 2702755-57, 2702568 Fax : 2721624, 2702666
E-mail : hfcsectt@gmail.com Website : www.hfcindia.org.in
GST No. : 04AAACH4685B1ZY PAN No. : AAACH4685B
Registered at : Chandigarh (UT)

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



Notice

In terms of Regulation 46 of Revised General Regulations of the Corporation read with Section 36 of the State Financial Corporations Act, 1951, it is hereby notified that the 52nd Annual General Meeting of Shareholders of the Corporation will be held on Tuesday, the 13th July, 2021 at 11.30 AM (I.S.T.) in the Committee Room of The Haryana State Cooperative Apex Bank Ltd. (HARCO Bank), 1st Floor, SCO 78-80, Bank Square, Sector 17B, Chandigarh to transact the following business:-

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2019 and the statement of Profit and Loss of the Corporation for the year ended on that date together with Report of the Board of Directors on the working of the Corporation throughout the year and the Auditor's Report on the said Balance Sheet and Accounts.
2. To appoint M/s Parveen Kapoor & Associates, Chartered Accountants of Chandigarh as the Statutory Auditors of the Corporation from the conclusion of the present Annual General Meeting till the conclusion of the next Annual General Meeting for conducting audit for the financial year 2019-20 & 2020-21 at an audit fee of Rs.45,000/- plus applicable GST per F.Y. and admissible TA/DA.

NOTES :

- i) The Register of Members and Share Transfer Books of the Corporation will remain closed from 2nd July, 2021 to 12th July, 2021 (both days inclusive).
- ii) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Corporation. Proxies in order to be effective must be deposited (as per format published in the Annual Report) with the Head Office of the Corporation not less than 48 hours before the time fixed for the meeting.
- iii) The Institutional Shareholders i.e. SIDBI / Banks / Co-op Banks / Insurance Companies and Bodies Corporate/ Companies etc. in order to attend & vote at the meeting shall submit authorization (as per format published in the Annual Report) along with certified copies of resolutions appointing duly authorized representative. Authorizations in order to be effective must be deposited with the Head Office of the Corporation not less than 48 hours before the time fixed for the meeting.
- iv) The Shareholders of the Corporation in its 51st Annual General Meeting held on 03.09.2019 appointed M/s Parveen Kapoor & Associates Chartered Accountants, Chandigarh as Statutory Auditors of the Corporation for the financial year 2018-19 u/s 37(1) of SFCs Act 1951 and they have conducted the audit for the year. As per RBI Guidelines, an Auditor can be re-appointed upto four terms. The RBI vide their letter dated 16.07.2020 & 04.20.2021 have confirmed the eligibility of the existing Audit Firm for conducting audit for FYs 2019-20 & 2020-21. The audit firm has also confirmed their eligibility and given their consent/declaration under the provisions of the Companies Act/RBI Guidelines and accordingly the case is placed before the Shareholders for their re-appointment.

By Orders of the Board
for Haryana Financial Corporation


Company Secretary

Dated : 16th June, 2021
Place : Chandigarh



HARYANA FINANCIAL CORPORATION, CHANDIGARH

Directors on the Board of the Corporation as on 31.03.2019

(under section 10 of the SFCs Act, 1951)

1.	Sh. Rajesh Khullar, IAS Principal Secretary to Hon'ble Chief Minister, Haryana, Chandigarh.	Chairman	Nominated as Director by the State Govt. in terms of Section 10(b) of SFCs Act 1951 & appointed as Chairman in terms of Section 15(1) of SFCs Act, 1951 w.e.f. 15.12.2015
2.	Sh. Devender Singh, IAS Addl. Chief Secretary to Government of Haryana Industries & Commerce Department, Haryana Civil Secretariat Chandigarh.	Director	Nominated by the State Govt. in terms of Section 10(b) of SFCs Act, 1951. w.e.f. 27.04.2018
3.	Sh. Shaleen, IAS Addl. Secretary Finance, Finance Department, Haryana, Civil Secretariat, Haryana, Chandigarh	Director	Co-opted by the Board of Directors, Haryana Financial Corporation in terms of Section 10(e)(iv) of SFCs Act, 1951. w.e.f. 25.05.2018, 346th Board Meeting
4.	Smt. Amneet P. Kumar, IAS Mission Director, National Health Mission, Bays No. 55-58, Sector - 2, Panchkula, Haryana.	Director	Co-opted as Women Director by the Board of Directors of the Corporation in its meeting held on 21.02.2019.
5.	Sh. Rajat Mukherjee Sr. Divisional Manager, Life Insurance Corporation of India, Sector 17, Chandigarh	Director	Nominated by Life Insurance Corporation of India in terms of Section 4(3)(c) of SFCs Act, 1951
6.	Sh. Pankaj Kumar Sahu DGM SIDBI, SCO 145-146, 2nd Floor, Sector 17-C, Chandigarh	Director	Nominated by SIDBI in terms of Section 10(c) of SFCs Act, 1951. w.e.f. 09.05.2018
7.	Sh. Sanjeev Kumar Bajaj DGM, Circle Head, Circle Office, Punjab National Bank, Sector 17-B, Chandigarh	Director	Nominated by PNB in terms of Section 10(d) to represent shareholders in clause (c) of Sub-Section (3) of Section 4 of SFCs Act, 1951.(Banks, Insurance Cos. etc.) w.e.f. 18.08.2017 for a period of 3 years
8.	Sh. Atul Kumar Jain, M/s Vallabh Narrow Fabrics Pvt. Ltd., 952, Urban Estate Ambala City.	Director	Nominated/Elected by Public shareholders in terms of Section 10(e) to represent shareholders in clause (d) of Sub-Section (3) of Section 4 of SFCs Act, 1951 w.e.f. 02.07.2018 for a period of 3 years in the 50th AGM
9.	Sh. Ashwani Kumar Gupta, M/s Sanjay Agro Industries Ltd., Ambala R/O 191, Nai Abadi, Khanna, Distt. Ludhiana (Punjab)	Director	Nominated/Elected by Public shareholders in terms of Section 10(e) to represent shareholders in clause (d) of Sub-Section (3) of Section 4 of SFCs Act, 1951 w.e.f. 02.07.2018 for a period of 3 years in the 50th AGM
10.	Dr. Narhari Banger, IAS MD, HSIIDC & HFC OSD, Kundli Manesar, Palwal Authority Special Secretary, Haryana Public Service Commission	Managing Director	Appointed by the State Govt. in terms of Sub-Section (1) of Section 17 of SFCs Act. w.e.f. 08.01.2019.

HARYANA FINANCIAL CORPORATION CHANDIGARH



Directors' Report

Your Directors present this 52nd Annual Report on the working of the Corporation together with the Audited statements of Accounts for the year ended 31st March, 2019.

Financial Results

During the financial year 2018-19 the Corporation has achieved the following working results :

(Rs. in crore)

		2018-19	2017-18
A.	Income		
	Income from operations/other income	17.01	4.74
B.	Expenditure		
	Interest & Other Financial Expenses	0.03	0.10
	Personnel Expenses	5.40	7.47
	Administrative Expenses	0.81	0.67
	Depreciation	0.20	0.32
	Bad Debts written off	0.00	0.00
	Total Expenditure	6.44	8.56
C.	Operating Profit / (Loss) (A - B)	10.57	(3.82)
D.	Add : Prior Period Expenditure Adjustment/	4.56	(0.63)
	Provision against NPAs, Loan Assets & investments written back		
	Net Profit / (Loss) (C - D)	6.01	(4.45)

Operational Highlights

The Corporation has already stopped sanction of loans w.e.f. May, 2010 as already stated in the previous Annual Reports. The details of the operations of the Corporation i.e recovery of its dues during the year are given as under :

(Rs. in crore)

	Performance for the Year 2018-19
Sanction	0.00
Disbursement	0.00
Recovery	0.97



Recovery of Dues

The amount fallen due during the year was Rs. 63.52 lakh, out of which the Corporation recovered Rs.63.34 lakh i.e. more than 99%. As per requirements of the borrowers, the 'One Time Settlement Schemes' of the Corporation were extended during the year to make recovery under the NPA cases. The Corporation made efforts to contact the borrowers and pursued them to come forward under the above settlement schemes to settle their cases. The Corporation also made recovery out of u/s 29 cases, RC cases, suit filed cases and out of lease finance cases. Due to the above measures, the Corporation made the recovery of Rs. 97.41 lakh.

Resources Management

The Corporation has stopped fresh Sanctions since May, 2010. No borrowings from the market/banks have been made during the year. As stated earlier, the Corporation has since repaid its borrowings and there is no outstanding loan against the Corporation. The Corporation utilized its limited resources for meeting the commitments/liabilities during the year. The details of the sources are discussed in the subsequent paras.

Share Capital from State Government

Due to present position of the Corporation, the State Govt. has not sanctioned/released any amount towards share capital during the year.

Corporate Governance/ Management Discussion & Analysis Report

The Corporate Governance and Management discussion and Analysis report as per SEBI (Listing Obligations & Disclosures Requirements) Regulations 2015 is annexed as Annexure with the Director's Report. A certificate from M/s Sharma Sarin & Associates, Company Secretaries on the above for the year ending on 31st March, 2019 is also annexed with this report.

Listing

The equity shares of the Corporation are listed at Bombay Stock Exchange Ltd. (BSE Script Code No. 530927). The Corporation has paid the Annual Listing fee of Rs. 3.00 lakh plus GST to the Stock Exchange (BSE) within time.

Audit

The shareholders in its 51st Annual General Meeting held on 03.09.2019 as per provisions of section 37 of State Financial Corporations' Act, 1951 appointed M/s Parveen Kapoor & Associates, Chartered Accountants, Chandigarh (on the panel of the RBI) as Statutory Auditors for the financial year 2018-19, (for 2nd term), who have conducted audit of the Corporation.

As per RBI guidelines, in the normal course, an audit firm may continue for a term of 4 years in one spell. The re-appointment of the existing statutory auditors M/s Parveen Kapoor & Associates, Chartered Accountants, Chandigarh for F.Y 2019-20 & 2020-21 is subject to confirmation of the same by the RBI. Accordingly, the RBI vide their letter dated 16.07.2020 & 04.02.2021 have confirmed the eligibility of the Statutory Auditor for FYs 2019-20 & 2020-21.

Audit By Comptroller & Auditor General of India

The Comptroller & Auditor General of India (CAG) had conducted the audit of the accounts of the Corporation for FY 2017-18 and their report has been placed before the State Legislature as per provisions of State Financial Corporations Act, 1951. The audit of the accounts of the Corporation for the F.Y 2018-19 has also been conducted by the Comptroller & Auditor General of India and their report has been received and the same will be placed before State Legislature.



Cash flow Statement

In conformity with the provisions of SEBI (LODR) Regulations, 2015, the Cash Flow Statement for the year ended on 31.03.2019 is annexed with the Annual Accounts.

Board of Directors

The list of the Board of Directors as on 31.03.2019 has separately been given in the Annual Report.

During the year under review, 3 meetings of Board of Directors have been held. The detail of the number of meeting of the Board held during the FY 2018-19 forms part of the Report on Corporate Governance in terms of regulation 34(3) of SEBI (LODR) Regulations, 2015.

Position of Winding Up/Liquidation of Corporation

It was already informed to the shareholders in the previous Annual General Meetings that the proposal for liquidation/winding up of the Corporation has been forwarded to the State Govt and the State Govt. has appointed MD, HSIIDC as the Nodal Officer for commencing and completing the liquidation proceedings. The Board in its Meeting held on 22.07.2019 constituted a Committee to consider steps/ modalities regarding winding up of the Corporation considering legal/ financial aspects under the Chairmanship of Director, Industries & Commerce, Haryana. A total of 3 meetings of the Committee have been held so far.

Acknowledgements

The Board of the Haryana Financial Corporation wishes to place on record its special thanks and gratitude to Govt. of Haryana, Department of Industries & Commerce and Small Industrial Development Bank of India (SIDBI) for their continuous co-operation and support in all the operational/financial matters.

The Board wishes to take the opportunity to thank the Banks and shareholders for extending their support and cooperation.

The Board of Directors placed on record its appreciation of the contribution made by past Managing Director Dr. Narhari Banger, IAS.

The Board of Directors also placed on record its appreciation of the contribution made by the outgoing Directors.

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

For and on behalf of Board of Directors


MANAGING DIRECTOR

Dated : 16th June, 2021

Place : Chandigarh

**CORPORATE GOVERNANCE / MANAGEMENT DISCUSSION & ANALYSIS REPORT****Report on Corporate Governance****1. Brief Statement about Corporation/Applicability of Corporate Governance.**

Haryana Financial Corporation has been established under the State Financial Corporations' Act, 1951. The Companies Act, 2013 is not applicable to the Corporation. Accordingly as per regulation 15(2) (b) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the provisions of Corporate Governance as given in regulation 27 and other regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are applicable to the limited extent. As per requirements of the Stock Exchange (BSE) and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Corporation is making necessary compliances to the extent applicable /feasible in view of the adhering of the provisions of the State Financial Corporations Act, 1951 and rules made there under. The Corporation is attending to its customers/borrowers, shareholders and others to the best practices applicable /feasible under the given norms.

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

The Corporation has been established under the State Financial Corporations Act, 1951 and we are adhering to the provisions of the said Act. It is submitted that section 9 of the SFCs Act, 1951 prescribes the detail about **Management** - the general superintendence direction and management of affairs and business of the Financial Corporation shall vest in a Board of Directors which may exercise all powers and do all such acts and things, as may be exercised or done by the Financial Corporation. Section 10 of State Financial Corporations Act, 1951 prescribes the **composition of Board of Directors** of the Corporation. The details of the Directors of the Corporation as on 31.03.2019 have been given in the Annual Report separately. As per section 10 of the SFCs Act, 1951 there is a provision of nomination of two Directors by the Govt. of Haryana u/s 10(b), two Directors to be nominated by Small Industries Development Bank of India (SIDBI) u/s 10(c), two Directors to be nominated by Banks/ insurance companies u/s 10(d), two Directors to be elected by the shareholders u/s 10(e) on the basis of percentage of Share Capital held by public shareholders and two Directors to be co-opted by Board of Directors u/s 10(e) (iv). Further, as per provision of section 15(1) of SFCs Act, 1951 one of the Director nominated by the State Govt. u/s 10(b) will be nominated as Chairman of the Corporation. Further as per provisions of section 17 read with section 10(f) of the SFCs Act, 1951, the State Govt. will appoint the Managing Director of the Corporation. As per the above provisions the State Govt. has nominated two Directors. SIDBI has nominated one Director against the provision of two Directors. The banks/insurance companies have nominated two Directors as per provision. There are two directors (elected) by the shareholders u/s 10(e) of the SFCs Act, 1951. The Board has also co-opted one Director as per provision in the SFCs Act, 1951. Except Managing Director all other Directors are non-executive. The Chairman is also a Non-Executive Director. There was one women director (as on 31.03.2019) on the Board of the Corporation, the list of which has separately been published in the Annual Report.

2(b) Board Meetings

During the year 2018-19 three meetings of the Board of Directors were held. The dates on which the Board Meetings were held are as follows :

346th Board Meeting dated 25.05.2018

347th Board Meeting dated 29.08.2018

348th Board Meeting dated 21.02.2019



2(c) Fidelity & Secrecy

As per provisions of section 40 of SFCs Act, 1951, the fidelity and secrecy certificate and other details were obtained from the directors and the same have been taken on record by the Board of the Corporation.

3 Audit Committee

The Audit Committee of the Corporation has been constituted/re-constituted by the Board of the Corporation. The Committee comprised Special Secretary Finance, Finance Department, Chairman of the Audit Committee (as on 31.3.2019), Director nominated by SIDBI u/s 10 (c), two Directors nominated/elected by banks/LIC (shareholders mentioned in clause-(c) of sub-section (3) of section 4 read with section 10 (d) of the State Financial Corporations Act, 1951). All the above Directors are non executive. The scope of the Audit Committee is as per the provisions of Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

3(A) Committee of Directors

The Committee of Directors of the Corporation was constituted/re-constituted by the Board of the Corporation. The Committee comprised Managing Director as Chairman of the Committee, Director nominated by SIDBI u/s 10(c), two Directors nominated/elected by banks/LIC (shareholders mentioned in clause-(c) of sub-section (3) of section 4 read with section 10 (d) of the State Financial Corporations Act,1951). All the above Directors (except Managing Director) are non executive directors. The Committee of Directors have been constituted u/c 41 of the Listing Agreement [now Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015] to approve/take on record the quarterly financial results of the Corporation.

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 terms and conditions prescribed by the State Govt., Haryana. The other Directors are entitled to sitting fee (Rs. 1000/- for attending Board & other meetings) besides TA/DA.

As regards remuneration/pay scales and other allowances to the employees, the same are being sanctioned by the Board generally on the basis of the State Govt., Haryana and as per provisions of the State Financial Corporations' Act, 1951 & approved by HBPE.

5. Shareholders/Investors Grievances Committee

The Shareholders/Investors Grievances Committee of the Corporation has been constituted/re-constituted by the Board of the Corporation. The committee comprised Director nominated by SIDBI u/s 10(c), Director nominated/elected by banks/LIC (shareholders mentioned in clause(c) of sub-section (3) of section 4), Director nominated/elected by the public shareholders mentioned in clause (d) of sub-section (3) of section 4 read with section 10(d) and 10(e) respectively of the State Financial Corporations Act, 1951. The above Directors are non executive and independent Directors.

6. General Body Meetings

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

Year	AGM	Location	Date	Time
2015-2016	49th AGM	At Head Office of the Corporation	10.11.2016	11.30 AM
2016-2017	50th AGM	HARCO Bank, Sector 17B, Chandigarh	02.07.2018	01.00 PM
2017-2018	51st AGM	HARCO Bank, Sector 17B, Chandigarh	03.09.2019	11.30 AM

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.

The Bombay Stock Exchange has levied penalties for delay in compliance of Listing Regulations particularly Regulation 33 for submission of quarterly financial results. In this regard, Corporation has requested BSE for waiver of penalty and clarified to the Exchange that the Corporation is in the process of winding up as ordered by the State Government and for which Nodal officer has also been appointed for completion of liquidation process. Hence, no penalty has been paid to BSE.

It is also pertinent to mention here that the Adjudication proceedings for non-compliance of Minimum Public Shareholdings (MPS) Requirements have been dispensed with by the Securities and Exchange Board of India (SEBI) vide its letter No. EAD/AO-SM/JR/OW/33882/2018 dated 11.12.2018.

8. Means of Communication

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

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

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 despatched through post.

9. General Shareholders information

9.1 Annual General Meeting

- Date and Time	13.07.2021 at 11.30 AM
- Venue	Head Office of the Corporation or as decided at some other place at Chandigarh

9.2 Financial Calendar (Tentative)

(from 1st April to 31st March)

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

- 30th June, 2021	:	by 15th Aug, 2021
- 30th Sept, 2021	:	by 15th Nov, 2021
- 31st Dec, 2021	:	by 15th Feb, 2022
- 31st March, 2022	:	by 30th May, 2022

9.3 Book Closure date 02.07.2021 to 12.07.2021

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 Rs. 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., New Delhi has been appointed as the Registrar and Share Transfer Agent (RTA) of the Corporation for handling the share transfer work in physical form. All correspondence relating to share transfer, transmission can be made with them at the following address :

M/s Beetal Financial & Computer Services (P) Ltd.,

'Beetal House', 3rd Floor, 99 Madangir, Behind Local

Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi - 110062,

Phone : 011-29961281, 29961282, Fax : 011-29961284 , E-mail : beetal@beetalfinancial.com

9.10 Share Transfer System

The Corporation has constituted Share Transfer Committee of the Corporation. The Share Transfer Committee consists of the following members :

1	Managing Director	Chairman
2.	Sh. Rakesh Khurana General Manager	Member
3.	Ms. Manisha Gupta Asstt. General Manager	Member
4.	Ms. Vandana Jindal Asstt. General Manager	Member

Shares received by the Corporation for transfer are sent to Registrar/Share Transfer Agent (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, 2019

Category of shareholders as per section 4(3) of SFCs Act, 1951	No. of Shareholders	No. of shares held of Rs. 10/- each	%age of holding
a State Govt. (Haryana)	1	20,20,11,650	97.28%
b SIDBI	1	43,26,550	02.08%
c Banks, Financial Institutions, Insurance Co., Central/State Govt. Institutions/Non Govt. Institutions	9	2,01,700	00.10%
d Others (Shareholders other than those referred to in clause (a), (b), (c) above)	1919	11,18,200	00.54%
TOTAL	1930	20,76,58,100	100%

9.12 Dematerialisation of Shares

The shares of the Corporation are in physical forms. An application was filed by the Corporation to National Stock Depository Limited (NSDL) for dematerialization of its shares in the year 2006. The NSDL has not acceded our request for dematerialization of the shares of the Corporation due to erosion of net worth of the Corporation on account of accumulated losses. The Corporation has again initiated the process of demat of shares as per the orders of Board of Directors of Corporation in its meeting held on 22.07.2019

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 2 Branch Offices at Gurugram and Panipat. 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) for their queries with regard to change of address, transfer of shares or at the following address:

The Compliance Officer

Haryana Financial Corporation

Secretarial Cell, 30 Bays Building , (Ground Floor),

Sector 17- C, Chandigarh-160017.

Ph. No. 0172-2714530, 2702755-57

Fax No. 0172-2702666

E-mail: hfcsectt@gmail.com

MANAGEMENT DISCUSSION & ANALYSIS REPORT

i) **Term Lending Institution**

You are aware that the Haryana Financial Corporation was established under the State Financial Corporation Act, 1951 as a State level development financial institution to provide financial assistance to the industrial units and for other activities as per section 25 of the SFCs Act, 1951 relating thereto to the small scale sectors set up in the State of Haryana in the year 1967.

ii) **Risks, Threats and Concerns**

Risk means uncertainties about events and their outcomes that could have a material impact on the performance and projections of the Corporation. The risk is inherent in every business. We have already informed to the shareholders in the previous report that with the reforms of the financial sector, the traditional area have been entered into by new entrants i.e. Banks and Non-Banking Financial Companies (NBFCs) who have access to cheap source of funds. Accordingly, the Corporation was facing stiff competition from NBFCs and Banks. In view of the above, the Corporation could not withstand the competition from these institutions due to operational limitations and accordingly stopped fresh business/ sanction of the loans since May, 2010.

It was already informed to the shareholders in the previous Annual General Meetings that the proposal for liquidation/winding up of the Corporation has been forwarded to the State Govt. and the State Govt. has appointed MD, HSIIDC as the Nodal Officer for commencing and completing the liquidation proceedings.

In addition to above, there are a number of suit filed cases (pension, arrears of 6th pay commission to staff and other staff/borrowers cases) pending in the courts which will also affect its profitability.

iii) **Corporation's Performance**

You are aware that the Corporation's main thrust is now recovery of its loans especially the bad debts. The One Time Settlement Scheme of the Corporation introduced in the previous years to recover loan from the NPAs cases has been extended from time to time and also during the year keeping in view of the requirements of the borrowers. During the year a sum of Rs. 0.97 crore has been recovered.

iv) **Opportunities/Resources**

You are aware that the Corporation has since repaid entire outstanding refinance under settlement to SIDBI. As already informed the Corporation has also repaid all the bonds series due from time to time. So, there is no outstanding loans against the Corporation or say debt free Corporation. There is no interest liability in this regard.

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

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 44 as on 31.03.2018 to 35 as on 31.03.2019. The Corporation is making its efforts to reduce the administrative burden and at the same time motivate the existing staff and get support from them to discharge their responsibilities.

Certain statements made in the "Management Discussion and Analysis Report" might be considered forward looking. These statements are subject to certain risks and actual result may differ.

Partners

P D Sharma

M.A., LL.B. (A), 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-160 017 (Entry Backside)

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

e-mail : sharmasarin@csllaw.com

sharmasarin@csllaw.com

Website : www.csllaw.com

CORPORATE GOVERNANCE HARYANA FINANCIAL CORPORATION

TO
THE MEMBERS OF
HARYANA FINANCIAL CORPORATION
SECTOR 17,
CHANDIGARH

Dated : 28.05.2021

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 SEBI LODR, REGULATION 07 SUB REG 03 for the Financial year ended on 31st March, 2019.

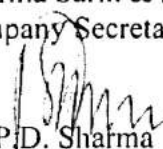
We have obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of certification and have been provided with such records, documents, certifications etc as had been required by us.

We certify that on the basis of the records produced and the explanations given to us by the Corporation for the purpose of this certificate, has complied with all the requirements of the said SEBI LODR, REGULATION 07 SUB REG 03.

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

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

From Sharma Sarin & Associates
Company Secretaries


P.D. Sharma
(Partner)

FCS NO. 2285

UDIN: F002285C000386867

Place : Chandigarh

Date : 28.05.2021



PARVEEN KAPOOR & ASSOCIATES

CHARTERED ACCOUNTANTS

OFFICE : S.C.O. 59, 2ND FLOOR, SECTOR 26, MADHYA MARG, CHANDIGARH - 160019. PH. : 2791934
RESIDENCE : # 3035, SECTOR 35 D, CHANDIGARH -160036

To

The Members,
Haryana Financial Corporation
Chandigarh

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of **Haryana Financial Corporation (HFC)**, which comprise of the **Balance Sheet as at 31st March,2019** and the Statement of Profit and Loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

1. Management's responsibility for the Financial Statements

Management is responsible for the preparation and presentation of these Financial Statements that give a true and fair view of the financial position and financial performance and the cash flows of the Corporation in accordance with the accounting standards and principles generally accepted in India and as per the requirements of Small Industries Development Bank of India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Corporation and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

2. Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made under there under.

We conducted our audit in accordance with the Standards on auditing issued by Institute of Chartered Accountants of India and provisions of section 37 of the State Financial Corporations Act 1951 as amended by SFCs (Amendment) Act 2000. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

3. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedure selected depend upon the auditor's judgement , including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Corporation's preparation of the financial statements that give a true and fair view in order to design Audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Corporation has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion on the financial statements.

5. Material Uncertainty Related to Going Concern

We draw attention to the Paragraph C of Schedule -'R' (Notes on Accounts) which discloses that the Corporation has recommended to the State Govt. for winding up/liquidation u/s 45 of SFCs Act, 1951. Further the State Govt. has appointed Managing Director HSIIDC as Nodal Officer for completing the formalities of winding up. The board of directors have constituted a committee under the chairmanship of Director of Industries & Commerce, Haryana for the winding up purpose but the report of committee is yet awaited. These events, conditions and matters indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

6. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true & fair view in conformity with the accounting principles laid down by SIDBI for SFCs and generally accepted in India ;

- a) In the case of the Balance Sheet, of the state of affairs of the Corporation as at **31st March, 2019**
- b) In the case of the Statement of Profit & Loss Account, of the Loss of the year for the year ended on that date, and
- c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

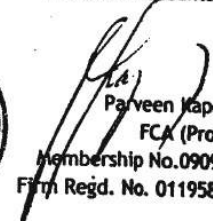
7. Report on other legal and Regulatory requirements

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

- i) We have sought & obtained all the information and explanations which to the best to our knowledge and belief were necessary for the purposes of our audit.
- ii) In our opinion, proper books of accounts as required by law have been kept by the Corporation so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from Branches.
- iii) The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statements dealt with by this Report are in agreement with the books of accounts and with the returns received from the Branches.
- iv) In our opinion the aforesaid Balance Sheet, Statement of Profit & Loss and Cash Flow Statements comply with the Accounting Standards and guide lines issued by SIDBI for SFCs from time to time.
- v) The transactions of the Corporation that have come to our notice have been within the powers of the Corporation.

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




Parveen Kapoor
FCA (Prop.)
Membership No.090987
Firm Regd. No. 0119587N

Place : Chandigarh

Dated : 09.07.2020



HARYANA FINANCIAL CORPORATION, CHANDIGARH
BALANCE SHEET AS AT 31ST MARCH, 2019

As at 31.03.2018 (Amount in Rs.)	Particulars	Schedule	As at 31.03.2019 (Amount in Rs.)
	A EQUITY & LIABILITIES		
	1 Shareholders' funds		
2,076,581,000	a) Share capital	A	2,076,581,000
165,826,950	b) Reserves and surplus	B	165,826,950
	2 Current liabilities		
593,849,771	a) Other current liabilities	C	479,393,288
161,059,142	b) Provisions	D	135,146,426
<u>2,997,316,863</u>	Total		<u>2,856,947,664</u>
	B ASSETS		
	1 Non-current assets		
90,213,809	a) Fixed assets	E	70,700,688
1,450,000,000	b) Non-current investments	F	1,450,000,000
78,705,331	2 Loans and Advances	G	72,812,597
	3 Current Assets		
88,444,660	a) Cash and bank balances	H	43,901,908
47,624,180	b) Current investments	I	47,624,180
107,238,160	c) Other current assets	J	96,965,999
1,135,090,723	4 Profit and Loss Accounts	K	1,074,942,292
<u>2,997,316,863</u>	Total		<u>2,856,947,664</u>

Notes on Accounts

R

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

R. Khurana

Rakesh Khurana
General Manager

Dr. Saket Kumar

Dr. Saket Kumar, IAS
Director, Industries & Commerce, Haryana
Link Officer on behalf of Managing Director
Haryana Financial Corporation

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



Parveen Kapoor
Parveen Kapoor
FCA (Prop.)
Membership No. 090987
Firm Regd. No. 0119587N

Place : Chandigarh
Dated : 09 July, 2020



HARYANA FINANCIAL CORPORATION, CHANDIGARH

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

For the year ended 31.03.2018 (Amount in Rs.)		Schedule	For the year ended 31.03.2019 (Amount in Rs.)
	INCOME		
13,872,689	Revenue from Operations	L	5,218,367
33,536,824	Other Income	M	164,904,708
47,409,513	Total Revenue		170,123,075
	OPERATIONAL EXPENDITURE		
691,180	Interest Expenses	N	0
287,645	Other Financial & Misc. Expenses	O	319,647
74,675,165	Employees Benefit Expenses	P	54,020,074
6,752,675	Administrative Expenses	Q	8,097,474
3,164,445	Depreciation	E	1,990,059
26,929	Bad Debts Written Off		0
85,598,039	Total Expenditure		64,427,254
(38,188,526)	Profit / (Loss) before provisioning		105,695,821
3,111,408	Add : Provision Against NPAs Leasing Assets Written Back	0	
0	: Provision Against Investments Written Back		26,536,000
8,630,400	Less : Provision Against Investments		0
777,000	: Provision Against NPAs Loans Assets		330,284
0	: Provision of Minimum Guaranteed Dividend		71,753,106
(44,484,518)	Net Profit		60,148,431
	Notes on Accounts	R	
(0.21)	Earning Per Share		0.29

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

R. Khurana

Rakesh Khurana
General Manager

Dr. Saket Kumar

Dr. Saket Kumar, IAS
Director, Industries & Commerce, Haryana
Link Officer on behalf of Managing Director
Haryana Financial Corporation

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



Parveen Kapoor
Parveen Kapoor
FCA (Prop.)
Membership No. 090987
Firm Regd. No. 0119587N

Place : Chandigarh
Dated : 09 July, 2020



Schedule 'A' - Share Capital

As at 31.03.2018 Amount (Rs.)			As at 31.03.2019 Amount (Rs.)
	Authorised		
<u>3,000,000,000</u>	300,000,000 Equity Shares of Rs.10/- each		<u>3,000,000,000</u>
	Issued And Subscribed		
2,110,655,000	a) 211,065,500 (Previous year 211,065,500) Equity Shares of Rs.10/- each issued under section 4 of SFCs' Act, 1951	2,110,655,000	
6,266,000	b) 626,600 Shares (Previous year 626,600) of Rs.10/- each issued under section 4A(1) of the SFCs' Act,1951 as special class of shares.	6,266,000	
<u>2,116,921,000</u>		<u>2,116,921,000</u>	2,116,921,000
	Paid-Up		
2,116,921,000	Issued & Subscribed	2,116,921,000	
40,340,000	Less : Amount Forfeited - 4,034,000 equity shares of Rs.10/- each	40,340,000	
<u>2,076,581,000</u>	Balance 207,658,100 (Previous year 207,658,100) shares of Rs.10/- each	<u>2,076,581,000</u>	
2,070,315,000	a) 207,031,500 (Previous year 207,031,500) Equity Shares of Rs.10/- each under section 4 of SFCs' Act,1951 fully paid up.	2,070,315,000	
6,266,000	b) 626,600 Shares of Rs.10/- each issued under section 4A(1) of the SFCs' Act, 1951 as special class of shares.	<u>6,266,000</u>	2,076,581,000
<u><u>2,076,581,000</u></u>	Total	<u><u>2,076,581,000</u></u>	

Schedule 'B' - Reserve and Surplus

As at 31.03.2018 Amount (Rs.)			As at 31.03.2019 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	Gross Amount	178,567,013	
11,767,013	Less : Utilised towards provisioning for NPAs in earlier years	<u>166,800,000</u>	
<u>105,510,000</u>	b) Share Premium		11,767,013
25,000,000	c) Special Reserve Fund (Section 35A of SFCs' Act)		105,510,000
573,937	d) Reserve under clause 91(vii) of General Regulation of HFC		25,000,000
22,976,000	e) Shares Forfeiture Reserve		573,937
<u><u>165,826,950</u></u>	Total	<u><u>165,826,950</u></u>	22,976,000



Schedule 'C' - Other Current Liabilities

As at 31.03.2018 Amount (Rs.)		As at 31.03.2019 Amount (Rs.)
	a) Other Liabilities	
0	Dividend Payable	55,196,622
8,317,480	Provision against Gratuity	5,940,483
15,698	Provision against Leave Encashment	3,588,700
1,542,128	Provision against Compassionate Assistance	699,386
119,496,021	Sundry Deposits	115,865,602
372,445,297	Advance from HSIIDC - Sale of properties	222,445,297
130,250	Earnest Money	130,250
4,875,293	Borrowers' Imprest	4,350,124
6,900,000	Security Deposit	6,900,000
391,227	GST payable	152,258
19,742,762	Provision against expenses payable	4,423,951
	b) State Government Funds (As an Agency)	
	1) Subsidies :	
97,160	Credit Linked Capital Subsidy	97,160
2,550,776	State Subsidy	<u>2,550,776</u>
		2,647,936
	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
1,125,787	Interest Due - Seed Money RIS	1,125,787
5,739,423	Seed Money from State Govt.	5,739,423
651,254	Seed Money RIS	651,254
11,813	Interest Received - Agency Funds	11,813
48,828,341	Interest Received - Seed Money (Agency)	<u>48,828,341</u>
		57,052,679
	c) Contingent provision against Standard Assets	
41,000	Opening balance	293,000
252,000	Add : Provision during the year	0
0	Less : Excess provision provided in earlier years written back	<u>293,000</u>
<u>593,849,771</u>	Total	<u>479,393,288</u>

Schedule 'D' - Provisions

As at 31.03.2018 Amount (Rs.)		As at 31.03.2019 Amount (Rs.)
	i) Provision for Non-performing Loan Assets :	
72,326,000	Opening balance	72,851,000
525,000	Add : Provision during the year	0
0	Less : Excess provision provided in earlier years written back	<u>38,000</u>
72,851,000		72,813,000
	ii) Provision for non-performing leasing assets	
50,268,186	Opening balance	47,156,778
3,111,408	Less : Excess provision provided in earlier years written back	<u>0</u>
<u>47,156,778</u>		47,156,778
0	iii) Provision against Claims Recoverable (Loans cases)	661,284
	iv) Provision for diminution in value of Investments :	
32,420,964	Opening balance	41,051,364
8,630,400	Add : Provision during the year	0
0	Less : Excess provision provided in earlier years written back	<u>26,536,000</u>
<u>41,051,364</u>	Total	<u>14,515,364</u>
<u>161,059,142</u>		<u>135,146,426</u>



Schedule 'E' - Fixed Assets

(Amount in Rs.)

Sr. No.	Particulars	WDV as on	Assets put to use for		Sold/ Transferred during the year	Liability written off	Value	Rate of Dep. % age	Total Dep. during the year	WDV as on
		01.04.2018	more than 180 days	less than 180 days						31.03.2019
		(1)	(2)	(3)	(4)		(6)	(7)	(8)	
A) Land & Building										
	1. Land	5,993,616	0	0	0		5,993,616	0	0	5,993,616
	2. Building - Office	17,772,959	0	0	0		17,772,959	10	1,777,296	15,995,663
	- Residential	17,523,062	0	0	17,523,062		0	5	0	0
	Total	41,289,637	0	0	17,523,062	0	23,766,575		1,777,296	21,989,279
B) Furniture & Fittings										
	1. Furniture	360,324	0	0	0		360,324	10	36,033	324,291
	2. Safes, Cabinets & Padlocks	134,904	0	0	0		134,904	10	13,491	121,413
	3. Misc.	83,843	0	0	0		83,843	10	8,385	75,458
	4. Electric Fittings	588,040	0	0	0		588,040	10	58,804	529,236
	Total	1,167,111	0	0	0	0	1,167,111		116,713	1,050,398
C) Plant & Machinery										
	1. Computers	24,022	0	0	0		24,022	40	9,609	14,413
	2. Typewriters, Duplicators etc.	1,447	0	0	0		1,447	15	218	1,229
	3. Staff Cars & Jeep	572,110	0	0	0		572,110	15	85,817	486,293
	4. Bicycles	2,704	0	0	0		2,704	15	406	2,298
	Total	600,283	0	0	0	0	600,283		96,050	504,233
	Grand Total - (A+B+C)	43,057,031	0	0	17,523,062	0	25,533,969		1,990,059	23,543,910
	Previous Year	46,241,588	117,280	0	137,392	0	46,221,476		3,164,445	43,057,031

Particulars	WDV of Equipments leased as on 01.04.2018	Additions During the Year	Sale/ Adjustment	Value as on 31.03.2019	Lease Rentals Received During the Year	Interest out of Rentals Received	Principal out of rentals Charged to Depreciation	WDV of Equipments leased as on 31.03.2019
D) Leasing Assets	47,156,778	0	0	47,156,778	0	0	0	47,156,778
Previous Year	50,268,186	0	3,111,408	47,156,778	0	0	0	47,156,778

FY 2017-18 FY 2018-19

Total Depreciation : 3,164,445 1,990,059
Total WDV (A+B+C+D) : 90,213,809 70,700,688



Schedule 'F' - Non-current Investments

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

As at 31.03.2018 Amount (Rs.)		As at 31.03.2019 Amount (Rs.)
1,450,000,000	Investment in the Equity of Haryana Power Generation Corp. Ltd.	1,450,000,000
<u>1,450,000,000</u>	Total	<u>1,450,000,000</u>

Schedule 'G' - Loans and Advances

As at 31.03.2018 (Amount Rs.)		As at 31.03.2019 (Amount Rs.)
72,262,893	Loans & advances (As per annexure to Schedule 'G')	66,370,159
<u>3,275,000</u>	Adhoc Limit - Boughtout Deals	<u>3,275,000</u>
75,537,893		69,645,159
3,167,438	Soft loan - NEF, MUN & SEMFEX	3,167,438
<u>78,705,331</u>	Total	<u>72,812,597</u>

Schedule 'H' - Cash and Bank Balances

As at 31.03.2018 Amount (Rs.)		As at 31.03.2019 Amount (Rs.)
	Cash in hand	
113,369	i) Corporation Funds	78,611
214	ii) Agency Funds & Seed Money	<u>214</u>
		78,825
	Balance with Schedule Banks	
	i) In Current Accounts	
26,362,239	a) Corporation Funds	20,469,412
<u>61,968,838</u>	ii) In Fixed/Short Term Deposits	<u>23,353,671</u>
<u>88,444,660</u>	Total	<u>43,901,908</u>

Schedule 'I' - Current Investments

As at 31.03.2018 Amount (Rs.)		As at 31.03.2019 Amount (Rs.)
	Investments (As per annexure to Schedule 'F' & 'I') :	
2,480,000	(a) Quoted	2,480,000
<u>45,144,180</u>	(b) Unquoted	<u>45,144,180</u>
<u>47,624,180</u>	Total	<u>47,624,180</u>



Schedule 'J' - Other Current Assets

As at 31.03.2018 Amount (Rs.)		As at 31.03.2019 Amount (Rs.)
638,600	Staff Loans	415,516
916,330	Advance against expenses	891,742
	Tax deducted at source :	
2,332,314	Financial year 2016-17	0
2,663,205	Financial year 2017-18	2,663,205
	Advance Income Tax Financial year 2018-19	
0	Advance Tax deposited	10,695,000
0	TDS deducted	2,708,850
	Income Tax deposited against demand (Pending in appeal):	
7,048,576	Financial year 1980-81	7,048,576
7,430,044	Financial year 1981-82	7,430,044
7,929,497	Financial year 1982-83	7,929,497
114,963	Security Deposits	139,963
2,930,000	Advance to HSIIDC for renovation work	0
7,466,458	Claims recoverable	7,439,260
	Interest Accrued but not due :	
63,021	On Loans and advances	0
1,225,227	On Staff advances	801,261
1,465,417	On Deposits	345,061
16,556,484	Dividend Paid - Adjustable against Subvention from State Govt.	0
	State Government loans (As an Agency) :	
594,661	i) Agency Loans	594,661
47,231,485	ii) Seed Money Agency	47,231,485
625,497	iii) Seed Money (RIS)	625,497
6,381	iv) Bank Charges	6,381
<u>107,238,160</u>	Total	<u>96,965,999</u>

Schedule 'K' - Profit and Loss Accounts

As at 31.03.2018 Amount (Rs.)		As at 31.03.2019 Amount (Rs.)
1,090,606,205	Accumulated loss as per last Balance Sheet	1,135,090,723
44,484,518	Add : Net loss for the year	0
0	Less : Net Profit for the year	60,148,431
<u>1,135,090,723</u>	Total	<u>1,074,942,292</u>

Schedule 'L' - Revenue from Operations

For the Year Ended 31.03.2018 Amount (Rs.)		For the Year Ended 31.03.2019 Amount (Rs.)
	Interest Income on :	
3,871,285	Loans & Advances	987,104
1,898,718	Leasing Equipments Advances	0
8,102,686	Amount received out of bad debts written off	4,231,263
<u>13,872,689</u>	Total	<u>5,218,367</u>



Schedule 'M' - Other Income

For the year ended 31.03.2018 Amount (Rs.)			For the year ended 31.03.2019 Amount (Rs.)
262,464	Miscellaneous Income		491,824
	Interest Income on :		
0	Income Tax Refunds	163,266	
69,488	Staff Advances	42,553	
7,678,543	Deposits with Banks	<u>4,253,074</u>	4,458,893
20,000	Dividend on Investments		620,000
25,330,666	Rental Income		26,857,053
175,663	Profit on Sale of Leasing Assets		0
0	Profit on Sale of property		132,476,938
<u>33,536,824</u>	Total		<u>164,904,708</u>

Schedule 'N' - Interest Expenses

For the year ended 31.03.2018 Amount (Rs.)			For the year ended 31.03.2019 Amount (Rs.)
571,920	Interest on Earnest Money		0
119,260	Interest on surrender of plot		0
<u>691,180</u>	Total		<u>0</u>

Schedule 'O' - Other Financial & Misc. Expenses

For the year ended 31.03.2018 Amount (Rs.)			For the year ended 31.03.2019 Amount (Rs.)
37,645	Bank Charges		24,647
250,000	Stock Exchange Fee		295,000
<u>287,645</u>	Total		<u>319,647</u>



Schedule 'P' - Employees Benefit Expenses

For the year ended 31.03.2018 Amount (Rs.)		For the year ended 31.03.2019 Amount (Rs.)
53,817,827	Salaries & Allowances : Other Staff	34,166,866
3,461,421	Contribution to Staff Provident Fund	4,470,160
4,811,964	Gratuity Premium/Provisioning	3,418,272
3,827,267	Provisioning - Leave Salary	3,776,151
596,752	Leave Travelling Concession	1,014,493
2,946,718	Medical Expenses	2,260,350
60,000	Training & Participation Fees	0
132,836	Staff Welfare	77,325
720	Uniforms	0
42,307	Provisioning - Compassionate Assistance	0
4,403,542	Pension	4,372,291
323,270	EDLI Premium	231,519
250,541	Administrative Expenses on Provident Fund	232,647
74,675,165	Total	54,020,074

Schedule 'Q' - Administrative Expenses

For the year ended 31.03.2018 Amount (Rs.)		For the year ended 31.03.2019 Amount (Rs.)
	Travelling and other Expenses :	
357,158	a) Staff	293,545
0	b) Statutory Auditors	19,280
247,000	c) Directors & Committee Members	13,500
		326,325
729,966	Rent, Taxes, Insurance, Electricity etc.	450,942
308,819	Postage, Telegram & Telephone	253,524
278,665	Printing & Stationery	313,570
40,195	Computer Expenses	47,646
215,658	Publicity & Business Promotion	374,501
256,235	Repairs/Renewals & Office Shifting Charges	111,602
503,828	Repairs and Maintenance - Staff Cars	301,086
1,265,298	Legal Charges	1,447,347
23,144	Books & News Papers	23,104
516,201	Repairs & Renewals - Residential Building	8,853
335,508	Professional Charges	307,705
248,530	Property and Fire tax	31,066
45,000	Audit Fee	45,000
37,887	Entertainment	35,407
45,196	Others Expenses - Service Tax/VAT	13,588
0	Renovation work	895,972
1,298,387	Security Charges	3,110,236
6,752,675	Total	8,097,474



Schedule - 'R'

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 As per policy in respect of mortgaged properties, the Auction Purchaser has to make the payment within three months from the date of sale confirmation. However, in some exceptional cases, the Managing Director may give extension in payment of sale consideration for a further period of 9 months with interest @ 13% p.a. compounding on monthly basis. The possession of the unit is handed over to the Auction Purchaser after receipt of full amount of bid.

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 which were extended from time to time and lastly upto 31.03.2020 to reduce NPAs/written off portfolios.

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, as per parameters of OTS 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/mortgagors 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. As per actuarial valuation of Life Insurance Corporation of India (LIC) as on 31.03.19 the amount payable is Rs.10.48 lakh. In addition to above a sum of Rs.48.92 lakh is also payable to retirees whose gratuity has not been released upto 31.03.19, so the total outstanding amount of provision as on 31.03.2019 comes to Rs.59.40 lakh. During the year the Corporation has paid a sum of Rs.60.12 lakh to LIC and received a sum of Rs.2.17 lakh from other departments where the employees were deployed on deputation. The net expenditure towards gratuity amounting to Rs. 34.18 lakh (Rs.60.12 lakh paid to LIC - Rs.23.77 lakh provisioning written back- Rs.2.17 lakh received from other department) has been made in the books of accounts.

Leave Encashment to staff is covered under the Group Leave Encashment Scheme of Life Insurance Corporation of India. During the year, the Corporation has booked a sum of Rs. 37.76 lakh as expenditure towards Leave Encashment of existing / ex-employees (Rs.35.73 lakh provisioning during the year + Rs.5.27 lakh paid to the ex-employees - Rs.3.24 lakh received from other department i.e. 35.73+5.27-3.24 lakh). As per the LIC's actuarial valuation of the leave liability of existing staff as on 31.03.19, the amount payable is Rs.0.04 lakh. In addition to above, a sum of Rs.35.85 lakh is also payable to retirees whose leave encashment has not been released upto 31.03.19, so the total outstanding amount of provision as on 31.03.19 comes to Rs.35.89 lakh.

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.



Asset Classification and Provisioning

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

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

Non-Performing Assets

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

ii) As per guidelines issued by SIDBI in respect of investments in equity shares (available for sale), valuation has been done as per market rate, which is the price of the script available from trades / quotes on the stock exchange. Those scripts for which current quotations are not available or where the shares are not quoted on stock exchange, have been valued at book value ascertained from their latest Balance Sheets. In case the latest Balance Sheet is not available, the shares have been valued at Rs. 1/- per company. In case of Investment in equity shares (held to maturity) valuation has been done at acquisition price.(Reference Annexure to Schedule -'F' & 'I')

iii) In respect of Equipment Leasing, Vehicle Leasing and Special Vehicle Leasing cases 100% provisioning has already been provided in the earlier years, as lease rentals fell due for payment in all the cases long back, so there is no change in the amount of provisioning in respect of leasing cases in the current year. (Reference Schedule - 'D')

iv) The provisioning has been made without giving the effect of the amount lying in the Sundry Deposits under schedule 'C' - 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 (8 cases) are to the extent of Rs.10.49 crore (approx.) not acknowledged. The Corporation has deposited a sum of Rs.0.32 crore with The Controller Authority under Gratuity Act as per their orders in case of gratuity of 9 ex-employees and the Corporation has filed appeals before higher court against above orders, so the amount has not been acknowledged. In addition to above there are 19 court cases/appeals filed by the employees/ex-employees against which amount is indeterminate.

Further, there is contingent liability amounting to Rs. 75.47 lakh in respect of claims lodged by Loanees/ Auction purchasers.

A sum of Rs.224.08 lakh Shown in Other Assets Schedule 'J' – Other Current Assets' deposited with Income Tax Department against demand for Financial Years 1980-81 to 1982-83 and the Corporation has filed appeals before Hon'ble High Court against the orders of Income Tax department. The matter is pending with the Court. The matter is pending with court so the amount has not been booked.



3 The Sale Tax assessments for the financial years 2004-05, 2005-06, 2006-07 & 2007-08 have been completed by the Assessing Authority, Panchkula & Sales Tax/VAT liability for these financial years has been assessed at Rs. 124.41 lakh. As the Corporation has filed appeals with higher authority the above liability of Rs.124.41 lakh has not been provided in the accounts against these orders. There is no pending demand in Sales Tax/VAT for the subsequent years.

4. The Corporation auctioned mortgaged property in case of M/s S.K.Wood Products, Yamuna Nagar at a price of Rs.56.00 lakh. The auction purchaser deposited an amount of Rs.16.00 lakh and failed to deposit the remaining amount. The Corporation forfeited the amount of Rs.16.00 lakh. Auction purchaser filed a case against the Corporation and the same was decided against the Corporation. An appeal with the Higher Court has been filed by the Corporation. The case is yet to be decided.

C. 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 (BoD) in its meeting held on 10.07.2012. BoD / HFC decided to complete the process of sale of properties owned by the Corporation/settlement of liabilities by 31.03.15 and deploy the surplus staff to other departments.

The Corporation disposed off its two properties (Faridabad & Delhi) during the financial year 2014-15. During the current year the Corporation has transferred residential flats at Sector 14, Panchkula to HSIIDC for Rs.1500 lakh and shown a profit of Rs.1324.77 lakh on sale of property. There is an outstanding advance of Rs.22.24 crore from HSIIDC as on 31.03.19 which will be adjusted by transferring the shares of HPGCL of the equivalent amount in view of decision of Board of Directors in its meeting held on 06.11.2017. The State Govt. has been requested to give permission for transfer of shares and decision is awaited. HSIIDC has not given the consent for above action. The Corporation has settled all its liabilities towards borrowings. The Corporation has already deployed 30 employees of different categories in Haryana Government/Haryana Government Undertakings through Surplus Staff Cell of Haryana.

The Corporation has recommended to the State Government for its winding up / liquidation u/s 45 of SFCs Act 1951. The State Govt. has appointed Managing Director HSIIDC as Nodal Officer for completing the formalities of winding up. The Board of Directors of the Corporation in its meeting held on 22.07.2019 constituted a Committee under the chairmanship of the Director of Industries & Commerce, Haryana to give its recommendations regarding Steps/modalities regarding winding up of the Corporation considering legal/financial aspect and to give detailed modalities/steps for liquidating all the assets (including loan assets) and liabilities (including court cases) of the Corporation. The report of the Committee is yet awaited.

D. No amount towards deferred tax asset/liability is outstanding in the books of accounts of the Corporation. The Corporation has stopped fresh sanctions since May, 2010. In such circumstances it is not feasible to create any deferred tax asset/liability for the current financial year. The Corporation has recommended to the State Government for its winding up/liquidation u/s 45 of SFCs Act 1951 and their decision is awaited.

E. Subvention amounting to Rs.7,17,53,106/- was receivable from State Govt. for payment of the minimum guaranteed dividend for the 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 was lodged with the State Govt. but the State Govt. has not considered the request of the Corporation. During the current financial year, a provision of Minimum Guaranteed Dividend (MGD) of Rs.7,17,53,106/- relating to above period payable to State Govt. and others has been made in the books of accounts (as advised by AG, Haryana Auditors) and shown a sum of Rs.5,51,96,622/- as Dividend Payable in 'Schedule 'C' – Other Current Liabilities' after adjusting a sum of Rs.1,65,56,484/- already paid by the Corporation to the retail investors/others from its own sources (Earlier Shown under the head - Dividend Paid adjustable against subvention to be received from State Govt. in Schedule 'J'- Other Current Assets').

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 31.03.2019 as per the provisioning norms of SIDBI.



- G. Loans and advances are categorised on the basis of guidelines received from SIDBI as Standard, Sub Standard, Doubtful and Loss Assets and provisioning has been made as under : (Rs. in Lakh)

Assets Classification	Current Year		Previous Year		Change in provision over the previous year
	Loans outstanding	Provision	Loans outstanding	Provision	
Standard Loan Assets : Including Upgraded A/c and Restructured A/c	0.00	0.00	58.55	2.93	-2.93
Non-Performing Loan Assets					
Sub Standard Assets Upto 6 Months	0.00	0.00	0.00	0.00	0.00
NPA 6 Months to 1 year	0.00	0.00	0.00	0.00	0.00
Doubtful Assets I	0.00	0.00	0.00	0.00	0.00
Doubtful Assets II	0.00	0.00	0.00	0.00	0.00
Doubtful Assets III (Including Adhoc Limit)	634.25	634.25	629.42	629.42	4.83
(Soft Loans)	31.68	31.68	31.68	31.68	0.00
Loss Assets	62.20	62.20	67.41	67.41	-5.21
Claims Recoverable (3 loan cases)	--	6.61	--	--	6.61
Total (-2.93+4.83-5.21+6.21)	728.13	734.74	787.06	731.44	3.30

Provision of Rs. 2.93 lakh against standard loan assets has been written back and shown in Schedule 'C' – Other Current Liabilities. Provisioning of Rs.0.38 lakh has been written back against Non-performing/Loss loan assets and Rs.6.61 lakh against Claims Recoverable has been provided during the year and shown in Schedule 'D'- Provisions (Rs. in Lakh)

Leasing Portfolio	Current Year		Previous Year	
	Amount	Provision	Amount	Provision
Equipment Leasing	420.30	420.30	420.30	420.30
Vehicle Leasing	51.27	51.27	51.27	51.27
Total	471.57	471.57	471.57	471.57

Provision on Leasing Portfolio has been already made at 100 percent of the portfolio.

- H. As per guidelines issued by SIDBI, provision towards diminution in the value of investments in respect of listed & Un-listed shares is required to be made which is to the extent of Rs.145.15 lakh upto 31.03.2019 against which the Corporation has already made provision of Rs. 410.51 lakh upto 31.03.2018. Therefore, provision of Rs.265.36 lakh has been written back during the year which has been shown in Schedule 'D'- Provisions.
- I. The Leasing Assets under Schedule 'E' - 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).
- J. The State Government has appointed Corporation as agent for disbursement of its various subsidies, seed money and agency loans. Unutilized amount of Rs.26.48 lakh against various subsidies has been shown under the sub head "(b) (1) State Govt. Funds (As an Agency)" of Schedule 'C' – Other Current Liabilities. Liabilities amounting to Rs.570.53 lakh towards State Govt. against Agency and Seed Money Loans have been shown against '(b) (2)' under the said sub head. The balance of Agency and Seed Money loans amounting to Rs.484.58 lakh has been shown in Schedule 'J' - Other Current Assets. The difference of Rs. 85.95 lakh in assets and liabilities (Govt. funds - Seed Money Agency / RIS) is due to the amount recovered in the above cases but not remitted to State Government and the same will be taken care of while preparing the state of affairs of the Corporation after finalisation of the decision of winding up by the State Government.
- K. Sundry Deposits under Schedule 'C' – Other Current Liabilities amounting to Rs.1158.66 lakh include a sum of Rs.1066 lakh in case of M/s Surendera Enterprises Pvt. Ltd., Rewari. The above unit,

a joint financing case with Haryana State Industrial and Infrastructure Development Corporation Ltd. (HSIIDC) was auctioned for Rs.1095 lakh. A new loan account of Rs.821.25 lakh in the name of the auction purchaser (AP) namely M/s Balaji Enterprises under the head Loans and Advances was opened after receipt of Rs.273.75 lakh i.e. 25% of the sale amount. The AP paid a sum of Rs.678.20 lakh to the Corporation and defaulted in further repayment. Corporation repossessed the unit and decided to forfeit the above amount. Against the above action of the Corporation, the AP filed a suit against the Corporation and the matter is subjudice. Keeping in view the above circumstances, the ratio of share between two organizations (HSIIDC/HFC) is yet to be decided, so the proper accounting entries are yet to be passed and amount is still kept in Sundry Deposit A/c.

- L.** Borrowers' Imprest shown under Schedule 'C'– Other Liabilities is the amount received from the parties at the time adjustment of loan account for payment of pending bills (legal fee, security charges etc.) to be submitted by the respective agencies. The balance excess amount, if any after the adjustment of above expenses is refunded to the parties. In some cases excess amount received from the party/recovered through auction of properties over and above the outstanding loan amount is claimed by different parties and the matter goes to Court for decision, thus the amount is kept pending under this head till the decision of Court.
- M.** During the current financial year a provision of Rs.45,000/- towards audit fee has been made, but no TDS has been deducted. TDS shall be deducted at the time of payment of audit fee.
- N.** Claims Recoverable under Schedule 'J'- Other Current Assets amounting to Rs.74,39,260/- includes a sum of Rs.32,12,109/- deposited with The Controlling Authority under payment of Gratuity Act on account of gratuity in view of court orders in respect of nine retirees and the Corporation has filed appeals in the higher court and the matter is yet to be decided. Further, a provision of Rs.6.61 lakh (against old entries under the above head and chances of recovery are bleak) has been made during the year and shown in Schedule 'D'- Provisions.
- Further, it includes a sum of Rs. 22,09,712/- recoverable in case of M/s S. K. Wood Products, Yamuna Nagar. In this case the collateral security was sold to Sh. S.K.Saini and Sh. Robin Saini (auction purchasers) for Rs. 24.30 lakh on 23.08.2007. Later on Auction Purchasers filed writ petition in the Hon'ble Punjab & Haryana High Court, Chandigarh seeking relief that the property purchased by them had no access and the Corporation may provide the access to the auctioned land or refund the amount. The case was decided by Hon'ble Punjab & Haryana High Court, Chandigarh and the Hon'ble Court directed the Corporation to refund the amount along with interest. Accordingly the Corporation refunded a sum of Rs. 38,01,285/- to the auction purchaser by debiting Claim Recoverable Account as the loan account of loanee M/s S.K.Wood Products has already been adjusted.
- The Corporation again auctioned the above property at a price of Rs.56.00 lakh. The auction purchaser deposited an amount of Rs.16.00 lakh and failed to deposit the remaining amount, the received amount of Rs.16.00 lakh was forfeited and credited to claims recoverable account. Auction purchaser filed a case against the Corporation which has been decided in favour of auction purchaser. An appeal has been filed against the above orders before the Higher Court. Now the recoverable amount in the above case is Rs. 22,09,712/- including Rs.8,427/- debited subsequently towards expenses.
- O.** The Corporation is maintaining Fixed Assets Purchase register where all items of fixed assets are entered with date, amount of purchase and its location. Mostly the fixed asset item is purchased on the request of the particular division/branch and after the purchase of the item, the same is under the control of that particular division/branch. As the purchases are of meager amount, no separate physical verification is being done by the Corporation.
- Fixed assets includes Rs.2.41 lakh paid to HSIIDC against Plot No.37-38 at Industrial Area, Sonapat allotted in 1994. HSIIDC has resumed the above plots and the Corporation has requested HSIIDC to restore the plots and grant permission for execution of conveyance deed of the plots. The reply is awaited.
- P.** During the current financial year the amount lying in Borrowers Imprest Account and Sundry Deposits Account in respect of the cases which stand adjusted for more than five years back and not claimed by the borrowers has been transferred to Misc. Income.
- Q.** During the current financial year a sum of Rs. 22,60,350/- has been shown as Medical Expenses in Schedule 'P'– Employees Benefit Expenses which includes Rs.6,61,433/- paid in FY 2019-20, but pertains to FY 2018 -19.
- R.** A sum of Rs.8,91,742/- has been shown as Advance against Expenses in Schedule 'J' – Other Current Assets which includes amount deposited with sale tax authorities against various demands against which the Corporation has filed appeals in the High Court and the same are pending. It also includes an amount spent on purchase of stamp papers for transfer of office building at Karnal and advance given to HARTRON for development of Web Portal.

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

F.Y. 2018-19
(Rs. in lakh)

1	Capital			
a)	CRAR %			56.32%
b)	The amount of subordinated debt raised and outstanding as Tier - II capital			---
c)	Risk Weighted Assets			17335.47
	i. On Balance Sheet items			---
	ii. Off Balance Sheet			---
d)	The Share holding pattern as on the date of the Balance Sheet	Amount		% age
	i. Government of Haryana	20201.17		97.28
	ii. SIDBI	432.65		2.08
	iii. Commercial Banks, Insurance Cos. etc.	20.17		0.10
	iv. Private Shareholders	111.82		0.54
	Total	<u>20765.81</u>		<u>100.00</u>
2	Asset Quality and Credit Concentration			
e)	% age of net NPAs to Net loans and advances			0.00
f)	Amount and %age of Net NPAs under the prescribed asset classification categories	Amount		% age
	i. Sub Standard Assets	0.00		0.00
	ii. Doubtful Assets	0.00		0.00
	Total :	<u>0.00</u>		<u>0.00</u>
g)	Amount of provision made during the year			
	i. Provision for Standard Assets			-2.93
	ii. Provision for NPAs			-0.38
	iii. Provision for Investments			-265.36
	iv. Provision against Claims Recoverable			6.61
	Total			<u>-262.06</u>
h)	Movement in Net NPA			
	i. Sub Standard Assets			0.00
	ii. Doubtful Assets			0.00
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	601.50	2.68%	3.37%
	Largest borrower group	601.50	2.68%	3.37%
	The 10 Largest single borrowers	688.76	3.07%	3.86%
	The 10 Largest borrower groups	688.76	3.07%	3.86%
j)	Credit exposure to 5 largest industrial sectors as % to total loan assets		NA	
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	439.02	17381.04	0.00	0.00	0.00	0.00	17820.06
Foreign Currency Assets	-----NIL-----						
TOTAL	439.02	17381.04	0.00	0.00	0.00	0.00	17820.06
Rupee Liabilities	4204.00	23014.01	0.00	0.00	0.00	0.00	27218.01
Foreign Currency Liabilities	-----NIL-----						
TOTAL	4204.00	23014.01	0.00	0.00	0.00	0.00	27218.01



4. Operating Results

m)	Interest income as a percentage to average working funds	0.30 %
n)	Non-interest income as a percentage to average working funds	9.04 %
o)	Net Profit/(Loss) as a percentage to Average Working Funds	3.30 %
p)	Net Profit/(Loss) per employee	Rs.17.19 lakh

5. Earning per Share

(Amount in Rs.)

a)	Profit/(Loss)after Tax	(60,148,431)
	Profit/(Loss) attributable to ordinary Share Holders	(60,148,431)

b)	Weighted Average of Common Stock	No.	Period Outstanding (days)	Weighted Average
	Shares outstanding as on 31.03.2019	207658100	365	207658100
	Earning Per Share (a/b)			0.29

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

T. 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.

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

R. Khurana

Rakesh Khurana
General Manager

Dr. Saket Kumar

Dr. Saket Kumar, IAS
Director, Industries & Commerce, Haryana
Link Officer on behalf of Managing Director
Haryana Financial Corporation

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



Parveen Kapoor
Parveen Kapoor
FCA (Prop.)
Membership No.090987
Firm Regd. No. 0119587N

Place : Chandigarh
Dated : 09 July, 2020

Annexure to Schedule - 'F' & 'I'



Statement Showing Particulars of Investments in shares as on 31st March, 2019

S.No.	Name of the Company	Face value	Cost per Share	Value per Share as on	No. of Shares	Cost	Value
							(Amount in Rs.)
(I) Non-current Investments							
1.	Haryana Power Generation Corp. Ltd.	1000.00	1000.00	1000.00	1450000	1450000000	1450000000
(II) Current Investments							
A. Quoted							
1.	GRM Overseas Ltd. Panipat	10.00	20.00	234.00	124000	2480000	29016000*
B. Un-quoted							
i) Listed : Ordinary - Fully Paid Up							
1.	Global Inds. Ltd., Gurgaon	10.00	10.00		300000	3000000	1
2.	Green Mark Infra Ltd. (Formerly Jivan Flora Ltd., Gurgaon)	10.00	12.00		146600	1759200	1
3.	Veer Vardhman Inds., Panipat	10.00	10.00		250000	2500000	1
4.	Indo Britain Agro Farms Ltd.	10.00	10.00		180300	1803000	1
5.	Aravali Pipes Ltd., Hisar	10.00	15.00		205000	3075000	1
6.	Doon Valley Rice Mills, Karnal	10.00	30.00		100000	3000000	1
7.	Pam Raffia Ltd., Panchkula	10.00	10.00		10406	104060	1
8.	Swet Chem Antibiotic Ltd., Karnal	10.00	10.00		44800	448000	1
9.	Uma Fabrics Ltd., Gurgaon	10.00	10.00		350000	3500000	1
10.	Shiva Suitex Ltd., Gurgaon	10.00	10.00		500000	5000000	1
11.	Bharat Polyfab Ltd., Rewari	10.00	12.50		500000	6250000	1
Total (i)					2587106	30439260	11
ii) Unlisted : Ordinary - Fully Paid Up							
1.	INA Polyster 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 Polyster 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	5116.00	800	80000	4092800**
Total (ii)					1190080	14704920	4092805
Total (II) (Un-quoted investments (i + ii))					3777186	45144180	4092816
III) Total Current Investments (Quoted + Unquoted)					3901186	47624180	33108816
Total Investments (I + II + III)					5351186	1497624180	1483108816
COST						1497624180	
VALUE						1483108816	
DIMINUTION						14515364	

Note : (*) Value of the shares as on 31st March, 2019.

(**) Value of share has been determined on the basis of balance sheet as on 31st March, 2018.



Annexure to Schedule - 'G'

Details of Loans and Advances - as on 31.03.2019

(Rs. in Thousands)

I. Particulars of Loans & Advances

1.	Debts considered good in respect of which the Corporation is fully secured :-		
	(i) Standard Assets	0	
	(ii) Sub Standard Assets	0	0
2.	Debts previously fully secured		
	(i) Doubtful Assets	60,150	
	(ii) Loss Assets	6,220	66,370
			66,370
	Soft Loans - SIDBI		3,168
			69,538
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		50,269
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).		4,372,142
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.)		98,895,934
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 Rs. 66,370 thousands		66,370

II The Classification of Loans and Advances according to the size of the Industrial Units

i)	Debts due from small scale industrial concerns	63,318	
ii)	Debts due from concerns other than those included under (i) above	6,220	69,538

III The Classification of Loans and Advances according to the Constitution of the Industrial Units.

a)	Proprietorship	62,039	
b)	Partnership	1,279	
c)	Private Limited Companies	6,220	69,538

HARYANA FINANCIAL CORPORATION, CHANDIGARH
CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.18 TO 31.03.19



Amount (Rs.)

	FY 2018-19	FY 2017-18
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Income Tax & Provisioning	105,695,821	(38,188,526)
Add :		
Depreciation	1,990,059	3,164,445
Bad debts written off	0	26,929
Less :		
Other Income :		
Rent	26,857,053	25,330,666
Dividend on Investments	620,000	20,000
Misc. Income	491,824	262,464
Interest on deposits/staff advances & I.Tax refund	4,458,893	7,748,031
Net Cash from Operating Activities (A)	(75,258,110)	(68,358,313)
CASH FLOW FROM INVESTMENTS ACTIVITIES		
Purchase of fixed Assets	0	(117,280)
Sale of fixed assets and profit	17,523,062	137,392
Dividend on investments	620,000	20,000
Net Cash from Investment Activities (B)	18,143,062	40,112
OTHER CASH FLOWS		
Rental Income	26,857,053	25,330,666
Misc. Income	491,824	262,464
Interest on deposits/staff advances & I.Tax refund	4,458,893	7,748,031
Increase/(decrease) in Current Liabilities		
Gratuity	(2,376,997)	1,854,931
Leave	3,573,002	15,698
Compassionate Assistance	(842,742)	(785,310)
Earnest Money	0	(1,720,000)
Borrowers Imprest	(525,169)	(73,791)
Security Deposits	0	(25,000)
Sundry Deposits	(3,630,419)	360,906
Decrease in advance from HSIIDC - Sale of Assets	(150,000,000)	0
Decrease in State Govt. Funds - Subsidies	0	200,276
Tax Payable	(238,969)	210,701
Provision against expenses payable	(15,318,811)	(24,753,782)



Amount (Rs.)

Increase /(decrease) in Loans and Advances (Assets)	5,892,734	13,234,775
Increase/(decrease) in Current Assets		
Staff Advances	223,084	554,513
Advance Income Tax, TDS	(11,071,536)	(2663,205)
Claim Recoverable	27,198	377,474
Interest Accrued but not due	1,607,343	(194,657)
Excess fund- Leave Salary	0	2,591,737
Advance to HSIIDC for repair work	2,930,000	(930,000)
Sundry Advances	24,588	50,355
Security Deposits	(25,000)	900
Net Cash from other Cash Flows (C)	(137,943,924)	21647,682
Net Cash flows (A+B+C)	(44,542,752)	(46,670,519)
Net increase/(decrease) in cash and cash equivalents	(44,542,752)	(46,670,519)
Cash and Cash equivalents at the beginning of the year	88,444,660	135,115,179
Cash and Cash equivalents at the end of the year	43,901,908	88,444,660

R. Khurana

Rakesh Khurana
General Manager

Dr. Saket Kumar

Dr. Saket Kumar, IAS
Director, Industries & Commerce, Haryana
Link Officer on behalf of Managing Director
Haryana Financial Corporation

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



Parveen Kapoor
Parveen Kapoor
FCA (Prop.)
Membership No.090987
Firm Regd. No. 0119587N

Place : Chandigarh

Dated : 09 July, 2020



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 **52nd Annual General Meeting** of the Haryana Financial Corporation to be held in the Committee Room of The Haryana State Cooperative Apex Bank Ltd. (HARCO Bank), 1st Floor, SCO 78-80, Bank Square, Sector 17B, Chandigarh at **11.30 a.m. on Tuesday, the 13th July, 2021** 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 Corporations 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**

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 **52nd**

Annual General Meeting of Shareholders of the Corporation to be held in the Committee Room of The Haryana State

Cooperative Apex Bank Ltd. (HARCO Bank), 1st Floor, SCO 78 - 80, Bank Square, Sector 17 B, Chandigarh at

11.30 a.m. on Tuesday, the 13th July, 2021 or at any adjournment thereof.

Dated this _____ day of _____ 2021.

Affix Re 1/-
Revenue Stamp

Signature of Shareholder(s)

Specimen Signature of Proxy holder(s)

Folio No. _____

For Office use Only

No. of Shares

No. of Votes

Denoting Nos.

Class of Shareholders



**HARYANA FINANCIAL CORPORATION
CHANDIGARH**

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

Resolved that Shri _____

or failing him Shri _____

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

_____ Folio No. _____

to exercise voting rights and other powers on its behalf at the **52nd Annual General Meeting** of the Shareholders of the Haryana Financial Corporation be held in the Committee Room of The Haryana State Cooperative Apex Bank Ltd. (HARCO Bank), 1st Floor, SCO 78-80, Bank Square, Sector 17B, Chandigarh at **11.30 a.m. on Tuesday, the 13th July, 2021** or at any adjournment thereof.

CHAIRMAN

CHAIRMAN'S CERTIFICATE

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

Company _____

held on _____ at _____

The undersigned was the Chairman of the said meeting.

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 52nd AGM for the FY 2018-2019)

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

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

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

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

Place _____

Date _____

Signature

Folio No.

Category/Class of shareholder as per Section 4(3) of SFCs Act, 1951

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

BOOK - POST

To,

If undelivered, please return to :
HARYANA FINANCIAL CORPORATION
30 Bays Building (Ground Floor)
Sector 17-C, Chandigarh - 160 017
Ph. : 2702755-57, 2702568 Fax : 2721624, 2702666