

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

PBX: 0172-2702755
e-mail: hfcsectt@gmail.com
Website: www.hfcindia.org

REF.NO.HFC/LET/AGM/58th/2026/ 775

Dated: 3/3/2026

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

Re: Intimation regarding convening the 58th Annual General Meeting (AGM) and submission of Notice and Annual Report of Haryana Financial Corporation for the Financial Year 2024-25 (Script code - 530927) Haryana Financial Corporation

Sir/Madam,

This is to inform that the 58th Annual General Meeting (AGM) of the Corporation is scheduled to be held on Wednesday, the 25th March, 2026, in compliance with the General Regulations of the Corporation and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. In this regard following is submitted:-

1. In compliance with the Regulation 34(1) of SEBI (LODR) Regulations, 2015, the Notice of the 58th Annual General Meeting along with the Annual Report 2024-25 are being sent through emails to all the members whose e-mail IDs are registered with the Company. The said Annual Report is also hosted on the Corporation's Website at the link as under:-

<http://hfcindia.org.in/pdf/58thar.pdf>

This is for your kind information and records please.

Thanking you,

Yours faithfully,
For Haryana Financial Corporation


Compliance Officer

58th
ANNUAL REPORT
2024 - 2025



Haryana Financial Corporation



BANKERS

PUNJAB NATIONAL BANK
Bank Square, Sector 17
Chandigarh-160017

UNION BANK OF INDIA
SCO 137-138, Sector 8-C
Chandigarh-160018

STATUTORY AUDITORS

M/s PREM RAVINDER & CO.,
Chartered Accountants,
16, Plot No. 24, Barkeley Square, Industrial Area,
Phase -1, 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 : hfclegal@gmail.com Website : www.hfcindia.org.in
GST No. : 04AAACH4685B1ZY PAN No. : AAACH4685B
Registered at : Chandigarh (UT)



HARYANA FINANCIAL CORPORATION, CHANDIGARH

Directors on the Board of the Corporation as on 31.03.2025
(under section 10 of the SFCs Act, 1951)

1.	Shri Arun Kumar Gupta, IAS Principal Secretary to Hon'ble Chief Minister, Haryana, Chandigarh	Chairman
2.	Shri D. Suresh, IAS Principal Secretary to Government Haryana, Industries & Commerce Department, Haryana Civil Secretariat, Chandigarh	Director
3.	Smt. Amneet P. Kumar, IAS Principal Secretary to Government, Haryana, Department of Civil Aviation New Haryana Civil Secretariat, Sector - 17, Chandigarh	Director
4.	Shri Yash Garg, IAS, Director General, Industries & Commerce Department, Haryana, 30 Bays Building, Sector - 17, Chandigarh	Director
5.	Shri Sushil Sarwan, IAS MD, HSIIDC & HFC	Managing Director
6.	Smt. Radhika Singh, HCS Joint Secretary, Finance, HaryanaHaryana Civil Secretariat, Chandigarh	Director
7.	Shri Satish Nema, DGM/ SIDBI, SCO 906, NAC, Housing Board Chowk, Sector-13, Chandigarh	Director
8.	Sh. Shrawan Kumar Anand, Senior Divisional Manager, Life Insurance Corporation of India, Sector 17-B, Chandigarh	Director
9.	Shri Mohinder Kumar Chopra H.No.44, Sector 5, Trikuta Nagar, Jammu-180012	Director

Haryana Financial Corporation
30 Bays Building, (Ground Floor)
Sector 17-C, Chandigarh-160017
E-mail: hfcsectt@gmail.com

Notice

In terms of Regulation 46 of the Revised General Regulations of the Corporation read with Section 36 of the State Financial Corporations Act, 1951, it is hereby notified that the 58th Annual General Meeting (AGM) of the Shareholders of the Corporation will be held on 25th March, 2026 at 03:30 PM in the Committee Room of The Haryana State Cooperative Apex Bank Ltd.(HARCO Bank), 1st Floor, SCO 78-80, Bank Square, Sector-17B, Chandigarh - 160017, to transact the following business(s):-

1. To receive, consider and adopt the audited Balance Sheet of the Corporation as at 31st March, 2025, and the Statement of Profit and Loss for the year ended on that date, together with the Report of the Board of Directors on the working of the Corporation for the year 2024-25 and the Auditor's Report thereon and may pass, with or without modification(s), the following resolution(s):-

"Resolved that the Balance Sheet as at 31.3.2025 and the Statement of Profit & 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, and Auditor's Report including C&AG Report thereon and replies thereto; be and are hereby considered, approved and adopted."

2. To consider and appoint M/s AARSH & Associates, Chartered Accountants, Chandigarh, as the Statutory Auditors of the Corporation, as per the advice of the Reserve Bank of India, for the Financial Year 2025-26 and may pass, with or without modification(s), the following resolution(s):-

"Resolved that M/s AARSH & Associates, Chartered Accountants, Chandigarh, an audit firm from the panel of the Reserve Bank of India, being eligible to act as Auditors and having furnished their written consent under the applicable provisions of the Companies Act, 2013 and declarations as per RBI guidelines, be and are hereby appointed as 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 the audit of the accounts of the Corporation for the Financial Year 2025-26 at an audit fee of Rs. 57,200/- (Rupees Fifty-Seven Thousand and Two Hundred only) plus applicable GST and admissible TA/DA."

3. To consider and appoint Shri Vishal Arora, Practicing Company Secretary, as the Secretarial Auditor of the Corporation, pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for a term of five consecutive years commencing from the Financial Year 2025-26 and may pass, with or without modification(s), the following resolution(s):-

"Resolved that Shri Vishal Arora, Practicing Company Secretary, be and is hereby appointed as Secretarial Auditor with effect from the Financial Year 2025-26 at a lump-sum fee of Rs. 25,000/- plus GST for a term of five years or until the period up to which the extant regulations of SEBI (LODR) remain applicable to the Corporation."

Resolved further that the Managing Director of the Corporation be and is hereby severally authorised to modify and/or revise the terms and conditions

of the said appointment, including the remuneration of the Secretarial Auditors, as it may deem appropriate, and to do all such acts, deeds, matters and things as may be necessary, proper, or expedient to give effect to this resolution”.

4. Re-appointment of the Directors of the Corporation, being appointed under the State Financial Corporations Act, 1951, pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, read with Section 10 of the State Financial Corporations Act, 1951 and in accordance with the orders/notifications issued by the State Government, SIDBI and Banks/PFIs, by proposing to vote by a single resolution as permissible under the provisions of the Companies Act, 2013 and may pass, with or without modification(s), the following resolution(s):-

i) “Resolved that pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with Section 10 of the State Financial Corporations Act, 1951, to the extent possible, and in accordance with the orders/notifications issued by the State Government, SIDBI, and Banks/Public Financial Institutions/others, the appointment of Shri Mohammed Shayin, IAS, Shri Amit Kumar Agrawal, IAS, Shri Sonam Chhewang, SDM/LIC, Shri Sunil S., GM/SIDBI, Shri Satish Nema, DGM/SIDBI and Shri Sanjeev Singh, DGM/PNB as Directors on the Board of the Corporation, made after the last Annual General Meeting, be proposed and voted upon by a single resolution, as permissible under the provisions of the Companies Act, 2013, Haryana Financial Corporation, being a Public Sector Company with 97.28% shareholding held by the State Government of Haryana.”

ii) “Resolved further that Shri Mohammed Shayin, IAS, Shri Amit Kumar Agrawal, IAS, Shri Sonam Chhewang, SDM/LIC, Shri Sunil S., GM/SIDBI, Shri Satish Nema, DGM/SIDBI, and Shri Sanjeev Singh, DGM/PNB, as appointed on the Board of the Corporation pursuant to Section 10 of the State Financial Corporations Act, 1951; as permissible under the provisions of the Companies Act, 2013, in accordance with the orders of the State Government, SIDBI, and Banks/Public Financial Institutions, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and are hereby re-appointed.”

5. To consider and appoint Shri M. K. Chopra as Shareholders’ Director on the Board of the Corporation pursuant to Section 10(e)(i) read with Section 4(3)(d) of the State Financial Corporations Act, 1951 and Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and may pass, with or without modification(s), the following resolution as a Special Resolution:-

“Resolved that pursuant to Section 10(e)(i) read with Section 4(3)(d) of the State Financial Corporations Act, 1951 and the General Regulations framed thereunder and Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and other applicable provisions, if any, consent of the Members be and is hereby accorded to the appointment of Shri M. K. Chopra as Non-Executive Director representing Shareholders on the Board of the Corporation for a period of three years from the date of passing of this

Special Resolution, notwithstanding that he has attained the age of seventy-five years.”

NOTES:

i) The Register of Members and Share Transfer Books of the Corporation will remain closed from 14.03.2026 to 24.03.2026 (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 authorisation (as per format published in the Annual Report) along with certified copies of resolutions appointing a duly authorised representative. Authorisations 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 their 57th Annual General Meeting held on 30.12.2024 had appointed M/s Prem Ravinder & Co., Chartered Accountants, Chandigarh, as Statutory Auditors of the Corporation under Section 37(1) of the State Financial Corporations Act, 1951. The said audit firm has completed its permissible tenure of four consecutive years in accordance with the guidelines issued by the Reserve Bank of India and is therefore not eligible for further appointment. Accordingly, upon receipt of a fresh panel from the Reserve Bank of India and following the prescribed selection process, the proposal for the appointment of M/s AARSH & Associates, Chartered Accountants, Chandigarh, as Statutory Auditors of the Corporation for the Financial Year 2025-26 is placed before the Shareholders for their approval (refer to Item No. 4)

v) Explanatory Statements in respect of Item No. 3

Regulation 24(A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR, 2015”) as amended with effect from 12th December 2024, provides that every listed entity shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the annual report of the listed entity. In terms of the aforesaid regulation, approval of the Members is required for appointment of Secretarial Auditor. The Board of Directors in its Meeting held on 13.11.2025 approved the appointment of Shri Vishal Arora, Practicing Company Secretary for a term of 5 years or until the period up to which the extant regulations of SEBI (LODR) remain applicable to the Corporation, from FY 2025-26 to FY 2029-30 and recommended the same for approval of the Members.

The firm has a team of qualified professionals who strive continuously to achieve goals keeping in mind clients and their requirements. The firm is a Peer Reviewed under the ICSI Guidelines. The Board of Directors recommended the appointment of Shri Vishal Arora, Practicing Company Secretary for approval of Members taking into account the eligibility of the firm, experience & expertise in providing Secretarial audit related services and also considering the quality of audit work done by them in the past.

vi) Explanatory Statements in respect of Item No. 5

The Corporation has received a nomination under clause (d) of sub-section (3) of Section 4 of the SFCs Act, 1951, from Shri M. K. Chopra. The said nomination was recommended by the Board in its 367th Board Meeting along with his brief profile.

The said nomination requires approval by the Shareholders by way of a Special Resolution as Shri M. K. Chopra is above 75 years of age in accordance with the provisions of Regulation 17(1A) of the SEBI (LODR) Regulations, 2015, which provides that *No listed* entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

Accordingly, to comply with the provisions of Regulation 17(1A) of the SEBI (LODR) Regulations, 2015, the Corporation is seeking approval of the Members through a Special Resolution.

Shri M. K. Chopra is a Commerce Graduate, and he has collective experience of Directorships for around 35-40 years in various SFCs, i.e., Haryana for about 6 years, J&K for about 18 years and Punjab for about 12 years.

Further, the Corporation has two directorship vacancies under the said category, but only one nomination of Shri M. K. Chopra has been received.

Shri M. K. Chopra and his relatives are interested in the resolution set out in Item No. 5 of the Notice with regard to approval of his appointment to the extent of shareholding in the Corporation. Shri M. K. Chopra is not related to any Director of the Corporation.

Save, and except the above, none of the other Directors or KMPs of the Corporation or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors of the Corporation recommends the resolution set out at Item No. 5 for approval by the Members as a Special Resolution

**By Orders of the Board
For Haryana Financial Corporation**



Company Secretary

**Dated: 2nd March, 2026
Place: Chandigarh**

HARYANA FINANCIAL CORPORATION
CHANDIGARH
DIRECTORS' REPORT

The Board of Directors of Haryana Financial Corporation has pleasure in presenting the 58th Annual Report on the working of the Corporation together with the Audited Financial Statements of Accounts for the year ended 31st March, 2025.

FINANCIAL RESULTS

During the financial year 2024-25 the Corporation has achieved the following working results.

(Rs. in Crore)

Sr.No.	Particulars	F.Y. 2024-25	F.Y. 2023-24
A	Income		
	Income from operations	0.41	1.37
	Other Income	5.35	30.19*
	Total Income	5.76	31.56
B	Expenditure		
	Interest & other Financial Expenses	0.04	0.04
	Personnel Expenses	4.96	3.74
	Administrative Expenses	0.64	0.55
	Bad debts/Leasing Assets written off	0.00	0.03
	Depreciation	0.01	0.01
	Total Expenditure	5.65	4.37
C	Operating Profit /(Loss) (A-B)	0.11	27.19
D	Add: Excess Provision against Investments and Income Tax written back	0.02	0.00
E	Less:		
	i) Provision against NPAs Loan Assets, Investments	0.06	0.10
	ii) Provision against Income Tax	0.08	1.65
	Net Profit/(Loss) (C+D-E)	(0.01)	25.44

Explanation

* During the last (FY 2023-24), the Other Income was Rs.30.19 Crore which included a sum of Rs.26.43 crore the income from sale of Corporate Building at Panchkula and Rs.2.27 crore (P.Y. Rs. 1.77 crore) as interest income from Bank deposits.

OPERATIONAL HIGHLIGHTS

The Corporation has already stopped sanction of the 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 2024-25	Performance for the year 2023-24
Sanction	0.00	0.00
Disbursement	0.00	0.00
Recovery	0.42	0.96

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.

SHARE CAPITAL FROM STATE GOVT.

Since the State Government has already decided to wind up 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 & Disclosure Requirements) Regulations, 2015, is annexed as Annexure with the Directors' Report. A certificate from M/s Sharma Sarin & Associates, Company Secretaries, on the above for the year ending on 31st March, 2025 is also annexed with this report.

DEMATERIALIZATION FACILITY

The demat facility of the Corporation has been activated. The ISIN No. issued to the Corporation is INE737G01016.

LISTING

The equity shares of the Corporation are listed at BSE Ltd. (BSE Script Code No.530927). The Corporation has paid the Annual Listing fee of Rs. 3.25 lakh plus GST to the Stock Exchange (BSE) within time. The State Govt (being Promoter) had filed an exemption application with SEBI in accordance with Regulation 42 of SEBI(Delisting of Equity Shares) Regulations, 2021 for delisting of shares of the Corporation from Bombay Stock Exchange and the SEBI had granted certain exemptions/relaxations to the Corporation from delisting procedure subject to certain conditions.

AUDIT

The shareholders in its 57th Annual General Meeting held on 30.12.2024 as per provisions of section 37 of State Financial Corporations' Act, 1951, had appointed M/s Prem Ravinder & Co., Chartered Accountants, Chandigarh (on the panel of the RBI) as Statutory Auditors for the financial year 2024-25, (for 4th term), who have conducted audit of the Financial Statements of the Corporation, which form part of the Report.

As per RBI guidelines, in the normal course, an audit firm may continue for a term of 4 years in one spell. The term of 4 years of existing statutory auditors M/s Prem Ravinder & Co., Chartered Accountants, Chandigarh has been completed. Accordingly, the RBI vide their letter dated 05.06.2025 have forwarded a list containing the names of the eligible audit firms based at Chandigarh and complying with the norms for appointment as Statutory Auditors in public sector banks for appointment as Statutory auditors for the years 2025-26. The name of the one audit firm has been short listed and the item for appointment of statutory auditors for the year 2025-26 has been included in the notice for the AGM.

AUDIT BY COMPTROLLER & AUDITOR GENERAL OF INDIA (CAG)

The Comptroller & Auditor General of India (CAG) had conducted the audit of the accounts of the Corporation upto FY 2024-25 and their report alongwithg replies of Management thereto shall form part of this Directors' Report and is being forwarded to the State Govt. for placing before the State Legislature.

CASH FLOW STATEMENT

In conformity with the provisions of SEBI (LODR) Regulations, 2015, the Cash Flow Statement for the year ending on 31.03.2025 is annexed with the Annual Accounts.

BOARD OF DIRECTORS

The composition of the Board of Directors of your Corporation as on 31.03.2025 was as under:-

1.	Shri Arun Kumar Gupta, IAS	Chairman
2.	Shri D. Suresh, IAS	Director
3.	Smt. Amneet P. Kumar, IAS	Director
4.	Shri Yash Garg, IAS	Director
5.	Shri Sushil Sarwan, IAS	Managing Director
6.	Smt. Radhika Singh, HCS	Director
7.	Shri Satish Nema	Director
8.	Shri Shrawan Kumar Anand	Director
9.	Shri Mohinder Kumar Chopra	Director

During the year under review, four meetings of Board of Directors were held on 30.05.2024, 14.08.2024, 12.11.2024 and 13.02.2025. The detail of the number of meetings of the Board held during the Financial Year 2024-25 form 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 Managing Director, HSIIDC as the Nodal Officer for commencing and completing the liquidation proceedings. Further, the Merchant Banker for delisting procedure of the Corporation, has already been appointed and further action is being taken.

ACKNOWLEDGMENTS

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, Finance Department and Small Industrial Development Bank of India (SIDBI) for their continuous co-operation and support in all the operational/financial matters.

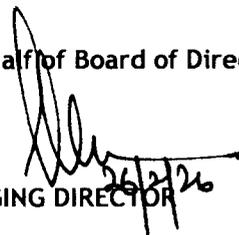
The Board wishes to take the opportunity to thank the Banks and shareholders for extending their support and cooperation.

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

Dated: 26.02.2026
Place : CHANDIGARH


MANAGING DIRECTOR

**ANNEXURE TO DIRECTORS' REPORT
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 31.03.2025 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. Sh. Mohinder Kumar Chopra was appointed as Director elected by the shareholders u/s 10(e) of the SFCs Act, 1951, in 54th AGM held on 07.07.2022 for a period of three years and whose tenure ended on 06.07.2025. The Board has also co-opted three Directors 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 were two woman director as on 31.03.2025 on the Board of the Corporation, the list of which has separately been published in the Annual Report.

2 (b) Board Meetings

The Board of Directors had four meetings during the Financial Year 2024-25 as per detail given below:-

S.N.	Number of Board Meeting	Date of Board Meeting
1.	360 th	30.05.2024
2.	361 st	14.08.2024
3.	362 nd	12.11.2024
4.	363 rd	13.02.2025

The composition of Board during the year under review and detail of meetings during their tenure alongwith their attendance, is as under:-

S.No.	Name of Director	No. of meetings during their tenure	No. of meetings attended
1.	Shri V. Umashankar, IAS	2	0
2.	Shri Arun Kumar Gupta, IAS	4	3
3.	Shri D. Suresh, IAS	1	1
4.	Smt. Amneet P. Kumar, IAS	4	2
5.	Shri C.G.Rajini Kaanthan, IAS	2	2
6.	Shri Yash Garg, IAS	3	3
7.	Shri Sushil Sarwan, IAS	3	3
8.	Smt. Radhika Singh, HCS	4	3
9.	Shri Satish Nema	1	1
10.	Shri Shrawan Kumar Anand	4	4
11.	Shri Abhishek Kumar	3	3
12.	Shri Mohinder Kumar Chopra	4	4

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 latest constitution of the Audit Committee comprised of three non-executive Directors, out of which 2 directors are Independent Director. The scope of the Audit Committee is as per the provisions of Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

4. Nomination and Remuneration Committee

The Corporation, has constituted Nomination and Remuneration Committee comprising of the Non-Executive Directors who are not entitled for any remuneration. The latest constitution of the Nomination and Remuneration Committee comprised of three non-executive Directors, out of which 2 directors are Independent Director.

The Managing Director of the Corporation is an IAS officer and is appointed by the State Govt., 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 of Rs. 2,500/- 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 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. During the Financial Year 2024-25 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. Risk Management Committee

Pursuant to Regulation 21 (5) of SEBI (LODR) Regulations, 2015, Risk Management Committee is required to be constituted by the top 1000 listed entities, determined on the basis of market capitalization as at the end of the immediate preceding financial year and high value debt listed entities. Corporation does not fall within the said criteria and hence not constituted Risk Management Committee.

7. General Body Meetings

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

YEAR	AGM	LOCATION	DATE	TIME
2021-2022	55 th	HARCO Bank, Sector - 17B, Chandigarh	25.11.2022	11.30 AM
2022-2023	56 th	HARCO Bank, Sector - 17B, Chandigarh	27.03.2024	11.30 AM
2023-2024	57 th	HARCO Bank, Sector - 17B, Chandigarh	30.12.2024	11.30 AM

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

8. 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 in terms of reference of Related Party Transactions.

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

The BSE Ltd. has been levying penalties for delay in compliance of Listing Regulations, due to non compliances of the regulations of the SEBI (LODR), 2015 which are not in synchronization with the provisions of the State Financial Corporations (SFCs) Act, 1951 as applicable to the Haryana Financial Corporation (HFC). In this regard, Corporation has requested BSE for waiver of penalty, however, the Corporation has taken remedial steps to the extent possible for timely filing with BSE Ltd. It has also been 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.

9. Secretarial Audit and Annual Secretarial Compliance Report

Pursuant to the regulation 24A of SEBI (LODR) Regulation, 2015 Mr. Vishal Arora, Practicing Company Secretary was appointed as Secretarial Auditors of the Corporation to conduct a Secretarial Audit and related records for the year ended 31st March, 2025. The Corporation has obtained the Secretarial Audit Report from Mr. Vishal Arora, Practicing Company Secretary and the same is annexed to the Board/Annual Report. Further, the Corporation has also obtained the Secretarial Compliance Report and the same was submitted to the BSE Ltd. in time.

10. Means of Communication

The quarterly, half yearly and annual financial results of the Corporation are published in the two news papers "The Indian Express (English Ed.) and Dainik Jagran (Hindi Ed.), Chandigarh.

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

The Annual Report containing Audited Financial Statements, Directors' Report, Auditor's Report and other important information is circulated to the members/shareholders. The annual reports are dispatched through post.

11. General Shareholders information

11.1 Annual General Meeting.

-Date and Time	25 th March, 2026
-Venue	Committee Room of The Haryana State Cooperative Apex Bank Ltd.(HARCO Bank), 1 st Floor, SCO 78-80, Bank Square, Sector-17B, Chandigarh - 160017

11.2 Financial Calendar (Tentative)

(from 1st April to 31st March)

The tentative dates for publishing of quarterly results are as under:-

- 30 th June, 2024	: by 15 th Aug, 2024
- 30 th Sept, 2024	: by 15 th Nov, 2024
- 31 st Dec., 2025	: by 15 th Feb, 2025
- 31 st March, 2025	: by 30 th May, 2025

11.3 Book Closure date	14.03.2026 to 24.03.2026
-------------------------------	--------------------------

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

11.5 Listing of shares BSE Ltd.

11.6 Stock code/Scrip code 530927

11.7 Stock market data

The shares are traded infrequently.

The available quotes at BSE. Rs. 80.00 on 23.01.2026

11.8 Share price performance Refer 11.7

11.9 Registrar & Share Transfer Agent

M/s Beetal Financial & Computer Services (P) Ltd., New Delhi has been appointed as the Registrar and Share Transfer Agent of the Corporation for handling the share transfer work in physical form. All correspondences 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.

Ph.No.011-29961281,29961282

Fax No.011-29961284

E-mail: beetal@beetalfinancial.com

11.10 Dematerialization 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. In furtherance to the orders of Board of Directors of the Corporation in its Meeting held on 22.07.2019, a demat request was again filed by the Corporation to NSDL, which has been approved by NSDL and the ISIN issued to the Corporation is INE737G01016. Further, 92,300 shares are now dematerlised.

11.11 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.	General Manager (F)	Member
3.	Company Secretary	Member
4.	Deputy General Manager	Member
5.	Deputy General Manager	Member

As per SEBI Guidelines, transfer of shares can be done through demat mode only. Shares received by the Corporation for transmission are sent to Registrar/Share Transfer Agent (RTA). The RTA after completion of formalities forward the share transmission register containing all the details to the Corporation for approval. A meeting of the Share Transfer/Transmission Committee is then held to approve the transmission(s) and forward its minutes to the RTA for necessary action. Thereafter, the Registrar makes the endorsement on the share certificates and forwards the share certificates duly transferred to transferee. The same procedure is adopted for the shares directly received by the RTA.

11.12 Shareholding pattern as on 31st March, 2025

Category of shareholders as per Section 4(3) of SFCs Act, 1951	No. of share-holders	No. of shares held of Rs.10/- each	%age of Holding
A State Government (Haryana)	1	20,20,11,650	97.28%
B SIDBI	1	43,26,550	2.08%
C Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institution/ Non-Govt. Institutions)	9	2,01,700	0.10%
D Others (shareholders other than those referred to in category(A), (B) & (C) above)	1919	11,18,200	0.54%
Total	1930	20,76,58,100	100%

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

Nil

11.14 Plant office Locations.

The Corporation has its Head Office at Chandigarh and 2 Branch Offices in Gurgaon and Panipat. There is no plant/manufacturing unit of the Corporation.

11.15 Address for Correspondence

The shareholders may correspond with the share transfer agent (the address of which has been given above (at S. No.11.9) 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 Corporations 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. During the year a sum of Rs. 42.00 lakh has been recovered.

iv) Opportunities/ Resources

As you are aware the Corporation has already 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 as such the Corporation is debt free. There is no interest liability in this regard also.

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

v) Internal Control System

The Corporation is under winding up process. Therefore, due to paucity of staff, the internal audit is limited to only certain payments above specified amount.

vi) Human Resources

The regular staff strength of the Corporation has reduced from 16 to 14 as on 31.3.2025. 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.



**VISHAL ARORA
COMPANY SECRETARY**

**COMPLIANCE CERTIFICATE OF CORPORATE GOVERNANCE
HARYANA FINANCIAL CORPORATION**

To,
The Member of
Haryana Financial Corporation
Chandigarh

We have examined the compliance of the conditions of Corporate Governance by Haryana Financial Corporation ('the Corporation') for the year ended on March 31, 2025, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Corporation for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Corporation.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and Securities and Exchange Board of India, we certify that the Corporation has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2025.

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

Date: 06/02/2026
Place: Chandigarh



Practicing Company Secretary

FCS No. 4566

C.P No. 3645

UDIN: F004566G003888336

Peer Review No. 1219/2021



VISHAL ARORA
COMPANY SECRETARY

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2025
[Pursuant to section 204(I) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

TO
THE MEMBERS,
HARYANA FINANCIAL CORPORATION
30 BAYS, BUILDING, SECTOR - 17,
CHANDIGARH - 160017

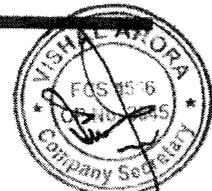
I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good Corporate Practices by HARYANA FINANCIAL CORPORATION (hereinafter referred to as "the Corporation") incorporated under State Financial Corporations Act, 1951. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the HARYANA FINANCIAL CORPORATION books, papers, minute books, forms and returns filed and other records maintained by the Corporation and also the information provided by the Corporation, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Corporation has, during the audit period covering the Financial Year ended on 31st March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by HARYANA FINANCIAL CORPORATION ("the Corporation") for the Financial Year ended on 31st March, 2025 according to the provisions of:

- (i) The State Financial Corporation Act, 1951
- (ii) The Companies Act, 2013 (the Act) and the rules wherever applicable, made thereunder; (not applicable to the company during the review period)
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) The Reserve Bank of India Act, 1934

Chd. Office: #651, Top Floor, Sec. 8-B, Chandigarh - 160009
Tel. 0172-4644288, 98142-96288
Email: csteamva@gmail.com

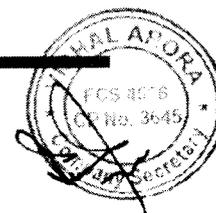




VISHAL ARORA
COMPANY SECRETARY

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (not applicable to the company during the review period)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (not applicable to the company during the review period)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (not applicable to the company during the review period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable to the company during the review period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (not applicable to the company during the review period)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable to the company during the review period)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (not applicable to the company during the review period)
 - (i) The Securities and Exchange Board of India (listing obligations & disclosure requirements) regulations, 2015.
- (vi) **OTHER APPLICABLE ACTS :**
- (a) The Finance Act, 2018.
 - (b) Prevention of Money Laundering Act, 2002 and the prevention of Money-Laundering (Amendment) Act 2012.
 - (c) Banking Companies (period of preservation of records) rules, 1985
 - (d) Bankers Book Evidence Act, 1891
 - (e) Employee's State Insurance act, 1948, and rules made thereunder.
 - (f) The Employee's Provident Fund and Miscellaneous Provisions Act, 1952 and rules made thereunder.
 - (g) The Payment of Bonus Act, 1956, and rules made thereunder.
 - (h) The Payment of Gratuity Act, 1972.
 - (i) Indian Contract Act, 1872.
 - (j) The Apprentices Act, 1961.



- (k) The Workmen's Compensation act, 1923.
- (l) Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013.
- (m) The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002
- (n) The Public Financial Institutions (obligations as to Fidelity and Secrecy) Act ,1983
- (o) The Credit Information Companies (Regulation) Act, 2005
- (p) The Income Tax Act, 1961
- (q) Haryana Financial Corporation Revised General Regulations
- (r) Punjab Financial Corporation Staff Regulations, 1961 s applicable to Haryana Financial Corporation

I have also examined compliance with the applicable clauses of the following:

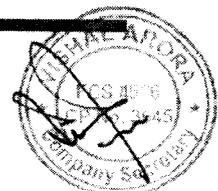
- (i) **Secretarial Standards issued by "The Institute of Company Secretaries of India"**
The Secretarial Standards are not applicable to the Corporation, since the provisions of the Companies Act, 2013 are not applicable to it.
- (ii) **The listing agreement and Securities and Exchange Board of India (listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with BSE Limited.**

Compliance of condition of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the corporation for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the corporation.

Qualifications

During the period under review the corporation has complied with the provisions of the Act, Rules, Regulations w.r.t the above mentioned acts whichever are applicable and rules apart from the following observations:

- a. The provisions of the Companies Act, 2013 are not applicable to the Corporation as the Corporation is not registered under the Companies Act.
- b. The applicability of the Secretarial Audit is required as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.





VISHAL ARORA
COMPANY SECRETARY

c. As the Corporation is not registered under the Companies Act therefore the scope of this audit is limited to compliance with the SEBI (LODR) Regulations and Compliances of State Financial Corporation Act, 1951.

d. There has been a deviation in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the following:

1) As per Regulation 30 read with Schedule III of the SEBI (LODR) Regulations should be submitted to the stock exchange within 12 hours of the conclusion of the board meeting in which such change is approved.

The said corporation complied with all other applicable requirements; however, there was a delay in filing the disclosure.

The other observations with respect to the Statutory Books apart from the State Financial Corporation Act, 1951, are based upon the certification received from various department heads.

This report is to be read with my letter of even date which is annexed as "Annexure A" and forms and integral part of this report.



(VISHAL ARORA)
COMPANY SECRETARY
FCS NO. 4566
CP NO. 3645

DATE: 06/08/2025
PLACE: CHANDIGARH
UDIN: F004566G000951072



VISHAL ARORA
COMPANY SECRETARY

"Annexure -A"

TO
THE MEMBERS,
HARYANA FINANCIAL CORPORATION
30 BAYS, BUILDING, SECTOR - 17,
CHANDIGARH - 160017

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records, based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Whenever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws. Rules, regulations, standards are the responsibility of the management. My examination was limited to the extent of verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.



(VISHAL ARORA)
COMPANY SECRETARY
FCS NO. 4566
CP NO. 3645

DATE: 06/08/2025
PLACE: CHANDIGARH
UDIN: F004566G000951072



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

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

In accordance with the provisions of section 37(1) of the State Financial Corporations Act,1951, we have audited the Balance Sheet of Haryana Financial Corporation as at 31st March, 2025 and also the annexed Profit and Loss Account for the years ended on the date.

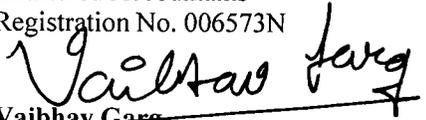
We conducted our audit in accordance with auditing standard generally accepted in India. In our opinion and to the best of our information and according to the explanations given to us:

- a) The operations of Haryana Financial Corporation have been conducted in accordance with provisions of the SFCs Act,1951.
- b) The income recognition, asset classification and provisioning have been done as per the guidelines issued by SIDBI from time to time.
- c) The investment of surplus fund is made in accordance with the prudential norms laid down by the Board of Directors.
- d) Authentication of Calculation of CRAR and assessment of capital adequacy ratio in the 'Notes on Accounts' attached to the Balance Sheet and various other ratio/ items have been disclosed in the 'Notes of Accounts' (Schedule Q- para B (r))
- e) The corporation has no Govt. guarantee outstanding as on 31.03.2025 as the account with SIDBI has already been settled.
- f) The level of risk management practices and compliance to regulatory directives issued by SIDBI with regard to exposure norms, segregation of refinanced assets is not applicable because the corporation is in the process of winding up and it has repaid/settled entire refinance with SIDBI. In view of the above, the corporation has not taken any step with regard to the valuation of loan assets. However at the time of settlement or sale of mortgaged assets, valuation of assets is being done on case to case basis.
- g) All the Loans & Advance of the Corporation, financial statements and salaried to staff have been computerized.

Further, there is no adverse observations/ qualifications in our Auditor's Report. We have an unmodified opinion in respect of Contingent Liabilities, physical verification of fixed assets and non-execution of sale deed in respect of sale of property, as mentioned in para B of Schedule Q of Notes on Accounts and in respect of Material Uncertainty Related to Going Concern of the corporation as reflected in para B (c) of Schedule Q of Notes on Accounts of this financial statements. This may be considered as a nil report.

Place : Chandigarh
Date : 21-05-2025

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


Vaibhav Garg
Partner
M.No.515718
UDIN-25515718BMJJOS2292



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

INDEPENDENT AUDITORS' REPORT

The Members,
Haryana Financial Corporation
Chandigarh

Report on the Financial Statements

We have audited the accompanying financial statements of **Haryana Financial Corporation (HFC)**, which comprise of the **Balance Sheet as at 31st March, 2025** and the Statement of Profit and Loss and Cash Flow statement for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

1. Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

2. Management's responsibility for the Financial Statements

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

3. Auditor's responsibility

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



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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion on the financial statements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

4. Emphasis of Matter

We draw attention to the Paragraph B of Schedule '-Q' (Notes on Accounts) as under :

- a) Note no. b (1) regarding contingent liability in respect of units disposed off but in dispute-amount indeterminate.
- b) Note no. b (2) regarding Liability in respect of claim lodged against the corporation by ex-employees/pensioners to the extent of Rs.1357.22 lacs (approx.) not acknowledged and other court cases /appeals filed by the employees/ex-employees/pensioners against which amount is indeterminate.

There is a Contingent liability amounting to Rs.89.32 lacs in respect of claims lodged by Loanees/Auction purchasers. The Corporation is generally unable to reasonably estimate possible loss for proceedings or disputes other than estimated.

Other Current Assets includes Rs.349.83 lacs deposited with Income Tax department against demand for Financial years 1980-81 to 1982-83 & 2013-14 to 2015-16 and the corporation has filed appeals (separately for each year) before Hon'ble Punjab and Haryana high Court/CIT(A)/ITAT. The matter is sub-judice, no provision against this amount has been made in the books of account.

- c) Note no. B (m) of Schedule '-Q' (Notes on Accounts) which discloses that the corporation has maintained Fixed Assets Purchase register, where all items of fixed assets are entered with date, amount of purchase and its location. Further as the purchases are of meager amount, no separate physical verification of fixed assets is being done by the corporation.



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

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

Our opinion is not modified in respect of these matters.

5. Information other than the Financial Statements and Auditor's Report thereon

The Corporation's Board of Directors and Management is responsible for the preparation of the other information. The other information comprises the information included in the Corporation's Annual Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact and we have nothing to report in this regard.

6. Material Uncertainty Related to Going Concern

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the corporation's financial reporting process.

We draw attention to the Paragraph B (c) of Schedule '-Q' (Notes on Accounts) which discloses that the Corporation has recommended to the State Govt. for winding up/liquidation u/s 45 of SFCs Act, 1951. Further the State Govt. has appointed Managing Director HSIIDC as Nodal Officer for completing the formalities of winding up. The Board of Directors constituted a committee under the chairmanship of Director of Industries & Commerce, Haryana for winding up purpose and the committee is now reconstituted under the Chairmanship of Managing Director, HSIIDC. Further the State Govt. has decided to delist the shares of the Corporation from Bombay Stock Exchange (BSE) and request for relaxation from detailed procedure of delisting of shares was made with SEBI. The SEBI has granted relaxations from applicability of certain provisions of Delisting Regulations, 2021 subject to fulfillment of certain conditions. The Board requested HSIIDC to take further action for hiring of Merchant banker for delisting of equity shares of HFC from Bombay Stock Exchange (BSE) in accordance with the SEBI delisting guidelines. The Merchant Banker has been appointed for the purpose of delisting of shares from BSE Ltd. as per Directions of the SEBI.



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

These events, conditions and matters indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

7. Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Corporation as at 31st March, 2025.
- b) In the case of the Statement of Profit & Loss Account, of the Loss of the Corporation for the year ended on that date, and
- c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

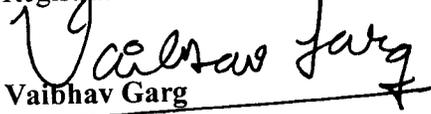
8. Report on Other Legal and Regulatory Requirements

On the basis of our audit subject to Notes on Accounts as per Part B of Schedule "Q", we report that :

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

Place : Chandigarh
Date : 21-05-2025

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


Vaibhav Garg
Partner
M.No.515718
UDIN-25515718BMJJOS2292

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

As at 31.03.2024	Particulars	Schedule	As at 31.03.2025
(Amount in Rs.)	A EQUITY AND LIABILITIES		(Amount in Rs.)
	1 Shareholders' funds		
2,07,65,81,000	a) Share capital	A	2,07,65,81,000
16,58,26,950	b) Reserve Fund and Other Reserves	B	16,58,26,950
	2 Current liabilities		
21,54,37,904	a) Other current liabilities	C	20,93,72,867
11,68,48,599	b) Provisions	D	11,73,40,956
2,57,46,94,453	Total		2,56,91,21,773
	B ASSETS		
	1 Non-current assets		
59,17,658	a) Fixed Assets	E	52,47,812
1,45,00,00,000	b) Non-current investments	F	1,45,00,00,000
7,35,09,089	2 Loans and Advances	G	7,41,37,446
	3 Current assets		
4,51,44,180	a) Current investments - Shares	H	4,51,44,180
29,75,00,000	b) Current investments - Fixed Deposits	H	29,57,49,321
1,35,94,313	c) Cash and bank balances	I	1,72,94,642
9,01,99,684	d) Other current assets	J	8,26,14,368
59,88,29,529	4 Profit and Loss Account balance	K	59,89,34,004
2,57,46,94,453	Total		2,56,91,21,773
	Notes on Accounts	Q	

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


Richa Garg
Chief Financial Officer


Harnam Singh Rana
Company Secretary

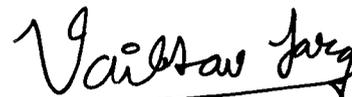

Sanjay Garg
General Manager


Sushil Sarwan, IAS
Managing Director

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

Place : Chandigarh

Dated : 21-05-2025



Vaibhav Garg
FCA (Partner)

Membership No. 515718

Firm Regd. No. 06573N

UDIN-25515718BMJJOS2292

As at 31.03.2024 Amount (Rs.)	Schedule `A` - Share Capital	As at 31.03.2025 Amount (Rs.)
<u>3,00,00,00,000</u>	Authorised 300,000,000 equity shares of Rs. 10/- each.	<u>3,00,00,00,000</u>
	Issued And Subscribed	
2,11,06,55,000	a) 211,065,500 (Previous year 211,065,500) equity shares of Rs.10/-each issued under section 4 of SFCs' Act, 1951.	2,11,06,55,000
62,66,000	b) 626,600 shares of Rs.10/- each issued under section 4A (1) of the SFCs' Act, 1951 as special class of shares.	62,66,000
<u>2,11,69,21,000</u>		<u>2,11,69,21,000</u>
	Paid-Up	
2,11,69,21,000	Issued and Subscribed	2,11,69,21,000
4,03,40,000	Less : Amount forfeited - 4,034,000 equity shares of Rs.10 each	4,03,40,000
<u>2,07,65,81,000</u>	Balance 207,658,100 (Previous year 207,658,100) shares of Rs.10 eac	<u>2,07,65,81,000</u>
	a) 207,031,500 (Previous year 207,031,500) equity shares of Rs.10/- each under section 4 of SFCs' Act, 1951 fully paid up	2,07,03,15,000
2,07,03,15,000	b) 626,600 Shares of Rs.10/- each issued under section 4A (1) of the SFCs' Act, 1951 as special class of shares.	62,66,000
62,66,000		2,07,65,81,000
<u>2,07,65,81,000</u>	Total	<u>2,07,65,81,000</u>

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

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

97

As at 31.03.2024 Amount (Rs.)	Schedule 'D' - Provisions	As at 31.03.2025 Amount (Rs.)
	i) Provision for non-performing loan assets :	
7,27,24,457	Opening balance	7,35,09,089
<u>7,84,632</u>	Add : Provision during the year	<u>6,28,357</u>
7,35,09,089		7,41,37,446
	ii) Provision against Claims Recoverable	
10,92,064	Opening balance	10,22,546
<u>69,518</u>	Less: Excess provision provided in earlier years written back.	<u>0</u>
10,22,546		10,22,546
	iii) Provision for diminuation in value of investments :	
4,19,90,564	Opening balance	4,23,16,964
3,26,400	Add : Provision during the year	0
<u>0</u>	Less: Excess provision provided in earlier years written back.	<u>1,36,000</u>
4,23,16,964		4,21,80,964
<u>11,68,48,599</u>	Total	<u>11,73,40,956</u>

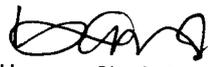
49

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

For the year ended 31.03.2024 (Amount in Rs.)	INCOME	Schedule	For the year ended 31.03.2025 (Amount in Rs.)
1,37,06,006	Revenue from operations	L	41,57,907
30,18,92,609	Other income	M	5,34,90,522
<u>31,55,98,615</u>	Total Revenue		<u>5,76,48,429</u>
OPERATIONAL EXPENDITURE			
4,09,416	Other Financial & Misc. Expenses	N	3,99,332
3,73,92,555	Employees Benefit Expenses	O	4,95,82,163
55,20,155	Administrative Expenses	P	64,15,114
1,26,369	Depreciation	E	1,07,698
2,88,346	Bad Debts Written Off		0
<u>4,37,36,841</u>	Total Expenditure		<u>5,65,04,307</u>
<u>27,18,61,774</u>	Profit/(Loss) before provisioning		<u>11,44,122</u>
69,518	Add : Provision Against Claims Recoverable Written Back		0
0	: Provision Against Investments Written Back		1,36,000
3,26,400	Less : Provision Against Investments		0
7,84,632	: Provision Against NPAs Loans Assets		6,28,357
1,64,50,880	: Provision for Income Tax		0
0	: Provision for Income Tax - FY 2023-24		7,56,240
<u>25,43,69,380</u>	Net Profit/(Loss)		<u>(1,04,475)</u>
	Notes on Accounts	Q	
1.30	Earning per shares		0.00

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


 Richa Garg
 Chief Financial Officer


 Harnam Singh Rana
 Company Secretary

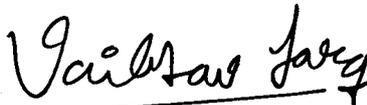

 Sanjay Garg
 General Manager


 Sushil Sarwan, IAS
 Managing Director

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

Place : Chandigarh

Dated : 21-05-2025


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

Schedule 'E' - Fixed Assets

(Amount in Rs.)

Sr. No.	Particulars	WDV	Sold/			Liability written off	Rate	Total	WDV
		as on 01.04.2024	Assets put to use for more than	less than 180 days	transferred during the year		of Dep. %age	Depreciation during the year	as on 31.03.2025
		(1)	(2)	(3)	(4)	Value (5)	(6)	(7)	(8)
A. Land & Building									
1.	Land (Freehold)	49,40,627	5,395	0	5,44,000	44,02,022	0	0	44,02,022
2.	Building - Office	4,27,126	0	0	23,543	4,03,583	10	40,359	3,63,224
	Total	53,67,753	5,395	0	5,67,543	0	48,05,605	40,359	47,65,246
B. Furniture & Fittings									
1.	Furniture	74,901	0	0	0	74,901	10	7,490	67,411
2.	Safes, Cabinets & Padlocks	71,692	0	0	0	71,692	10	7,169	64,523
3.	Electric Fittings	2,07,376	0	0	0	2,07,376	10	20,738	1,86,638
	Total	3,53,969	0	0	0	0	3,53,969	35,397	3,18,572
C. Plant & Machinery									
1.	Computers	10,207	0	0	0	10,207	40	4,083	6,124
2.	Staff Cars & Jeep	1,85,729	0	0	0	1,85,729	15	27,859	1,57,870
	Total	1,95,936	0	0	0	0	1,95,936	31,942	1,63,994
	Grand Total (A+B+C)	59,17,658	5,395	0	5,67,543	0	53,55,510	1,07,698	52,47,812
	Previous Year	1,68,88,426	0	0	1,08,44,399	0	60,44,027	1,26,369	59,17,658

Total Depreciation	:-	<u>FY 2023-24</u>	<u>FY 2024-25</u>
Total WDV (A+B+C+D)	:-	1,26,369	1,07,698
		59,17,658	52,47,812

49

As at 31.03.2024	Schedule 'F' - Non-current Investments	As at 31.03.2025
Amount (Rs.)	Investments (As per annexure to Schedule 'F' & 'H') :	Amount (Rs.)
1,45,00,00,000	Investment in the Equity of Haryana Power Generation Corp. Ltd.	1,45,00,00,000
<u>1,45,00,00,000</u>		<u>1,45,00,00,000</u>

As at 31.03.2024	Schedule 'G' - Loans and Advances	As at 31.03.2025
Amount (Rs.)		Amount (Rs.)
7,02,34,089	Loans and Advances	7,08,62,446
32,75,000	Adhoc Limit - Boughtout Deals	32,75,000
<u>7,35,09,089</u>	Total	<u>7,41,37,446</u>

As at 31.03.2024	Schedule 'H' - Current Investments	As at 31.03.2025
Amount (Rs.)	Investments (As per annexure to Schedule 'F' & 'H') :	Amount (Rs.)
4,51,44,180	i) Unquoted	4,51,44,180
29,75,00,000	ii) Fixed Deposits with Banks	29,57,49,321
<u>34,26,44,180</u>	Total	<u>34,08,93,501</u>

As at 31.03.2024	Schedule 'I' - Cash and Bank Balances	As at 31.03.2025
Amount (Rs.)		Amount (Rs.)
	Balance with Schedule Banks :	
55,39,594	i) In Current/Saving Accounts	27,88,889
50,00,000	ii) Short Term Deposits	1,45,05,753
30,54,719	iii) Fixed Deposit for Bank Guarantee	0
<u>1,35,94,313</u>	Total	<u>1,72,94,642</u>

As at 31.03.2024	Schedule 'J' - Other Current Assets	As at 31.03.2025
Amount (Rs.)		Amount (Rs.)
65,400	Staff Loans	51,000
2,69,008	Advance against expenses	2,64,008
0	TDS - Financial Year 2024-25	64,82,890
1,40,712	Income Tax Refund - FY 2019-20	1,40,712
	Income tax deposited against demand (Pending in appeals):	
85,74,740	Financial year 2012-13	85,74,740
40,00,000	Financial year 2014-15	40,00,000
70,48,576	Financial year 1980-81	70,48,576
74,30,044	Financial year 1981-82	74,30,044
79,29,497	Financial year 1982-83	79,29,497
2,16,658	Security Deposits	3,49,82,857
0	GST recoverable	2,16,658
40,64,093	Claims recoverable	1,48,286
2,31,44,873	Rent due but not received	40,64,093
	Interest Accrued but not due :	68,06,116
1,46,437	On Staff advances	1,22,437
1,24,19,669	On Deposits	1,25,01,873
1,47,49,977	Funds with LIC - Leave Encashment Policy	1,26,24,310
<u>9,01,99,684</u>	Total	<u>1,68,33,438</u>
		<u>8,26,14,368</u>

9
A

As at 31.03.2024	Schedule 'K' - Profit and Loss Account Balance	As at 31.03.2025
Amount (Rs.)		Amount (Rs.)
853,198,909	Accumulated loss as per the last Balance Sheet	598,829,529
0	Add : Net loss for the year	104,475
254,369,380	Less : Net Profit for the year	0
<u>598,829,529</u>	Total	<u>598,934,004</u>

For the year ended 31.03.2024 (Rs.)	Schedule 'L' - Revenue From Operations	For the year ended 31.03.2025 (Rs.)
	Interest Income on :	
3,381,628	Loans & Advances	3,276,425
114,614	Leasing Equipment Advances	0
4,852,382	Prior Period Income (Recovery of Security Charges)	0
5,357,382	Amount received out of bad debts written off	881,482
<u>13,706,006</u>	Total	<u>4,157,907</u>

For the year ended 31.03.2024 (Rs.)	Schedule 'M' - Other Income	For the year ended 31.03.2025 (Rs.)
1,017,369	Miscellaneous income	20,920
	Interest Income on :	
329,801	Income Tax Refunds	0
22,692,010	Deposits with Banks	24,354,145
0	Dividend on Investments (FY 2023-24)	2,000
18,000	Dividend on Investments	16,000
13,579,128	Rental Income	0
264,256,301	Profit on Sale of Assets	29,097,457
<u>301,892,609</u>	Total	<u>53,490,522</u>

For the year ended 31.03.2024 (Rs.)	Schedule 'N' - Other Financial & Misc. Expenses	For the year ended 31.03.2025 (Rs.)
25,916	Bank Charges	4,032
383,500	Stock Exchange Fee	395,300
<u>409,416</u>	Total	<u>399,332</u>

For the year ended 31.03.2024 (Rs.)	Schedule 'O' - Employees Benefit Expenses	For the year ended 31.03.2025 (Rs.)
23,066,053	Salaries & Allowances : Other Staff	26,812,532
3,330,933	Payment to Security Agency (Outsourcing Staff)	3,368,586
2,009,425	Contribution to Staff Provident Fund	2,210,088
	Provisioning - Gratuity/Leave Encashment	
(17,875)	- Gratuity	984,606
1,398,139	- Leave Encashment	(100,879)
	- Total	883,727
1,984	Gratuity/Leave Encashment Premium	1,574
0	Gratuity contribution to LIC	10,316,137
0	Leave Salary	411,020
369,419	Leave Travelling Concession	270,198
2,856,733	Medical Expenses	1,459,228
97,674	Staff Welfare	114,198
4,153,981	Pension	3,607,896
15,225	EDLI Premium	14,100
110,864	Administrative Expenses on Provident Fund	112,879
<u>37,392,555</u>	Total	<u>49,582,163</u>

49

For the year ended
31.03.2024 (Rs.)

Schedule 'P' - Administrative Expenses

For the year ended
31.03.2025 (Rs.)

For the year ended 31.03.2024 (Rs.)			For the year ended 31.03.2025 (Rs.)
	Travelling and other Expenses :		
2,50,452	a) staff & Others	2,59,638	
1,47,000	b) Directors & Committee Members	98,000	3,57,638
10,000	Directors & Committee Members' Fees		2,500
0	Directors' Meetings Expenses		17,068
3,61,047	Rent Taxes Insurance Electricity etc.		3,81,417
2,80,196	Postage, Telegram & Telephone		1,87,557
2,75,529	Printing & Stationery		2,41,779
58,681	Computer Expenses		40,710
2,15,535	Publicity and Business Promotion		40,054
76,040	Repairs and Renewals-Office Equipments		1,53,152
4,91,867	Repairs and Maintenance-Staff Cars		2,08,776
2,83,033	Legal Charges		7,72,826
14,871	Books & News Papers		15,444
1,85,400	Professional Charges		1,69,038
0	Processing Charges		2,286
59,000	Audit Fee		68,000
38,767	Entertainment		31,001
27,72,737	Security Charges (Guards at units under possession)		37,25,868
<u>55,20,155</u>	Total		<u>64,15,114</u>

29

SCHEDULE- Q

NOTES & SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR 2024-25 :

A. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared under the historical cost convention and accrual basis of accounting, unless otherwise stated, in accordance with Indian Generally Accepted Accounting Principles (GAAP) and other accounting principles generally accepted in India, to the extent applicable and conform to the statutory requirements prescribed under the State Financial Corporation (SFCs) Act, 1951, circulars and guidelines issued by the Small Industries Development Bank of India.(SIDBI).

b) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date financial statements and the reported amount of revenue and expenses during the reporting period. Any difference between the actual results and estimates are recognised in the financial statements in the period in which the results are known/materialized.

c) Fixed Assets

Fixed Assets are stated at written down value. Cost of acquisition or construction is inclusive of duties, taxes and other incidental.

d) Depreciation

Depreciation on fixed assets is provided on written down value method (WDV) at the rates prescribed under provisions of Income Tax Rules, 1962.

e) Revenue Recognition

All expenses and income to the extent ascertained as payable and receivable respectively, are accounted for on accrual basis except the matters as under:

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

f) Appropriation

The amount received from the borrowers against loans and advances is appropriated in the following order:-

- i. Miscellaneous Expenses.
- ii. Interest.
- iii. Principal.

g) As per policy in respect of mortgaged properties, the Auction Purchaser has to make the payment within 3 months from the date of sale confirmation. However,

57

in some exceptional cases, the Managing Director may give extension in payment of sale consideration for a further period of 9 months with interest @ 13% p.a. compounded on monthly basis. The possession of the unit is handed over to the Auction Purchaser after receipt of full amount of bid.

- h) The Corporation had introduced settlement policies namely, "The Policy for Compromise Settlement of Chronic Non-Performing Assets (Doubtful Loan Accounts) of Haryana Financial Corporation-2021" and "The Policy for Compromise Settlement of Loss Accounts of Haryana Financial Corporation-2021" in the financial year 2021-22 which were valid upto 31.03.2022 to reduce NPAs/written off portfolios. There is no settlement policy for settlement of NPA's now.

i) Retirement Benefits-

Gratuity to Staff is covered under the Group Gratuity Scheme of Life Insurance Corporation of India and Leave Encashment to staff is covered under the Group Leave Encashment Scheme of Life Insurance Corporation of India.

Post employment and other long term employee benefits viz. Contribution to Gratuity, Leave Encashment etc. are recognized as an expense in the Profit & Loss account in which the employee has been rendered services. The expense is recognized at the present value of the amount payable determining using actuarial valuation. Actuarial gains and losses in respect of post employment and other long-term benefits are charged to profit and loss account.

The basis of actuarial valuation for Gratuity and Leave Encashment considered by LIC are as under:

VALUATION METHOD	Projected Unit Credit Method
ACTUARIAL ASSUMPTIONS	
Mortality Rate	LIC(2006-08) ultimate
Withdrawal Rate	1% to 3% depending on age
Discount Rate	7.25% p.a.
Salary Escalation	7%

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

j) Asset Classification and Provisioning

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



Standard Assets

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

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

k) Investments

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

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

B. NOTES ON ACCOUNTS -

a) Retirement Benefits

i. Gratuity to staff is covered under the Group Gratuity Scheme of Life Insurance Corporation of India. As per actuarial valuation of Life Insurance Corporation of India (LIC) as on 31.03.25 the amount payable is Rs.11.04 lakh (shown in Schedule 'C' - Other Current Liability) and fund value lying with LIC towards above gratuity fund is Rs.2,15,99,957/-.

Leave Encashment to staff is covered under the Group Leave Encashment Scheme of Life Insurance Corporation of India (LIC). As per books of accounts total liability towards Leave Encashment at the end of year is Rs.1,69,70,207/- shown in Schedule 'C' - Other Current Liability. Against this liability the fund size of Leave Encashment Policy with LIC is Rs.1,68,33,438/- shown in Schedule 'J' - Other Current Assets. There is no liability towards leave encashment as per actuarial valuation of LIC. The detail of fund size with LIC is as under:

49

(Amount in Rs.)

1. Opening fund balance with LIC	14749977
2. Earnings credited by LIC	1088657
3. Payment made to LIC	1703514
4. Claims received from LIC	621180
5. Fund management expenses	87530
6. Closing fund balance with LIC (1+2+3-4-5)	16833438

At the time of retirement, the Corporation is paying Leave Encashment maximum upto 10 months of salary (last pay drawn plus applicable DA). Similarly Gratuity is now paid as per Gratuity Act, 1972 upto maximum of Rs.20.00 lakh as compare to earlier scheme under which the Gratuity was paid maximum Rs.10.00 lakh. Due to increase in gratuity limit to Rs.20.00 lakh instead of Rs.10.00 lakh, payment of Rs.103.16 lakh has been made to LIC towards additional contribution during the current financial year.

The basis of actuarial valuation for Gratuity and Leave Encashment considered by LIC are as under:

VALUATION METHOD	Projected Unit Credit Method
ACTUARIAL ASSUMPTIONS	
Mortality Rate	LIC(2006-08) ultimate
Withdrawal Rate	1% to 3% depending on age
Discount Rate	7.25% p.a.
Salary Escalation	7%

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

b) **Contingent liabilities**

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

2. The contingent liabilities in respect of claims lodged against the Corporation by ex-employees/pensioners (28 cases) are to the extent of Rs.1357.22 lakh (approx.) not acknowledged. In addition to above there are 16 court cases/appeals filed by the employees/ex-employees/pensioners against which amount is indeterminate.

Further, there is contingent liability amounting to Rs. 89.32 lakh in respect of claims lodged by Loanees/Auction purchasers. The corporation is generally unable to reasonably estimate possible loss for proceedings or disputes other than estimated, including where parties have not claimed an amount of damages. There

5
A

is uncertainty as to the outcome of pending appeals or legal cases pending at any stage.

A sum of Rs.224.08 lakh Shown in Other Assets Schedule 'J' - Other Current Assets' deposited with Income Tax Department against demand for Financial Years 1980-81 to 1982-83 and the Corporation has filed appeals before Hon'ble High Court against the orders of Income Tax department. Since the matter is sub-judice, no provision against this amount has been provided in the books of accounts.

The Income Tax Department has raised demand of Rs.58.97 crore u/s 271(1)(c) and 147 r.w.s.144 in respect of assessment year 2013-14, 2014-15 and 2015-16. The Corporation has filed appeals against these demands and the same are pending with CIT(A)/ITAT. The Corporation has deposited a sum of Rs.40.00 lakh and Income Tax department adjusted Income Tax refund of Rs.85,74,740/- of FY 2021-22 and FY 2022-23 against the above demand during the financial year 2023-24.

3. The sale tax assessment for the financial year 2007-08 was also completed and an additional demand of Rs.60.01 lakh was raised. The Corporation filed appeal before the Court of Jt. ETC(A), Ambala against the above demand. The case was remanded back to Assessing Authority, Panchkula for fresh decision vide orders dt.19.03.2013 of appellate authority. The fresh decision of sale tax department is still awaited. The Sale Tax number was surrendered on 05.12.2014 and the sale tax returns were filed till FY 2014-15 and no assessment is pending.

c) The Corporation has recommended to the State Government for its winding up/ liquidation u/s 45 of SFCs Act 1951 and the winding up process of the Corporation has been initiated by the State Govt. vide Memo No.49/30/2016-11B-I dt.21.08.2018. The State Govt. has appointed Managing Director HSIIDC as Nodal Officer for completing the formalities of winding up.

The Board of Directors of the Corporation in its meeting held on 22.07.2019 had constituted a Committee under the chairmanship of the Director of Industries & Commerce, Haryana to give its recommendations regarding steps/ modalities regarding winding up of the Corporation considering legal/ financial aspect and to give detailed modalities/ steps for liquidating all the assets (including loan assets) and liabilities (including court cases) of the Corporation. A total of three meetings of the Committee were held on 17.09.2019, 26.09.2019 & 14.10.2019.

The Board of Directors of the Corporation in its meeting held on 11.02.2022 reconstituted the Committee for winding up as under :

- | | |
|---|----------|
| 1. Managing Director, HSIIDC | Chairman |
| 2. Director of I&C, Haryana | Member |
| 3. Nominee from Finance Deptt., Haryana | Member |

59
A

First meeting of Winding up Committee was held on 16.12.2022 at 12.30 P.M. in the Office of MD, HSIIDC, Sector- 6, Panchkula under the Chairmanship of MD, HSIIDC.

The State Govt., Haryana (being Promoter) has decided to delist the shares of the Corporation from BSE. In furtherance to that, a request for relaxation from detailed procedure of delisting pursuant to Regulation 42 of SEBI (Delisting of Equity Shares) Regulations, 2021 has been filed by Industries Deptt., Haryana with SEBI vide Letter dated 11.02.2022 which has been accepted by SEBI vide letter dt.27.09.2023 subject to fulfillment of certain conditions.

In furtherance to the decision of the Board in its 359th Meeting held on 16.02.2024; HSIIDC has appointed M/s VC Corporate Advisor, Kolkata, as Merchant Banker for the purpose of delisting of shares of Haryana Financial Corporation from BSE Ltd. as per the direction of the SEBI.

Further, the Board of Directors in its 359th meeting held on 16.02.2024 resolved to constitute a Committee of Directors comprising of Smt. Radhika Singh, Joint Secy/Finance, Shri Piyush Bhargava, GM/SIDBI, Shri M.K. Chopra and Managing Directors/HFC for finalizing the modalities for determination of the price of shares as well as the valuation of the Assets of the Corporation. Corporation has appointed Merchant Banker for delisting of the shares of the Corporation. As advised by Merchant Banker, a tender has been floated by HSIIDC to appoint Registered Valuer for valuation of HFC shares.

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 and is under winding up. In such circumstances it is not feasible to create any deferred tax asset/liability for the current financial year.

e) The value of primary and collateral securities of all the Loan & Advances as on the date of the balance sheet is not re-assessed. However, adequate provision against non-performing assets (NPAs) has been made in the books of accounts as on 31.03.2025 as per the provisioning norms of SIDBI.

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

Assets Classification	Current Year		Previous year		Change in provision over the previous year	
	Loans Out-standing	Provision	Loans Out- Standing	Provision		
Standard Loan Assets:- Including Upgraded and Restructured A/c	0.00	0.00	0.00	0.00	0.00	
Non Performing Loan Assets:-						
Sub Standard Assets Upto 6 Months	0.00	0.00	0.00	0.00	0.00	0.00
NPA 6 months to 1 year	0.00	0.00	0.00	0.00	0.00	
Doubtful Assets I	0.00	0.00	0.00	0.00	0.00	6.28
II	0.00	0.00	0.00	0.00	0.00	
III (including Adhoc Limit)	679.17	679.17	672.89	672.89	6.28	
Loss Assets	62.20	62.20	62.20	62.20	0.00	
Total	741.37	741.37	735.09	735.09	6.28	

59
A

Provisioning of Rs.6.28 lakh has been made against Non-performing/Loss loan assets during the year and shown in Schedule 'D'- Provisions.

- g) As per guidelines issued by SIDBI, provision towards diminution in the value of investments in respect of listed & Un-listed shares is required to be made which is to the extent of Rs.421.81 lakh upto 31.03.2025 against which the Corporation has already made provision of Rs.423.17 lakh upto 31.03.2024 and a provision of Rs.1.36 lakh has been written back during the year as shown in Schedule 'D'- Provisions. An investment is classified as Held to Maturity, available for sale or Held for trading at the time of its purchase but no such classification was done earlier in respect of investment.
- h) The State Government has appointed Corporation as agent for disbursement of its various subsidies, seed money and agency loans. Unutilized amount of Rs.23.28 lakh against various subsidies and balance amount of Seed Money Agency/RIS amounting to Rs.87.31 lakh has been shown under the sub head "(b) (1) & (2) State Govt. Funds (As an Agency)" of Schedule 'C' - Other Current Liabilities.
- i) Sundry Deposits under Schedule 'C' - Other Current Liabilities amounting to Rs.1122.50 lakh includes a sum of Rs.1066.10 lakh in case of M/s Surendra Enterprises Pvt. Ltd., Rewari a joint financing case with Haryana State Industrial and Infrastructure Development Corporation Ltd. (HSIIDC). The unit was auctioned for Rs.1095 lakh on 14.06.2012 to M/s Balaji Enterprises (AP) on deferred payment basis. Out of sale amount of Rs.1095 lakh, down payment of Rs.273.75 lakh i.e. 25% received from auction purchaser (AP) and a new loan account of Rs.821.25 lakh (75% of auction price) in the name of the AP under the head Loans and Advances was opened. The AP paid a sum of Rs.678.20 lakh (including interest and down payment) to the Corporation and defaulted in further repayment. Corporation repossessed the unit and decided to forfeit the above amount. Against the above action of the Corporation, the AP filed a suit against the Corporation in the Court of Civil Judge (JD), Rewari. The AP also raised the issue of shortage of land area. The suit of the AP was dismissed vide orders dt.04.07.2018. Now as per orders dt.18.08.2021 of Hon'ble Supreme Court of India, the case titled Balaji Enterprises V/s HFC has been restored to its original number in Distt. Court Rewari and is pending. Keeping in view the above circumstances, the proper accounting entries are yet to be passed and amount is still kept in Sundry Deposit A/c. Further, out of Rs.1095 lakh, a sum of Rs.28.90 lakh was paid to HSIIDC being a joint financing case and the balance amount of Rs.1066.10 lakh is kept in sundry.
- j) Earnest Money amounting to Rs.1,00,50,000/- shown under Schedule 'C' - Other Current Liabilities is the amount of earnest money received against e-auction of primary security held on 14.11.2019 in case of M/s Devi Dayal Castings Pvt. Ltd., Gurgaon. Principal and Misc. expenses outstanding in this case have been prudentially written off in financial year 2014-15 with retaining the Recovery rights. The borrower filed a contempt petition in the Hon'ble Supreme Court and also a stay application against e-auction. Vide orders dt.13.12.2019, the Hon'ble Supreme Court of India directed the Corporation not to take any coercive steps and hence the auction could not be finalized. Now the Hon'ble Supreme

49

Court of India has dismissed the contempt petition vide order dt.07.04.2025. Further, action in pursuance to orders of Hon'ble Supreme Court of India is being taken.

During the last financial year the Corporation had auctioned its building at Karnal for Rs.297 lakh. The auction purchaser had deposited 25% of auctioned amount i.e. Rs.74 lakh and the same was kept in earnest money account. Now, the balance 75% of payment of Rs.222 lakh is received during the current financial year. The relevant entries have been passed during the current financial year. The transaction has resulted in profit on sale of assets amounting to Rs.290.97 lakh. A tax of Rs.64.00 lakh (advance tax + TDS) has been deposited by the Corporation which is shown in Schedule 'J' - Other Current Assets.

The Corporation had also sold collateral security in c/o of M/s Panj Rattan Food, Sirsa for Rs.33 lakh during the last financial year and 25% of auctioned amount i.e Rs.8 lakh was kept in earnest money account. Full payment against sale of property has been received and sale deed has been executed during the current financial year. The relevant accounting entries have been passed by crediting Bad Debts Recovered account, Misc. Expenses account and Interest Income account by debiting Earnest Money account.

k) Borrowers' Imprest amounting to Rs.10,42,950/- shown under Schedule 'C' - Other Current Liabilities is the amount received from the parties at the time adjustment of loan account for payment of pending bills (legal fee, security charges etc.) to be submitted by the respective agencies. The balance excess amount, if any after the adjustment of above expenses is refunded to the parties.

l) Claims Recoverable under Schedule 'J'- Other Current Assets amounting to Rs.40,64,093/-, 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 23.08.07 and credited to the loan account of the loanee. Later on Auction Purchasers filed writ petition in the Hon'ble Punjab & Haryana High Court, Chandigarh seeking relief that the property purchased by them had no access and the Corporation may provide the access to the auctioned land or refund the amount. The case was decided by Hon'ble Punjab & Haryana High Court, Chandigarh and the Hon'ble Court directed the Corporation to refund the amount along with interest. Accordingly the Corporation refunded a sum of Rs.38,01,285/- including interest to the auction purchaser by debiting Claim Recoverable Account as the loan account of loanee M/s S.K.Wood Products has already been adjusted.

The Corporation again auctioned the above property at a price of Rs.56.00 lakh. The auction purchaser deposited an amount of Rs.16.00 lakh and failed to deposit the remaining amount. The received amount of Rs.16.00 lakh was forfeited and credited to claims recoverable account. Auction purchaser filed a case against the Corporation which was decided in favour of auction purchaser. An appeal was filed against the above orders before the higher Court and same has been decided on 10.08.2023 in favour of the Corporation. Now the recoverable amount in the above case is Rs.22,09,712/- including

57

Rs.8,427/- debited subsequently towards expenses. File has been put up for taking legal opinion from the advocate to proceed further.

Brief detail of Claims Recoverable is as under:

S.No.	Amt. (Rs.)	Particulars
1	2209712	As per detail given above in c/o S.K.Wood
2	1022546	Provision made shown in Schedule 'D'- Provisions.
3	241458	Recoverable from HSIIDC against resumption of Plots at Sonipat.
4	567010	Recoverable from HSIIDC against settlement in c/o Bruno santé
5	23367	Recoverable from M/s Reliance Bulk Drugs
Total	4064093	

m) 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.

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

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

o) The Corporate building of the Corporation at Panchkula was leased out to UHBVN, Panchkula in the financial year 2008-09. UHBVN, Panchkula shifted to its own premises and vacated the office building in the month of October, 2022. The Corporation leased out the Conference Room at First Floor, and complete 2nd and 3rd Floor of the said building to Haryana Parivar Pehchan Authority, Panchkula (HPPA) at a monthly rent of Rs.15,08,792/- plus GST extra w.e.f. December, 2022. The Corporation issued demand of the rent from December, 2022 to December, 2023 amounting to Rs.2,31,44,873/- (Rs.1,96,14,296/- plus Rs.35,30,577/- as GST shown under the head Rent and GST due but not received in Schedule 'J'- Other Current Assets) from HPPA, Panchkula. HPPA, Panchkula remitted a sum of Rs.1,63,38,757/- to HFC as rent including GST of Rs.24,92,253/- on 11.12.2024. Corporation is pursuing HPPA for payment of balance rent of Rs.68,06,116/- including GST. Balance receivable rent is shown in the books of accounts as 'Rent Due but not received'. The Corporation has already deposited GST amounting to Rs.35,30,577/- with the GST Authorities as it was a statutory liability of the Corporation and would have attracted penalty from the GST Authorities.

p) The Board of Directors of the Corporation, in the year 2011 decided to transfer the Corporate Building to Haryana State Industrial Infrastructure Development Corporation (HSIIDC) at a price of Rs 2750.88 Lakh. This decision has been duly approved by the State Government vide letter dated 13/05/2013.

47

The corporation has handed over physical possession of the property i.e Land & Building to HSIIDC on 03.01.2024 after receipt of full amount and sale of Land & Building has been accounted for in last year. However, Sale deed is yet to be executed for the same.

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

r)	Disclosure requirements for SFCs in compliance of SIDBI's guidelines.	F.Y. 2024-25
	1. Capital	(Rs. in lakh)
	a) CRAR %	78.50%
	b) The amount of subordinated debt raised and outstanding as Tier-II capital	-
	c) Risk Weighted Assets	
	i. On Balance Sheet Items	19701.88
	ii. Off Balance Sheet	-
	d) The share holding pattern as on the date of the Balance Sheet	<u>Amount</u> <u>%age</u>
	i. Government of Haryana	20201.17 97.28
	ii. SIDBI	432.65 2.08
	iii. Commercial Banks, Insurance Cos. etc.	20.17 0.10
	iv. Private Shareholders	111.82 0.54
	Total	----- 20765.81 100.00 -----
	2. Asset Quality and Credit Concentration	
	e) Amount of provision made during the year	
	i. Provision for NPAs	6.28
	ii. Provision for Investments	(-)1.36
	Total	----- 4.92 -----
	3. Operating Results	
	f) Interest income as a percentage to average working funds	1.40 %
	g) Non-interest income as a percentage to average working funds	1.52 %
	h) Net Profit/(Loss) as a percent to Average Working Funds	(0.01)%
	i) Net profit/(Loss) per employee	Rs. (0.07) lakh

4. Earning per Share

(Amount in Rs.)

a) Profit/(Loss) after Tax

(1,04,475)

b) Weighted Average of Common Stock

No.

Period
Outstanding
(days)

Weighted
Average

Shares outstanding as on 31.03.2025

207658100

365

207658100

Profit/(Loss) per Share (a/b)

(0.00)

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

Nil

- s) Figures have been rounded off to the nearest rupee and wherever necessary figures for the previous year have been re arranged/regrouped in order to make it in conformity with current year's figures.
- t) Schedules 'A' to 'Q' along with Cash Flow statement form integral part of the Balance Sheet and Profit and Loss Account.


Richa Garg
Chief Financial Officer


Harnam Singh Rana
Company Secretary


Sanjay Garg
General Manager


Sushil Sarwan, IAS
Managing Director

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

Place : Chandigarh
Date : 21-05-2025


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

Annexure to Schedule - 'F' & 'H'

Statement Showing Particulars of Investments in Shares as on 31st Mar., 2025

Sr. No.	Name of the Company	Face Value	Cost per Share	Value per Share	Nos. of Shares	(Amount in Rs.)		
						Cost	Value	
----- As on 31.03.2025 -----								
(I) Non-current Investments (Held to maturity)								
1.	Haryana Power Generation Corp. Ltd.	1000.00	1000.00	1000.00	1450000	<u>1450000000</u>	<u>1450000000</u>	
(II) Current Investments - Un-quoted								
i) Listed : Ordinary - Fully Paid Up								
1.	Global Inds. Ltd.,Gurgaon	10.00	10.00		300000	3000000	1	
2.	Green Mark Infra Ltd. (Formerly Jivan Flora Ltd.,Gurgaon)	10.00	12.00		146600	1759200	1	
3.	Veer Vardhman Inds.Panipat	10.00	10.00		250000	2500000	1	
4.	Indo Britain Agro Farms Ltd.	10.00	10.00		180300	1803000	1	
5.	Aravali Pipes Ltd.,Hishar	10.00	15.00		205000	3075000	1	
6.	Doon Valley Rice Mills, Karnal	10.00	30.00		100000	3000000	1	
7.	Pam Raffia Ltd.,Panchkula	10.00	10.00		10406	104060	1	
8.	Swet Chem Antibiotic Ltd.,Karnal	10.00	10.00		44800	448000	1	
9.	UMA Fabrics Ltd., Gurgaon	10.00	10.00		350000	3500000	1	
10.	Shiva Suitex Ltd., Gurgaon	10.00	10.00		500000	5000000	1	
11.	Bharat Polyfab Ltd., Rewari	10.00	12.50		500000	6250000	1	
	Total (i)				2587106	<u>30439260</u>	11	
ii) Unlisted : Ordinary - Fully Paid Up								
1.	Ina Polyster Button Ltd., Faridabad	10.00	10.00		200000	2000000	1	
2.	Apex Multitech Ltd., Panchkula	10.00	10.00		200000	2000000	1	
3.	Nitika Cements Ltd., Panchkula	10.00	14.00		214280	2999920	1	
4.	Ina Polyster Button Ltd., Faridabad	10.00	10.00		200000	2000000	1	
5.	Apex Multitech Ltd., Panchkula	10.00	15.00		375000	5625000	1	
6.	HARDICON	100.00	100.00	3704.00	800	80000	2963200 *	
	Total (ii)				1190080	<u>14704920</u>	<u>2963205</u>	
	Total (II) (Un-quoted investments (i+ii))				3777186	<u>45144180</u>	<u>2963216</u>	
(III) Total Current Investments (Quoted+Unquoted)								
					3777186	<u>45144180</u>	<u>2963216</u>	
Total Investments (I+II+III)						<u>5227186</u>	<u>1495144180</u>	<u>1452963216</u>
Cost						1495144180		
Value						1452963216		
Diminution						42180964		

Note : (*) Value of share has been determined on the basis of balance sheet as on 31st March, 2024.
(Capital+Reserve-deferred tax i.e. (10+396.06-35.69)*10 lakh)

HARYANA FINANCIAL CORPORATION, CHANDIGARH		
CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.24 TO 31.03.25		
		(Amount Rs.)
	FY 2024-25	FY 2023-24
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before income tax & provisioning	1,144,122	271,861,774
Add :		
Depreciation	107,698	126,369
Bad debts written off		
Increase/(decrease) in Current Liabilities		
Gratuity	984,606	(559,451)
Leave	280,642	1,284,402
Earnest Money	(8,232,250)	8,232,250
Borrowers Imprest	0	(989,700)
Security Deposits	0	(6,900,000)
Advance for sale of property	0	(222,445,297)
Sundry Deposits	211,706	(7,083,670)
Tax payable	(59,957)	(52,065)
Provision against expenses payable	750,216	214,881
State Subsidy	0	(320,276)
Increase/(decrease) in Loans and Advances (Assets)	(628,357)	(784,632)
Increase/(decrease) in Current Assets		
Staff Advances	14,400	600
Advance Income Tax, TDS	(7,239,130)	(20,780,681)
Claim Recoverable	0	1,192,543
Interest Accrued but not due	(58,204)	(2,648,224)
Rent due but not received	16,338,757	(14,144,394)
Funds with LIC - Staff Leave Encashment	(2,083,461)	(959,687)
Sundry Advances	5,000	28,438
GST Recoverable	(148,286)	0
Security Deposits	0	1,390
Less :		
Profit on sale of Assets	29,097,457	264,256,301
Other Income :		
Rent	0	13,579,128
Dividend on investments	16,000	18,000
Misc. Income	20,920	1,017,369
Interest on deposits/staff advances & I.Tax refund	24,354,145	23,021,811
Net cash from operating Activities (A)	(52,101,020)	(32,361,738)
CASH FLOW FROM INVESTMENTS ACTIVITIES		
Purchase of fixed Assets	(5,395)	0
Sale of fixed assets and profit	29,665,000	10,844,399
Dividend on investments	16,000	18,000
Net cash from Investment Activities (B)	29,675,605	10,862,399
CASH FLOW FROM FINANCING/OTHER ACTIVITIES		
Rental Income	0	13,579,128
Misc. Income	20,920	1,017,369
Interest on deposits/staff advances & I.Tax refund	24,354,145	23,021,811
Net cash from Other Cash Flows (C)	24,375,065	37,618,308

54

Net cash flows (A+B+C)	19,49,650	1,61,18,969
Net increase/(decrease) in cash and cash equivalents	19,49,650	1,61,18,969
Cash and Cash equivalents at the beginning of the year	31,10,94,313	29,49,75,344
Cash and Cash equivalents at the end of the year	31,30,43,963	31,10,94,313


Richa Garg
Chief Financial Officer


Harnam Singh Rana
Company Secretary

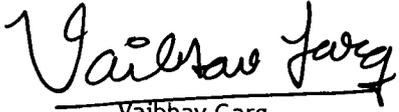

Sanjay Garg
General Manager


Sushil Sarwan, IAS
Managing Director

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

Place : Chandigarh

Dated : 21-05-2025



Vaibhav Garg

FCA (Partner)

Membership No. 515718

Firm Regd. No. 06573N

कार्यालय प्रधान महालेखाकार
(लेखापरीक्षा) हरियाणा



OFFICE OF THE PRINCIPAL ACCOUNTANT
GENERAL (AUDIT) HARYANA

No. AMG-IV/Section-III/BS-HFC/2024-25/2025-26/ 560

दिनांक: 02/01/2026

सेवा में,

प्रधान निदेशक (स्टेट कमर्शियल)
भारत के नियंत्रक एवं महालेखापरीक्षक का कार्यालय,
9ए दीनदयाल उपाध्याय मार्ग,
नई दिल्ली - 110124

विषय : राज्य वित्तिय निगम एक्ट 1951 की धारा 37 (6) के अन्तर्गत हरियाणा वित्तिय निगम की 31 मार्च 2025 को समाप्त हुए वर्ष के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की सैपरेट आडिट रिपोर्ट।

महोदया,

मैं एतद द्वारा राज्य वित्तिय निगम एक्ट 1951 की धारा 37 (6) के अन्तर्गत हरियाणा वित्तिय निगम की 31 मार्च 2025 को समाप्त हुए वर्ष का अनुमोदित सैपरेट आडिट रिपोर्ट की प्रति क्र.200749 के संदर्भ में सूचनार्थ संलग्न करता हूँ। अनुमोदित सैपरेट आडिट रिपोर्ट, अतिरिक्त मुख्य सचिव, उद्योग एवं वाणिज्य विभाग, हरियाणा सरकार, चण्डीगढ़ को पत्र क्रमांक AMG-IV/Section-III/BS-HFC/2024-25/2025-26/ दिनांक द्वारा उचित कार्यावाही हेतु प्रेषित कर दी गई है (प्रति संलग्न)

यह पत्र प्रधान महालेखाकार की अनुमति से जारी किया जाता है।

भवदीय,

संलग्न: उपरोक्त

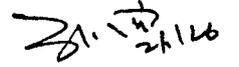
व. उपमहालेखाकार
(AMG-IV)

No. AMG-IV/Section-III/BS-HFC/2024-25/2025-26/

dated :- -01-2026

प्रतिवेदन की प्रति निम्नलिखित को सूचनार्थ एवं आवश्यक कार्यावाही हेतु प्रेषित है:

- 1 अतिरिक्त मुख्य सचिव, वित्त विभाग, हरियाणा सरकार, चण्डीगढ़।
- 2 निदेशक, उद्योग एवं वाणिज्य विभाग, हरियाणा सरकार, चण्डीगढ़।
- 3 प्रबन्ध निदेशक, हरियाणा वित्तीय निगम, 30 बेज़, सैक्टर 17 सी, चण्डीगढ़।



व. उपमहालेखाकार
(AMG-IV)

SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE FINANCIAL STATEMENTS OF 'HARYANA FINANCIAL CORPORATION' FOR THE YEAR ENDED 31 MARCH 2025.

The preparation of the financial statements of **Haryana Financial Corporation** (Corporation) for the year ended **31 March 2025**, in accordance with financial reporting framework prescribed under the State Financial Corporation Act, 1951 and the Generally Accepted Accounting Principles (GAAP) is the responsibility of the Management of the Corporation. The Statutory Auditors appointed by the Corporation in the Annual General Meeting of the shareholders, out of panel of Auditors, approved by the Reserve bank of India under Section 37(1) of *the State Financial Corporation Act, 1951* are responsible to express an opinion on these financial statements based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body- The Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated **21 May 2025**.

This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with best accounting practices, Accounting Standards and disclosure norms etc. Audit observations on financial transactions with regard to compliance with the Law, Rules and Regulations (Propriety and Regularity) and efficiency cum-performance aspects etc., if any, are reported through Inspection Reports/CAG's Audit Reports separately.

We, on behalf of the Comptroller & Auditor General of India, have conducted the audit of financial Statements of the above said Corporation for the year ended **31 March 2025** under Section 36(6) of the State Financial Corporation Act, 1951. This audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and the Corporation's personnel and a selective examination of some of the accounting records. Based on our audit, We would like to highlight the following significant matters under section 37(6) of the State Financial Corporation Act, 1951, which have come to our attention and which, in our view, are necessary for enabling a better understanding of the Financial Statements and the related Audit Report issued by the Statutory Auditors.

A. Balance Sheet

Equity and Liabilities

Current Liabilities

Other Current Liabilities (Schedule-C)

Dividend payable: ₹ 5.52 crore

1. The above represents unpaid dividend pertaining to the period 1996-97 to 2000-01. As per the provisions of the Haryana Financial Corporation (Revised) General Regulations, 2009 (Regulations), dividend remaining unpaid or unclaimed for a period of seven years from the date of declaration shall be transferred to Separate Reserve Fund. Since the above mentioned Dividend remained unpaid for more than seven years, the same should have been transferred to a 'Separate Reserve Fund' under the broad heading 'Reserve Funds' in terms of the above Regulations. This has resulted in overstatement of the above head (Current Liabilities-Other Current Liabilities) and understatement of 'Reserve Fund and Other Reserves (Schedule-B)' by ₹ 5.52 crore each.

Assets

Current Assets

Other Current Assets (Schedule J)

Claims recoverable: ₹ 40.65 lakh

2. Refer disclosure made under Notes on Accounts (Schedule Q) (*para B (l)*) regarding the claims recoverable of ₹ 22.09 lakh relating to the case of M/s SK Wood Products (a chronic defaulter Loanee), which have been included under the above head. Since, the Loanee (M/s S.K.Wood) remained a chronic defaulter, the Corporation auctioned (23 August 2007) the collateral security (Property) available with it against the defaulted Loans of the Loanee for ₹ 24.30 lakh by concealing the fact that the said Property was situated at a 'land locked' location and had no proper/ authorised access. The Auction Purchaser paid (24 July 2012) the entire bid amount (₹ 24.30 lakhs) along with interest (₹ 7.62 lakhs) for delayed payment. Meanwhile, the account of the Loanee (M/s S.K. Wood) was fully settled and a "No Dues Certificate" was also issued (31 August 2012). While settling the case, benefit of sale proceeds of the auctioned Property (₹ 24.30 lakh) was also given to the Loanee (M/s. S.K.Wood Products). The interest amount (₹ 7.62 lakh) paid by the Auction Purchaser was treated as "Income" in the accounts of the Corporation.

Later, on realising that the said Property had 'no access', the Auction Purchaser filed a Civil Writ Petition (No.7737 of 2011) in the Hon'ble Punjab & Haryana High Court, Chandigarh for relief. The Court ordered (6 September 2012) the Corporation to refund the entire bid amount to the

Auction Purchaser along with interest of 10 per cent per annum from the date of deposit. The Corporation refunded (8 January 2013) ₹ 38.01 lakh (including interest: ₹ 13.71 lakh) to the Auction Purchaser and recorded the cost (realisable value) of the Property (₹ 38.01 lakh) under 'Other Current Assets-Claims Recoverable (Schedule J)'.

Since the Corporation had to bear the additional interest liability (₹ 13.71 lakh) due to its lapse/failure to disclose complete facts about the disadvantageous location of the Property at the time of the auctioning of the Property, this amount should have been charged to 'revenue' instead of accounting the same under 'Other Current Assets- Claim Recoverable'.

This has resulted in overstatement of "Other Current Assets" and understatement of 'Loss for the year' by ₹ 13.71 lakhs each.

B General

Notes & Significant Accounting Policies (Schedule Q)

Notes on Accounts

Refer the disclosure made under Notes on Accounts (*para (p)*) regarding the decision (2011) of the Board of Directors to transfer the Corporate Building of the Corporation to 'Haryana State Industrial Infrastructure Development Corporation (HSIIDC)' at a price of ₹ 2,750.88 crore.

The disclosure was factually incorrect as the transfer price of the property was ₹ 2,750.88 lakh (viz. ₹ 27.51 crore) instead of ₹ 2,750.88 crore as wrongly mentioned in the 'Notes on Accounts'.

For and on behalf of the
Comptroller & Auditor General of India

Place: Chandigarh

Date:


(Dr. Ashutosh Sharma)
Principal Accountant General (Audit) Haryana.

Para-wise report alongwith comments of the Corporation are discussed as under:

	Observations of Audit	Reply of the Corporation
A. Balance Sheet		
Equity and Liabilities Current Liabilities Other current Liabilities (Schedule-C) Dividend payable: Rs. 5.52 crore		
1	<p>The above represents unpaid dividend pertaining to the period 1996-97 to 2000-01. As per the provision of the Haryana Financial Corporation (Revised) General Regulations, 2009 (Regulations), dividend remaining unpaid or unclaimed for a period of seven years from the date of declaration shall be transferred to Separate Reserve Fund. Since the above mentioned Dividend remained unpaid for more than seven years, the same should have been transferred to a 'Separate Reserve Fund' under the broad heading 'Reserve Funds' in terms of the above Regulations. This has resulted in overstatement of the above head (Current Liabilities-Other Current Assets) and understatement of 'Reserve Fund and Other Reserves (Schedule-B)' by Rs.5.52 crore each.</p>	<p>The above dividend amount pertaining to period 1996-97 to 2000-01. During this period, the dividend was guaranteed by State Government. In case of inadequate profit, the State Government provides Subvention against the dividend. The Corporation lodged its claim with the State Government but the amount was not received from the State Government. The Corporation was following up with the State Govt. for waiver of dividend continuously as Corporation was in losses during that period.</p> <p>However, the Corporation received the decision of the Govt. not to waive off the amount and the Board of Directors of the Corporation in its meeting on 21.05.2025 decided to pay the dividend. Corporation has paid the entire payable amount of dividend of Rs.5.62 crore in the current financial year 2025-26.</p>
Assets		
Current Assets Other Current Assets (Schedule J) Claims Recoverable : Rs.40.65 lakh		
2	<p>Refer disclosure made under Notes on Accounts (Schedule Q) (para B (1) regarding the claims recoverable of Rs.22.06 lakh relating to the case of M/s S.K Wood Products (a chronic defaulter Laonee), which have been included under the above head. Since, the Loanee (M/s S.K.Wood) remained a chronic defaulter, the Corporation auctioned (23 August 2007) the collateral security (Property) available with it against the defaulter Loans of the Loanee for Rs.24.30 lakh by concealing the fact that the said Property was situated at a 'land locked' location and had no proper/authorised access. The Auction Purchaser paid (24 July 2012) the entire bid amount (Rs.24.30 lakh) along with interest (Rs. 7.62 lakh) for delayed payment. Meanwhile, the account of the Loanee (M/s S.K.Wood) was fully settled and a "No Dues Certificate" was also issued (31 August 2012). While settling the case, benefit of sale proceeds of the auctioned property (Rs.24.30 lakh) was also given to the Loanee</p>	<p>The said property is still in the possession of Corporation. The Corporation shall recover all its dues from the sale proceeds of the secured asset. The property is marketable and it is expected that the entire outstanding amount will be recovered from the sale proceeds. Since the recovery is to be made from the security, the amount involved does not constitute an expense of the Corporation.</p> <p>Further, advice has been obtained from the Corporation's Income Tax Advisor, who has opined and relevant extract of the opinion is reproduced below.</p> <p>It is pertinent to note that interest amounting to Rs.13.71 lakh was paid</p>

	<p>(S.K.Wood). The interest amount (Rs.7.62 lakh) paid by the Auctioned Purchaser was treated as "Income" in the accounts of the Corporation.</p> <p>Later, on realizing that the said Property had 'no access'. The Auctioned Purchaser filed a Civil Writ Petition (No.7737 of 2011) in the Hon'ble Punjab & Haryana High Court, Chandigarh for relief. The Court ordered (6 September 2012) the Corporation to refund the entire bid amount to the Auction Purchaser along with interest of 10 percent per annum from the date of deposit. The Corporation refunded (8 January 2013) Rs.38.01 lakh (including interest : Rs.13.71 lakh) to the Auction Purchaser and recorded the cost (realizable value) of the Property (Rs.38.01 lakh) under 'Other Current Assets-Claim Recoverable (Schedule J)'. </p> <p>Since the Corporation had to bear the additional interest liability (Rs.13.71 lakh) due to its lapse/failure to disclose complete facts about the disadvantageous location of the Property at the time of the auctioning of the Property, this amount should have been charged to 'revenue' instead of accounting the same under 'Other Current Assets-Claim Recoverable'.</p> <p>This has resulted in overstatement of "Other Current Assets" and understatement of 'Loss for the year by Rs.13.71 lakh each.</p>	<p>to the auction purchaser solely due to the prolonged and continuous dispute created by the borrower. In such circumstances, the Corporation should not suffer on account of the borrower's default and obstruction. Accordingly, the said interest amount should be recovered from the borrower, rather than being borne by the Corporation.</p> <p>It is also submitted that if the said amount is adjusted as expenditure in the books of the Corporation, recovery of the same from the loanee may not be possible, as the Corporation is required to charge interest on the outstanding dues until full recovery is effected.</p>
<p>B. General Notes & Significant Accounting Policies (Schedule Q) Notes on Accounts</p>		
	<p>Refer the disclosure made under Notes on Accounts (para (p)) regarding the decision (2011) of the Board of Directors to transfer the Corporate Building of the Corporation to 'Haryana State Industrial Infrastructure Development Corporation (HSIIDC)' at a price of Rs.2750.88 crore.</p> <p>The disclosure was factually incorrect as the transfer price of the property was Rs.2750.88 lakh (viz. Rs.27.51 crore) instead of Rs.2750.88 crore as wrongly mentioned in the 'Notes on Accounts'</p>	<p>It is typographical error and regretted.</p>

Para-wise report alongwith comments of the Corporation are discussed as under:

	Observations of Audit	Reply of the Corporation
A. Balance Sheet		
Equity and Liabilities Current Liabilities Other current Liabilities (Schedule-C) Dividend payable: Rs. 5.52 crore		
1	<p>The above represents unpaid dividend pertaining to the period 1996-97 to 2000-01. As per the provision of the Haryana Financial Corporation (Revised) General Regulations, 2009 (Regulations), dividend remaining unpaid or unclaimed for a period of seven years from the date of declaration shall be transferred to Separate Reserve Fund. Since the above mentioned Dividend remained unpaid for more than seven years, the same should have been transferred to a 'Separate Reserve Fund' under the broad heading 'Reserve Funds' in terms of the above Regulations. This has resulted in overstatement of the above head (Current Liabilities-Other Current Assets) and understatement of 'Reserve Fund and Other Reserves (Schedule-B)' by Rs.5.52 crore each.</p>	<p>The above dividend amount pertaining to period 1996-97 to 2000-01. During this period, the dividend was guaranteed by State Government. In case of inadequate profit, the State Government provides Subvention against the dividend. The Corporation lodged its claim with the State Government but the amount was not received from the State Government. The Corporation was following up with the State Govt. for waiver of dividend continuously as Corporation was in losses during that period.</p> <p>However, the Corporation received the decision of the Govt. not to waive off the amount and the Board of Directors of the Corporation in its meeting on 21.05.2025 decided to pay the dividend. Corporation has paid the entire payable amount of dividend of Rs.5.62 crore in the current financial year 2025-26.</p>
Assets		
Current Assets Other Current Assets (Schedule J) Claims Recoverable : Rs.40.65 lakh		
2	<p>Refer disclosure made under Notes on Accounts (Schedule Q) (para B (1) regarding the claims recoverable of Rs.22.06 lakh relating to the case of M/s S.K Wood Products (a chronic defaulter Laonee), which have been included under the above head. Since, the Loaneer (M/s S.K.Wood) remained a chronic defaulter, the Corporation auctioned (23 August 2007) the collateral security (Property) available with it against the defaulter Loans of the Loaneer for Rs.24.30 lakh by concealing the fact that the said Property was situated at a 'land locked' location and had no proper/authorised access. The Auction Purchaser paid (24 July 2012) the entire bid amount (Rs.24.30 lakh) along with interest (Rs. 7.62 lakh) for delayed payment. Meanwhile, the account of the Loaneer (M/s S.K.Wood) was fully settled and a "No Dues Certificate" was also issued (31 August 2012). While settling the case, benefit of sale proceeds of the auctioned property (Rs.24.30 lakh) was also given to the Loaneer</p>	<p>The said property is still in the possession of Corporation. The Corporation shall recover all its dues from the sale proceeds of the secured asset. The property is marketable and it is expected that the entire outstanding amount will be recovered from the sale proceeds. Since the recovery is to be made from the security, the amount involved does not constitute an expense of the Corporation.</p> <p>Further, advice has been obtained from the Corporation's Income Tax Advisor, who has opined and relevant extract of the opinion is reproduced below.</p> <p>It is pertinent to note that interest amounting to Rs.13.71 lakh was paid</p>

<p>(S.K.Wood). The interest amount (Rs.7.62 lakh) paid by the Auctioned Purchaser was treated as "Income" in the accounts of the Corporation.</p> <p>Later, on realizing that the said Property had 'no access'. The Auctioned Purchaser filed a Civil Writ Petition (No.7737 of 2011) in the Hon'ble Punjab & Haryana High Court, Chandigarh for relief. The Court ordered (6 September 2012) the Corporation to refund the entire bid amount to the Auction Purchaser along with interest of 10 percent per annum from the date of deposit. The Corporation refunded (8 January 2013) Rs.38.01 lakh (including interest : Rs.13.71 lakh to the Auction Purchaser and recorded the cost (realizable value) of the Property (Rs.38.01 lakh) under 'Other Current Assets-Claim Recoverable (Schedule J)'. Since the Corporation had to bear the additional interest liability (Rs.13.71 lakh) due to its lapse/failure to disclose complete facts about the disadvantageous location of the Property at the time of the auctioning of the Property, this amount should have been charged to 'revenue' instead of accounting the same under 'Other Current Assets-Claim Recoverable'. This has resulted in overstatement of "Other Current Assets" and understatement of 'Loss for the year by Rs.13.71 lakh each.</p>	<p>to the auction purchaser solely due to the prolonged and continuous dispute created by the borrower. In such circumstances, the Corporation should not suffer on account of the borrower's default and obstruction. Accordingly, the said interest amount should be recovered from the borrower, rather than being borne by the Corporation.</p> <p>It is also submitted that if the said amount is adjusted as expenditure in the books of the Corporation, recovery of the same from the loanee may not be possible, as the Corporation is required to charge interest on the outstanding dues until full recovery is effected.</p>
<p>B. General Notes & Significant Accounting Policies (Schedule Q) Notes on Accounts</p>	
<p>Refer the disclosure made under Notes on Accounts (para (p)) regarding the decision (2011) of the Board of Directors to transfer the Corporate Building of the Corporation to 'Haryana State Industrial Infrastructure Development Corporation (HSIIDC)' at a price of Rs.2750.88 crore.</p> <p>The disclosure was factually incorrect as the transfer price of the property was Rs.2750.88 lakh (viz. Rs.27.51 crore) instead of Rs.2750.88 crore as wrongly mentioned in the 'Notes on Accounts'</p>	<p>It is typographical error and regretted.</p>

**HARYANA FINANCIAL CORPORATION
CHANDIGARH**

**FORM FOR ATTENDANCE/IDENTIFICATION AND FOR DETERMINING THE VOTING RIGHTS OF SHAREHOLDERS
(For 58th Annual General Meeting for FY 2024-25)**

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

1. Name of the Shareholder(in full).....

2. Folio No.....

3. Phone/ Mobile No.....

4. Registered Address.....

.....

5 .Registered Number of Shares.....

6. Category of the Shareholder as per detail given below.....

7. a) Whether he is entitled to vote at the General Meeting

(G.R.54 (i): To be entitled to vote, a shareholder must have been registered as a shareholder not less than 90 days prior to the date of the Meeting.

8. Number of votes to which he is entitled.....

(G.R.54(iv) - one share entitles a shareholder for one vote.

9. i) Attending in person

ii) Attending through a proxy

iii) Attending through a duly authorized representative

(Signature)

Place.....

Date:.....

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

a. State Govt. (Haryana)

b. SIDBI

c. Banks, Financial Institutions, Insurance Co., Central/State Govt. Institutions/Non Govt. Institutions.

d. Others (Shareholders other than those referred to in clause (a),(b),(c) above)



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

58th 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 17B, Chandigarh at **03:30 P.M. on Wednesday, 25th March, 2026** or at any adjournment thereof.

Dated this _____ day of _____ 2026.

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 **58th Annual General Meeting** of the Shareholders of the Haryana Financial Corporation be held in 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 **03:30 P.M. on Wednesday, 25th March, 2026** 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.

Signature of the Chairman
(Rubber Stamp of the Company)

Specimen Signature of Authorised person(s)