

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

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

REF.NO.HFC/LET/BSE/2023/ 21

DATED: 13.10.2023

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

Sir/ Madam,

**Re: Submission of Audited Financial Results for the Financial Year ended on 31st March, 2023
(Scrip Code: 530927) Haryana Financial Corporation**

Please note that the Board of Directors in their meeting held on 24th June, 2023, had approved the Financial Results for the Financial Year 2022-23 ended on 31st March, 2023 and the Statutory Auditors have issued their Report today i.e. 13.10.2023.

Pursuant to Regulation 33 of SEBI (LODR) Regulation, 2015, we are enclosing herewith:

1. Statement of Audited Financial Results for the Financial Year ended on 31st March, 2023.
2. Auditors Report on the aforesaid Audited Financial Results.
3. Declaration to the effect that there is unmodified opinion with respect to Audited Financial Results for the Year ended on 31st March, 2023.

Thanking you,

Yours faithfully,
For Haryana Financial Corporation


Company Secretary

HARYANA FINANCIAL CORPORATION, CHANDIGARH
BALANCE SHEET AS ON 31ST MAR., 2023

As at 31.03.2022 (Amount in Rs.)	Particulars	Schedule	As at 31.03.2023 (Amount in Rs.)
	A EQUITY AND LIABILITIES		
	1 Shareholders' funds		
2,076,581,000	a) Share capital	A	2,076,581,000
165,826,950	b) Reserves and surplus	B	165,826,950
	2 Current liabilities		
447,174,397	a) Other current liabilities	C	444,056,830
115,044,028	b) Provisions	D	115,807,085
<u>2,804,626,375</u>	Total		<u>2,802,271,865</u>
	B ASSETS		
	1 Non-current assets		
18,552,659	a) Fixed Assets	E	16,888,426
1,450,000,000	b) Non-current investments	F	1,450,000,000
71,850,963	2 Loans and Advances	G	72,724,457
	3 Current assets		
45,144,180	a) Current investments - Shares	H	45,144,180
294,613,761	b) Current investments - Fixed Deposits	H	278,992,559
5,509,915	c) Cash and bank balances	I	15,982,785
58,511,227	d) Other current assets	J	69,340,549
860,443,670	4 Profit and Loss Accounts	K	853,198,909
<u>2,804,626,375</u>	Total		<u>2,802,271,865</u>
	Notes on Accounts	Q	

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

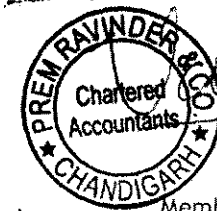
Vandana
Vandana Jindal
Dy. General Manager

Harna
Harnam Singh Rana
Company Secretary

Yash Garg
Yash Garg, IAS
Managing Director

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

Place : Chandigarh
Dated : 13-10-2023



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

UDIN - 23515718 BG V0XT757

HARYANA FINANCIAL CORPORATION, CHANDIGARH
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MAR., 2023

For the year ended 31.03.2022 (Amount in Rs.)	INCOME	Schedule	For the year ended 31.03.2023 (Amount in Rs.)
309,356,776	Revenue from operations	L	5,270,008
44,013,324	Other income	M	44,177,592
353,370,100	Total Revenue		49,447,600
OPERATIONAL EXPENDITURE			
2,583,591	Other Financial & Misc. Expenses	N	449,594
42,128,277	Employees Benefit Expenses	O	35,255,672
7,089,636	Administrative Expenses	P	7,574,272
1,444,733	Depreciation	E	1,260,893
47,156,778	Leasing Assets Written Off		0
100,403,015	Total Expenditure		44,540,431
252,967,085	Profit/(Loss) before provisioning		4,907,169
47,156,778	Add : Provision Against NPAs Leasing Assets Written Back		0
0	: Provision Against Investments Written Back		110,400
0	: Excess provision Against Income Tax Written Back (FY 2021-22)		3,100,649
42,100,964	Less : Provision Against Investments		0
784,072	: Provision Against NPAs Loans Assets		873,457
40,000,000	: Provision for Income Tax		0
3,250	: Additional Provision for Income Tax - FY 2019-20		0
217,235,577	Net Profit/(Loss)		7,244,761
	Notes on Accounts	Q	
1.05	Earning per shares		0.03

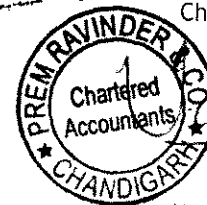
Note : The Schedules referred to above form integral part of the Profit & Loss Account

Vandana J.
Vandana Jindal
Dy. General Manager

Harnam Singh Rana
Harnam Singh Rana
Company Secretary

Yash Garg
Yash Garg, IAS
Managing Director

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



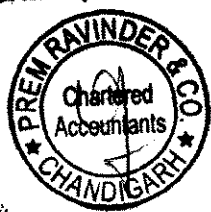
Vaibhav Garg
Vaibhav Garg
FCA (Partner)
Membership No. 515718
Firm Regd. No. 06573N

Place : Chandigarh
Dated : 13-10-2023

As at 31.03.2022 Amount (Rs.)	Schedule 'A' - Share Capital	As at 31.03.2023 Amount (Rs.)
<u>3,000,000,000</u>	Authorised 300,000,000 equity shares of Rs. 10/- each.	<u>3,000,000,000</u>
	Issued And Subscribed	
2,110,655,000	a) 211,065,500 (Previous year 211,065,500) equity shares of Rs.10/-each issued under section 4 of SFCs' Act, 1951.	2,110,655,000
<u>6,266,000</u>	b) 626,600 shares of Rs.10/- each issued under section 4A (1) of the SFCs' Act, 1951 as special class of shares.	<u>6,266,000</u>
<u>2,116,921,000</u>		<u>2,116,921,000</u>
	Paid-Up	
2,116,921,000	Issued and Subscribed	2,116,921,000
<u>40,340,000</u>	Less : Amount forfeited - 4,034,000 equity shares of Rs.10 each	<u>40,340,000</u>
<u>2,076,581,000</u>	Balance 207,658,100 (Previous year 207,658,100) shares of Rs.10 each	<u>2,076,581,000</u>
2,070,315,000	a) 207,031,500 (Previous year 207,031,500) equity shares of Rs.10/- each under section 4 of SFCs' Act, 1951 fully paid up	2,070,315,000
<u>6,266,000</u>	b) 626,600 Shares of Rs.10/- each issued under section 4A (1) of the SFCs' Act, 1951 as special class of shares.	<u>6,266,000</u>
<u>2,076,581,000</u>	Total	<u>2,076,581,000</u>

As at 31.03.2022 Amount (Rs.)	Schedule 'B' - Reserve and Surplus	As at 31.03.2023 Amount (Rs.)
178,567,013	a) Special Reserve for the purpose of Section 36(1)(viii) of the Income Tax Act, 1961	178,567,013
<u>166,800,000</u>	Gross amount	<u>166,800,000</u>
11,767,013	Less: Utilised towards provisioning for NPAs in earlier years.	11,767,013
105,510,000	b) Share Premium	105,510,000
25,000,000	c) Special Reserve Fund (Section 35A of SFCs' Act)	25,000,000
573,937	d) Reserve under clause 91(vii) of General Regulation of HFC	573,937
<u>22,976,000</u>	e) Shares forfeiture Reserve	<u>22,976,000</u>
<u>165,826,950</u>	Total	<u>165,826,950</u>

As at 31.03.2022 Amount (Rs.)	Schedule 'C' - Other Current Liabilities	As at 31.03.2023 Amount (Rs.)
55,196,622	a) Other liabilities	55,196,622
0	Dividend Payable	678,748
14,640,954	Provision against Gratuity	15,005,163
119,769,468	Provision against Leave Encashment	119,121,838
222,445,297	Sundry Deposits	222,445,297
10,050,000	Advance from HSIIDC - Sale of properties	10,050,000
3,579,546	Earnest Money	2,032,650
6,900,000	Borrowers' Imprest	6,900,000
21,465	Security Deposit	0
340,812	Stale Cheques	111,688
16,242	GST payable	334
2,835,429	TDS on GST payable	1,135,928
	Provision against expenses payable	
	b) State Government Funds (As An Agency)	
	1) Subsidies :	
97,160	Credit Linked Capital Subsidy	97,160
2,550,776	State Subsidy	<u>2,550,776</u>
		2,647,936
<u>8,730,626</u>	2) Balance Amount - Seed Money Agency/RIS	<u>8,730,626</u>
<u>447,174,397</u>	Total	<u>444,056,830</u>

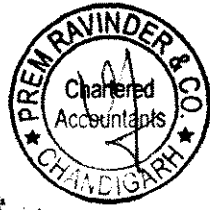


As at 31.03.2022
Amount (Rs.)

Schedule 'D' - Provisions

As at 31.03.2023
Amount (Rs.)

	i) Provision for non-performing loan assets :		
71,092,562	Opening balance	71,851,000	
<u>758,438</u>	Add : Provision during the year	<u>873,457</u>	72,724,457
71,851,000			
	ii) Provision for non-performing leasing assets		
47,156,778	Opening balance	0	
<u>47,156,778</u>	Less: Provision adjusted against writing off assets	<u>0</u>	0
0			
	iii) Provision against Claims Recoverable (Loans cases)		
1,066,430	Opening balance	1,092,064	
<u>25,634</u>	Add : Provision during the year	<u>0</u>	1,092,064
1,092,064			
	iv) Provision for diminuation in value of investments :		
0	Opening balance	42,100,964	
42,100,964	Add : Provision during the year	0	
<u>0</u>	Less: Excess provision provided in earlier years written back.	<u>110,400</u>	41,990,564
42,100,964			
<u>115,044,028</u>	Total		<u>115,807,085</u>



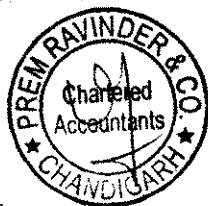
Schedule 'E' - Fixed Assets

(Amount in Rs.)

Sr. No.	Particulars	WDV as on	Assets put to use for		Sold/	Liability written off	Rate of Dep. %age	Total Depreciation during the year	WDV as on
		01.04.2022	more than 180	less than 180 days	transferred during the year				
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A. Land & Building									
1.	Land	5,752,158	0	0	0	5,752,158	0	0	5,752,158
2.	Building - Office	11,660,838	0	0	0	11,660,838	10	1,166,085	10,494,753
	Total	17,412,996	0	0	0	17,412,996		1,166,085	16,246,911
B. Furniture & Fittings									
1.	Furniture	236,408	0	0	129,827	106,581	10	10,658	95,923
2.	Safes, Cabinets & Padlocks	88,509	0	0	0	88,509	10	8,851	79,658
3.	Misc.	55,007	0	0	55,007	0	10	0	0
4.	Electric Fittings	472,157	0	3,660	220,000	255,817	10	25,399	230,418
	Total	852,081	0	3,660	404,834	450,907		44,908	405,999
C. Plant & Machinery									
1.	Computers	28,351	0	0	0	28,351	40	11,340	17,011
2.	Typewriters, Duplicators etc	755	0	0	755	0	15	0	0
3.	Staff Cars & Jeep	257,065	0	0	0	257,065	15	38,560	218,505
4.	Bicycles	1,411	0	0	1,411	0	15	0	0
	Total	287,582	0	0	2,166	285,416		49,900	235,516
	Grand Total (A+B+C)	18,552,659	0	3,660	407,000	18,149,319		1,260,893	16,888,426
	Previous Year	20,168,550	0	70,300	241,458	19,997,392		1,444,733	18,552,659

Particulars	WDV of equipments		Leasing Assets Written Off	Value as on 31.03.2023	Lease rentals received during the Year	Interest out of rental received	Principal out of rentals charged to depreciation	WDV of equipments leased as on 31.03.2023
	as on 01.04.2022	Additions during the Year						
D. Leasing Assets	0	0	0	0	0	0	0	0
Previous Year	47,156,778	0	47,156,778	0	0	0	0	0

Total Depreciation :-		<u>FY 2021-22</u>	<u>FY 2022-23</u>
Total WDV (A+B+C+D) :-		1,444,733	1,260,893
		18,552,659	16,888,426



As at 31.03.2022 Amount (Rs.)	Schedule 'F' - Non-current Investments Investments (As per annexure to Schedule 'F' & 'H') : Investment in the Equity of Haryana Power Generation Corp. Ltd.	As at 31.03.2023 Amount (Rs.)
1,450,000,000		1,450,000,000
<u>1,450,000,000</u>		<u>1,450,000,000</u>

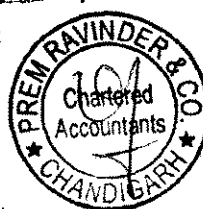
As at 31.03.2022 Amount (Rs.)	Schedule 'G' - Loans and Advances	As at 31.03.2023 Amount (Rs.)
68,575,963	Loans and Advances	69,449,457
3,275,000	Adhoc Limit - Boughtout Deals	3,275,000
<u>71,850,963</u>	Total	<u>72,724,457</u>

As at 31.03.2022 Amount (Rs.)	Schedule 'H' - Current Investments Investments (As per annexure to Schedule 'F' & 'H') :	As at 31.03.2023 Amount (Rs.)
45,144,180	i) Unquoted	45,144,180
294,613,761	ii) Fixed Deposits with Banks	278,992,559
<u>339,757,941</u>	Total	<u>324,136,739</u>

As at 31.03.2022 Amount (Rs.)	Schedule 'I' - Cash and Bank Balances	As at 31.03.2023 Amount (Rs.)
58,404	Cash in hand	0
	Balance with Schedule Banks :	
5,451,511	i) In Current/Saving Accounts	7,482,785
0	ii) Short Term Deposits	8,500,000
<u>5,509,915</u>	Total	<u>15,982,785</u>

As at 31.03.2022 Amount (Rs.)	Schedule 'J' - Other Current Assets	As at 31.03.2023 Amount (Rs.)
70,000	Staff Loans	66,000
292,945	Advance against expenses	297,446
500,000	Sale Tax deposited against demand (Pending in appeals)	0
3,421,301	TDS - Financial Year 2021-22	0
0	TDS - Financial Year 2022-23	1,722,989
140,712	Income Tax Refund - FY 2019-20	140,712
2,876,540	Income Tax Refund - FY 2020-21	0
0	Income Tax Refund - FY 2021-22	6,521,950
	Income tax deposited against demand (Pending in appeals):	
7,048,576	Financial year 1980-81	7,048,576
7,430,044	Financial year 1981-82	7,430,044
7,929,497	Financial year 1982-83	7,929,497
139,963	Security Deposits	218,048
4,501,773	Claims recoverable	5,256,636
0	Rent due but not received	9,000,479
	Interest Accrued but not due :	
234,762	On Staff advances	185,437
9,284,160	On Deposits	9,732,445
14,640,954	Funds with LIC - Leave Encashment Policy	13,790,290
<u>58,511,227</u>	Total	<u>69,340,549</u>

As at 31.03.2022 Amount (Rs.)	Schedule 'K' - Profit and Loss Accounts	As at 31.03.2023 Amount (Rs.)
1,077,679,247	Accumulated loss as per the last Balance Sheet	860,443,670
217,235,577	Less : Net Profit for the year	7,244,761
<u>860,443,670</u>	Total	<u>853,198,909</u>



For the year ended 31.03.2022 (Rs.)	Schedule 'L' - Revenue From Operations	For the year ended 31.03.2023 (Rs.)
720,452	Interest Income on Loans & Advances	972,905
6,442,004	Amount received out of bad debts written off	4,297,103
302,194,320	Profit on Sale of Shares	0
<u>309,356,776</u>	Total	<u>5,270,008</u>

For the year ended 31.03.2022 (Rs.)	Schedule 'M' - Other Income	For the year ended 31.03.2023 (Rs.)
5,756	Miscellaneous income	5,950
	Interest Income on :	
280,740	Income Tax Refunds	215,740
1,351	Staff Advances	15
10,717,686	Deposits with Banks	<u>17,725,518</u>
295,866	Dividend on Investments	17,941,273
32,711,925	Rental Income	20,000
<u>44,013,324</u>	Total	<u>26,210,369</u>
		<u>44,177,592</u>

For the year ended 31.03.2022 (Rs.)	Schedule 'N' - Other Financial & Misc. Expenses	For the year ended 31.03.2023 (Rs.)
21,957	Bank Charges	4,144
7,094	Demat Charges	91,450
2,100,540	Brokerage & Underwriting Commission	0
100,000	Delisting Charges	0
354,000	Stock Exchange Fee	354,000
<u>2,583,591</u>	Total	<u>449,594</u>

For the year ended 31.03.2022 (Rs.)	Schedule 'O' - Employees Benefit Expenses	For the year ended 31.03.2023 (Rs.)
23,670,750	Salaries & Allowances : Other Staff	22,209,573
3,405,041	Payment to Security Agency (Outsourcing Staff)	3,228,530
2,037,064	Contribution to Staff Provident Fund	1,893,853
	Provisioning - Gratuity/Leave Encashment	
	- Gratuity	446,469
	- Leave Encashment	1,212,401
	- Total	<u>1,658,870</u>
1,095,128	Gratuity/Leave Encashment Premium	4,349
13,096	Gratuity Payment	124,718
3,212,109	Leave Salary	0
794,385	Leave Travelling Concession	551,012
1,100,814	Medical Expenses	1,328,452
2,103,314	Staff Welfare	65,445
106,598	Pension	4,070,883
4,463,933	EDLI Premium	16,275
19,275	Administrative Expenses on Provident Fund	103,712
106,770	Total	<u>35,255,672</u>
<u>42,128,277</u>		



For the year ended
31.03.2022 (Rs.)

Schedule 'P' - Administrative Expenses

For the year ended
31.03.2023 (Rs.)

For the year ended 31.03.2022 (Rs.)	Schedule 'P' - Administrative Expenses	For the year ended 31.03.2023 (Rs.)
	Travelling and other Expenses :	
108,851	a) staff & Others	176,172
0	b) Directors & Committee Members	<u>80,000</u> 256,172
9,210	Directors' Meetings Expenses	31,593
648,769	Rent Taxes Insurance Electricity etc.	1,446,089
290,008	Postage, Telegram & Telephone	196,488
362,735	Printing & Stationery	347,849
39,036	Computer Expenses	46,764
160,688	Publicity and Business Promotion	75,350
107,007	Repairs and Renewals-Office Equipments	83,484
240,153	Repairs and Maintenance-Staff Cars	469,884
613,495	Legal Charges	906,517
18,054	Books & News Papers	13,099
1,032,785	Professional Charges	305,742
50,000	Audit Fee	50,000
18,962	Entertainment	36,814
104,296	Others Expenses - Service Tax/VAT	0
<u>3,285,587</u>	Security Charges (Guards at units under possession)	<u>3,308,427</u>
<u>7,089,636</u>	Total	<u>7,574,272</u>



Schedule - 'Q'

Notes on Accounts

A. Significant Accounting Policies

1. The financial statements of the Corporation are prepared on accrual basis except for Interest on NPAs which has been accounted for on receipt basis as per RBI guidelines.

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

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

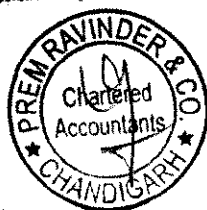
3. As per policy in respect of mortgaged properties, the Auction Purchaser has to make the payment within 3 months from the date of sale confirmation. However, in some exceptional cases, the Managing Director may give extension in payment of sale consideration for a further period of 9 months with interest @ 13% p.a. compounded on monthly basis. The possession of the unit is handed over to the Auction Purchaser after receipt of full amount of bid.

4. The Corporation 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 31.03.22 to reduce NPAs/written off portfolios. Presently there is no settlement policy for settlement of NPAs.

5. Retirement Benefits

i. Gratuity to staff is covered under the Group Gratuity Scheme of Life Insurance Corporation of India. During the current financial year a sum of Rs.4.46 lakh has been shown as expense on account of provision-gratuity liability, Rs.2.32 lakh was received on account of employer contribution against gratuity in case of employee on deputation and the entire amount of Rs.6.78 lakh (Rs.4.46 lakh + Rs.2.32 lakh) is payable to LIC and shown in Schedule 'C' - Other Current Liability. As per actuarial valuation of Life Insurance Corporation of India (LIC) as on 31.03.23 the amount payable is Rs.6.78 lakh and fund value lying with LIC towards above gratuity fund is Rs.1,21,46,876.

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.1,50,05,163/- shown in Schedule 'C' - Other Current Liability. Against this liability the fund size of Leave Encashment Policy with LIC is



Rs.1,37,90,290 shown in Schedule 'J' - Other Current Assets. The balance amount payable to LIC comes to Rs.12,14,873/- (Rs.1,50,05,163/- - Rs.1,37,90,290/-) As per actuarial valuation of LIC the amount payable to LIC at the end of the year is Rs.12,14,873/- (Rs.12,12,401/- provisioning + Rs.2,472/- policy premium). The detail of fund size with LIC is as under:

(Amount in Rs.)

Opening fund balance with LIC		14640954
Add: Earnings credited by LIC		887534
Less : Claims received from LIC	1726020	
Less : Fund management expenses	12178	1738198
Closing fund balance with LIC		13790290

During the year a provision of Rs.12,12,401/- towards liability of Leave Encashment has been made in the books of accounts.

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 also paid maximum upto 16.5 months to other staff (17.5 months in case of class IV employees) of salary (last pay drawn plus applicable DA).

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% p.a.
Salary Escalation	7%

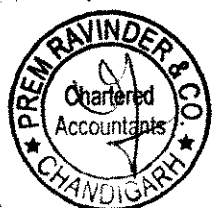
ii. Monthly matching contribution towards Employees Provident Fund is remitted to the Regional Provident Fund Commissioner, Chandigarh as per provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and is charged to profit and loss account.

6. 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

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

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

7. Depreciation

Depreciation on fixed assets has been provided on written down value method at the rates prescribed under provisions of Income Tax Rules 1962.

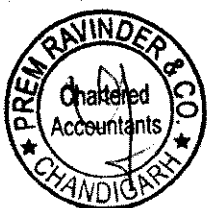
B. Contingent liabilities

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 (7 cases) are to the extent of Rs.4.42 crore (approx.) not acknowledged. In addition to above there are 20 court cases/appeals filed by the employees/ex-employees/pensioners against which amount is indeterminate.

Further, there is contingent liability amounting to Rs. 123.49 lakh in respect of claims lodged by Loanees/Auction purchasers. The corporation is generally unable to reasonably estimate possible loss for proceedings or disputes other than estimated, including where parties have not claimed an amount of damages. There is uncertainty as to the outcome of pending appeals or legal cases pending at any stage.

A sum of Rs.224.08 lakh Shown in Other Assets Schedule 'J' - Other Current Assets' 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.



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.

4. The Corporation auctioned mortgaged property in case of M/s S.K.Wood Products, Yamuna Nagar at a price of Rs.56.00 lakh. The auction purchaser deposited an amount of Rs.16.00 lakh and failed to deposit the remaining amount. The Corporation forfeited the amount of Rs.16.00 lakh. Auction purchaser filed a case against the Corporation and the same was decided against the Corporation. An appeal with the Higher Court was filed by the Corporation and the same has been decided in favour of the Corporation on 10.08.2023.

5. 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.

C. The Corporation decided to transfer its Corporate Office Building at Sector 6, Panchkula to HSIIDC at sale consideration of Rs.27.51 crore. The Corporation received advance of Rs.22.24 crore upto 31.03.2023. The balance amount of Rs.4.99 crore after deducting TDS of Rs.0.28 crore has been received on 19.07.2023.

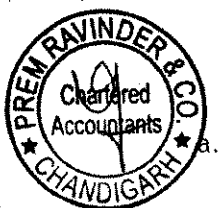
The Corporation has recommended to the State Government for its winding up/ liquidation u/s 45 of SFCs Act 1951. The State Govt. has appointed Managing Director HSIIDC as Nodal Officer for completing the formalities of winding up.

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

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

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

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



- b. The State Govt., Haryana (being Promotee) 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.

Also, HSIIDC has been requested to take further action for the hiring of Merchant Banker for delisting of equity shares of HFC from BSE in accordance with the SEBI guidelines as per decision of BOD/HFC and State Government.

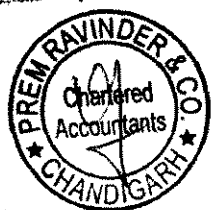
D. No amount towards deferred tax asset/liability is outstanding in the books of accounts of the Corporation. The Corporation has stopped fresh sanctions since May, 2010. In such circumstances it is not feasible to create any deferred tax asset/liability for the current financial year. The Corporation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

E. 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 31.03.2023 as per the provisioning norms of SIDBI.

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

Assets Classification	Current Year		Previous year		(Rs. in lakh)	
	Loans Out-standing	Provision	Loans Out- Standing	Provision	Change in provision over the previous year	
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	8.73
II	0.00	0.00	0.00	0.00	0.00	
III (including Adhoc Limit)	665.04	665.04	656.31	656.31	8.73	
Loss Assets	62.20	62.20	62.20	62.20	0.00	
Claims Recoverable	-	10.92	-	10.92	0.00	
Total	727.24	738.16	718.51	729.43	8.73	

Provisioning of Rs.8.73 lakh has been made against Non-performing/Loss loan assets during the year and shown in Schedule 'D' - Provisions.



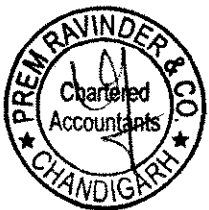
G. As per guidelines issued by SIDBI, provision towards diminution in the value of investments in respect of listed & Un-listed shares is required to be made which is to the extent of Rs.419.91 lakh upto 31.03.2023 against which the Corporation has already made provision of Rs.421.01 lakh upto 31.03.2022. Therefore, excess provision of Rs.1.10 lakh has been written back during the year which has been shown in Schedule 'D' - Provisions.

H. The State Government has appointed Corporation as agent for disbursement of its various subsidies, seed money and agency loans. Unutilized amount of Rs.26.48 lakh against various subsidies 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.1191.22 lakh includes a sum of Rs.1066.10 lakh in case of M/s Surendera 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 being the amount of earnest money received in 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 has 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 has directed the Corporation not to take any coercive steps and the matter is pending in Hon'ble Supreme Court.

K. Borrowers' Imprest amounting to Rs.20,32,650/- 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. In some cases, excess amounts were received



/recovered through auction of properties over and above the outstanding loan amounts and were claimed by different parties (borrowers/auction purchasers etc.) and the matter goes to Court for decision, thus the amount is kept pending under this head till the decision of Court.

L. Claims Recoverable under Schedule 'J'- Other Current Assets amounting to Rs.52,56,636/-, it includes a sum of Rs.22,09,712/- recoverable in case of M/s S.K.Wood Products, Yamuna Nagar. In this case the collateral security was sold to Sh.S.K.Saini and Sh. Robin Saini (auction purchasers) for Rs.24.30 lakh on 23.08.07 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 Rs.8,427/- debited subsequently towards expenses.

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	1092064	Provision made shown in Schedule 'D' - Provisions.
3	736864	Recoverable from UHBVN (electricity and property tax)
4	241458	Recoverable from HSIIDC against resumption of Plots at Sonipat.
5	567010	Recoverable from HSIIDC against settlement in c/o Bruno sante
6	368162	A.Vashishta - PF amount (court case)
7	23366	Recoverable from M/s Reliance Bulk Drugs
8	18000	Dividend recoverable from HARDICON
Total	5256636	

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. During the year, the excess provision of Income Tax amounting to Rs.31.01 lakh has been reversed as per Income Tax return for the financial year 2021-22 filed by the Corporation.

O. The corporate building of the Corporation at Panchkula was leased out to Uttar Haryana Bijli Vitran Nigam Ltd., Panchkula (UHBVN) in the FY 2008-09. UHBVN, Panchkula has now shifted to its own premises and vacated the office building in the month Oct., 2022. The Corporation has now leased out Conference room of first floor and complete second and third floor of the said building to Haryana Parivar Pehchan Authority, Panchkula (HPPA) at a monthly rent of Rs.15,08,792/- plus GST w.e.f. Dec., 2022. The lease agreement is yet to be executed by the HPPA so far. The Corporation has issued demand for the rent upto March, 2023 (Rs.60,35,168/- and GST of Rs.10,86,330/-) but the amount has not been received so far. The Corporation has shown above amount as rental income in the books of accounts for FY 2022-23 as rent due but not received. The GST amount of Rs.10,86,330/- has been deposited by the Corporation with GST department in FY 2023-24.

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

	F.Y. 2022-23 (Rs. in lakh)
1. Capital	
a) CRAR %	66.57%
b) The amount of subordinated debt raised and outstanding as Tier-II capital	-
c) Risk Weighted Assets	
i. On Balance Sheet Items	19440.73
ii. Off Balance Sheet	-
d) The share holding pattern as on the date of the Balance Sheet	
i. Government of Haryana	20201.17
ii. SIDBI	432.65
iii. Commercial Banks, Insurance Cos. etc.	20.17
iv. Private Shareholders	111.82

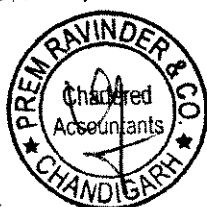
Total	20765.81

2. Asset Quality and Credit Concentration	
e) Amount of provision made during the year	
i. Provision for NPAs	8.73
ii. Provision for Investments	-1.10

Total	7.63

3. Operating Results	
f) Interest income as a percentage to average working funds	0.97 %
g) Non-interest income as a percentage to average working funds	1.57 %
h) Net Profit/(Loss) as a percent to Average Working Funds	0.37 %
i) Net profit/(Loss) per employee	Rs. 3.81 lakh
4. Earning per Share	(Amount in Rs.)
a) Profit/(Loss) after Tax	72,44,761


b) Weighted Average of Common Stock	No.	Period Outstanding (days)	Weighted Average
Shares outstanding as on 31.03.2023	207658100	365	207658100
Profit/(Loss) per Share (a/b)			0.03

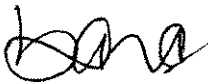


5. Disclosure requirements under the RBI guidelines dated 7th July, 1999 on forward rate agreements under Interest Rate Swaps

Nil

- Q. Figures have been rounded off to the nearest rupee and wherever necessary figures for the previous year have been rearranged/regrouped in order to make it in conformity with current year's figures.
- R. Schedules 'A' to 'Q' alongwith Cash.Flow statement form integral part of the Balance Sheet and Profit and Loss Account.


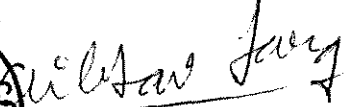

Vandana Jindal
Deputy General Manager


Harnam Singh Rana
Company Secretary


Yash Garg, IAS
Managing Director

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

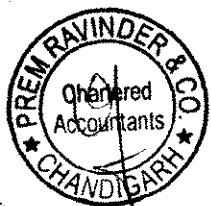
Place : Chandigarh
Date : 13-10-2023



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

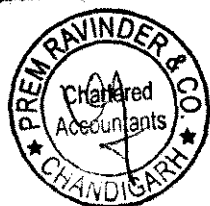
Statement Showing Particulars of Investments in Shares as on 31st Mar., 2023

Sr. No.	Name of the Company	Face Value	Cost per Share	Value per Share	Nos. of Shares	(Amount in Rs.)		
						Cost	Value	
----- As on 31.03.2023 -----								
(I) Non-current Investments								
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	30439260	11	
ii) Unlisted : Ordinary - Fully Paid Up								
1.	Ina Polyester Button Ltd., Faridabad	10.00	10.00		200000	2000000	1	
2.	Apex Multitech Ltd., Panchkula	10.00	10.00		200000	2000000	1	
3.	Nitika Cements Ltd., Panchkula	10.00	14.00		214280	2999920	1	
4.	Ina Polyester Button Ltd., Faridabad	10.00	10.00		200000	2000000	1	
5.	Apex Multitech Ltd., Panchkula	10.00	15.00		375000	5625000	1	
6.	HARDICON	100.00	100.00	3942.00	800	80000	3153600 *	
	Total (ii)				1190080	14704920	3153605	
	Total (II) (Un-quoted investments (i+ii))				3777186	<u>45144180</u>	<u>3153616</u>	
(III) Total Current Investments (Quoted+Unquoted)						3777186	<u>45144180</u>	<u>3153616</u>
Total Investments (I+II+III)						<u>5227186</u>	<u>1495144180</u>	<u>1453153616</u>
Cost						1495144180		
Value						1453153616		
Diminution						41990564		

Note : (*) Value of share has been determined on the basis of balance sheet as on 31st March, 2022.




HARYANA FINANCIAL CORPORATION, CHANDIGARH		
CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.22 TO 31.03.23		
	(Amount Rs.)	
	FY 2022-23	FY 2021-22
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before income tax & provisioning	4,907,169	252,967,085
Add :		
Depreciation	1,260,893	1,444,733
Bad debts written off	0	47,156,778
Increase/(decrease) in Current Liabilities		
Gratuity	678,748	(2,628,225)
Leave	364,209	(1,474,586)
Compassionate Assistance	0	(215,070)
Earnest Money	0	(130,250)
Borrowers Imprest	(1,546,896)	103
Sundry Deposits	(647,630)	1,603,960
Stale Cheques	(21,465)	21,465
Tax payable	(245,032)	(19,017)
Provision against expenses payable	(1,699,501)	1,490,504
Seed Money Agency/RIS	0	135,971
Increase/(decrease) in Loans and Advances (Assets)	(873,494)	(759,060)
Increase/(decrease) in Current Assets		
Staff Advances	4,000	79,200
Advance Income Tax, TDS	1,653,551	(40,509,595)
Claim Recoverable	(754,863)	2,970,651
Interest Accrued but not due	(398,960)	(8,915,000)
Rent due but not received	(9,000,479)	0
Funds with LIC - Staff Leave Encashment	850,664	(2,182,795)
Sundry Advances	(4,501)	1,501
Security Deposits	(78,085)	0
Less :		
Profit on sale of Shares	0	302,194,320
Other Income :		
Rent	26,210,369	32,711,925
Dividend on investments	20,000	295,866
Misc. Income	5,950	5,756
Interest on deposits/staff advances & I.Tax refund	17,941,273	10,999,777
Net cash from operating Activities (A)	(49,729,264)	(95,169,291)
CASH FLOW FROM INVESTMENTS ACTIVITIES		
Purchase of fixed Assets	(3,660)	(70,300)
Sale of fixed assets and profit	407,000	241,458
Sale of shares and profit	0	304,674,320
Dividend on investments	20,000	295,866
Net cash from Investment Activities (B)	423,340	305,141,344
CASH FLOW FROM FINANCING/OTHER ACTIVITIES		
Rental Income	26,210,369	32,711,925
Misc. Income	5,950	5,756
Interest on deposits/staff advances & I.Tax refund	17,941,273	10,999,777
Net cash from Other Cash Flows (C)	44,157,592	43,717,458

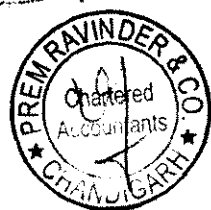


Net cash flows (A+B+C)	(5,148,332)	253,689,511
Net increase/(decrease) in cash and cash equivalents	(5,148,332)	253,689,511
Cash and Cash equivalents at the beginning of the year	300,123,676	46,434,165
Cash and Cash equivalents at the end of the year	294,975,344	300,123,676


Vandana Jindal
Dy. General Manager


Harnam Singh Rana
Company Secretary


Yash Garg, IAS
Managing Director



Auditor's Certificate (F.Y.2022-23)

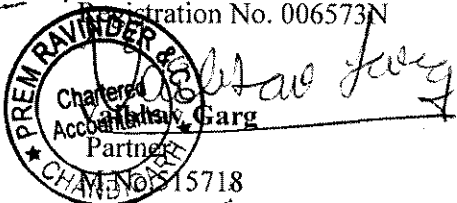
In accordance with the provisions of section 37(1) of the State Financial Corporations Act, 1951, we have audited the Balance Sheet of Haryana Financial Corporation as at 31 March, 2023 and also the annexed Profit and Loss Account for the years ended on the date.

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 Calculate 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- Point P)
- e) The corporation has no Govt. guarantee outstanding as on 31.03.2023 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 observation/ qualifications in our Auditor's Report. We have an unmodified opinion in respect of Contingent Liabilities 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 C of Schedule Q of Notes on Accounts of this financial statements. This may be considered as a nil report.

Place : Chandigarh
Date : 13-10-2023

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

UDIN-23515718BGVNXT7570

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, 2023** 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 thereunder, 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.

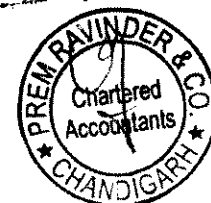
2. Management's responsibility for the Financial Statements

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.



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) in regard to Contingent Liabilities 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.4.42 crores (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.123.49 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.

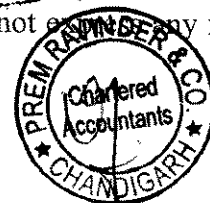
Other Current Assets includes Rs.224.08 lacs deposited with Income Tax department against demand for Financial years 1980-81 to 1982-83 and the corporation has filed appeals (separately for each year) before Hon'ble Punjab and Haryana high Court. The matter is sub-judice, no provision against this amount has been made in the books of account.

- c) Note no. 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. Further as the purchases are of meager amount, no separate physical verification of fixed assets is being done by the corporation.

Our opinion is not modified in respect of these matter.

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 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 the 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 has further 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.

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

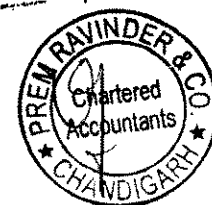
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true & fair view in conformity with the accounting principles laid down by SIDBI for SFCs and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

- a) In the case of the Balance Sheet, of the state of affairs of the Corporation as at 31st March, 2023.
- b) In the case of the Statement of Profit & Loss Account, of the Profit of the Corporation for the year ended on that date, and
- c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

8. Report on Other Legal and Regulatory Requirements

On the basis of our audit subject to Notes on Accounts as contained in 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.



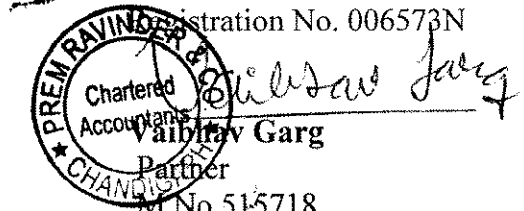
Prem Ravinder & Co.
Chartered Accountants

16, Berkeley Square, Level-2, Plot No.24
Industrial Park Phase-1, Chandigarh-160002,

- c) The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts and with the returns received from the Branches.
- d) In our opinion the aforesaid Balance Sheet, Statement of Profit & Loss and Cash Flow Statements comply with the Accounting Standards and guide lines issued by SIDBI for SFCs from time to time.
- e) The transactions of the Corporation that have come to our notice have been within the powers of the Corporation.

For Prem Ravinder & Co.
Chartered Accountants

Registration No. 006573N


Vaijay Garg
Partner

M.No.515718

UDIN-23515718BGVNXT7570

Place : Chandigarh

Date : 13-10-2023

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

PBX: 0172-2702755-57
e-mail: hfcsectt@gmail.com
Website: www.hfcindia.org

REF.NO.HFC/LET/BSE/2023/ 20

DATED: 13.10.2023

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

Sir/ Madam,

Re: Declaration Regarding Audit Report with unmodified opinion with respect to Annual Audited Financial Results for the Financial Year ended 31st March, 2023 (Scrip Code: 530927) Haryana Financial Corporation

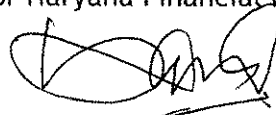
Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD56/2016 dated 27th May, 2016, it is hereby declared and confirmed that Auditors Report obtained from Prem Ravinder & Co., Chartered Accountants on Annual Audited Financial Results of the Corporation for the Financial Year ended on 31st March, 2023 has an unmodified opinion.

Kindly take the above information on record.

Thanking you,

Yours faithfully,

For Haryana Financial Corporation



Company Secretary