



**ANNUAL REPORT  
2011-12**

**HARYANA CAPFIN LIMITED**

# HARYANA CAPFIN LIMITED

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## BOARD OF DIRECTORS

Saket Jindal Chairman  
Sudhir Kumar Singhal Wholetime Director  
Shyam Lal Bindal  
Kamal Kishore Bhartia

## AUDIT COMMITTEE

Shyam Lal Bindal Chairman  
Saket Jindal  
K.K. Bhartia

## COMPANY SECRETARY

Shubhi Chaturvedi

## AUDITORS

B.K. Shroff & Co.  
Chartered Accountants  
New Delhi

## BANKERS

ICICI Bank Limited  
HDFC Bank Limited

## REGISTERED OFFICE

Pipe Nagar, Village Sukeli, N.H. 17  
B. K. G. Road, Taluka Roha,  
Distt. Raigad - 402 126 (Maharashthra)

## CORPORATE OFFICE

Plot No. 30, Institutional Sector - 44  
Gurgaon - 122 002  
Haryana

## HEAD OFFICE

1/23, B, 1st Floor,  
Asaf Ali Road,  
New Delhi - 110 002

## REGISTRAR & SHARE TRANSFER AGENT

Alankit Assignments Ltd.  
Alankit House, 2E/21, Jhandewalan Extension,  
New Delhi - 110 055

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# HARYANA CAPFIN LIMITED

## NOTICE

Notice is hereby given that the 14<sup>th</sup> Annual General Meeting of the Members of Haryana Capfin Limited will be held on Friday, the 28th September, 2012 at 3.00 P.M. at the Registered office of the Company at Pipe Nagar, Village Sukeli, N.H.-17, B.K.G. Road, Taluka Roha, Distt. Raigad - 402 126 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended 31<sup>st</sup> March, 2012 and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Shyam Lal Bindal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint B. K. Shroff & Co. Chartered Accountants, New Delhi as Auditors of the Company to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

4. To pass with or without modification(s), the following resolution as an ordinary resolution:

“**RESOLVED THAT** in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 Mr. Sudhir Kumar Singhal, be and is hereby re-appointed as Whole Time Director of the Company for a period of 5 years w.e.f. from 1st November, 2011 on the terms and conditions including remuneration as set out herein below, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and /or remuneration, subject to the same not exceeding the limits specified in schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Sudhir Kumar Singhal.

#### SALARY

Rs. 18,393/- (increased from Rs. 16,700/- to Rs. 18,393/- w.e.f. 1st April, 2012) per month with such annual increase as may be decided by the Board of Directors in the grade of Rs.15,000 – 25,000 per month.

#### PERQUISITES

- I The Whole Time Director shall be entitled to perquisites & benefits like furnished /non furnished accommodation or house rent allowance in lieu thereof, gas, electricity, water, medical reimbursement, leave travel concession for self & family, club fees, car with driver for business & personal use, facility of telephone installed at his residence, medical and personal accident insurance, education allowance, bonus/ex-gratia etc. as per rules of the Company. The value of perquisites shall be evaluated as per Income Tax Rules wherever applicable.
- II The Whole Time Director shall be entitled to Company's contribution to Provident Fund, Superannuation Fund, Pension Fund, Gratuity, encashment of earned leave at the end of the tenure, as per the rules of the Company, and these shall not be included in the computation of perquisites.

#### MINIMUM REMUNERATION

In the event of loss or inadequacy of profits, the remuneration including the perquisites as mentioned above shall be paid in accordance with Schedule XIII and other applicable provisions of the Companies Act, 1956 as amended from time to time.

#### OTHER TERMS

- I. The Whole Time Director shall not be paid any sitting fees for attending the meeting(s) of the Board of Directors or Committees thereof.
- II. The Whole Time Director shall be entitled to reimbursement of entertainment, traveling and all other expenses incurred in the course of the Company's business.
- III. The appointment may be terminated by the Company or by the Whole Time Director by giving not less than three month's prior notice.”

By order of the Board

Place : Gurgaon  
Dated : 23rd August, 2012

**SHUBHI CHATURVEDI**  
Company Secretary

# HARYANA CAPFIN LIMITED

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## NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. FORM OF PROXY IS SEPARATELY ANNEXED. THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of special business is attached herewith.
- Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
- Members are requested to notify immediately any change in their address to the Registrar & Transfer Agent quoting their Folio Number to the following address:  
Alankit Assignments Ltd.  
Alankit House,  
2E/21, Jhandewalan Extension,  
New Delhi – 110055.
- Members who have multiple ledger folios in identical names or joint names in same order are requested to intimate/send the concerned share certificates quoting their ledger folios of such accounts to enable the Registrar & Transfer Agent to consolidate all such shareholdings into one folio.
- The Register of Members and Share Transfer Books of the Company will remain closed from 8th September, 2012 to 12th September, 2012 (both days inclusive).
- Members intending to seek any information on the Annual Accounts at the meeting are requested to inform the Company in writing at least one week prior to the date of the meeting.
- All documents referred in the notice are open for inspection at the Regd. Office of the Company between 10.00 A.M. and 1.00 P.M. on any working day up to the date of Annual General Meeting and also at the Meeting.
- Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement):

Name	Shri Shyam Lal Bindal	Shri Sudhir Kumar Singhal
Age (years)	44	46
Qualification	Post Graduate Diploma in Business and Industrial Management	Master of Commerce and Bachelor of Education
Expertise in specific functional area	Extensive experience in the field of Accounts, Finance & Commercial areas.	Wide managerial and administrative experience
Date of appointment as Director of the the Company	16.3.2011	12.09.2006
Directorship of other Companies	Nil	Nil
Chairman/Member of Committee of other Companies	Nil	Nil
No. of Shares held	Nil	Nil
Inter-se relationship with other Directors	None	None

# HARYANA CAPFIN LIMITED

## DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 14<sup>th</sup> Annual Report along with Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2012.

## FINANCIAL RESULTS

	Year Ended <u>31.03.2012</u>	(Rs. in Lacs) Year Ended <u>31.03.2011</u>
<b>Total Income</b>	<b>176.83</b>	174.60
<b>Profit before Tax</b>	<b>163.23</b>	162.10
Less: Tax expense - Current	<b>1.04</b>	-
- Deferred	<b>0.15</b>	-
Add: MAT Credit Entitlement	<b>(1.00)</b>	-
<b>Profit after Tax</b>	<b>163.04</b>	162.10
Balance brought forward from previous year	<b>462.91</b>	<u>343.23</u>
<b>Profit available for appropriation</b>	<b>625.95</b>	<u>505.33</u>
<b>Appropriations</b>		
- Statutory Reserve	<b>32.61</b>	32.42
- Transfer to General Reserve	<b>10.00</b>	10.00
- Surplus carried to Balance Sheet	<b>583.34</b>	<u>462.91</u>
	<b>625.95</b>	<u>505.33</u>

## DIVIDEND

With a view to conserve resources for future business operations of the Company, your Directors do not recommend any dividend for the year under review.

## OPERATIONS

Total income of the Company during the year was Rs. 176.83 lacs as against Rs. 174.60 lacs in the previous year. The Profit after tax was Rs. 163.04 lacs as against Rs. 162.10 lacs in the previous year.

## DIRECTORS

Shri Shyam Lal Bindal, Director of the Company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

The Board of Directors has reappointed Shri Sudhir Kumar Singhal as Whole Time Director of the Company for a period of 5 years w.e.f. 1<sup>st</sup> November, 2011.

## FIXED DEPOSIT

Your Company has not accepted any deposits within the meaning of section 58A of the Companies Act, 1956 and the rules made there under.

## DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors state:

- (i) that in the preparation of the Annual Accounts for financial year ended 31<sup>st</sup> March, 2012, the applicable accounting standards have been followed;
- (ii) that the accounting policies selected and applied are consistent and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;

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- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Annual Accounts for the year ended 31<sup>st</sup> March, 2012 have been prepared on a going concern basis.

## **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement, with the Stock Exchange, a separate Report on Corporate Governance has been annexed as part of the Annual Report. Certificate from the Practicing Company Secretary confirming Compliance of conditions of Corporate Governance is annexed to this Report.

## **MANAGEMENT DISCUSSION & ANALYSIS**

A report on Management Discussion and Analysis is attached as a part of the Annual Report.

## **CHANGE OF REGISTERED OFFICE**

The registered office of the Company has been shifted from the State of Haryana to the State of Maharashtra w.e.f. 23rd August, 2012.

## **AUDITORS**

M/s B. K. Shroff & Co. Chartered Accountants, New Delhi, the retiring Auditors, hold office upto the conclusion of the ensuing Annual General Meeting. The Statutory Auditors have confirmed their eligibility and willingness to accept the office on re-appointment.

The Auditors' observations and the relevant notes on accounts are self-explanatory and therefore, do not call for further comments.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Provisions of the Section 217(1)(e) of the Companies Act, 1956 read with Companies ( Disclosure of Particulars in the report of Board of Directors) Rules, 1988 regarding information on conservation of energy etc. do not apply to the Company.

There is no foreign exchange earning or outgo during the year under review.

## **PARTICULARS OF EMPLOYEES**

There was no employee in the Company drawing remuneration exceeding the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

## **ACKNOWLEDGEMENT**

The Board expresses its grateful appreciation of the assistance and co-operation received from Central and State Governments, Banks & Financial Institutions and Shareholders.

Your Directors wish to place on record their deep sense of appreciation for the devoted contribution made by the employees & associates at all levels.

**For & on behalf of the Board**

Place : Gurgaon  
Dated : 23rd August, 2012

**SAKET JINDAL**  
Chairman

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## CORPORATE GOVERNANCE REPORT

The Company has been maintaining the highest standards of Corporate Governance principles and best practices, which comprises all activities that result in the control of the Company in a regulated manner, aiming to achieve transparent, accountable and fair management.

The details of the Corporate Governance compliance by the Company as per Clause 49 of the Listing Agreement with Stock Exchanges are as under:

### A COMPLIANCE OF MANDATORY REQUIREMENTS:

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all interactions with its stakeholders, including shareholders, lenders, employees, the government and the society. The Company believes that all its operations and actions must serve the underlying goal of enhancing long-term shareholders value. In this pursuit, your Company's philosophy of Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and to continuously strive to attain high levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Your Company continues to lay great emphasis on broad principles of Corporate Governance and with a view to achieve these objectives, has adopted corporate strategies, prudent business plans and continuous monitoring of performance.

#### 2. BOARD OF DIRECTORS

##### Composition

The strength of the Board as on March 31, 2012 was 4 Directors comprising of one Non-Executive Chairman who is also a promoter of the Company. Half of the Board of the Company consists of Independent Directors. Number of Non-Executive Directors (NEDs) exceeds 50% of the total number of Directors.

None of the Directors hold Chairmanship of more than 5 Committees or Membership in more than 10 committees of the Companies.

The Board periodically reviews compliance reports of all laws applicable to the Company and takes steps to rectify non-compliances, if any.

During the year under review 6 Board Meetings were held on 3rd May, 2011, 28<sup>th</sup> June, 2011, 3<sup>rd</sup> August, 2011, 31<sup>st</sup> October, 2011, 31<sup>st</sup> January, 2012, and 12<sup>th</sup> March, 2012.

The Composition of the Board of Directors, their shareholding, attendance during the year and at the last Annual General Meeting, Number of other Directorships, Committee memberships and Chairmanships held by them as at 31<sup>st</sup> March, 2012 are given below:

Directors	Category	Shares held	Attendance		No. of other Directorships and Committee Memberships/ Chairmanships held \$		
			Board Meeting	Last AGM	Directorships	Committee Memberships	Committee Chairmanships
Shri Saket Jindal	C	117,579	6	Yes	3	1	-
Shri Sudhir Kumar Singhal	WTD	-	6	Yes	-	-	-
Shri Shyam Lal Bindal	NE	-	6	Yes	-	-	-
Shri Kamal Kishore Bhartia	NE	-	6	No.	1	-	-

C = Chairman, WTD = Whole Time Director, NE = Non-Executive Director

\$ includes Directorships and Committee Memberships/ Chairmanship (Only Audit and Shareholders'/ Investors' Grievance Committees are considered).

Excludes directorship in private/foreign companies.

#### RELATIONSHIPS BETWEEN DIRECTORS

No Director is related to any other Director on the Board in terms of the definition of "relative" under the Companies Act, 1956.

#### 3. CODE OF CONDUCT

The Board of Directors has adopted the Code of conduct and ethics for Directors and Senior Management. The Code of Conduct has been communicated to the Directors and Senior Management of the Company who have confirmed compliance with the said Code.

#### 4. AUDIT COMMITTEE

The Audit Committee of the Company is comprised of three Non- Executive Directors, Two are Independent Directors and One Promoter Non-Executive Director. All members of the Committee possess knowledge of Corporate Finance, Accounts and Company Law. The Chairman of the Committee is an Independent Non-Executive Director. The terms of reference of the Committee covers the matters specified for Audit Committee under Clause 49 of the

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Listing Agreement as well as Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors from time to time.

Minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

During the year under review 5 Audit Committee Meetings were held on 3<sup>rd</sup> May, 2011, 28<sup>th</sup> June, 2011, 3<sup>rd</sup> August, 2011, 31<sup>st</sup> October, 2011 and 31<sup>st</sup> January, 2012. The Composition of the Audit Committee and attendance at its meetings is as follows:

Members	Designation	No. of Meetings attended
Shri Shyam Lal Bindal	Chairman	5
Shri Saket Jindal	Member	5
Shri Kamal Kishore Bhartia	Member	5

Company Secretary of the Company acts as Secretary to the Audit Committee.

## INTERNAL AUDIT

The Company has appointed a firm of Chartered Accountants as Internal Auditors to review the internal control systems of the Company and to report thereon. The Audit Committee reviews the reports of the Internal Auditors periodically.

## 5. REMUNERATION TO DIRECTORS

The Company does not have a Remuneration Committee. Detailed terms of appointment of the Whole time Director are governed by Board and Members resolutions

### Details of Directors' Remuneration

Details of remuneration paid to the Directors during the financial year ended 31<sup>st</sup> March 2012 are as under:

a) Details of remuneration paid to Whole- Time Director are : (Amount in Rupees)

Name	Salary	Perquisites & other benefits	Total
Shri Sudhir Kumar Singhal	307716	93748	401464

b) Non Executive Directors are paid by way of sitting fees for attending each meeting of the Board of Directors and Audit Committee.

The details of remuneration paid as sitting fee to Non-Executive Directors during the year ended 31<sup>st</sup> March, 2012 are as under:

Directors	Sitting Fees (Rs.)
Shri Saket Jindal	25,000
Shri Shyam Lal Bindal	25,000
Shri Kamal Kishore Bhartia	25,000

Apart from receiving Directors' remuneration by way of sitting fee for attending each meeting of Board and Audit Committee, none of the Non-Executive Directors had any pecuniary relationship or transactions with the Company during the year ended 31<sup>st</sup> March, 2012.

## 6. SHAREHOLDERS'/INVESTORS' GRIEVANCE CUM SHARE TRANSFER COMMITTEE

The Board has constituted a Committee under the Chairmanship of a Non-Executive Director. The Committee has authorised two officials of the Company and RTA M/s Alankit Assignments Limited, to look after the day to day transfer/transmission of shares, issue of duplicate share certificates. Details of shares transfers/transmissions approved by the Authorized Company Officials and the Committee are placed at the Board Meetings from time to time.

The Company Secretary of the Company acts as Secretary to the Committee.

### COMPOSITION

The constitution of the Shareholders'/Investors' Grievance cum Share Transfer Committee is as under:-

Members	Designation
Shri Saket Jindal	Chairman
Shri Shyam Lal Bindal	Member

### COMPLIANCE OFFICER

Ms. Shubhi Chaturvedi, Company Secretary acts as "Compliance Officer" of the Company.

### DESIGNATED EMAIL ID FOR INVESTORS

The Company has designated an exclusive email id for redressal of investors grievances i.e. [investors@haryanacapfin.com](mailto:investors@haryanacapfin.com)

### DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED & REPLIED TO THE SATISFACTION OF SHAREHOLDERS

Number of Shareholders, complaints received during the period 01.4.2011 to 31.03.2012	Nil
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# HARYANA CAPFIN LIMITED

## 7. GENERAL BODY MEETINGS

(I) Details of the last three Annual General Meetings:

Financial year	Date	Location of the Meeting	Time
2008-09	09.09.2009	Unitech Country Club, Block – E, South City – 1, Gurgaon – 122001.	12.00 Noon
2009-10	10.09.2010	Unitech Country Club, Block – E, South City – 1, Gurgaon – 122001.	12.00 Noon
2010-11	20.09.2011	Narsi Banquet, Palam Vihar, Gurgaon-122017 (Haryana)	12.00 Noon

(II) Special resolutions passed in the previous three AGMs.

- a) In the AGM held on 9<sup>th</sup> September, 2009 : No Special Resolution was passed.
- b) In the AGM held on 10<sup>th</sup> September, 2010. : No Special Resolution was passed.
- c) In the AGM held on 20<sup>th</sup> September, 2011. : No Special Resolution was passed.

iii) During the Financial year 2011-12, no resolution was passed through postal ballot. Special resolution for shifting of Company's Registered Office from the State of Haryana to the State of Maharashtra was conducted through postal ballot during April, 2012.

## 8. DISCLOSURES

### i) Related Party Transactions

There have been related party transactions as reflected in the Notes to the accounts but they are not in conflict with the interest of the Company.

### ii) Accounting Standards

The Company follows the Accounting Standards laid down by the Institute of Chartered Accountant of India and there has been no deviation during the year.

### iii) Details on Non Compliance

There are no instances of non-compliance by the Company on any matter relating to the Capital Market during the last 3 years.

### iv) Declaration by CEO with regard to Code of Conduct

The Whole-Time Director, Mr. Sudhir Kumar Singhal has furnished a declaration affirming compliance of Code of Conduct by the Board of Directors and Senior Management Personnel.

### v) CEO/CFO Certificate

The Whole Time-Director, Mr. Sudhir Kumar Singhal has furnished the required certificate to the Board of Directors pursuant to Clause 49 of the Listing Agreement.

## 9. MEANS OF COMMUNICATION

The Company's financial results are communicated forthwith to the Stock Exchange Mumbai as soon as they are approved and taken on record by the Board of Directors of the Company. Additionally, in strict compliance of Listing Agreement, the Company has always promptly reported dates of various Board Meetings, Book Closures/ Record Dates to the Stock Exchange. The Financial Results are normally published in The Financial Express & Jansatta. The financial results and all other relevant information is being uploaded on the website of the Company [www.haryanacapfin.com](http://www.haryanacapfin.com) from time to time.

## 10. GENERAL SHAREHOLDERS INFORMATION

### a) Annual General Meeting:

Date & Time : 28<sup>th</sup> September, 2012 at 3.00 P.M.  
Venue : Pipe Nagar, Village Sakeli, N.H. 17, B.K.G. Road, Taluka Roha, Distt. - Raigarh, Maharashtra- 402126

b) Financial Year : 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2012

c) Book Closure : 8<sup>th</sup> September, 2012 to 12<sup>th</sup> September, 2012 (both days inclusive).

d) Dividend : Not Applicable

### Financial Calendar (Tentative) :

- Financial reporting for the quarter ended 30th June, 2012 Aug, 2012  
- Financial reporting for the quarter ending 30th Sept. 2012 Oct/Nov, 2012  
- Financial reporting for the quarter ending 31st Dec. 2012 Jan/Feb, 2013  
- Financial reporting for the quarter/year ending 31st March, 2013 April/May, 2013

### Listing on Stock Exchanges:

The Equity Shares of the Company are listed on BSE Limited having its Office at Floor 25, P. J. Towers, Dalal Street, Mumbai – 400001, and Listing fee for the year 2012-13 has already been paid.

# HARYANA CAPFIN LIMITED

Scrip ID : HARYNACAP  
 Stock Code : 532855  
 NSDL/CDSL – ISIN : INE928H01019

## Stock Market Price Data for the year 2011-12

Month	HCL BSE Price (Rs.)			BSE SENSEX		
	High	Low	Close	High	Low	Close
April, 2011	48.00	41.90	43.45	19811.14	18976.19	19135.96
May, 2011	44.95	41.50	42.05	19253.87	17786.13	18503.28
June, 2011	50.25	40.35	43.30	18873.39	17314.38	18845.87
July, 2011	48.25	42.25	42.90	19131.70	18131.86	18197.20
August, 2011	48.20	39.00	39.10	18440.07	15765.53	16676.75
September, 2011	45.20	39.10	42.75	17211.80	15801.01	16453.76
October, 2011	43.25	38.75	42.75	17908.13	15745.43	17705.01
November, 2011	44.00	39.00	39.75	17702.26	15478.69	16123.46
December, 2011	41.60	38.25	39.60	17003.71	15135.86	15454.92
January, 2012	41.25	37.10	39.90	17258.97	15358.02	17193.55
February, 2012	43.85	38.00	41.90	18523.78	17061.55	17752.68
March, 2012	43.95	38.50	38.55	18040.69	16920.61	17404.20

## DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2012

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Up to 5000	5029	99.251	819988	15.742
5001 to 10000	15	0.296	95232	1.828
10001 to 50000	11	0.217	211520	4.062
50001 to 100000	3	0.059	227464	4.367
100001 to Above	9	0.177	3854477	74.001
<b>GRAND TOTAL</b>	<b>5067</b>	<b>100.00</b>	<b>5208681</b>	<b>100.00</b>

## SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2012

Category	No. of Shares Held	% of Share Holding
Promoters	3662659	70.32
Financial Institutions/Banks/FII	72546	1.40
Bodies Corporate	577851	11.09
Indian Public	864213	16.59
NRI/OCB	31412	0.60
<b>GRAND TOTAL</b>	<b>5208681</b>	<b>100.00</b>

## DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company's shares are compulsorily traded in dematerialized form. As on 31<sup>st</sup> March, 2012, 98.17% of total equity shares were held in dematerialized form.

## OUTSTANDING GDR / WARRANTS AND CONVERTIBLE BONDS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

There is no outstanding GDR/Warrants and Convertible Bonds etc.

## REGISTRAR AND SHARE TRANSFER AGENTS:

Alankit Assignments Limited,  
 Alankit House, 2E/21, Jhandelwaln Extension,  
 New Delhi – 110 055.  
 Phone: 011-23541234-42541234  
 Fax: 011-42541967  
 E-mail: rta@alankit.com

## SHARE TRANSFER SYSTEM:

Share transfer requests received in physical form are registered within 15 days from the date of receipt and demat requests are normally confirmed within prescribed time from the date of receipt.

## INVESTOR CORRESPONDENCE ADDRESS:

Shareholders, correspondence should be addressed to the Registrar and Share Transfer Agent at the address given here above or to the Corporate Office of the Company.

Shareholders holding shares in dematerialized form should address all their correspondence to their respective Depository Participants.

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## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from N. K. Rastogi & Associates, Practising Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is forming part of the Annual Report.

### B. NON-MANDATORY REQUIREMENTS

(1) a) **CHAIRMAN OF THE BOARD**

The Company has a Non-executive Chairman and expenses incurred in performance of his duties are paid by the Company.

b) **TENURE OF INDEPENDENT DIRECTORS**

In terms of the Governance policy of the Company, all Directors, including Independent Directors (excluding Whole Time Director being appointed for tenure of 5 years) are subject to retirement by rotation. However, no maximum tenure, in the aggregate for Independent Directors has been specifically determined by the Board.

(2) **REMUNERATION COMMITTEE**

The Company does not have any Remuneration Committee. The remuneration of Whole Time Director is being approved by the Board of Directors and shareholders.

(3) **SHAREHOLDERS' RIGHTS**

As the Company's quarterly results are published in leading English newspapers having circulation all over India and in a Hindi newspaper widely circulated in the region, the same are not sent to each household of shareholders.

(4) **AUDIT QUALIFICATIONS**

There are no Audit Qualifications in the Auditors' Report.

(5) **TRAINING OF BOARD MEMBERS**

At present, the Company does not have such a training programme for the Board Members.

(6) **MECHANISM FOR EVALUATING NON-EXECUTIVE BOARD MEMBERS**

At present, the Company does not have such a mechanism as contemplated for evaluating the performance of Non-Executive Board Members.

(7) **WHISTLE BLOWER POLICY:**

The Company does not have any Whistle Blower Policy as of now but no personnel is being denied access to the Audit Committee.

### DECLARATION UNDER LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

This is to certify that, to the best of my knowledge and belief, for the financial year ended on 31<sup>st</sup> March, 2012, all Board members and Senior Management Personnel have affirmed compliance with the Code of conduct for Directors and Senior Management Personnel.

Dated : 23<sup>rd</sup> August, 2012

Place : Gurgaon

**SUDHIR KUMAR SINGHAL**

Whole Time Director

### CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

#### HARYANA CAPFIN LIMITED

We have examined the compliance of conditions of Corporate Governance of Haryana Capfin Limited for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange(s). The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company 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 Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Registrar and Share Transfer Agent of the Company has certified that there were no investors'/ shareholders' grievance, complaints pending against the Company as at the year end.

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

For **N. K. Rastogi & Associates**

Company Secretaries

**N. K. Rastogi**

Proprietor

C.P. No. : 3785

Place : Gurgaon

Dated : 23<sup>rd</sup> August, 2012

# HARYANA CAPFIN LIMITED

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## Management Discussion and Analysis

Forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2012

### FORWARD LOOKING STATEMENTS

The statement in the Directors' Report and Management Discussion and Analysis Report contains "forward-looking statements" about the business, financial performance, skills and prospects of the Company. Statements about the plans, intentions, expectations, beliefs, estimates, predictions or similar expression for future are forward-looking statements.

Forward-looking statements should be viewed in the context of many risk issues, and events that could cause the actual performance to be different from that contemplated in the Directors' Report and Management Discussion and Analysis Report, including but not limited to, the impact of changes in oil, Steel prices worldwide and domestic, economic and political conditions. We cannot assure that outcome of this forward-looking statements will be realized. Factors like changes in Government regulations, tax laws and other factors such as industrial relations and economic developments etc. may further influence the company's operations or performance. The Company disclaims any duty to update the information given in the aforesaid reports.

### INDUSTRY STRUCTURE AND DEVELOPMENT

During the year, the Indian economy growth slowed down substantially, recording growth rate of 6.5% against 8.5% in the previous year. Advance GDP estimates peg the numbers to be around 6% in the current year.

In such a bearish and uncertain environment financial markets continued to witness high volatility, driven by the direction of foreign capital flow and movement of industrial production index and inflation. A belated policy rate cut by RBI and cut in interest rates by Commercial Banks in early 2012-13 appear unlikely to reverse the deterioration in business sentiments.

Non Banking Financial Companies (NBFCs) have become an integral part of India's financial system, which have recently emerged as lenders serving both companies and individuals. When it comes to lending, NBFCs are generally regarded to be complementary to banks and are often able to offer better services and products to their customers.

The Company was not exposed to the capital market at large during the year under review. It holds only a controlling stake in Maharashtra Seamless Ltd. (a Company with the same Management). Major operations of Maharashtra Seamless are focussed on Oil & gas sector, which is currently a very prominent and global sector. The business is doing well and your Company is looking forward for a sustainable growth in the investee Company in future, which would enhance the shareholders' value.

### OPPORTUNITIES & THREATS

Considering long term growth potential of the Country, the Company foresees, new opportunities to come up to expand its operations by way of equity participation in new projects/expansion of existing projects. The NBFC industry holds immense potential and the Government of India's increased focus towards Financial Inclusion has created various opportunities for existing NBFCs.

The Banking sector has always been highly regulated, however simplified sanction procedures, flexibility and timeliness in meeting the credit needs and low cost operations resulted in the NBFCs getting an edge over Banks in providing funds.

The above opportunities have made the Industry highly competitive with the emergence of new category of systematically important NBFCs. Along with existing local and Multinational players leading to tough competition within the industry.

### SEGMENT-WISE PERFORMANCE

The Company is engaged in the business of Finance/Investment activities. There is no other segment. Therefore, there are no separate segments for reporting as per the Accounting Standard AS-17 issued by The Institute of Chartered Accountants of India.

### FUTURE OUTLOOK

NBFCs have been playing a complementary role to the other Financial Institutions including Banks in meeting the funding needs of the economy. They help fill the gaps in the availability of financial services that otherwise occur in bank-dominated financial systems.

NBFCs over the years have played a very vital role in the economy. They have been at the forefront of catering to the financial needs and creating livelihood sources of the so-called un-bankable masses in the rural and semi-urban areas. Through strong linkage at the grassroot level, they have created a medium of reach and communication and are very effectively serving this segment. Thus, NBFCs have all the key characteristics to enable the government and regulator to achieve the mission of financial inclusion in the given time.

### RISKS AND CONCERNS

As an NBFC, your Company is subjected to both external risk and internal risk. External risk due to interest rate fluctuation, slowdown in economic growth rate, political instability, market volatility, decline in foreign exchange reserves, etc. Internal risk is associated with your Company's business which includes the strategic investments in a specific sector. Any downward movement in the prospects of that sector could be a threat to Company's prospects.

At this juncture of rapidly evolving macroeconomic risks, it becomes imperative for business to track the macroeconomic performance on an ongoing basis. Your Company recognizes the importance of risk management and has invested in people, process and technologies to effectively mitigate the above risks, so as to arrive at a profitable investment decision.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control system, commensurate with its size and nature of operations, covering assurance of recording all the transaction details, regulatory compliance and protecting the Company assets from any kind of loss or misuse. Accounting records are adequate for preparation of financial statements and other financial information Internal Audit is conducted on a periodical basis to ascertain the adequacy and effectiveness of internal control systems.

### FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The total Income of the Company during the year was Rs. 176.83 lacs as against Rs. 174.60 lacs in the previous year. Profit after tax and adjustment was Rs. 163.04 lacs as against Rs. 162.10 lacs in the previous year.

### HUMAN RESOURCES

Your Company has employees who are professionals/experienced persons playing an important role in the operations of the Company. The Company will strengthen its operative staff as and when the need arises.

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## AUDITORS' REPORT

### TO THE MEMBERS OF HARYANA CAPFIN LIMITED

1. We have audited the attached Balance Sheet of **HARYANA CAPFIN LIMITED** as at 31<sup>st</sup> March, 2012, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that as on 31.03.2012 none of the Directors is disqualified on the said date from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012
    - (b) In the case of the Profit & Loss Account, of the profit for the year ended on that date
    - (c) In the case of the cash flow statement, of the Cash Flow for the year ended on that date.

For **B.K. SHROFF & CO.**  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 302166E

**Kavita Nangia**  
Partner

Membership No.: 90378

Place : New Delhi  
Date : 14<sup>th</sup> May, 2012

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## ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) All the fixed assets have been physically verified by the management according to a regular programme which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- (ii) The company does not have any inventory and as such clauses (ii) (a), (b) & (c) of the Order are not applicable to the company.
- (iii) In our opinion and according to the explanations given to us, the company has neither granted nor taken loans, secured or unsecured to/from companies firms or other parties covered in the register maintained under section 301 of the Act and as such clauses (iii) (b), (iii) (c) and (iii) (d) of the Order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regards to purchase of inventory and fixed assets and for sale of goods and services. Further on the basis of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India, we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- (v) In our opinion and according to the information given to us, the company has not entered into any transactions that need to be entered in register in pursuance of Section 301 of the Act and as such clause (v) (b) of the Order is not applicable to the company.
- (vi) In our opinion and according to the information given to us, the company has not accepted any deposits from the public within the meaning of sections 58A and 58AA or any other relevant provisions of the Act.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and the nature of its business.
- (viii) The maintenance of cost records has not been prescribed by the Central Government u/s 209 (1) (d) of the Companies Act, 1956 in respect of the company's products.
- (ix) (a) The Company is regular in depositing with the appropriate authorities undisputed statutory dues, if any, including Provident Fund, Employees State Insurance Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty and Cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of income tax, sales tax, service tax, wealth tax, customs duty, excise duty and cess were outstanding as at 31.03.2012
- (x) The company does not have any accumulated losses at the end of the financial year nor has it incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) The company has not borrowed monies from any financial Institutions or bank or debenture holders and as such clause (xi) of the order is not applicable to the company.
- (xii) According to the information and explanations given to us the company has not granted any loan and advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the company is neither a chit fund nor nidhi / mutual benefit fund / society and hence clause (xiii) of the Order is not applicable to the company.
- (xiv) In our opinion and according to the explanations given to us, the company has maintained proper records of its transactions and contracts and has made timely entries therein. The company is holding shares and debentures in its own name.
- (xv) In our opinion the company has not given guarantee for loans taken by others from banks or financial institutions.
- (xvi) The company has not availed any term loans during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets.
- (xviii) The company has not made any preferential allotment of shares, to parties and companies covered in the register maintained under section 301 Companies Act, 1956.
- (xix) The company does not have any debentures outstanding, as on the Balance Sheet date, hence, the clause 4(xix) of the order is not applicable.
- (xx) The company has not raised any money through the public issue during the year. Accordingly, clause 4(xix) of the order is not applicable.
- (xxi) According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit.

For **B.K. SHROFF & CO.**  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 302166E

**Kavita Nangia**

Partner

Membership No.: 90378

Place : New Delhi  
Date : 14<sup>th</sup> May, 2012

# HARYANA CAPFIN LIMITED

## BALANCE SHEET

AS AT 31ST MARCH, 2012

	Note No.	AS AT 31.03.2012 (Rs.)	AS AT 31.03.2011 (Rs.)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	52,086,810	52,086,810
Reserves and Surplus	3	221,651,443	205,346,991
<b>Current Liabilities</b>			
Other Current Liabilities	4	183,995	141,076
Short-Term Provisions	5	121,066	68,391
<b>Total Equity &amp; Liabilities</b>		<b>274,043,314</b>	<b>257,643,268</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	6	2,934,379	998,684
Non-current investments	7	255,725,877	254,325,782
Deferred tax assets (net)	8	-	15,050
<b>Current assets</b>			
Cash and cash equivalents	9	87,268	99,438
Short-term loans and advances	10	15,295,790	2,204,314
<b>Total Assets</b>		<b>274,043,314</b>	<b>257,643,268</b>
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**For B.K. SHROFF & CO.**  
Chartered Accountants

**For & on Behalf of the Board**

**KAVITA NANGIA**  
Partner  
Membership No. 90378

**SHUBHI CHATURVEDI**  
Company Secretary

**SAKET JINDAL**  
Chairman  
**SUDHIR KUMAR SINGHAL**  
Wholetime Director

Place : New Delhi  
Dated : 14th May, 2012

# HARYANA CAPFIN LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	YEAR ENDED 31.03.2012 (Rs.)	YEAR ENDED 31.03.2011 (Rs.)
<b>Revenue</b>			
Revenue from operations	11	<u>17,682,881</u>	<u>17,460,131</u>
<b>Expenses</b>			
Employees benefit expenses	12	845,731	741,985
Finance costs	13	1,983	1,037
Other expenses	14	479,257	501,899
Contingent Provision against Standard Assets	15	32,900	4,600
		<u>1,359,871</u>	<u>1,249,521</u>
Profit before Exceptional and Extraordinary items and Tax		16,323,010	16,210,610
Exceptional Items		-	-
Profit before Extraordinary items and Tax		16,323,010	16,210,610
Extraordinary Items		-	-
Profit before tax		<u>16,323,010</u>	<u>16,210,610</u>
Tax expense:			
Current Tax		104,000	-
Deferred Tax		15,050	-
Add - MAT Credit Entitlement		(100,492)	-
Profit/(Loss) from continuing operations		<u>16,304,452</u>	<u>16,210,610</u>
Earning per equity share:			
Basic		3.13	3.11
Diluted		3.13	3.11

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**For B.K. SHROFF & CO.**  
Chartered Accountants

**For & on Behalf of the Board**

**KAVITA NANGIA**  
Partner  
Membership No. 90378

**SHUBHI CHATURVEDI**  
Company Secretary

**SAKET JINDAL**  
Chairman  
**SUDHIR KUMAR SINGHAL**  
Wholetime Director

Place : New Delhi  
Dated : 14th May, 2012



# HARYANA CAPFIN LIMITED

## CASH FLOW STATEMENTS ANNEXED TO THE BALANCE SHEET

FOR THE YEAR ENDED 31ST MARCH, 2012

	YEAR ENDED 31.03.2012 (Rs.)	YEAR ENDED 31.03.2011 (Rs.)
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax and Extraordinary Items	16,323,010	16,210,610
<b>Adjusted for:</b>		
Contingent Provision against Standard Assets	32,900	4,600
<b>Operating Profit before Working Capital Changes</b>	16,355,910	16,215,210
<b>Adjusted for:</b>		
Trade & Other Receivables	(13,021,388)	10,749,690
Trade Payables & Others	62,694	54,439
<b>Cash Generated from operations</b>	3,397,216	27,019,339
Direct Taxes paid	(73,596)	(176,228)
<b>Cash Flow before extraordinary items</b>	3,323,620	26,843,111
<b>Net Cash from Operating activities</b>	A 3,323,620	26,843,111
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Investments	(1,400,095)	(26,904,794)
Purchase of Fixed Assets	(1,935,695)	-
<b>Net Cash from Investing Activities</b>	B (3,335,790)	(26,904,794)
<b>C. Cash Flow from Financing Activities</b>		
Loan Taken	-	-
<b>Net Cash from Financing Activities</b>	C -	-
<b>Net increase in Cash &amp; Cash Equivalents (A+B+C)</b>	(12,170)	(61,683)
Opening Balances of Cash and Cash Equivalents	99,438	161,121
Closing Balances of Cash and Cash Equivalents	87,268	99,438
Change in Cash and Cash Equivalents	(12,170)	(61,683)

As per our report of even date attached

**For B.K. SHROFF & CO.**  
Chartered Accountants

**For & on Behalf of the Board**

**KAVITA NANGIA**  
Partner  
Membership No. 90378

**SHUBHI CHATURVEDI**  
Company Secretary

**SAKET JINDAL**  
Chairman  
**SUDHIR KUMAR SINGHAL**  
Wholetime Director

Place : New Delhi  
Dated : 14th May, 2012

# HARYANA CAPFIN LIMITED

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## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

### NOTE – 1: SUMMARY OF ACCOUNTING POLICIES FOLLOWED BY THE COMPANY

#### a. Basis of Preparation and Accounting

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the requirements of the Companies Act, 1956 and in compliance with the applicable accounting standards referred to in sub-section (3C) of the Section 211 of the said Act. The accounting policies, except otherwise stated, have been consistently applied by the Company.

All assets and liabilities have been classified as current or non-current as per company's normal operating cycle of 12 months and other criteria set-out in Revised Schedule-VI of the Companies Act, 1956.

#### b. Use of Estimates

The presentations of financial statements is in conformity with the generally accepted accounting principles which requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognised in the year in which the results are known / materialized.

#### c. Revenue Recognition

Revenue is recognized on accrual basis in accordance with Accounting Standard (AS-9) "Revenue recognition".

Interest Income is accrued on time proportion basis and recognised only if in the opinion of Management, realisation is certain. Profit and loss on sale of investment is recognised on contract date. Dividend income is recognised when right to receive dividend is established.

#### d. Fixed Assets & Depreciation

Fixed Assets are stated at cost of acquisition, construction less accumulated depreciation. The cost comprises of purchase price and any other directly attributable cost of bringing the assets to working condition for its intended use. Depreciation on assets have been provided on pro-rata basis, for the period of use, on written down value method at the rates prescribed under schedule XIV to the Companies Act, 1956, as amended till date.

#### e. Investments

Long Term Investments are classified into Non current investments and others are classified as current Investment current. Long-term investments are valued at their acquisition cost. Current investments are stated at lower of cost and fair market value. The provision for any diminution in the value of Non current investments is made only if such a decline is other than temporary in the opinion of the management.

#### f. Employees Benefits

All employee benefits like salary, bonus, ex-gratia & others accruing & payable within the reporting accounting period are classified as short period and recognised on accrual basis.

Retirement benefits for Leave Encashment & Gratuity to employees are insignificant and un-funded Long-Term Term Liability classified as Non-Current. Gratuity payable to an employee is equal to 15 days salary for every completed year of service calculated as per Payment of Gratuity Act, 1972. Leave encashment liability is calculated for the period fixed by Company policy for which daily salary is arrived by dividing the salary last drawn by 26 (being the number of working days in a month). The liability for retirement benefits are restated on Balance Sheet date and difference with the opening balance is charged in the Profit & Loss Accounts.

## g. Taxes on Income

### Current Tax:

Provision for Taxation is ascertained on the basis of assessable profit computed in accordance with the provisions of Income Tax Act, 1961 & tax advices, wherever considered necessary.

### Deferred Tax:

Deferred Tax is recognised, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income & accounting income computed for the current accounting year and reversal of earlier years' timing difference.

Deferred Tax Assets are recognised and carried forward to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

## h. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is reliable estimate of present obligation as a result of past events. Contingent Liabilities are disclosed by way of notes on accounts. Contingent Provision against Standard Assets is accounted as per RBI directive on standard assets. Contingent Assets are neither accounted nor disclosed in the financial statements due to uncertainty of their realisation.

## i. Event occurring after the Balance Sheet Date

Event occurring after the Balance Sheet Date and till the date on which the Financial Statement are approved, which are material in nature and indicate the need for adjustments in the financial statement are considered.

## j. Impairment of Assets

At each Balance Sheet date, the Company assesses whether there is any indication that an assets has impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds its recoverable amount, an impairment loss is recognized in the Profit and Loss Account to the extent the carrying amount exceeds recoverable amount.

## k. Borrowing Costs

Borrowing cost attributable to acquisition of qualifying assets till date of acquisition is capitalised as part of cost of such assets. All other borrowing costs are classified as revenue expense

## l. Earning Per Share

Basic earning per share is calculated by dividing net profit available for distribution to Equity shareholder by weighted Average Number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing net profit available for distribution to Equity shareholder by weighted Average Number of Potential equity shares outstanding during the year arrived at giving effect to all dilutive options.

## m. Research and Developments

Revenue Expenditure on Research & Development is charged in the Statement of Profit & Loss of the year in which it is incurred. Capital Expenditure on Research & Development is capitalised with the cost of asset for which it is incurred.

# HARYANA CAPFIN LIMITED

## NOTES ON ACCOUNTS FORMING PART OF THE AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	AS AT 31.03.2012 (Rs.)	AS AT 31.03.2011 (Rs.)
<b>SHARE CAPITAL</b>		
2 <b>Share Capital</b>		
Equity Share Capital		
<b>Authorised</b>		
6,000,000 (Previous Year 6,000,000) Equity Shares of Rs 10/- each	<b>60,000,000</b>	60,000,000
	<b>60,000,000</b>	60,000,000
<b>Issued, subscribed &amp; fully paid share capital</b>		
5,208,681 (Previous Year 5,208,681) Equity Shares of Rs 10/- each Fully Paid-Up	<b>52,086,810</b>	52,086,810
The above included 43,470 numbers of fully paid up equity shares of Rs.10 each issued as Bonus shares and 5,139,486 equity shares of Rs. 10 each issued for consideration other than cash as per order of Hon'ble High Court of Punjab & Haryana dated 27th July, 2006.		
	<b>52,086,810</b>	52,086,810

a Reconciliation of Shares outstanding at the beginning and cloce of the year

Equity shares	As at 31.03.2012		As at 31.03.2011	
	Nos.	Rupees	Nos.	Rupees
At the beginning of Year	5,208,681	52,086,810	5,208,681	52,086,810
Add - Addition during the Year	-	-	-	-
Less - Reduction during the Year	-	-	-	-
At the end of the Year	5,208,681	52,086,810	5,208,681	52,086,810

Equity shareholders have right to receive dividend proposed by the Board of Directors, subject to approval by shareholders at the General Meeting.

b Equity shareholders have no right to repayment of capital except, distribution of surplus assets on liquidation.

c List of persons holding more than 5% equity shares of Rs 10/- each of the company:

Equity shares	As at 31.03.2012		As at 31.03.2011	
	Nos.	%	Nos.	%
Stable Trading Co. Limited	878,590	16.87	779,590	14.97
Sudha Apparels Limited	980,741	18.83	1,029,741	19.77
Jindal Global Finance & Investment Ltd.	1,041,466	19.99	1,041,466	19.99

# HARYANA CAPFIN LIMITED

	<u>AS AT 31.03.2012 (Rs.)</u>	<u>AS AT 31.03.2011 (Rs.)</u>
<b>3 RESERVES AND SURPLUS</b>		
<b>3.1 Other Reserves</b>		
<b>a. Statutory Reserve</b>		
As per last Balance Sheet	8,263,300	5,021,100
Add - Transferred from Profit & Loss Account during the year	<u>3,261,203</u>	<u>3,242,200</u>
	<b>11,524,503</b>	<b>8,263,300</b>
<b>b. General Reserve</b>		
As per last Balance Sheet	150,792,594	149,792,594
Add - Transferred from Profit & Loss Account during the year	<u>1,000,000</u>	<u>1,000,000</u>
	<b>151,792,594</b>	<b>150,792,594</b>
<b>3.2 Surplus in Profit &amp; Loss A/c</b>		
As per last Balance sheet	46,291,097	34,322,687
Add - During The Year	16,304,452	16,210,610
Less - Transfer to Statutory Reserve	3,261,203	3,242,200
Less - Transfer to General Reserve	<u>1,000,000</u>	<u>1,000,000</u>
	<b>58,334,346</b>	<b>46,291,097</b>
	<u><b>221,651,443</b></u>	<u><b>205,346,991</b></u>
<b>4 OTHERS CURRENT LIABILITIES</b>		
Liabilities For Expenses	172,482	122,525
Liabilities for Statutory Dues	11,513	18,551
	<u>183,995</u>	<u>141,076</u>
<b>5 SHORT-TERM PROVISIONS</b>		
Provision for employee Retirement benefits	83,566	63,791
Contingent Provision for Standard Assets	<u>37,500</u>	<u>4,600</u>
	<b>121,066</b>	<b>68,391</b>

**6 FIXED ASSETS**  
**Tangible Assets**

(Rs.)

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2011	ADDITIONS	SALES/ ADJUSTMENTS	AS AT 31.03.2012	UPTO 31.03.2011	FOR THE YEAR	SALES/ ADJUSTMENTS	UPTO 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
Land ( Free Hold )	998,684	1,935,695	-	2,934,379	-	-	-	-	2,934,379	998,684
<b>Total</b>	998,684	1,935,695	-	2,934,379	-	-	-	-	2,934,379	998,684
Previous Year	998,684	-	-	998,684	-	-	-	-	998,684	

# HARYANA CAPFIN LIMITED

	AS AT 31.03.2012		AS AT 30.03.2011	
	Number of Shares / Units	(Rs.)	Number of Shares / Units	(Rs.)
<b>7 NON-CURRENT INVESTMENTS ( Non- Trade )</b>				
(Fully paid up unless otherwise specified)				
<b>EQUITY SHARES</b>				
<b>i) Quoted</b>				
Maharashtra Seamless Limited of Rs. 5 each	2,852,540	255,724,872	2,847,540	253,874,777
<b>ii) Un-Quoted</b>				
Global Jindal Fin-invest Limited of Rs. 10 each	100	1,005	100	1,005
<b>Bonds</b>				
5.50% Rural Electrification Corporation Limited	-	-	45	450,000
		<u>255,725,877</u>		<u>254,325,782</u>
Aggregate Value of Unquoted Investments		1,005		451,005
Aggregate Value of Quoted Investments		255,724,872		253,874,777
Market Value of Quoted Investments		1,121,059,364		928,013,286

## 8 DEFERRED TAX ASSETS (NET)

Particulars	As at 31.03.2011	For the Year	As at 31.03.2012
Expenses disallowed U/s 43 B	19,712	6,109	25,821
Unabsorbed Business Loss	710,867	-	710,867
Less - recognised in the Financial Statement	15,050	(15,050)	-
Net Deferred Tax assets at the end of the year	730,579	6,109	736,688

In view of uncertainty of its realisation, Deferred Tax assets of Rs.736,688 as on 31st March, 2012 ( Previous year Rs. 730,579/-) due to brought forward loss has not been recognised.A sum of Rs. 15,050/- being Deferred Tax pertaining to expenses disallowed in earlier has been derecognised during the year.

## 9 CASH AND CASH EQUIVALENTS

Balances with banks - In Current Account	75,226	80,286
Cash on hand	12,042	19,152
	<u>87,268</u>	<u>99,438</u>

## 10 SHORT TERM LOANS AND ADVANCES

Loans to Related Parties ( Loans repayable on demand , Unsecured Considered good)	14,958,488	1,831,115
Advance Income Tax (Net of Provision)	212,130	242,534
MAT Credit Entitlement	100,492	-
Others Advances recoverable in Cash or Kind	24,680	130,665
	<u>15,295,790</u>	<u>2,204,314</u>
<b>Total Current Assets</b>	<b>15,383,058</b>	<b>2,303,752</b>

In the opinion of the management and to the best of their knowledge and belief, the value of current assets, loans and advances, if realised in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

# HARYANA CAPFIN LIMITED

	YEAR ENDED 31.03.2012 (Rs.)	YEAR ENDED 31.03.2011 (Rs.)
<b>11 REVENUE FROM OPERATIONS</b>		
Interest	597,641	794,891
Dividend on shares	<u>17,085,240</u>	<u>16,665,240</u>
	<b><u>17,682,881</u></b>	<b><u>17,460,131</u></b>
<b>12 EMPLOYEES BENEFITS EXPENSES</b>		
Salaries and wages	844,738	741,105
Staff welfare expenses	<u>993</u>	<u>880</u>
	<b><u>845,731</u></b>	<b><u>741,985</u></b>
<b>13 FINANCE COSTS</b>		
Bank charges	1,983	1,037
	<b><u>1,983</u></b>	<b><u>1,037</u></b>
<b>14 OTHER EXPENSES</b>		
Postage & Telephone	55,528	23,468
Printing & Stationary	42,137	27,000
Rent	7,721	154,000
Fee & subscription	32,575	17,545
Travelling & Conveyance	2,020	1,855
Legal & Professional Charges	63,302	62,923
Directors' Fee	75,000	60,000
Advertisement & Publicity	52,640	45,281
Share Maintenance Expenses	52,296	51,832
Auditors' Remuneration :		
- Audit Fee	33,708	33,090
- Tax Audit Fee	6,742	6,618
- In other Services	15,445	9,376
Miscellaneous expenses	<u>40,143</u>	<u>8,911</u>
	<b><u>479,257</u></b>	<b><u>501,899</u></b>
<b>15 PROVISION ON STANDARD ASSETS</b>		
Opening Balance	4,600	-
Add : During the Year	<u>32,900</u>	<u>4,600</u>
Closing Balance	<b><u>37,500</u></b>	<b><u>4,600</u></b>
<p>The Reserve Bank of India has notified vide its Notification No DNBS.222/CGM (US)-2011 dated 17th January, 2011 to make a provision of 0.25% on the standard assets.</p>		
<b>16 CONTINGENT LIABILITIES</b>		
Income tax demand disputed with Appellate Authority for the Assessment Year 2008-09	29,900	-
Less - Amount already paid	<u>29,900</u>	<u>-</u>
	<b><u>-</u></b>	<b><u>-</u></b>
<b>17 MANAGERIAL REMUNERATION</b>		
Salaries and Allowances	307,716	274,104
Perquisites	<u>93,748</u>	<u>64,773</u>
	<b><u>401,464</u></b>	<b><u>338,877</u></b>

# HARYANA CAPFIN LIMITED

## 18 RELATED PARTY DISCLOSURE AS PER ACCOUNTING STANDARD - 18

Related Parties with whom Transaction have taken place during the Year

a. **Associated Companies**

Maharashtra Seamless Limited  
Sudha Apparels Limited  
Global Jindal Fin-invest Limited

b. **Key Managerial Personnel**

Shri Sudhir Kumar Singhal

Details of Transactions during the year are as follows:

(Amount in Rupees)

Particulars	31.03.2012	31.03.2011
a. <b>Loans given (Maximum Outstanding)</b> Associated Company	<b>14,958,488</b>	28,390,522
b. <b>Interest Received from related parties</b> Associated Company	<b>585,970</b>	767,326
c. <b>Dividend Received from related parties</b> Associated Company	<b>17,085,240</b>	16,665,240
d. <b>Remuneration</b> Key Management Personnel	<b>401,464</b>	338,877
e. <b>Investment in related parties as on 31st March, 2012</b> Associated Company	<b>255,725,877</b>	253,875,782
f. <b>Balance as at 31st March, 2012 receivable by the Company</b> Associated Company	<b>14,958,488</b>	1,831,115

## 19 EARNING PER SHARE

Particulars	31.03.2012	31.03.2011
Net Profit after tax available for Equity Shareholders (Rs.)	<b>16,304,452</b>	16,210,610
Weighted average number of Equity Shares of Rs. 10/- each	<b>5,208,681</b>	5,208,681
Total number of shares	<b>5,208,681</b>	5,208,681
Basic / Diluted Earning per share (Rs.)	<b>3.13</b>	3.11

## 20 SEGMENT REPORTING

The company is primarily engaged in Investment in shares and securities and financing which are not separate reportable segment as per Accounting Standard - 17 of The Institute of Chartered Accountants of India. Hence there is no separate segment-wise report to be furnished.

## 21 RESERVE BANK OF INDIA REGISTERED NON BANKING FINANCE COMPANY

The company is registered as Non Banking Finance Company with Reserve Bank of India vide Registration no. N-14.03168 dated 12.11.2008 and has been complying with prudential norms as prescribed by RBI for NBFC.

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company as required in terms of paragraph 13 of Non-Deposit Accepting or Holding Companies Prudential Norms (Reserve bank) Directions, 2007 separately attached as Annexure - I.

22 Previous years figures have been regrouped / rearranged where ever necessary to conform to the reclassification as per Revised - Schedule-VI and make them comparable with current year.

As per our report of even date attached

For **B.K. SHROFF & CO.**  
Chartered Accountants

For & on Behalf of the Board

**KAVITANANGIA**  
Partner  
Membership No. 90378

**SHUBHI CHATURVEDI**  
Company Secretary

**SAKET JINDAL**  
Chairman  
**SUDHIR KUMAR SINGHAL**  
Wholetime Director

Place : New Delhi  
Dated : 14th May, 2012



# HARYANA CAPFIN LIMITED

Annexure - I

## Schedule to the Balance Sheet of a Non-Deposit taking Non-Banking Financial Company

[as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007]

(Rs.)

Particulars			
<b>Liabilities side:</b>			
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount Out-standing	Amount Overdue
	(a) Debentures		
	Secured	-	-
	Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Other Loans (specify nature)	-	-
	* Please see note 1 below		
<b>Assets side:</b>			
		Amount Outstanding	
(2)	1. Break-up of Loans and Advances including bill receivable (other-than those included in (4) below):		
	(a) Secured		-
	(b) Unsecured		14,958,488
(3)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry Debtors :		
	(a) Financial Lease		-
	(b) Operating Lease		-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been re-possessed		-
	(b) Loans other than (a) above		-
(4)	Break-up of Investments:		
	Current Investments:		
	1. Quoted:		
	Shares: (a) Equity		-
	(b) Preference		-
	Debentures and Bonds		-
	Units of mutual funds		-
	Government Securities		-
	Others (please specify)		-

# HARYANA CAPFIN LIMITED

	2. Unquoted: Shares: (a) Equity (b) Preference Debentures and Bonds Units of mutual funds Government Securities Others (please specify)	- - - - - -	
	Long Term Investments: 1. Quoted: Shares: (a) Equity (b) Preference Debentures and Bonds Units of mutual funds Government Securities Others (please specify)	255,724,872 - - - - -	
	2. Unquoted: Shares: (a) Equity (b) Preference Debentures and Bonds Units of mutual funds Government Securities Others (please specify)	1,005 - - - - -	
(5)	Borrower group-wise classification of assets financed as in (2) and (3) above: Please see note 2 below		
	Category	Amount of net of provisions	
	1. Related Parties** Subsidiaries Companies in the same group Other related parties	Secured      Unsecured      Total -                    -                    - -                    14,958,488      14,958,488 -                    -                    -	
	2. Other than related parties	-                    -                    -	
	Total	-                    14,958,488      14,958,488	
(6)	Investors group-wise classifications of all Investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below		
	Category	Market Value / Break-up or Fair Value or NAV	Book Value (Net of Provisions)
	1. Related Parties** Subsidiaries Companies in the same group Other related parties	- - 1,121,059,364	- - 255,725,877
	2. Other than related parties	-	-
	Total	1,121,059,364	255,725,877
	** As per Accounting Standard of ICAI (Please see Note 3)		
(7)	Other Information		
	Particulars	Amount	
	(i) Gross Non-Performing Assets (a) Related parties (b) Other then related parties	- -	
	(II) Net Non-Performing Assets Related parties Other then related parties	- -	
	(iii) Assets acquired in satisfaction of debts	-	

# HARYANA CAPFIN LIMITED

REGD. OFFICE : Pipe Nagar, Village-Sukeli, N.H. 17, B.K.G. Road, Taluka Roha, Distt. Raigad-402 126, Maharashtra

## PROXY FORM

Folio No. ....

DP ID\* .....

Client ID\* .....

I/We.....of.....  
being a member/members of Haryana Capfin Limited do hereby appoint .....of  
.....or failing him/her.....of.....as my/  
our proxy to attend and vote for me/us on my/our behalf at the 14th Annual General meeting of the Company  
to be held on Friday, 28th September, 2012 at 3.00 P.M. and at any adjournment thereof.

Date : .....

Signature(s).....

Revenue  
Stamp

**Note :** This Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for commencement of the Meeting.

**\*Applicable for investors holding shares in demat form.**

# HARYANA CAPFIN LIMITED

REGD. OFFICE : Pipe Nagar, Village-Sukeli, N.H. 17, B.K.G. Road, Taluka Roha, Distt. Raigad-402 126, Maharashtra

## ATTENDANCE SLIP

Folio No. ....

DP ID\* .....

Client ID\* .....

I hereby record my presence at the 14th Annual General Meeting of the Company held at Pipe Nagar, Village-Sukeli, N.H. 17, B.K.G. Road, Taluka Roha, Distt. Raigad-402 126, Maharashtra at 3.00 P.M. on Friday, the 28th September, 2012.

Name of the attending Member.....  
(in Block Letters)

Name of Proxy (In Block Letters).....  
(to be filled in, if the proxy attends instead of the member)

No. of Shares held.....

.....  
Member's/Proxy's signature

**Note :** This attendance slip duly filled in should be handed over at the entrance of the meeting hall.

**\*Applicable for investors holding shares in demat form.**

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