



**ANNUAL REPORT  
2010-11**

**HARYANA CAPFIN LIMITED**

# HARYANA CAPFIN LIMITED

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## BOARD OF DIRECTORS

Saket Jindal Chairman  
Sudhir Kumar Singhal Wholetime Director  
Shyam Lal Bindal  
K.K. Bhartia

## AUDIT COMMITTEE

Shyam Lal Bindal Chairman  
Saket Jindal  
K.K. Bhartia

## COMPANY SECRETARY

Rakesh Bhardwaj

## AUDITORS

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

## BANKERS

ICICI Bank Limited  
HDFC Bank Limited

## REGISTERED & 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 Assignment 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 13<sup>th</sup> Annual General Meeting of the Members of Haryana Capfin Limited will be held on Tuesday, 20th September, 2011 at 12.00 noon at Narsi Banquet, Palam Vihar, Gurgaon - 122 017 (Haryana) 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, 2011 and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Saket Jindal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint B.K. Shroff & Co. Chartered Accountant 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 consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:  
**“RESOLVED THAT** Shri Shyam Lal Bindal, who was appointed as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting, pursuant to section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice from a member under Section 257 of the Companies Act, 1956, proposing his candidature, be and is hereby appointed as a Director of the Company.
5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:  
**“RESOLVED THAT** Shri K. K. Bhartia, who was appointed as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting, pursuant to section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice from a member under Section 257 of the Companies Act, 1956, proposing his candidature, be and is hereby appointed as a Director of the Company.

By order of the Board

Place : Gurgaon  
Dated : 28th June, 2011

**RAKESH BHARDWAJ**  
Company Secretary

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

### NOTES:

1. **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.**
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is attached herewith.
3. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
4. 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. (RTA),  
Alankit House,  
2E/21, Jhandewalan Extension,  
New Delhi – 110055.

# HARYANA CAPFIN LIMITED

5. 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.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday the 27th August, 2011 to Wednesday, the 31st August, 2011 (both days inclusive).
7. 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.
8. 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.
9. Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement):

Name	Shri Saket Jindal	Shri Shyam Lal Bindal	Shri K.K. Bhartia
Age	37	43	57
Qualification	BBA	Post Graduate Diploma in Business and Industrial Management	Bachelor of Commerce
Expertise in specific function area	Dynamic Industrialist having vide experience of managing industrial enterprises	Extensive experience in the fields of Accounts, Finance & Commercial areas.	Prominent Businessman having wide business experience.
Date of appointment as Director of the company	12.09.2006	16.03.2011	16.03.2011
Directorship of other Companies	Maharashtra Seamless Ltd. Jindal Pipes Ltd. Hydril Jindal International Pvt. Ltd. Odd & Even Trades & Finance Pvt. Ltd. Solar Renewable Urja Pvt. Ltd.	Nil	Raigarh Iron Industries Ltd. Rasiwasia Pvt. Ltd.
Chairman/Member of Committees of other Companies	Member, Shareholders/Investores Grievances Cum Share Transfer Committee-Maharashtra Seamless Ltd.	Nil	Nil
No. of Shares held	117579	Nil	Nil
Inter-se relationship with other Directors	None	None	None

## Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.

### ITEM NO. 4 & 5

Sh. Shyam Lal Bindal and Shri K. K. Bhartia were appointed as Additional Directors of the Company by the Board of Directors at its meeting held on 16<sup>th</sup> March, 2011. Pursuant to Section 260 of the Companies Act, 1956 they hold office up to the date of the ensuing Annual General Meeting. The Company has received notices from members of the Company, in accordance with the provisions of Section 257 of the Companies Act, 1956, of their intention to propose resolutions for appointment of Sh. Shyam Lal Bindal and Sh. K. K. Bhartia as Directors of the Company.

The Board recommends the resolutions for your approval.

None of the Directors of the Company except Shri Shyam Lal Bindal and Shri K. K. Bhartia, themselves are interested in the respective resolutions.

# HARYANA CAPFIN LIMITED

## DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 13<sup>th</sup> Annual Report along with Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2011.

## FINANCIAL RESULTS

	<b>Year Ended 31.03.2011</b>	<b>(Rs. in Lacs) Year Ended 31.03.2010</b>
<b>Total Income</b>	<b>174.60</b>	143.69
<b>Profit before Tax</b>	<b>162.10</b>	131.01
Less: Provision for Tax		
- Current	-	-
- Deferred	-	5.16
<b>Profit after Tax</b>	<b>162.10</b>	125.85
Balance brought forward from previous year	<b>343.23</b>	252.54
<b>Profit available for appropriation</b>	<b>505.33</b>	378.39
<b>Appropriations</b>		
- Statutory Reserves	<b>32.42</b>	25.17
- Transfer to General Reserve	<b>10.00</b>	10.00
- Surplus carried to Balance sheet	<b>462.91</b>	343.22
	<b>505.33</b>	378.39

## 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. 174.60 lacs as against Rs. 143.69 lacs in the previous year. Profit before tax during the year was Rs. 162.10 lacs as against Rs. 131.01 lacs in the previous year. Profit after tax was Rs. 162.10 lacs as against Rs. 125.85 lacs in the previous year.

## DIRECTORS

Shri B. K. Narula and Shri K. K. Khandelwal, Directors of the Company, resigned as Directors of the Company on 16.03.2011 and 28.03.2011 respectively.

Shri Shyam Lal Bindal and Shri K. K. Bhartia have been appointed as Directors of the Company on 16<sup>th</sup> March, 2011.

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

## 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, 2011, the applicable accounting standards have been followed;

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- (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;
- (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, 2011 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.

## **CEO/CFO CERTIFICATE**

Shri Sudhir Kumar Singhal, Wholetime Director of the Company has furnished the required certificate to the Board of Directors pursuant to Clause 49 of the Listing Agreement.

## **MANAGEMENT DISCUSSION & ANALYSIS**

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

## **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 Auditors have confirmed their eligibility and willingness to accept the office on reappointment.

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 more than 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 : 28th June, 2011

**SAKET JINDAL**  
Chairman

## CORPORATE GOVERNANCE REPORT

The Company has been maintaining the highest standards of Corporate Governance principles and best practices. Your Company has been practicing the principles of good Corporate Governance, 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 shareholder 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. Your Company, 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, 2011 was 4 Directors comprising of one Non-Executive Chairman who is also a promoter of the Company. One-half of the Board of the Company consists of Independent Directors. The number of Non-Executive Directors (NEDs) exceeds 50% of the total number of Directors. All Independent Directors fulfill the minimum age criteria i.e. 21 years as specified in Clause 49 of the listing agreement.

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 5 Board Meetings were held on 11th May, 2010, 9th August, 2010, 9th November, 2010, 31st January, 2011, and 16th March, 2011.

The Composition of 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 31st March, 2011 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
Sh. Saket Jindal	C	1,17,579	5	Yes	5	1	-
Sh. Sudhir Kumar Singhal	WTD	-	5	Yes	-	-	-
Sh. B. K. Narula*	NE	-	4	-	7	-	-
Sh. K. K. Khandelwal **	NE	-	4	Yes	1	-	1
Sh. Shyam Lal Bindal***	NE	-	-	-	-	-	-
Sh. Kamal Kishore Bhartia***	NE	-	-	-	2	-	-

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).

\* Resigned as Director of the Company on 16th March, 2011.

\*\* Resigned as Director of the Company on 28th March, 2011.

\*\*\* Appointed as Directors of the Company w.e.f. 16th March, 2011.

#### 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, Senior Management and Designated Employees. The Code of Conduct has been communicated to the Directors and designated employees 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,

# HARYANA CAPFIN LIMITED

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 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 4 Audit Committee Meetings were held on 11<sup>th</sup> May, 2010, 9<sup>th</sup> August, 2010, 9<sup>th</sup> November, 2010 and 31<sup>st</sup> January, 2011. The Composition of the Audit Committee and attendance at its meetings is as follows:

Name of the Members	No. of Meeting attended
Sh. Saket Jindal	4
Sh. B.K.Narula *	4
Sh. K. K. Khandelwal*	4
Sh. Shyam Lal Bindal**	-
Sh. Kamal Kishore Bhartia**	-

\* Ceased to be the members of the Committee on 16<sup>th</sup> March, 2011

\*\* Appointed as members of the Committee w.e.f 16<sup>th</sup> March, 2011.

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 2011 are as under:

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

Name	Salary	Perquisites & other benefits	Total
Shri Sudhir Kumar Singhal	2,74,104	64,773	3,38,877

The Whole Time Director has been appointed for a period of 5 years w.e.f. 1<sup>st</sup> November 2006.

b) The 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, 2011 are as under:

Directors	Sitting Fees (Rs.)
Shri Saket Jindal	22,500
Shri B.K.Narula*	20,000
Shri K. K. Khandelwal**	20,000
Shri Shyam Lal Bindal***	Nil
Shri Kamal Kishore Bhartia***	Nil

\* Resigned as Directors on 16<sup>th</sup> March, 2011.

\*\* Resigned as Directors on 28<sup>th</sup> March, 2011.

\*\*\* Appointed as Directors w.e.f. 16<sup>th</sup> march, 2011.

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, 2011.

## 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.



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## COMPOSITION

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

Name of the Members	Category
Shri Saket Jindal	Chairman
Shri Shyam Lal Bindal	Member

## COMPLIANCE OFFICER

Shri Rakesh Bhardwaj, 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 01.4.2010 to 31.03.2011	Nil
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## 7. GENERAL BODY MEETINGS

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

Financial year	Date	Location of the Meeting	Time
2007-08	20.08.2008	Apparel House, Institutional Area, Sector-44, Gurgaon-122002 (Haryana)	11.00 A.M
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

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

- a) In the AGM held on 20<sup>th</sup> August, 2008 : No Special Resolution was passed.
- b) In the AGM held on 9<sup>th</sup> September, 2009. : No Special Resolution was passed.
- c) In the AGM held on 10<sup>th</sup> September, 2010. : No Special Resolution was passed.

iii) During the Financial year 2010-11, no resolution was passed through postal ballot. No special resolution is proposed to be conducted through postal ballot.

## 8. DISCLOSURES

### i) Related Party Transactions

There have been related party transactions as reflected in 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 Accountants 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 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 : Tuesday, 20th September, 2011 at 12.00 Noon
- Venue : Narsi Banquet, Palam Vihar, Gurgaon - 122 017 (Haryana)
- b) Financial Year : 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2011
- c) Book Closure : Saturday, 27th August, 2011 to Wednesday, 31st August, 2011 (both days inclusive).
- d) Dividend : Not Applicable

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## Financial Calendar (Tentative) :

- Financial reporting for the quarter ended 30th June, 2011	July/Aug, 2011
- Financial reporting for the quarter ending 30th Sept. 2011	Oct/Nov 2011
- Financial reporting for the quarter ending 31st Dec. 2011	Jan/Feb 2012
- Financial reporting for the Quarter/year ending 31st March, 2012	April/May, 2012

## Listing on Stock Exchanges:

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited having its Office at Floor 25, P. J. Towers, Dalal Street, Mumbai – 400001, and listing fee for the year 2011-12 has already been paid.

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

## Stock Market Price Data for the year 2010-11

Month	HCL BSE Price (Rs.)			BSE SENSEX		
	High	Low	Close	High	Low	Close
April, 2010	47.00	39.35	41.15	18,047.86	17,276.80	17,558.71
May, 2010	46.60	36.10	41.15	17,536.86	15,960.15	16,944.63
June, 2010	46.20	34.00	43.00	17,919.62	16,318.39	17,700.90
July, 2010	47.50	40.10	45.50	18,237.56	17,395.58	17,868.29
August, 2010	48.50	41.20	46.35	18,475.27	17,819.99	17,971.12
September, 2010	50.00	40.00	44.10	20,267.98	18,027.12	20,069.12
October, 2010	52.00	42.00	46.90	20,854.55	19,768.96	20,032.34
November, 2010	54.40	41.25	46.80	21,108.64	18,954.82	19,521.25
December, 2010	49.90	38.05	43.55	20,552.03	19,074.57	20,509.09
January, 2011	50.30	41.30	43.10	20,664.80	18,038.48	18,327.76
February, 2011	50.00	40.00	43.15	18,690.97	17,295.62	17,823.40
March, 2011	48.40	39.05	41.25	19,575.16	17,792.17	19,445.22

## DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2011

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Up to 5000	5229	99.09	911389	17.50
5001 to 10000	18	0.34	108804	2.09
10001 to 50000	16	0.30	412393	7.92
50001 to 100000	4	0.08	322586	6.19
100001 and Above	10	0.19	3453509	66.30
<b>GRAND TOTAL</b>	<b>5277</b>	<b>100.00</b>	<b>5208681</b>	<b>100.00</b>

## SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2011

Category	No. of Shares Held	% of Share Holding
Promoters	3662659	70.32
Financial Institutions/ Banks/FII	72561	1.39
Bodies Corporate	533836	10.25
NRI/OCB	17263	0.33
Indian Public	922362	17.71
<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, 2011, 61.94 % 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

# HARYANA CAPFIN LIMITED

## 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 Registered Office of the Company.

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

## 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. There are 4 members in the Board and 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 are being denied any 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 31st March, 2011, all Board members and senior Management Personnel have affirmed compliance with the code of conduct for Directors and Senior Management Personnel respectively.

Dated : 28th June, 2011

Place : Gurgaon

**SUDHIR KUMAR SINGHAL**

Whole Time Director

### CERTIFICATE ON COMPLIANCE OF 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, 2011, 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 : 28th June, 2011

# HARYANA CAPFIN LIMITED

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## Management Discussion and Analysis

Forming part of the Directors' Report for the year ended 31st March, 2011

### 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. The Company disclaims any duty to update the information given in the aforesaid reports.

### INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian Economy has been one of the most consistent economies of the World, post recession. The overall gross GDP growth of Indian economy stood at 8.6%, during the year 2010-11 as against growth rate of 7.4% in the previous year. The rise can be attributed to agriculture and allied activities, which witnessed a robust growth of 5.4% compared to 0.4% during 2009-10. Industry and service sector has also grown considerably.

Non- Banking Financial Companies (NBFCs) are increasingly playing a critical role in making financial services accessible to wider set of India's population and, thus emerging as significant players in the retail finance space. Going Forward, one can expect NBFCs to strengthen their presence in retail and grow at a healthy pace.

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 belonging to the same Management) Maharashtra Seamless is focusing on Oil & gas sector, which is currently a very prominent and global sector. This business is doing well and we believe that with this we are also likely to get benefit on a long term basis with our present investments.

### OPPORTUNITIES & THREAT

Keeping pace with the expected growth in the Indian economy, the NBFC sector holds immense potential with increased disposable income in the hands of the ever growing consumer fraternity. However, it continues to face competition from Banking sector owing to their increased penetration in the consumer financing market with comparatively low cost of funds at their disposal. However NBFCs are present in all competitive fields such as vehicle financing, housing loans and personal loan financing etc. NBFCs are not required to maintain Cash Reserve Ratio and Statutory Liquid ratio. While this is an advantage, no access to low cost demand deposit is a disadvantage As a result the cost of funds is always high, resulting in a thinner interest spread. There is a low penetration of financial services/products in India, which can be exploited by the Company.

### 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

The role of NBFCs has become increasingly important from both the macro economic perspective and the structure of the Indian financial system. Over a period of time, one has to accept that it is only those which are big enough and serious to being in the finance business will and must grow. To survive and constantly grow, NBFC's have to focus on their core strength while improving on weakness. They have to search for new products and services constantly in order to remain competitive

### RISKS AND CONCERNS

Risk is an inherent part of any business and it plays an even more vital role where the business is directly related to the Stock Market. Risks can be in the form of market risk, economic cycle risk, operational, legal and regulatory risks.

Certain upside risks have come to the fore such as surge in the domestic / international prices, high current account deficit, uncertainty over the pace of recovery in certain advanced countries, volatility in the short term foreign funds inflows coupled with moderations in the FDI's. At this juncture of rapidly evolving macroeconomic risks, it becomes imperative for businesses to track the macroeconomic performance on an ongoing basis.

The main aim of your Company is to make strategic investments only after thorough analysis of the prevailing conditions and making appropriate forecasts about the economy and stock market factors. With the help of its expertise and continued research work, the management tries to identify all the risks associated with a particular investment avenue, so as to arrive at a profitable investment decision.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate system of internal controls to ensure accuracy of accounting records, reliability of financial information and compliance with all laws and regulations.

### FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The total income of the Company during the year was Rs. 174.60 lacs as against Rs. 143.69 lacs in the previous year. The profit before tax during the year was Rs. 162.10 lacs as against Rs. 131.01 lacs in the previous year. The profit after tax and adjustment was Rs. 162.10 lacs as against Rs. 125.85 lacs in the previous year.

### HUMAN RESOURCES:

The Company has employees who are professionals/experienced persons playing an important role in the development 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, 2011, 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 31.03.2011 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, 2011
    - (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 : 28th June, 2011

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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 31.03.2011
- (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 : 28th June, 2011

# HARYANA CAPFIN LIMITED

## BALANCE SHEET

AS AT 31ST MARCH, 2011

	SCHEDULES	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
<b>I. SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
a) Share Capital	1	52,086,810	52,086,810
b) Reserves and Surplus	2	205,346,991	189,136,381
		<u>257,433,801</u>	<u>241,223,191</u>
<b>TOTAL</b>		<u>257,433,801</u>	<u>241,223,191</u>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>	3	998,684	998,684
<b>2. Investments</b>	4	254,325,782	227,420,988
<b>3. Current Assets, Loans &amp; Advances</b>			
a) Cash and Bank Balances	5	99,438	161,121
b) Loans and Advances	6	2,199,714	12,779,146
		<u>2,299,152</u>	<u>12,940,267</u>
<b>Less: Current Liabilities &amp; Provisions</b>	7	<u>204,867</u>	<u>151,798</u>
<b>Net Current Assets</b>		2,094,285	12,788,469
<b>4. Deferred Tax Assets</b>		15,050	15,050
<b>TOTAL</b>		<u>257,433,801</u>	<u>241,223,191</u>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	12		

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

**Rakesh Bhardwaj**  
Company Secretary

**Saket Jindal**  
Chairman  
**Sudhir Kumar Singhal**  
Wholetime Director

Place : New Delhi  
Dated : 28th June, 2011

# HARYANA CAPFIN LIMITED

## PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULES	YEAR ENDED 31.03.2011 (Rs.)	YEAR ENDED 31.03.2010 (Rs.)
<b>INCOME</b>			
Income From Operation	8	17,460,131	14,368,623
		<u>17,460,131</u>	<u>14,368,623</u>
<b>EXPENDITURE</b>			
Employees' Remuneration & Benefits	9	741,985	568,936
Administrative & Other Expenses	10	501,899	697,680
Financial Charges	11	1,037	606
Contingent Provision against Standard Assets		4,600	-
		<u>1,249,521</u>	<u>1,267,222</u>
Profit before tax		16,210,610	13,101,401
Provision for taxation		-	-
- Current		-	-
- Deferred		-	516,305
Profit after tax		16,210,610	12,585,096
Balance brought forward from previous year		34,322,687	25,254,691
Profit available for appropriation		<u>50,533,297</u>	<u>37,839,787</u>
<b>APPROPRIATIONS</b>			
Transfer to Statutory Reserve		3,242,200	2,517,100
Transfer to General Reserve		1,000,000	1,000,000
Balance carried to Balance Sheet		46,291,097	34,322,687
		<u>50,533,297</u>	<u>37,839,787</u>
<b>Earning Per Share (Basic/ Diluted)</b>		3.11	2.42
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	12		

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

**Rakesh Bhardwaj**  
Company Secretary

**Saket Jindal**  
Chairman  
**Sudhir Kumar Singhal**  
Wholetime Director

Place : New Delhi  
Dated : 28th June, 2011



# HARYANA CAPFIN LIMITED

## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
<b>SCHEDULE : 1</b>		
<b>SHARE CAPITAL</b>		
<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 and Paid up</b>		
52,08,681 (Previous Year 52,08,681) 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>	<b>52,086,810</b>
<b>SCHEDULE : 2</b>		
<b>Statutory Reserve</b>		
Statutory Reserve :		
As per last Balance Sheet	<b>5,021,100</b>	2,504,000
Add - Transferred from Profit & Loss Account during the year	<b>3,242,200</b>	2,517,100
	<b>8,263,300</b>	5,021,100
<b>RESERVES &amp; SURPLUS</b>		
General Reserve :		
As per last Balance Sheet	<b>149,792,594</b>	148,792,594
Add - Transferred from Profit & Loss Account during the year	<b>1,000,000</b>	1,000,000
	<b>150,792,594</b>	149,792,594
Profit and Loss Account	<b>46,291,097</b>	34,322,687
	<b>205,346,991</b>	<b>189,136,381</b>

### SCHEDULE : 3

#### FIXED ASSETS

(Rs.)

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
	AS AT 01.04.2010	ADDITIONS	SALES/ ADJUSTMENTS	AS AT 31.03.2011	UPTO 31.03.2010	FOR THE YEAR	SALES/ ADJUSTMENTS	UPTO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
Land ( Free Hold )	998,684	-	-	998,684	-	-	-	-	998,684	998,684
<b>Total</b>	998,684	-	-	998,684	-	-	-	-	998,684	998,684
Previous Year	998,684	-	-	998,684	-	-	-	-	998,684	-

# HARYANA CAPFIN LIMITED

	AS AT 31.03.2011		AS AT 31.03.2010	
	Number of	(Rs.)	Number of	(Rs.)
	Shares / Units		Shares / Units	
<b>SCHEDULE : 4</b>				
<b>INVESTMENTS</b>				
(Fully paid up unless otherwise specified)				
<b>LONG TERM</b>				
<b>Non-Trade</b>				
i) <b>Quoted</b>				
<b>Equity Shares</b>				
Maharashtra Seamless Limited of Rs. 5 each	2,847,540	253,874,777	2,777,540	226,969,983
ii) <b>Un-Quoted</b>				
<b>Equity Shares</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	45	450,000
		<b>254,325,782</b>		<b>227,420,988</b>
Aggregate Value of Unquoted Investments		451,005		451,005
Aggregate Value of Quoted Investments		253,874,777		226,969,983
Market Value of Quoted Investments		928,013,286		988,804,240
<b>SCHEDULE : 5</b>				
<b>CASH AND BANK BALANCES</b>				
Cash in hand		19,152		10,677
<b>Balances with Scheduled Banks</b>				
- In Current Accounts		80,286		150,444
		<b>99,438</b>		<b>161,121</b>
<b>SCHEDULE : 6</b>				
<b>LOANS AND ADVANCES</b>				
(Unsecured, Considered Good)				
Loans to Bodies Corporate		1,831,115		12,490,522
Less - Contingent Provision for Standard Assets		4,600		-
		<b>1,826,515</b>		<b>12,490,522</b>
Advances Recoverable in Cash or in kind or for value to be received		130,665		100,948
Security Deposit		-		120,000
Advance Tax (including Tax Deducted at Source)		242,534		67,676
		<b>2,199,714</b>		<b>12,779,146</b>
<b>SCHEDULE : 7</b>				
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>				
<b>Current Liabilities</b>				
Sundry Creditors		43,548		35,737
Other Liabilities		97,528		65,986
		<b>141,076</b>		<b>101,723</b>
<b>Provisions</b>				
For - Tax		-		1,370
For - Gratuity & Leave Encashment		63,791		48,705
		<b>63,791</b>		<b>50,075</b>
		<b>204,867</b>		<b>151,798</b>

# HARYANA CAPFIN LIMITED

	<b>YEAR ENDED 31.03.2011 (Rs.)</b>	<b>YEAR ENDED 31.03.2010 (Rs.)</b>
<b><u>SCHEDULE : 8</u></b>		
<b><u>INCOME FROM INVESTMENTS / FINANCING</u></b>		
Dividend Income - Non Trade	16,665,240	13,887,700
Interest Income (TDS Rs.76,733/-, Previous Year Rs. 35,001/-)	794,891	385,762
Liabilities Written Back	-	95,161
	<b>17,460,131</b>	<b>14,368,623</b>
 <b><u>SCHEDULE : 9</u></b>		
<b><u>EMPLOYEES' REMUNERATION &amp; BENEFITS</u></b>		
Salaries & Other Allowances	741,105	563,619
Staff Welfare Expenses	880	5,317
	<b>741,985</b>	<b>568,936</b>
 <b><u>SCHEDULE : 10</u></b>		
<b><u>ADMINISTRATIVE &amp; OTHER EXPENSES</u></b>		
Postage & Telephone	23,468	26,108
Printing & Stationery	27,000	29,341
Fee & Subscription	17,545	18,565
Travelling & Conveyance: Others	1,855	4,094
Legal & Professional Charges	62,923	153,259
Directors' Fee	60,000	55,000
Advertisement & Publicity	45,281	41,408
Rent	154,000	254,000
Share Maintenance Expenses	51,832	49,550
Auditors' Remuneration :		
- Audit Fee	33,090	33,090
- Tax Audit Fee	6,618	6,618
- In other Services	9,376	17,097
Miscellaneous Expenses	8,911	9,550
	<b>501,899</b>	<b>697,680</b>
 <b><u>SCHEDULE : 11</u></b>		
<b><u>FINANCIAL CHARGES</u></b>		
D.P. Charges	1,037	496
Bank Charges	-	110
	<b>1,037</b>	<b>606</b>

# HARYANA CAPFIN LIMITED

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## **SCHEDULE: 12**

### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

#### **SIGNIFICANT ACCOUNTING POLICIES**

a. **Accounting Conventions**

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.

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 recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

d. **Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the cost of acquisition / purchase price inclusive of duties, taxes (net of credit availed if any) and incidental expenses up to the date the asset is ready for intended use.

e. **Investments**

Investments are classified into long term investments or 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 long- term investments is made only if such a decline is other than temporary in the opinion of the management.

f. **Retirement Benefits**

Retirement benefits for Leave Encashment & Gratuity to employees has been accounted for on accrual basis in conformity with the Accounting Standard for retirement benefits issued by the Institute of Chartered Accountants of India and the basis has been disclosed in the Notes on 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 a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses, which are recognised 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 (Represent loans given does not include staff advance & Tax payment) 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.

# HARYANA CAPFIN LIMITED

## NOTES ON ACCOUNTS

### 1. **Contingent Liability :**

Income Tax demand (disputed in appeals) for the A.Y. 2006-07 amount Rs.31,990/- (Previous year Rs. 31,990/-).

2. Amount due to Micro Small & Medium Enterprises Suppliers (MSMES) is **Nil** (Previous year Nil). No amount was due to any small sector unit.

3. 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.

4. 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 with immediate effect. Accordingly, the company has made a first time provision of Rs.4,600/- on the standard assets outstanding as on 31st March, 2011.

### 5. **Segment Reporting Policies**

The Company is primarily engaged in the business of Financing by way of loans & advances and Investment / Trading in shares and securities. Though, the company is keeping two divisions, but it is not required to report Segment revenue & expenses and assets & liabilities separately for each such activity pursuant to Accounting Standard – 17 issued by the Institute of Chartered Accountants of India.

The Company has identified revenue & expenses as well as capital employed separately pertaining to investment and financing of loans & advances including others as separate profit centres.

(Rs.)

Particulars	H.O. and Business Division	Shares & Securities Division	Total
Net External Sales / Income	<b>794,891</b> (406,969)	<b>16,665,240</b> (13,961,654)	<b>17,460,131</b> (14,368,623)
Expenses	<b>860,902</b> (1,064,246)	<b>388,619</b> (202,976)	<b>1,249,521</b> (1,267,222)
Profit Before Tax	<b>(66,011)</b> (657,277)	<b>16,276,621</b> (13,758,678)	<b>16,210,610</b> (13,101,401)
Total Assets	<b>3,262,928</b> (13,884,366)	<b>254,380,340</b> (227,490,623)	<b>257,643,268</b> (241,374,989)
Less – Total Liabilities	<b>209,467</b> (151,798)	<b>-</b> (-)	<b>209,467</b> (151,798)
Capital Employed	<b>3,053,461</b> (13,732,568)	<b>254,380,340</b> (227,490,623)	<b>257,433,801</b> (241,223,191)

6. Amount due for deposit in Investor Education & Protection Fund as on 31.03.2011 is **Nil** (Previous Year Nil).

7. Employees benefits provided to employees has been classified as under:

The two plans of the Company namely for Gratuity and Leave Encashment are unfunded. Any amount paid and provided for gratuity and leave encashment are adjusted to profit & loss account. Liability is ascertained at the end of each financial year and the increase / decrease in the amount of liability is adjusted in the profit & loss account. Liability of Gratuity payable to an employee is equal to 15 days salary based on the last drawn salary for every completed year of service or part thereof in excess of six months. Salary for a day is calculated by dividing the salary last drawn by 26 (being the number of working days in a month). During the year Rs. **12,865/-** (Previous Year Rs. 40,038/-) has been adjusted to the profit and loss account on account of variation in liability for Gratuity at year end. No amount was paid as Gratuity during the year. Liability of Leave Encashment payable to an employee is equal to salary for earned leaves to the credit of employee based on the salary last drawn. Salary for a day is calculated by dividing the salary last drawn by 26 (being the number of working days in a month). During the year **Nil** (Previous Year Rs.11,737/-) was paid as leave encashment to the employee and Rs. **2,221/-** (Previous Year Rs. 5,169/-) has been adjusted to the profit and loss account on account of variation in liability for leave encashment at year end.

8. The Company is registered as Non Banking Financial Company with the 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.

# HARYANA CAPFIN LIMITED

## 9. Related Parties Disclosures as per Accounting Standard - 18.

### List of Related Parties with whom transactions have taken place during the year:

#### a. Associated Company

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:

(Rs.)

	Particulars	31.03.2011	31.03.2010
a.	<b>Loans given (Maximum Outstanding)</b> Associated Company	<b>28,390,522</b>	12,490,522
b.	<b>Loans taken (Maximum Outstanding)</b> Associated Company	-	1,324,484
c.	<b>Interest received from related parties</b> Associated Company	<b>767,326</b>	350,007
d.	<b>Dividend received from related parties</b> Associated Company	<b>16,665,240</b>	13,887,700
e.	<b>Remuneration</b> Key Management Personnel	<b>338,877</b>	329,077
f.	<b>Investment in related parties as on 31st March 2011</b> Associated Company	<b>253,875,782</b>	226,969,983
g.	<b>Balance as at 31st March 2011 Receivable by the Company</b> Associated Company	<b>1,831,115</b>	12,490,522

## 10. Deferred Tax Assets / (Liabilities)

In compliance with the Accounting Standard – AS 22 relating to “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India; the deferred tax asset / (liability) has been computed as under:-

(Rs.)

Particulars	As At 31.03.2010	For The Year	As At 31.03.2011
Expenses disallowed U/S 43 B	15,050	-	<b>15,050</b>
Unabsorbed Business Loss	696,552	<b>14,314</b>	<b>710,866</b>
Net Deferred Tax Assets	711,602	<b>14,314</b>	<b>725,916</b>

In view of uncertainty of its realisation, Deferred tax asset on account of business loss of Rs.710,866/- as on 31st March, 2011 (Previous year Rs.696,552/-) has not been recognised.

## 11. Earning Per Share

(Rs.)

Particulars	2010-11	2009-10
Net Profit after tax available for Equity Shareholders (Rs.) (a)	<b>16,210,610</b>	12,585,096
Weighted average number of Equity Shares of Rs. 10/- each	<b>5,208,681</b>	5,208,681
Basic / Diluted Earning per share (Rs.) (a/b)	<b>3.11</b>	2.42

## 12. Managerial Remuneration

(Rs.)

Particulars	As At 31.03.2011	As At 31.03.2010
Salaries & Allowances	<b>274,104</b>	245,330
Perquisites	<b>64,773</b>	83,747

# HARYANA CAPFIN LIMITED

13. The necessary formalities in respect of change of name / mutation of land of casinvest division of Jindal Drilling & Industries Limited in favour of Haryana Capfin Limited pending in the Revenue records of Land Authorities, is under progress. However, the legal rights of these properties vest in Haryana Capfin Limited as per approved scheme of arrangement by operation of Statute viz. Sections 391 to 392 of the Companies Act, 1956.
14. Other additional Information pursuant to part IV of Schedule VI to the Companies' Act, 1956 - Nil (Previous year Nil)
15. Figures have been rounded off to the nearest rupees.
16. Previous years' figures have been re-grouped / re-arranged wherever considered necessary.
17. Additional particulars as required in terms of paragraph 9BD of Non-Deposit Accepting or Holding Companies Prudential Norms (Reserve Bank) Directions, 2007].

(Rs.)

	Particulars		
(1)	<b>Liabilities side:</b>		
	(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	-	-
	(h) 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		1,831,115
(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)	253,874,777 - 450,000 - - -																		
	2. Unquoted: i. Shares: (a) Equity (b) Preference ii. Debentures and Bonds iii. Units of mutual funds iv. Government Securities v. 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 Other than related parties Total	<table border="1"> <thead> <tr> <th>Secured</th> <th>Unsecured</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>-</td> <td>1,831,115</td> <td>1,831,115</td> </tr> <tr> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>-</td> <td>1,831,115</td> <td>1,831,115</td> </tr> </tbody> </table>	Secured	Unsecured	Total	-	-	-	-	1,831,115	1,831,115	-	-	-	-	-	-	-	1,831,115	1,831,115
Secured	Unsecured	Total																		
-	-	-																		
-	1,831,115	1,831,115																		
-	-	-																		
-	-	-																		
-	1,831,115	1,831,115																		
(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** (a) Subsidiaries (b) Companies in the same group (c) Other related parties 2. Other than related parties Total	- - 928,023,241 450,000 928,473,241	- - 253,875,782 450,000 254,325,782																	
	** 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

18. Additional Information pursuant to part IV of Schedule VI to the Companies' Act, 1956.

## Balance Sheet Abstract and Company's General Business Profile

### I. Registration Details

Registration No.	96127	State Code	55
Balance Sheet Date	31.03.2011		

### II. Capital Raised during the year (Rs. in thousand)

Public Issue	Right Issue
Nil	Nil

Bonus Issue	Private Placement
Nil	Nil

### III. Position of Mobilisation and Deployment of Funds

Total Liabilities	Total Assets
257,434	257,434

#### Sources of Funds

Paid-up Capital	Reserves & Surplus
52,087	205,347

Secured Loan	Unsecured Loans
Nil	Nil

#### Application of Funds

Net Fixed Assets	Investments
999	254,326

Net Current Assets & Deferred Tax Assets	Misc. Expenditure
2,109	Nil

Accumulated Losses	
Nil	

### IV. Performance of Company

Turnover (including other income)	Total Expenditure
17,460	1,249

Profit before tax	Profit after tax & adjustments
16,211	16,211

Earning per Share (Rs.)	Dividend (%)
3.11	Nil

### V. Generic Names of Three Principal Products of Company (as per monetary terms)

Item Code. (ITC Code)	N.A.
Product Description	Investment & Financing

19. Schedule 1 to 12 are annexed to and form an integral part of the Balance Sheet as at 31st March, 2011 and Profit & Loss accounts for the year ended on that date.

SIGNATURES TO SCHEDULES 1 TO 12

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

**Rakesh Bhardwaj**  
Company Secretary

**Saket Jindal**  
Chairman  
**Sudhir Kumar Singhal**  
Wholetime Director

Place : New Delhi  
Dated : 28th June, 2011

# HARYANA CAPFIN LIMITED

## CASH FLOW STATEMENTS ANNEXED TO THE BALANCE SHEET

FOR THE YEAR ENDED 31ST MARCH, 2011

		YEAR ENDED 31.03.2011 (Rs.)	YEAR ENDED 31.03.2010 (Rs.)
<b>A. Cash Flow from Operating Activities</b>			
Net Profit before tax and extraordinary items		16,210,610	13,101,401
Adjusted for:			
Contingent Provision against Standard Assets		4,600	-
<b>Operating Profit before Working Capital Changes</b>		<b>16,215,210</b>	13,101,401
Adjusted for:			
Trade & Other Receivables		10,749,690	(12,301,584)
Trade Payables & Others		54,439	(99,979)
<b>Cash Generated from operations</b>		<b>27,019,339</b>	699,838
Direct taxes Paid		(176,228)	87,305
<b>Cash Flow before extraordinary items</b>		<b>26,843,111</b>	787,143
<b>Net Cash From Operating Activities</b>	A	<b>26,843,111</b>	787,143
<b>B. Cash Flow from Investing Activities</b>			
Purchase of Investments		(26,904,794)	(1,005)
<b>Net Cash used in Investing Activities</b>	B	<b>(26,904,794)</b>	(1,005)
<b>C. Cash Flow from Financing Activities</b>			
Loan Taken		-	(816,755)
<b>Net Cash used in Financing Activities</b>	C	<b>-</b>	(816,755)
<b>Net increase in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>(61,683)</b>	(30,617)
Opening Balances of Cash and Cash Equivalents		161,121	191,738
Closing Balances of Cash and Cash Equivalents		99,438	161,121
Change in Cash and Cash Equivalents		<b>(61,683)</b>	(30,617)

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

**Rakesh Bhardwaj**  
Company Secretary

**Saket Jindal**  
Chairman  
**Sudhir Kumar Singhal**  
Wholetime Director

Place : New Delhi  
Dated : 28th June, 2011

# HARYANA CAPFIN LIMITED

REGD. OFFICE : Plot No. 30, Institutional Sector - 44, Gurgaon - 122002 (Haryana)

## 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 13th Annual General meeting of the  
Company to be held on Tuesday, 20th September, 2011 at 12.00 Noon 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 : Plot No. 30, Institutional Sector - 44, Gurgaon - 122002 (Haryana)

## ATTENDANCE SLIP

Folio No. ....

DP ID\* .....

Client ID\* .....

I hereby record my presence at the 13th Annual General Meeting of the Company held at Narsi Banquet, Palam Vihar, Gurgaon - 122 017 (Haryana) at 12.00 Noon on Tuesday, the 20th September, 2011.

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.**

## BOOK POST

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Haryana  
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