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55th
ANNUAL REPORT
&
ACCOUNTS
2021-22

HIMACHAL PRADESH FINANCIAL CORPORATION
New Himrus Building, Circular Road, Shimla-171001
Telephones:-0177-2620104-2627132

CONTENTS

Sr. No.	Particulars	Page No.
1.	Board of Directors/Auditors	1
2.	Officer/ Official	2
3.	Ten Years of Growth	3-4
4.	Spread of Assistance/Financial Summary	5
5.	Directors Report	6-10
6.	Statements	11-36
7.	Accounts	37-60

Himachal Pradesh Financial Corporation
BOARD OF DIRECTORS (AS ON 31.03.2022)

Sr.No.	Name	Designation	Nominated by
1	Sh. Ram Subhag Singh	Chairman	Small Industries Development Bank Of India
2	Sh. R.D. Dhiman	Director	The Government of Himachal Pradesh
3	Sh. Udyan Dua	Director	Small Industries Development Bank Of India
4	Sh. Yangjor	Director	The Life Insurance Corporation of India
5	Sh. Sushil Kumar Khurana	Director	The Punjab National Bank
6	Sh. Priyatu Mandal	Managing Director	The Government of Himachal Pradesh

AUDITORS

M/s A. Singhi & Associates,
Chartered Accountants
19, Ganj Road, Shimla-171001

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+917018429164
e-mail: amansinghiaca@yahoo.co.in

Himachal Pradesh Financial Corporation
OFFICERS & OFFICIAL

- | | |
|-------------------------------|-------------------------|
| 1. Shri. B.L. Bhardwaj | Asstt. Manager |
| 2. Smt. Devi Bali | Sr. Asstt. Gr.-I |
| 3. Shri Ramesh Thakur | Sr. Asstt. Gr.-I |

TEN YEARS				
Year ended on 31st March	2022	2021	2020	2019
During the year				
SANCTION				
(i) Term Loan	-----	-----	-----	-----
(ii) Soft Loan	-----	-----	-----	-----
DISBURSEMENT	-----	-----	-----	-----
(i) Term Loan	-----	-----	-----	-----
(ii) Soft Loan	-----	-----	-----	-----
As at the end of the Year				
OPERATING INCOME				
(i) Interest	145.11	122.84	151.65	254.84
(ii) Other Income	0.89	1.16	0.37	0.55
(A) Total:-	146.00	124.00	152.02	255.39
Cost Of Borrowings	762.12	740.31	748.56	759.51
GROSS PROFIT (A)	(-) 616.12	(-) 616.31	(-) 596.54	(-) 504.12
OPERATING EXPENSES				
(i) Staff Cost (Salaries, P.F. & Gratuity)	128.63	80.29	82.91	97.34
(ii) Administrative & General expenses.	22.80	19.56	19.25	25.55
(iii) Bad Debts Written off	0.48	0.00	2.00	645.61
(B) Total:-	151.91	99.85	104.16	768.50
Net Profit/Loss before Tax (A-B)	(-) 768.03	(-) 716.16	(-) 700.70	(-) 1272.62
Add: Service Tax written off	0.00	0.00	0.00	0.00
Profit after Tax	(-) 768.03	(-) 716.16	(-) 700.70	(-) 1272.62
(i) Appropriation to Reserves	----	----	----	----
(ii) Provision for Dividend	----	----	----	----
(iii) Repayment of subvention	----	----	----	----
(i) Share Capital	9957.11	9957.11	9957.11	9957.11
(ii) Reserves	497.46	497.46	497.46	497.46
(iii) Loans Outstanding	16006.69	13539.85	13560.11	13484.88
(iv) No. of Accounts	412	422	423	429
(v) Refinance Outstanding	2827.16	2827.16	2827.16	2827.16
(vi) Bonds Outstanding	0.00	0.00	260	580
(vii) No. of Offices	----	----	----	----
<i>Note-1: *Includes differential amount of gratuity of Rs. 153.14 lakh paid to retirees on account of enhancement of gratuity limit to</i>				

OF GROWTH

(Rs. In Lakhs)

2018	2017	2016	2015	2014	2013
-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----
255.24	341.68	457.24	523.43	490.82	871.23
3.10	1.40	6.00	9.06	46.06	2.93
258.34	343.08	463.24	532.49	536.88	874.16
761.77	756.74	1281.89	402.79	521.46	654.53
(-) 503.43	(-) 413.66	(-) 818.65	129.7	15.42	219.63
153.07	182.11	198.78	227.06	367.57	1146.06*
25.66	28.97	32.24	34.33	35.56	30.60
0.00	1.43	25.28	10.17	4.38	13.70
			271.56	407.51	1190.36
178.73	212.51	256.3	(-) 141.86	(-) 392.09	(-) 970.73
(-) 682.16	(-) 626.17	(-) 1074.95	0.90	-----	-----
0.00	0.00	0.00	(-) 142.76	(-) 392.09	(-) 970.73
(-) 682.16	(-) 626.17	(-) 1074.95	----	----	----
----	----	----	----	----	----
----	----	----	----	----	----
----	----	9957.11	9957.11	9957.11	9957.11
9957.11	9957.11	497.46	497.46	497.46	497.46
497.46	497.46	16396.46	16823.73	16799.22	17941.53
17264.48	16468.82	489	510	540	574
449	460	3052.16	3952.16	4827.16	5627.16
2937.16	2937.16	2410	3226	4512	5650.5
900	1374	----	----	----	----

(Rs. In Lakhs)

BREAK –UP OF TERM LOAN SANCTIONED	As on 31st March-2022		FINANCIAL SUMMARY	
INDUSTRY	Amount Sanctioned	No. of Application	CAPITAL & RESERVES	
Cement Products	1023.14	53	Authorized Capital	15000.00
Chemicals	7938.04	371	Paid-up Capital	9957.11
Cold Storage & Ice Factory	178.06	27	Reserves	497.46
Electrical Appliances/Equipments.	5395.71	194		10454.57
Engineering Goods	2584.89	177		
Fertilizers	56.19	6	BORROWINGS	
Food Manufacturing	7565.08	368	Bonds	0.00
Hotels/Restaurants	10498.04	783	Small Industries	-----
Leather and Fur Products	682.23	59	Development Bank of India	2827.16
Metal Products	7539.36	319	Reserve Bank of India	-----
Mineral, Mining & Stone Crushing	1727.66	188	State Government	8461.13
Petroleum & Coal	17.54	4	Other loans	0.00
Paper & Paper Products	3218.13	157		11288.29
Printing Presses	446.08	67		
Rubber Products/plastic	5979.06	361	EARNINGS	
Service Stations	208.01	66	Gross Income	146.00
Textiles	3465.69	231	(i) Cost of Borrowings	762.12
Transport Equipment	2264.56	151	(ii) Administrative & General Expenses	151.43
Transport Operators	4654.67	2224		
Miscellaneous Units	5741.13	546	(iii) Bad Debts written off	0.48
			Net Profit/loss	(-) 768.03
Total	71183.27	6352	Provision for Taxation	-----

REPORT OF THE BOARD OF DIRECTORS OF HIMACHAL PRADESH FINANCIAL CORPORATION

*For the year ended 31st March, 2022
(Under Section 36 of the State Financial Corporations Act, 1951)*

The Board of Directors of Himachal Pradesh Financial Corporation takes pleasure in presenting the 55th Annual Report on the working of the Corporation along with Audited Statement of Accounts for the year ended 31st March, 2022.

The Himachal Pradesh Financial Corporation has stopped fresh loan sanctions. The Corporation has so far disbursed total loans of Rs. 543.40 crores (consisting of term loans Rs 530.38 crores and soft loans of Rs. 13.02 crores) to 4521 borrowers in the State.

1 RECOVERIES

1.1 TOTAL RECOVERY POSITION FROM ALL CASES:

Loan recovery is the main constituent in the resource mix of the Corporation. The details of amount due and recovered from all cases during the financial year 2021-22 have been given in Table-1.

Table-1
Due and Recovery Position of Financial Year 2021-22

Rupees in lakh

Sr No	Particulars	Principal	Interest	Total
1	Arrears at the beginning of the year	4894.03	8419.65	13313.68
2	Less: Amount rescheduled	0.00	0.00	0.00
3	Less: amount written off/ back	0.48	1066.61	1067.09
4	Net Arrears (1-2-3)	4893.55	7353.04	12246.59
5	Due during the year	0.00	3630.27	3630.27
6	Total Demand (4+5)	4893.55	10983.31	15876.86
7	Receipt: Out of Arrears (After time)	46.15	33.75	79.90
8	Receipt: Out of Current Demand (In time)	0.00	10.36	10.36
9	Total Receipt (7+8)	46.15	44.11	90.26
10	Arrears at the close of the year (6-9)	4847.40	10939.20	15786.60
11	Recovery %age of arrears (7/4)	0.94	0.46	0.65
12	Recovery %age of current demand (8/5)	0.00	0.29	0.29
13	Total recovery percentage (9/6)	0.94	0.40	0.57

During 2021-22, out of total demand of Rs 15,876.86 lakh (principal Rs 4,893.55 lakh and interest Rs 10,983.31 lakh), the Corporation effected recovery of Rs. 90.27 lakh (0.57%) against recovery of Rs. 29.13 lakh (0.22%) during the previous year. At the close of the year, an amount of Rs 15,786.60 lakh remained in arrear with the loanees.

1.2 RECOVERIES FROM OTHER THAN SUIT-FILED CASES (INCLUDING SOFT LOAN, SEED CAPITAL & SEMFEX)

The detail of amount due and recovered from other than suit-filed cases during the financial year 2021-22 has been presented in Table-2.

Table-2
Due and Recovery Position from other than Suit-filed Cases

<i>Rupees in lakh</i>				
Sr No	Particulars	Principal	Interest	Total
1	Arrears at the beginning of the year	1490.53	2620.76	4111.29
2	Add: Fresh RC cases	0.00	0.00	0.00
3	Less: amount written off/back	0.48	1006.43	1006.91
4	Less: Amount transferred to suit filed cases	0.00	0.00	0.00
5	Net Arrears	1490.05	1614.33	3104.38
6	Due during the year	0.00	2323.86	2323.86
7	Total Demand (5+6)	1490.05	3938.19	5428.24
8	Total Receipt	6.15	8.03	14.18
9	Arrears at the close of the year	1483.90	3930.16	5414.06
10	Total recovery percentage (8/7)	0.41	0.20	0.26

During 2021-22, out of total demand of Rs.5,414.06 lakhs (principal Rs 1,483.90 lakhs and interest Rs 3,930.16 lakh), the Corporation effected recovery of Rs.14.15 lakhs (0.26%) against recovery of Rs 4.13 lakhs (0.10%) during the previous year. At the close of the year, an amount of Rs 5,414.06 lakhs remained in arrear with the loanees.

1.3 RECOVERIES FROM SUIT-FILED CASES (INCLUDING SOFT LOAN, SEED CAPITAL & SEMFEX)

The detail of amount due and recovered from suit-filed cases during the financial year 2021-22 has been depicted in Table-3.

Table-3
Due and Recovery Position from Suit-filed Cases

<i>Rupees in lakh</i>				
Sr No	Particulars	Principal	Interest	Total
1	Arrears at the beginning of the year	3403.50	5798.89	9202.39
2	Add: Fresh suit file cases	0.00	0.00	0.00
3	Less: amount written off/back	0.00	60.18	60.18
4	Net Arrears	3403.50	5738.71	9142.21
5	Due during the year	0.00	1306.40	1306.40
6	Total Demand (4+5)	3403.50	7045.11	10448.61
7	Total Receipt	40.00	36.08	76.08
8	Arrears at the close of the year	3363.50	7009.03	10372.53
9	Total recovery percentage (7/6)	1.18	0.51	0.73

During 2021-22, out of total demand of Rs 10,448.61 lakhs (principal Rs 3,363.50 lakhs and interest Rs 7,045.11 lakhs), the Corporation effected recovery of Rs 76.08 lakhs (0.73%) against recovery of Rs 25.00 lakhs (0.27%) during the previous year. At the close of the year, an amount of Rs 10,372.53 lakhs remained blocked in suit filed cases.

1.4 RECOVERIES FROM SOFT LOAN/ SEED CAPITAL (SEMFEX CASES)

The details of amount due and recovered from soft loan/ seed capital (SEMFEX) cases during the financial year 2021-22 have been presented in Table-4.

Table-4
Due and Recovery Position from Soft Loan/ Seed Capital / Semfex Cases

<i>Rupees in lakh</i>				
Sr No	Particulars	Principal	Interest	Total
1	Arrears at the beginning of the year	122.37	56.92	179.29
2	Less: amount written back	0.00	3.06	3.06
3	Net Arrears	122.37	53.86	176.23
4	Due during the year	0.00	18.06	18.06
5	Total Demand (3+4)	122.37	71.92	194.29
6	Total Receipt	3.13	0.00	3.13
7	Arrears at the close of the year	119.24	71.92	191.16
8	Total recovery percentage (6/5)	2.56	0.00	1.61

During 2021-22, out of total demand of Rs. 194.29 lakhs (principal Rs 119.24 lakhs and interest Rs. 71.92 lakhs) in soft loan cases/ Seed capital cases, the Corporation effected recovery of Rs 3.13 lakhs (1.61%) against recovery of Rs 13.89 lakhs (7.19%) during the previous year. At the close of the year, an amount of Rs. 191.16 lakhs remained overdue with the borrowers.

1.5 EXCLUSIVE REVENUE RECOVERY CASES (INCLUDING SOFT LOAN, SEED CAPITAL & SEMFEX)

The detail of amount due and recovered from Revenue Recovery Cases during the financial year 2021-22 has been given in Table-5.

Table-5
Due and Recovery Position from RC Cases

<i>Rupees in lakh</i>				
Sr No	Particulars	Principal	Interest	Total
1	Arrears at the beginning of the year	675.70	2079.43	2755.13
2	Add: Fresh RC Cases	0.00	0.00	0.00
3	Less: amount written off/back	0.48	1006.43	1006.91
4	Net Arrears	675.22	1073.00	1748.22
5	Due during the year	0.00	1771.83	1771.83
6	Total Demand (4+5)	675.22	2844.83	3520.05
7	Total Receipt	6.15	8.03	14.18
8	Arrears at the close of the year	669.07	2836.80	3505.87
9	Total recovery percentage (7/6)	0.91	0.28	0.40

During 2021-22, out of total demand of Rs 3,520.05 lakh (principal Rs.675.22 lakh and interest Rs 2,844.83 lakh) in RC cases, the Corporation effected recovery of Rs 14.18 lakh (0.40%) against recovery of Rs 0.20 lakh (0.01%) during the previous year. At the close of the year, an amount of Rs 3,505.87 lakh remained overdue in RC cases. Besides above, the Corporation has also initiated simultaneous recovery action by issuing recovery certificate u/s 32-G of SFC Act in respect of litigation cases.

2. RESOURCES

2.1 SHARE CAPITAL

The Authorized Capital and Paid-up Capital of the Corporation remained at previous year's level of Rs 15,000 lakh and Rs 2,857.11 lakh respectively. The share application money of Rs 7100.00 lakh received from the State Government in earlier years as pass through arrangement pertaining to HRTC is pending for allotment of shares as the HRTC has not so far allotted shares in favour of HPFC.

2.2 BONDS

During 2021-22, the Corporation did not raise any bond. At the close of the year, nothing is outstanding.

2.3 REFINANCE/LOC

During 2021-22 the Corporation did not avail any refinance from SIDBI and LOC from any bank.

3. FINANCIAL RESULTS

During 2021-22, the Corporation earned total revenue of Rs. 146.00 lakh (previous year Rs 124.00 lakh) and incurred revenue expenditure of Rs. 914.02 lakh (previous year Rs. 84016 lakh) and thus recorded business loss of Rs. 768.02 lakh against business loss of Rs. 716.16 lakh in the previous year before provisioning. The business loss during this year amounting to (Rs. 768.02 lakh) lakh is primarily due to the provision of interest on loans given by the State Government to repay the government guaranteed bonds. Otherwise the business loss of the Corporation without State Government interest is Rs.72.86 lakh. The loss is mainly because of stoppage of mandated lending activity of the Corporation by the State Government during August 2008 and continuous decline in loan assets base of the HPFC.

4. DIVIDEND

Due to loss incurred by the Corporation, no dividend has been declared. Past dividend liability amounting to Rs. 1269.82 lakh would be met after receiving subvention from the State Government.

5 AUDIT AND INSPECTION

In pursuance of Section 37(i) of the State Financial Corporations Act, 1951, (as amended from time to time) the Reserve Bank of India recommended name of M/s A. Singhi & Associates, Chartered Accountants, Shimla for appointment of Statutory Auditors and their appointment was approved by the Managing Director of the Corporation.

6 MANAGEMENT

6.1 BOARD OF DIRECTORS

The Corporation is managed by the Board of Directors, constituted under the provisions of the SFCs Act.

The following changes took place in the composition of Board of Directors during the year under report:

Shri R. D. Dhiman, IAS, Addl. Chief Secretary (Industries), was nominated as director by the State Government on 05.08.2021 in place of Sh. Ram Subhag Singh, IAS Addl Chief Secretary (Industries),

The Board places on record its appreciation of valuable services rendered by the outgoing Director Sh. Ram Subhag Singh, IAS, Ex – Addl. Chief Secretary (Inds),

6.2 CHAIRMAN

Shri Anil Kumar Khachi, IAS, Chief Secretary to the Government of Himachal Pradesh remained Chairman of the Corporation up to 05.08.2021 and thereafter Sh. Ram Subhag Singh, IAS, Chief Secretary to the Government of Himachal Pradesh nominated as Chairman of the Corporation w.e.f. 05.08.2021.

6.3 MANAGING DIRECTOR

Sh, Rohan Chand Thakur, IAS, remained Managing Director of the Corporation up to 30.06.2021 and thereafter Sh. Priyatu Mandal, IAS joined as Managing Director of the Corporation w.e.f. 14.07.2021.

7. ACKNOWLEDGEMENT

The Board of Directors wishes to place on record thanks to the Government of Himachal Pradesh, Small Industries Development Bank of India, HPSIDC and Banks for support, cooperation, guidance and cordiality.

The Board also places on record appreciation for the hard work done by the Managing Director, Officers and Staff of the Corporation for achieving recovery target fixed by the Board.

For and on behalf of the Board of Directors

MANAGING DIRECTOR

STATEMENTS

LIST OF DIRECTORS ON THE BOARD OF HPFC AS ON 31.03.2022

Sr No	Name of Director	Occupation & Address	By whom nominated/ elected	Date of nomination	Tenure
1.	Sh. Ram Subhag Singh, IAS	Chief Secretary to the Govt. of Himachal Pradesh Shimla-171002	Nominated as Director by the State Govt. & Chairman by the SIDBI.	05.08.2021 as Director and 05.08.2021 as Chairman	Director: -At the pleasure of State Govt. Chairman: 3 Years
2.	Sh. R.D. Dhiman, IAS	Addl. Chief Secretary (Inds) to the Govt. of Himachal Pradesh, Shimla-171002	State Govt.	01.06.2020	At the pleasure of State Government
3.	Sh. Udyan Dua	Dy. General Manager, Small Industries Development Bank of India, Ludhiana.	Small Industries Dev. Bank of India.	14.05.2018	At the pleasure of SIDBI
4.	Sh. Yongjor	Sr. Divisional Manager, Life Insurance Corporation of India, Shimla-9	LIC of India	19.07.2018	At the pleasure of LIC
5.	Sh. Sushil Kumar Khurana	Dy. General Manager, Circle Head, Punjab National Bank, Circle Office Shimla-171001	Punjab National Bank	11.06.2020	At the pleasure of Punjab National Bank
6.	Sh. Priyatu Mandal, IAS	Managing Director, HPFC, Shimla-171001	Appointed by the State Government	30.03.2019	At the pleasure of State Govt.

STATEMENT FOR PROFIT AND LOSS ACCOUNT FOR THREE YEARS ENDED
ON 31ST MARCH 2022

(Rs. In lakhs)

Particulars	2020	2021	2022
I. INCOME			
(a) Interest on Advances	9.70	8.09	44.11
(b) (i) Interest on investments and deposits	141.95	114.75	101.00
(ii) Interest on Government Securities	0.00	0.00	0.00
(iii) Interest on Bonds & Debentures	0.00	0.00	0.00
(c) Interest on advances to Staff	0.00	0.00	0.00
(d) Interest on investment in shares of industrial concerns	0.00	0.00	0.00
(e) Guarantee Commission and Brokerage	0.00	0.00	0.00
(f) Underwriting commission	0.00	0.00	0.00
(g) Agency commission received from State Government	0.00	0.00	0.00
(h) Profit from sale of:-			
(i) Acquired Assets	0.00	0.00	0.00
(ii) Other Assets	0.00	0.00	0.00
(j) Investigation Fees	0.00	0.00	0.00
(k) Commitment Charges	0.00	0.00	0.00
(l) Other Income			
(i) Miscellaneous Income	0.37	0.57	0.69
(ii) Dividend	0.00	0.59	0.20
(iii) Sale of Application Forms	0.00	0.00	0.00
(iv) Income Pertaining to Previous Years	0.00	0.00	0.00
TOTAL:-	152.02	124.00	146.00
II EXPENDITURE			
(a) Interest Paid on			
(i) Bond & Debentures	35.43	13.94	0.00
(ii) State Govt. Loan	677.66	695.16	695.16
(iii) Borrowing from RBI	0.00	0.00	0.00
(iv) Staff Provident Fund	35.47	31.21	29.48
(v) Borrowing from notified Institution			
(a) SIDBI	0.00	0.00	37.47
(b) Others (Banks)	0.00	0.00	0.00
(b) Salary & Allowances including Medical and Provident and Fund Contribution			
(i) Managing Director	0.00	0.00	0.39
(ii) Other Staff	82.91	80.28	128.24
(iii) Group Gratuity Exp. LIC (Provision	0.00	0.00	0.00
(iv) Group Leave Encashment Exp. LIC (Provision)	0.00	0.00	0.00

Statement No. 2

(Rs. In lakhs)

Particulars	2020	2021	2022
(c) Fee & traveling Allowances paid to Director & Committee Members	0.00	0.00	0.00
(d) Travelling and other Allowances:			
(i) Managing Director	0.00	0.00	0.00
(ii) Other Staff	0.02	0.00	0.00
(e) Rent, Rate, Taxes, Insurance & Lighting	9.70	10.41	10.79
(f) Auditor's fee	0.59	0.59	0.59
(g) Law & Professional Charges	0.23	0.11	0.00
(h) Loss on sale of investments	0.00	0.00	0.00
(i) Service Tax written off	0.00	0.00	0.00
(j) Bad Debts & other losses written off	2.00	0.00	0.48
(k) Other Expenses	8.71	8.46	11.43
(l) Net Profit/ Loss	(-) 700.70	(-) 716.16	(-) 768.03
TOTAL	152.02	124.00	146.00
APPROPRIATIONS			
(a) Net profit / loss as above	(-) 700.70	(-) 716.16	(-) 768.03
(b) Provision for Taxation for the year	0.00	0.00	0.00
(c) Amount Allocated to:			
(i) General Reserve	0.00	0.00	0.00
(ii) Special Reserve fund for purpose of section 36(i) (viii) of income tax Act, 1961	0.00	0.00	0.00
(iii) Reserve for Bad & Doubtful Debts	0.00	0.00	0.00
(d) Amount appropriated for payment of guaranteed dividend			
(i) From Profit	0.00	0.00	0.00
(ii) From Subvention received from State Government	0.00	0.00	0.00
(e) Amount to State Government in repayment of subvention received for payment of guaranteed dividend	0.00	0.00	0.00
(f) Provision for Non-Performing Assets Reversed	32.75	18.59	52.48
(g) Net Profit /Loss Carried to Balance Sheet	(-) 667.95	(-) 697.57	(-) 715.55

SOURCES AND USES OF FUNDS

		(Rs. In lakh)		
Particulars	2019-20 (Actuals)	2020-21 (Actuals)	2021-22 (Actuals)	
I BUSINESS				
1	Effective Sanctions			
	(i) Investments in Shares	0.00	0.00	0.00
	(ii) Term Loan	0.00	0.00	0.00
	(iii) Seed Capital/Soft Loan	0.00	0.00	0.00
Total		0.00	0.00	0.00
2	Disbursements			
	(i) Term Loan	-	-	-
	(ii) Seed Capital/Soft Loan	-	-	-
	(iii) Central Govt. Subsidy/incentive	-	-	-
	(iv) State Govt. Subsidy/incentive	-	-	-
	(v) Investments	-	-	-
	(vi) Others	-	-	-
Total		0.00	0.00	0.00
3	Repayments			
	(i) SIDBI Refinance	0.00	0.00	37.47
	(ii) Bonds	320.00	260.00	0.00
	(iii) Central Govt. Subsidy (Refund)	50.87	0.00	0.00
	(iv) RBI (Adhoc Bonds)	0.00	0.00	0.00
	(v) Others	0.00	0.00	0.00
Total		370.87	260.00	37.47
4	Revenue Payments			
	(i) Interest(Bonds and CPF)	70.91	45.15	29.48
	(ii) Service Tax	0.00	0.00	0.00
	(iii) Administrative Expenses	102.16	99.85	151.91
	(iv) Income Tax	-	-	-
	(v) Dividend	-	-	-
	(vi) Others	0.00	0.00	0.00
Total		173.07	145.00	181.39
5	CGF Claims paid to DICGC	-	-	-
6	Refund of Subvention	-	-	-
7	Other Cash Outgoings	210.08	11.02	9.28
8	Closing Cash and bank balances	1967.95	1991.27	2129.39
Grand Total		2721.97	2407.29	2357.53

Statement No. 3(Contd.)

(Rs. In lakh)

Particulars	2019-20 (Actuals)	2020-21 (Actuals)	2021-22 (Actuals)
II RESOURCES			
9 Opening Cash and bank balance	2130.86	1967.95	1991.27
10 Increase in Capital	-	-	-
(i) State Government	-	-	-
(ii) IDBI/SIDBI	-	-	-
Total	2130.86	1967.95	1991.27
11 Borrowings			
(i) SIDBI Refinance	-	-	-
(ii) Bonds	-	-	-
(iii) Deposits	-	-	-
(iv) RBI (Adhoc Bonds)	-	-	-
(v) State Govt.	390.00	282.73	0.00
Total	390.00	282.73	0.00
12 Reimbursement of Seed Capital/Subsidied and incentives			
(i) SIDBI Seed Capital	-	-	-
(ii) Central Govt. Subsidy/incentives	-	-	-
(iii) State Govt. Subsidy/incentives	-	-	-
Total	-	-	-
13 Recovery of term loans (Principal)	32.00	21.04	46.15
14 Revenue Receipts			
(i) Interest	9.70	8.09	44.11
(ii) Others	142.32	115.91	101.89
Total	152.02	124.00	192.15
15 Income from Sale of investment			
(i) Face -value	-	-	-
(ii) Profit/Loss	-	-	-
16 Suvention received	-	-	-
17 Other cash inflow	22.63	17.09	175.00
Grand Total	2727.51	2412.81	2358.42

**COMPARATIVE SUMMARISED BALANCE SHEET FOR THREE YEARS ENDED ON
31ST MARCH 2022**

(Rs. In lakh)

Particulars	2020	2021	2022
ASSETS			
Cash in Hand and Bank Balance with Banks in Current /Fixed Accounts	1967.95	1991.27	2129.39
Investments			
(i) Government Securities			
(ii) In Share of industrial concerns			
(iii) Debentures/Shares etc (underwriting)	7100.60	7100.60	7100.60
(iv) Other	5.01	5.01	5.01
Loan and Advances	5138.78	5120.19	5067.71
Other Assets	145.09	140.59	138.09
Dividend Deficit Account	78.76	78.76	78.76
Net Loss as per Profit & Loss Account	16684.19	17381.76	18097.3
TOTAL	31120.38	31818.18	32616.86
LIABILITIES			
Capital and Reserves			
(i) Paid up Capital	9957.11	9957.11	9957.11
(ii) Reserves (out of which for Bad & Doubtful Debts)	497.46	497.46	497.46
Bonds and Debentures	272.17	0.00	0.00
Borrowings			
(i) Reserve Bank of India			
(ii) SIDBI	2827.16	2827.16	2827.16
(iii) State Government	8178.40	8461.13	8461.13
(iv) Kangra Central Co-operative Bank	0.00	0.00	0.00
Subvention from State Government	78.76	78.76	78.76
Provision for Non-Performing Advances	5130.01	5111.43	5058.94
Other Liabilities (Including State Govt. Interest)	4179.31	4885.13	5736.30
TOTAL	31120.38	31818.18	32616.86

**PARTY WISE DISTRIBUTION OF THE SHARES OF THE CORPORATION
AS ON 31 MARCH 2022**

(Rs. In Lakh)				
Particulars	No. of Share holders	No. of Share held	Share holding	%age to total Capital
(i) State Government				
(a) Under Section 4(3) of State Financial Corporation Act, 1951	1	*9297787	9297.79	93.38
(b) Under Section 4(5) of State Financial Corporation Act, 1951				
(ii) Small Industries Development Bank of India	1	**654885	654.89	6.58
(iii) Other Financial Institutions				
(a) Nationalised Banks	1	2000	2.00	0.02
(b) Other Banks	1	125	0.12	0.00
(c) Co-operative Banks	1	5	0.00	0.00
(d) Life Insurance Corporation of India	1	1115	1.12	0.01
(e) Others	1	5	0.00	0.00
(iv) Private Share Holders	17	1185	1.19	0.01
TOTAL	24	9957107	9957.11	100.00

*includes 1,62,000 special shares of Rs. 100/- Under Section 4A of the SFCs, Act 1951

** includes 1,12,000 special shares of Rs. 100/- Under Section 4A of the SFCs, Act 1951

**DETAILS OF BORROWINGS AND BONDS
AS ON 31ST MARCH 2022**

A. BORROWINGS

		(Rs. In lakh)		
Sources		Limit 2021-2022	Amount Availed	Outstanding As on 31.03.2022
1	Reserve Bank of India	-	-	-
2	SIDBI	-	-	2827.16
3	State Government	-	-	8461.13
4	Others	-	-	0.00
TOTAL				11288.29

B. BONDS

Date of Issue	Amount issued	Interest %	Balance Amount	Maturity Date
	Fully paid			

**PARTY WISE DISTRIBUTION OF BONDS AND DEBENTURES ISSUED
DURING LAST THREE YEARS AND BONDS REDEEMED DURING THE YEAR**

Particulars	Bonds are fully paid									(Rs. In lakhs)			
	2019-20			2020-21			2021-2022			Value of New Bonds			
	No. of Bond holders	Date of issue	Face value of Bonds issued	No. of Bond holders	Date of issue	Face value of Bonds issued	No. of Bond holders	Date of issue	Face value of Bonds issued	Redeemed /Prepaid	Outstanding as on 31.03.2022	Received in cash	Converted for old Bonds
	1	2	3	4	5	6	7	8	9	10	11	12	13
1. IDBI Pension	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-
2. State Bank of India and its subsidiaries	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-
3. Other Commercial Banks	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Co-operative Banks	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Life Insurance Corporation of India	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Other Financial Intitutions (Insurance Co. Trusts etc.)	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-
7. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL										0.00	0.00		

Statement No.8

(Rs. In lakh)

Since inception											
Others		Total		SSI		SRTO		Others		Total	
No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
-	-	-	-	3456.00	38675.36	2224.00	4654.67	649.00	27853.24	6329.00	71183.27
-	-	-	-								
-	-	-	-								
-	-	-	-	68.00	4365.56	14.00	50.43	8.00	898.50	90.00	5314.49
-	-	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	13265.64
-	-	-	-	-	-	-	-	-	-	-	18580.13
-	-	-	-	3388.00	34309.80	2210.00	4604.24	641.00	26954.74	6239.00	65868.78
-	-	-	-								
-	-	-	-	-	28355.00	-	4264.98	-	20418.27	-	53038.25

PURPOSE-WISE ANALYSIS OF TERM LOAN SANCTIONS (EFFECTIVE)

Particulars	2021-22									
	SSI		SRTO		Others		Total		SSI	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
ASSISTANCE FOR										
New Projects	-	-	-	-	-	-	-	-		
Expansions	-	-	-	-	-	-	-	-		
Diversification	-	-	-	-	-	-	-	-		
Rehabilitation	-	-	-	-	-	-	-	-		
Modernisation/ replacement	-	-	-	-	-	-	-	-	393	6172.41
Power Generation	-	-	-	-	-	-	-	-		
Quality Control	-	-	-	-	-	-	-	-		
Polution Control	-	-	-	-	-	-	-	-		
Research & Develop	-	-	-	-	-	-	-	-		
Over run finance	-	-	-	-	-	-	-	-		
Others	-	-	-	-	-	-	-	-		
TOTAL	-	-	-	-	-	-	-	-	393	6172.41

(ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

(Rs. In lakh)

Total (Live Cases)					
SRTO		Others		Total	
No.	Amt.	No.	Amt.	No.	Amt.
64	168.02	33	1928.46	490	8268.89
64	168.02	33	1928.46	490	8268.89

(ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

(Rs. In lakh)

				Disbursements					
Total (Live Cases)				2020-21		2021-22		Total (Live Cases)	
SSI		Total		SSI	Total	SSI	Total	SSI	Total
No.	Amt.	No.	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.
5	123.79	7	239.91	-	-	-	-	121.67	188.79
41	926.15	46	1110.07	-	-	-	-	881.49	1064.91
4	53.47	4	53.47	-	-	-	-	49.24	49.24
21	288.24	25	937.24	-	-	-	-	252.53	733.45
19	162.96	21	252.96	-	-	-	-	149.12	237.12
-	-	-	-	-	-	-	-	-	-
43	960.76	43	960.76	-	-	-	-	933.03	933.03
28	366.01	32	562.89	-	-	-	-	341.15	507.51
7	87.98	8	197.98	-	-	-	-	87.98	98.98
24	284.25	26	366.94	-	-	-	-	246.70	324.54
5	58.00	5	58.00	-	-	-	-	57.65	57.65
61	511.09	62	656.08	-	-	-	-	489.42	631.60
-	-	-	-	-	-	-	-	-	-
25	437.96	34	672.82	-	-	-	-	434.50	669.35
4	33.88	4	33.88	-	-	-	-	16.36	16.36
37	457.27	39	547.27	-	-	-	-	420.77	510.76
3	7.00	3	7.00	-	-	-	-	7.00	7.00
11	78.30	11	78.30	-	-	-	-	75.02	75.02
34	1158.79	35	1188.79	-	-	-	-	1096.35	1126.35
20	168.31	20	168.31	-	-	-	-	159.53	159.53
-	-	64	168.02	-	-	-	-	-	167.67
1	8.20	1	8.20	-	-	-	-	8.20	8.20
393	6172.41	490	8268.89	-	-	-	-	5827.71	7567.06

AREA WISE DISTRIBUTION OF TERM LOANS (SANCTIONED AND DISBURSED)

Name of the District	Sanctions (effective)								
	Small Scale								
	2020-21		2021-22		Total(Live Cases)		2020-21		
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	
I. Backward Districts									
1	Bilaspur	-	-	-	-	9	141.16	-	-
2	Chamba	-	-	-	-	2	10.11	-	-
3	Hamirpur	-	-	-	-	6	47.82	-	-
4	Kangra	-	-	-	-	42	442.90	-	-
5	Kinnaur	-	-	-	-	4	27.29	-	-
6	Kullu	-	-	-	-	4	367.50	-	-
7	Lahaul-Spiti	-	-	-	-	-	-	-	-
8	Mandi	-	-	-	-	10	25.78	-	-
9	Shimla	-	-	-	-	40	180.34	-	-
10	Sirmaur	-	-	-	-	70	1103.05	-	-
11	Solan	-	-	-	-	144	3219.56	-	-
12	Una	-	-	-	-	62	606.90	-	-
TOTAL		-	-	-	-	393	6172.41	-	-

(ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

(Rs. In lakh)

Disbursements									
SRTOs		Small-Scale					SRTOs		Total
2021-22		Total(Live Cases)		2020-21	2021-22	Total(Live Cases)		2020-21	2021-22 (Live Cases)
No.	Amt.	No.	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.
-	-	8	12.80	-	-	139.83	-	-	12.72
-	-	1	3.02	-	-	9.17	-	-	3.01
-	-	2	2.85	-	-	47.50	-	-	2.85
-	-	4	7.37	-	-	432.73	-	-	7.31
-	-	-	-	-	-	24.89	-	-	-
-	-	1	3.50	-	-	359.01	-	-	3.50
-	-	-	-	-	-	-	-	-	-
-	-	2	12.03	-	-	24.70	-	-	12.03
-	-	31	88.36	-	-	152.90	-	-	88.26
-	-	5	13.68	-	-	968.74	-	-	13.64
-	-	8	15.65	-	-	3077.30	-	-	15.59
-	-	2	8.76	-	-	590.94	-	-	8.76
-	-	64	168.02	-	-	5827.71	-	-	167.67

AREA WISE DISTRIBUTION OF TERM LOANS (SANCTIONED AND DISBURSED)

(ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

Name of the District	Sanctions (effective)						Disbursements			
	2020-21		2021-22		Total (Live Cases)		2020-21	2021-22	Total (Live Cases)	
	No.	Amt.	No.	Amt.	No.	Amt.	Amt.	Amt.	Amt.	
I. Backward Districts										
1	Bilaspur	-	-	-	-	18	298.96	-	-	294.73
2	Chamba	-	-	-	-	3	13.13	-	-	12.18
3	Hamirpur	-	-	-	-	8	50.67	-	-	50.35
4	Kangra	-	-	-	-	48	510.27	-	-	500.04
5	Kinnaur	-	-	-	-	4	27.28	-	-	24.89
6	Kullu	-	-	-	-	7	527.82	-	-	488.80
7	Lahaul-Spiti	-	-	-	-	-	-	-	-	-
8	Mandi	-	-	-	-	13	47.87	-	-	46.79
9	Shimla	-	-	-	-	73	387.70	-	-	312.62
10	Sirmaur	-	-	-	-	78	1262.85	-	-	1079.5
11	Solan	-	-	-	-	172	4460.67	-	-	4091.46
12	Una	-	-	-	-	66	681.67	-	-	665.70
TOTAL		-	-	-	-	490	8268.89	0.00	-	7567.06

MATURITY- WISE BREAKUP OF SANCTIONS (GROSS)**(ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)**

(Rs. In lakh)

Maturity Period	Sanctions						As on 31st March 2022		
	2019-20		2020-21		2021-22		[Cumulative]		
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	
	1	2	3	4	5	6	7	8	9
1 With in one year	-	-	-	-	-	-	-	-	-
2 Between 2 and 5 years	-	-	-	-	-	-	2232	4845.31	
3 Between 5 and 10 years	-	-	-	-	-	-	4120	66337.96	
4 Between 10 and 15 years	-	-	-	-	-	-	-	-	
5 More than 15 years	-	-	-	-	-	-	-	-	
TOTAL		-	-	-	-	-	6352	71183.27	

Statement No.14**SIZE - WISE BREAKUP OF SANCTIONS (GROSS)****(ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)**

(Rs. In lakh)

Maturity Amount	Sanctions						As on 31st March 2022		
	2019-20		2020-21		2021-22		[Cumulative]		
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	
	1	2	3	4	5	6	7	8	9
1 Up to Rs. 25,000	-	-	-	-	-	-	271	53.36	
2 Rs. 25,001 to Rs. 50,000	-	-	-	-	-	-	518	173.21	
3 Rs. 50,001 to Rs. 1,00,000	-	-	-	-	-	-	817	710.41	
4 Rs. 1,00,001 to Rs. 2,00,000	-	-	-	-	-	-	955	1501.89	
5 Rs. 2,00,001 to Rs. 5,00,000	-	-	-	-	-	-	1648	5289.74	
6 Rs. 5,00,001 to Rs. 10,00,000	-	-	-	-	-	-	881	6252.27	
7 Rs. 10,00,001 to Rs. 30,00,000	-	-	-	-	-	-	846	16081.38	
8 Rs. 30,00,001 to Rs. 60,00,000	-	-	-	-	-	-	258	11725.66	
9 Above Rs. 60,00,000	-	-	-	-	-	-	158	29395.35	
TOTAL		-	-	-	-	-	6352	71183.27	

SECTOR- WISE CLASSIFICATION OF TERM LOAN (ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

	Sanctions (effective)						Disbursement		
	2020-21		2021-22		Total (Live Cases)		2020-21	2021-22	Total (Live Cases)
	No.	Amt.	No.	Amt.	No.	Amt.	Amt.	Amt.	Amt.
SRT0	-	-	-	-	64	168.02	-	-	167.67
Small Scale Sector			-	-					
(a) Tiny Sector (including composite loans)	-	-	-	-			-	-	
(b) Other SSI Units	-	-	-	-	393	6172.41	-	-	5827.71
Others	-	-	-	-	33	1928.46	-	-	1571.68
TOTAL	-	-	-	-	490	8268.89	-	-	7567.06

Statement No. 16

CONSTITUTION- WISE DISTRIBUTION OF TERM LOAN (ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

	Sanctions (effective)						Disbursement		
	2020-21		2021-2022		Total (Live Cases)		2020-21	2021-22	Total (Live Cases)
	No.	Amt.	No.	Amt.	No.	Amt.	Amt.	Amt.	Amt.
Public Limited Companies	-	-	-	-	8	219.06	-	-	219.06
PVT. Ltd Companies	-	-	-	-	133	5464.12	-	-	4909.20
Co-operatives			-	-	0	0.00	-	-	0.00
Partnership Firms			-	-	85	1132.75	-	-	1088.10
Proprietorship concerns	-	-	-	-	264	1452.96	-	-	1350.70
Hindu Undivided Family Firms	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	490	8268.89	0.00	-	7567.06

RECOVERY PERFORMANCE (ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

		2020-21			2021-22		
		Principal	Interest	Total	Principal	Interest	Total
A.	Demand						
	(i) Arrears at the beginning of the year.	4915.07	8421.33	13336.40	4894.03	8419.65	13313.68
	Less: Writtenoff/back etc.	0.00	0.00	0.00	0.48	1066.61	1067.09
		<u>4915.07</u>	<u>8421.33</u>	<u>13336.40</u>	<u>4893.55</u>	<u>7353.04</u>	<u>12246.59</u>
	(ii) Current demand less reschedulement	0.00	6.41	6.41	0.00	3630.27	3630.27
	Net Total Demand	<u>4915.07</u>	<u>8427.74</u>	<u>13342.81</u>	<u>4893.55</u>	<u>10983.31</u>	<u>15876.86</u>
B.	Recovery						
	(iii) Out of arrears (Excluding net receipts from DICGC)	21.04	1.68	22.72	46.15	33.75	79.90
	(iv) Out of Current demand	0.00	6.41	6.41	0.00	10.36	10.36
	Total	<u>21.04</u>	<u>8.09</u>	<u>29.13</u>	<u>46.15</u>	<u>44.11</u>	<u>90.26</u>
C.	Arrears at the end of the year	4894.03	8419.65	13313.68	4847.40	10939.20	15786.60
	% of B (iv) to A(ii)	0.00	100.00	100.00	0.00	0.29	0.29
	% of B to A	0.43	0.10	0.22	0.94	0.40	0.57
	C as % of Loans Outstanding	36.15	62.18	98.33	30.28	68.34	98.62

ARREARS POSITIONS AS ON 31ST MARCH , 2022
(ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

Table A: Principal in Arrears (Rs. In lacs)

Age of arrears	No. of Accounts	Principal Outstanding in respect of arrears affected portfolio	Amount of Principal instalments in arrear	(3) as % of total loan outstanding	(4) as % of total loan outstanding
1	2	3	4	5	6
1 0-3 months	0	0.00	0.00	0.00	0.00
2 3 months - 12 months	0	0.00	0.00	0.00	0.00
3 1-2 years	0	0.00	0.00	0.00	0.00
4 2-3 years	0	0.00	0.00	0.00	0.00
5 3-5 years	0	0.00	0.00	0.00	0.00
6 5-7 years	0	0.00	0.00	0.00	0.00
7 7-10 years	0	0.00	0.00	0.00	0.00
8 Over 10 years	418	4847.40	4847.40	30.28	30.28
Total	418	4847.40	4847.40	30.28	30.28

Table B: Principal & Interest in Arrears (Rs. In lacs)

Age of arrears	No. of Accounts	Outstanding in arrears affected portfolio		Amount of arrears			(5) % as of total loans outstanding	(8) % as of total loans outstanding	
1	2	Principal	Interest	Total	Principal	Interest	Total	9	10
1 0-3 months	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2 3 months - 12 months	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3 1-2 years	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4 2-3 years	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5 3-5 years	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6 5-7 years	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7 7-10 years	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8 Over 10 years	470	4847.40	10939.20	15786.60	4847.40	10939.20	15786.60	98.62	98.62
Total	470	4847.40	10939.20	15786.60	4847.40	10939.20	15786.60	98.62	98.62

Table C: Arrear on the basis of size of loan (Rs. In lacs)

Amount of loan Sanctioned	No. of Accounts	Principal in arrear	Interest in arrear	Total arrears
1	2	3	4	5
1 Up to Rs. 0.50 lacs	25	8.14	12.34	20.48
2 Rs. 0.50 lacs to Rs. 1.00 lacs	19	11.87	23.63	35.50
3 Rs. 1.00 lacs to Rs. 2.00 lacs	55	64.70	309.35	374.05
4 Rs. 2.00 lacs to Rs. 5.00 lacs	112	261.65	914.59	1176.24
5 Rs. 5.00 lacs to Rs. 10.00 lacs	90	452.93	1514.97	1967.90
6 Rs. 10.00 lacs to Rs. 20.00 lacs	60	496.03	1103.54	1599.57
7 Rs. 20.00 lacs to Rs. 30.00 lacs	49	761.91	1729.11	2491.02
8 Rs. 30.00 lacs to Rs. 60.00 lacs	48	1297.72	1768.74	3066.46
9 Above 60.00 lacs	12	1492.45	3562.93	5055.38
Total	470	4847.40	10939.20	15786.60

Table D: Breakup of Arrears

(Rs. In lacs)

	No. of accounts	Outstanding balance in defaulted accounts	Amount of principal & interest in arrears			(2) as % of outstanding	(5) as % of outstanding
			Principal	Interest	Total		
			1	2	3		
I. Industry-wise Break-up							
1 Cement	7	315.36	110.83	197.94	308.77	1.97	1.93
2 Chemicals	43	2762.53	940.34	1796.17	2736.51	17.26	17.10
3 Cold Storage & Ice Factory	4	101.05	41.16	54.80	95.96	0.63	0.60
4 Electrical Appliances/ Goods	23	904.66	328.62	563.50	892.12	5.65	5.57
5 Engineering Goods	20	504.89	134.43	361.90	496.33	3.15	3.10
6 Fertilizers	-	-	-	-	-	-	-
7 Food Manufacturing	42	2364.51	780.32	1562.30	2342.62	14.77	14.64
8 Hotel & Restaurants	32	2553.39	248.84	2294.20	2543.04	15.95	15.89
9 Leather Products	7	252.47	132.85	103.04	235.89	1.58	1.47
10 Metal Products	25	622.04	162.74	446.58	609.32	3.89	3.81
11 Minerals	5	385.44	53.23	329.55	382.78	2.41	2.39
12 Miscellaneous	58	916.19	466.82	427.44	894.26	5.72	5.59
13 Petroleum & Coal	-	-	-	-	-	-	-
14 Paper Products	33	1114.76	352.44	738.43	1090.87	6.96	6.81
15 Printing Presses	4	43.59	10.15	31.76	41.91	0.27	0.26
16 Rubber & Plastics	39	678.64	287.46	373.03	660.49	4.24	4.13
17 Service Stations	3	13.46	6.89	6.38	13.27	0.08	0.08
18 Stone Crushers	10	276.49	43.12	232.89	276.01	1.73	1.72
19 Textiles	34	1367.36	612.30	736.23	1348.53	8.54	8.42
20 Transport Equipments	18	193.40	45.35	146.38	191.73	1.21	1.20
21 Transport Operators	62	626.41	84.14	534.80	618.94	3.91	3.87
22 Watches & Parts	1	7.28	5.37	1.88	7.25	0.05	0.05
TOTAL	470	16003.92	4847.40	10939.20	15786.60	99.98	98.62

Table E: Breakup of Arrears

		(Rs. In lacs)						
		No. of accounts	Outstanding balance in defaulted accounts	Amount of principal & interest in arrears			(2) as % of outstanding	(5) as % of outstanding
				Principal	Interest	Total		
		1	2	3	4	5	6	7
II. District-wise Break-up								
1	Bilaspur	18	692.70	254.14	423.06	677.20	4.33	4.23
2	Chamba	3	122.19	9.17	112.94	122.11	0.76	0.76
3	Hamirpur	8	86.12	40.20	36.37	76.57	0.54	0.48
4	Kangra	47	1610.33	327.08	1265.00	1592.08	10.06	9.95
5	Kinnaur	4	35.83	15.16	20.64	35.80	0.22	0.22
6	Kullu	7	1971.31	335.78	1633.11	1968.89	12.32	12.30
7	Lahaul-Spiti	0	0.00	0.00	0.00	0.00	0.00	0.00
8	Mandi	11	172.40	14.67	156.74	171.41	1.08	1.07
9	Shimla	71	1308.98	231.22	1071.02	1302.24	8.18	8.14
10	Sirmaur	77	1715.18	713.06	955.87	1668.93	10.72	10.43
11	Solan	161	7276.96	2491.72	4694.45	7186.17	45.46	44.89
12	Una	63	1011.92	415.20	570.00	985.20	6.32	6.15
Total		470	16003.92	4847.40	10939.20	15786.60	99.98	98.62
III. Sector-wise Break-up								
1	Public	0	0.00	0.00	0.00	0.00	0.00	0.00
2	Joint	0	0.00	0.00	0.00	0.00	0.00	0.00
3	Private	135	9588.98	3141.81	6325.20	9467.01	59.91	59.14
4	Co-operative	0	0.00	0.00	0.00	0.00	0.00	0.00
5	Other	335	6414.94	1705.59	4614.00	6319.59	40.08	39.48
Total		470	16003.92	4847.40	10939.20	15786.60	99.98	98.62
IV. Client-wise Break-up								
1	Small	441	12340.95	4006.09	8161.45	12167.54	77.10	76.01
2	Others	29	3662.98	841.31	2777.75	3619.06	22.88	22.61
Total		470	16003.93	4847.40	10939.20	15786.60	99.98	98.62

NORMAL INTEREST RATE STRUCTURE AS ON 31.03.2022

Sr. No.	Eligibility Conditions	Rate of Interest
1	Existing units earning net profits for the last three year, showing an increase in profits in last three years: OR	12% (At Sub-PLR)
	30% increase in net worth during the last three years; OR	
	Projects rated as CAAA or CAA+ or CAA- or equivalent or SMERA Rating Scale showing highest / high safety.	
2.	Other projects eligible for financing.	12.5 % (At PLR)
	In case of sale of assets on deferred payment basis.	12.5%
3.	Energy saving projects (RSES) in Micro, Small and medium sector.	11.25%
<p>Note: Additional interest @ 1% shall be charged on the default amount for the period of default.</p>		

ACCOUNTS



A. SINGHI & ASSOCIATES
CHARTERED ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

To the Shareholder's of
Himachal Pradesh Financial Corporation,
Shimla-HP 171001

Report on Audit of the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Himachal Pradesh Financial Corporation, which comprise the Balance Sheet as on 31 March 2022, the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance in accordance with the accounting standards with the accounting principles generally accepted in India, including the Accounting Standards issued by Institute of Chartered Accountants of India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The Board of Directors are also responsible for overseeing the company's financial reporting

Auditor's Responsibility for the Audit of the Financial Statements

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

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements, read with our observation given in “Emphasis of matters” section of the report, give the information required by the State Financial corporation in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2022; and
- ii) In the case of the statement of Profit and Loss, of the Loss of the Corporation for the year ended on that date.

Emphasis of Matters

A

- i) As explained to us, most of the assets of the financed units have been inspected by the officials of the Corporation. However, the valuation reports of the securities have not been obtained. The short fall in the value of the Securities due to passage of time, obsolescence and depreciation has not been considered.
- ii) Loans and Advances of Rs.50,67,70,850.00 (net of DICGC claim of Rs. 8,76,403.00) are classified as Non-performing loans as on 31.03.2022. The Corporation has incurred loss of Rs.7.16 Crore during the year and accumulated losses stands at Rs.180.97 crore as on 31.03.2022, which has resulted in the negative Net Worth of the Corporation. Further, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year. In our opinion, continuous monitoring for recovery of Loans and Advances needs to be strengthened to avoid such huge losses.
- iii) Loans and advances are not shown net of provisions for sub-standard/ doubtful/ loss assets due to which the loans and advances and provisions are overstated by Rs.50.59 Crore.
- iv) In the absence of availability of current valuation of securities in respect of loan sanctioned by the Corporation, we were unable to verify whether securities held by the Corporation in respect of loans sanctioned are adequate to cover the outstanding term loan. In respect of doubtful advances, the assets available have not been correctly evaluated to arrive at the shortfall. The loss, removal and sale of primary securities have been considered as the only factor to classify the advances as loss assets. Hence, shortfall thus charged to the account by way of provision is not proper, as the valuation for such securities are not realistic.
- v) The Corporation does not have Internal Audit System.
- vi) As required vide AS-22 the deferred tax has not been calculated / provided in view of continued losses.
- vii) As per direction of State Government, the main line of activity i.e. financing has been discontinued since earlier years and the Corporation has main focus only on the recovery of outstanding loans and advances. As such the continuity of main business has been affected and all Loans and advances have become Non-performing assets and have been classified as such by the corporation.

B. Subject to our comments in Para “A of Other Matters” above and further subject to:-

- i) Note No. C-2 regarding NPA classification of Loans and Advances, which is not based on present value of securities, in the absence of which the amount of additional provision required as per

guidelines of SIDBI /IDBI in this behalf on the basis of present value of securities could not be ascertained.

- ii) Note C-4 regarding OTS of refinance from SIDBI, the amount settlement has been paid with delayed period interest and Rs. 24.90 Crore is pending for payment. The conformation letter regarding waiver is not received from SIDBI.
- iii) Note no. C- 6 regarding non provision of additional demand of Income tax of Rs. 20,92,244.00 for the AY 2013-14 against which the corporation has preferred an appeal.
- iv) Note no. C-7 regarding the default in repayment of State Government loan of Rs. 119.41 crore (interest of Rs.47.99 crore and Principal of Rs.71.42 Crore.)
- v) Note No. C-8 regarding non-receipt of the subvention claims against dividend amounting to Rs.1269.82 lakh for earlier years, pending with the State Government.
- vi) Note no. C-10 regarding non receipt of confirmation of investment amounting to Rs. 71 crore from HRTC received by the corporation as pass through vehicle during the year 2008-09. Further, we are unable to comment on such investment pending final direction from the State Government.
- vii) Note No. C -11 regarding non- confirmation of receivables and payables. Any adjustment /effect on the profit and loss account and the balance sheet on this account is not ascertainable.
- viii) No provision has been made for rent of Branch Office Jharmajri. The liability is unascertainable [Refer Note No. C-12].
- ix) Note No. C-13 regarding non-provision of interest tax recoverable of Rs. 1496119.00 as the matter is sub-judice.

We, further report that had the qualifications, where amount ascertainable in the above paragraphs being considered, the loans and advances would have been Rs.8,76,403.00 (net of provision for NPA) as against the reported figure of Rs.50,67,70,850.00.

Material Uncertainty relating to Going Concern

We draw attention to Para A(ii) and A(vii) of Other Matters, which indicates that the company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net cash loss during the current and previous year(s) . These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

For A.Singhi& Associates,
Chartered Accountants
FRN: 021593N

Place: Shimla
Dated:

(CA Aman Singhi)
Partner
Membership No. 509257

MANAGEMENT REPLY TO OBSERVATIONS OF STATUTORY AUDITORS

Emphasis of Matters:

A

- (i) In the opinion of management, the value of loans and advances except loans classified as NPAs have the value at least equal to the amount at which they are stated in the Balance Sheet, if realized in the ordinary course of business. The valuation of primary and collateral securities of loan and advances as on the date of balance sheet has not been re-assessed. However, 100% provision against Non-Performing Assets (NPAs) has been made in the books of accounts as on 31.03.2022 as per the provisioning norms of SIDBI.
- (ii) The figures of loan and advances written off, non performing assets norms, losses during the year and accumulated losses as on 31.03.2022 stated by the Auditor are the correct figure which have been incorporated in the Balance Sheet and Profit and Loss Account. The mandated lending activity of the Corporation has been stopped and is now looking after recovery work alone to avoid losses. The stoppage of lending activity has resulted into gross NPA as on 31.03.2022 at 100% where as the net NPA of 100%, entire loan portfolio of the Corporation in litigation resulting increase in accumulated losses and therefore the net worth of the Corporation have become negative.
- (iii) The Corporation has indicated figures of total loan assets as well as total provisioning in the Balance Sheet to make it more transparent.
- (iv) The value of loans and advances except loans classified as NPAs have the value at least equal to the amount at which they are stated in the Balance Sheet, if realized in the ordinary course of business. The adequate provision against Non-Performing Assets (NPAs) has been made in the books of accounts as on 31.03.2022 as per the provisioning norms of SIDBI.
- (v) The Corporation has its own Audit Manual. The Corporation has, however stopped further lending.
- (vi) No provision for income tax has been made due to carry forwarded losses.
- (vii) Due to continuous losses, the State Government has stopped the mandated lending activity of the Corporation during August 2008 which has resulted in to continuous decline in Net Assets base of the HPFC. The stoppage of lending activity has affected sanction and disbursement of loans and the Corporation is looking after recovery work alone.

BALANCE SHEET
&
PROFIT AND LOSS
ACCOUNT

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA
BALANCE SHEET AS AT 31st MARCH, 2022

CAPITAL AND LIABILITIES	AMOUNT	TOTAL	PREVIOUS YEAR
1 CAPITAL			
Authorised			
15,000,000 Shares of Rs.100 each	1500000000		1500000000
Issued,Subscribed and Paid-up			
[i] 2,583,107 Shares of Rs.100 each fully paid up u/s 6(1) of SFCs (Amendment) Act,2000 (Previous Year - Same)	258310700		258310700
[ii] 2,74,000 Shares of Rs. 100 each fully paid-up (u/s 4A of SFCs Act,1951) (Previous Year - Same)	<u>27400000</u>	285710700	27400000
[iii] Share Application Money		710000000	710000000
2 RESERVE FUND AND OTHER RESERVES			
[i] Reserve Fund u/s 35	2920312		2920312
[ii] Reserves for Bad & Doubtful Debts	3919201		3919201
[III] Other Reserves			
[a] Special Reserve Fund u/s 36(i) (viii) of I.T. Act 1961	24717093		24717093
[b] Special Reserve Fund u/s 35A	<u>18189352</u>	49745958	18189352
3 BONDS AND DEBENTURES			
[Guaranteed by the State Govt. u/s-7]	0		
Add:- Interest accrued but not due	<u>0</u>	0	0
4 BORROWINGS U/S 7			
[i] From SIDBI (in trust of securities offered by the Corporation's constituents against loans advanced to them by the Corporation)		249016050	249016050
[ii] From SIDBI (Soft Loan)		33700000	33700000
[iii] From State Govt.	846113000		846113000
Add:- Interest Accrued	<u>479894456</u>	1326007456	410378056 0
TOTAL CARRIED OVER		2654180164	2584663764

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA
BALANCE SHEET AS AT 31st MARCH, 2022

PROPERTY AND ASSETS	AMOUNT	TOTAL	Amount in Rupees PREVIOUS YEAR
1 CASH AND BANK BALANCE			
[a] Cash in hand	89461		32067
[b] Balance with Banks u/s 33 (2) of SFCs Act,1951			
[i] Reserve Bank of India	0		0
[ii] Scheduled Banks in Current Accounts	14087921		10045878
in Short Term Deposits	127724542		121602646
[c] CPF Deposits	71036190		67445562
[d] Postage Stamps in Hand	466	212938580	1263
2 INVESTMENTS			
Government Securities			
[i] Central Government	0		0
[ii] State Government	0		0
[iii] Debentures and Shares acquired under under-writing agreement u/s 25 (i) (da)			0
a) 60 Equity Shares of Rs.1,000 each fully paid-up of M/s Himachal Consultancy Organisation Ltd., Shimla (Unquoted at face value; Held till Maturity)	60000		60000
b) Investments in Immovable Property	501000		501000
[iv] Himachal Road Transport Corp. Shimla	710000000	710561000	710000000
3 LOANS AND ADVANCES			
[As per Schedule "A"]			
[i] Direct Loans	494847269		499782649
[ii] Soft Loans from Special Share Capital	3826507		3826508
[iii] Seed Capital Loans under Semfex Scheme	296087		296087
[iv] National Equity Fund	7800987	506770850	8113987
			0
TOTAL CARRIED OVER		1430270430	1421707647

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA
BALANCE SHEET AS AT 31st MARCH, 2022

CAPITAL AND LIABILITIES	AMOUNT	TOTAL	PREVIOUS YEAR
TOTAL BROUGHT OVER		2654180164	2584663764
5 GUARANTEES & UNDERWRITING AGREEMENTS			
[i] Guaranteed u/s 25 as per contra	0	0	0
[ii] Underwriting Agreements u/s 25 as per contra	0	0	0
6 SUBVENTION PAID BY THE STATE GOVERNMENT ON ACCOUNT OF DIVIDEND (SEC 6 READ WITH SEC 35)		7876000	7876000
7 OTHER LIABILITIES			
[i] Borrowers' Imprest	2358619		2317166
[ii] Staff Provident Fund (Net)	38666045		46924169
[iii] Amount Realised from DICGC	876403		876403
[iv] Earnest Money /Unknown Parties	40880175		23172401
[v] Token Money for OTS - Pending Adjustment	2539566		2539566
[vi] SIDBI / Central Govt. Subsidy	149000		149000
[vii] State Govt. Interest Subsidy	256994		256994
[viii] Bills Payable	7825793		1716593
[ix] Pension Payable	182645		182645
[x] Provision for Leaveencashment	<u>0</u>	93735240	0
8 PROVISION FOR NON PERFORMING ADVANCES			
Balance as per last Balance Sheet	511142829		
Less: Provision reversed during the year	<u>5248382</u>	505894447	511142829
TOTAL CARRIED OVER		3261685851	3181817530

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA
BALANCE SHEET AS AT 31st MARCH, 2022

PROPERTY AND ASSETS	AMOUNT	TOTAL	Amount in Rupees PREVIOUS YEAR
TOTAL BROUGHT OVER		1430270430	1421707647
4 PREMISES, LAND AND BUILDING			
LEASE HOLD, RESIDENTIAL STAFF FLATS			
Cost upto last Balance Sheet	12229207		
Additions during the year	0		
Less: Adjustments during the year	0		
	12229207		
Less: Depreciation written off upto last Balance Sheet	7429609		
Add : Depeciation for the year	233740	7663349	4565858
			4799598
5 MOTOR VEHICLE, FURNITURE AND FIXTURES ETC.			
Cost upto last Balance Sheet	6322035		
Additions during the year	158662		
	6480697		
Less: Sales/Adjustments during the year	0		
	6480697		
Less: Depreciation written off upto last Balance Sheet	5884759		
Less: Adjusted during the year	0		
Add : Depreciation for the year	76765	5961524	519173
			437276
6 OTHER ASSETS			
[i] Advances to Staff			
[a] House Building		0	0
[b] Accrued Interest on HBA		228707	333815
[c] Travelling		30416	25416
[d] LIC/GIS amt. recoverable from staff		406	1151
[e] Amt. Deposit in H.P. High Court		4434026	4434026
TOTAL CARRIED OVER	4693555	1435355461	1431738929

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA
BALANCE SHEET AS AT 31st MARCH, 2022

CAPITAL AND LIABILITIES	AMOUNT	TOTAL	PREVIOUS YEAR
TOTAL BROUGHT OVER		3261685851	3181817530
9 CONTINGENT PROVISION AGAINST STANDARD ASSETS			
Balance as per last Balance Sheet	0		
Less: Provision reversed during the year	<u>0</u>	0	0
GRAND TOTAL		3261685851	3181817530

Accounting policies, notes on accounts: Schedule 'B'

Place: SHIMLA
Dated:-

(B.L Bhardwaj)
Asstt. Manager

(Priyatu Mandal)
Managing Director

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA
BALANCE SHEET AS AT 31st MARCH, 2022

PROPERTY AND ASSETS	AMOUNT	TOTAL	Amount in Rupees PREVIOUS YEAR
TOTAL BROUGHT OVER	4693555	1435355461	1431738929
[ii] Other Advance [Sundry Advance]	469740		458680
[iii] Stationery in Hand	40984		48187
[iv] Pre-paid Expenses	28688		28525
[vi] Service Tax Recoverable	201731		201731
[vii] Advance Income Tax A.Y. 2013-14	418500		418500
[viii] Security Deposits (Refundable)	1850		1850
[ix] Society Deduction Recoverable From Staff	0		0
[x] Investment Deposit A/c with IDBI u/s 32AB of I.T. Act,1961	7000		7000
[xi] TDS Recoverable	1366035	7228083	1366035
7 DIVIDEND DEFICIT ACCOUNT		7876000	7876000
8 ADVANCE INTEREST TAX		1496119	1496119
9 PROFIT AND LOSS ACCOUNT			
Loss as per last Balance Sheet	1738175974		
Deficit as per Profit and Loss Account	71554214	1809730188	1738175974
GRAND TOTAL		3261685851	3181817530

" In terms of our report of even date annexed".
for A.Singhi & Associates,
Chartered Accountants
FRN-021593N

Director

(Aman Singhi)
Partner
Membership No.509257

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2022

EXPENDITURE	AMOUNT	TOTAL	PREVIOUS YEAR
To Interest on Borrowing			
(a) Interest on Bonds	0		
(b) Interest on State Govt. Loan	69516400		
(c) Interest on CPF	<u>2948076</u>	72464476	74031239
To Salaries and Allowances			
(a) Managing Director (including Medical Re-imbursment -Rs.2656/- , Previous year: Nil.	38858		
(b) Others (including Medical Re-imbursment Rs.1,24,966/= Previous year: Rs.1,56,689/=)	<u>12081784</u>	12120642	7470278
To Travelling & Other Allowances			
(a) Managing Director	0		
(b) Directors	0		
(c) Others	<u>0</u>	0	0
To Contribution to Staff Provident Fund	741806		557834
To Rent, Rates, Taxes, Lighting and Insurance etc.	1078521		1041277
To Postage,Telegram and Stamps etc.	14297		2862
To Telephones Expences	38575		53543
To Printing and Stationery	65243		81244
To Publicity and Advertisement	9889		0
To Repairs and Renewals	183601		96839
To Bank Charges and Commission	2959		3113
To Auditor's Remuneration	59000		59000
TOTAL CARRIED OVER	<u>2193891</u>	84585118	83397229

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2022

INCOME	AMOUNT	TOTAL	<i>Amount in Rupees</i> PREVIOUS YEAR
By Interest on			
(a) Loans & Advances	4410925		808788
(b) Investments & Deposits	10100078	14511003	11475141
By Other Income			
(a) Miscellaneous Income	68519		56996
(b) Dividend	20247	88766	59261
By Excess Provision of NPAs Written Back		5248382	1859038
By Net Deficit for the Year			
(a) Before Provision for NPAs	76802596		
(b) Provision for NPAs	-5248382	71554214	69756770
TOTAL CARRIED OVER		91402365	84015994

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2022

EXPENDITURE	AMOUNT	TOTAL	PREVIOUS YEAR
TOTAL BROUGHT OVER	2193891	84585118	83397229
To Depreciation	310505		330397
To Law & Professional Charges	0		10800
To Other Expenses			
(a) Books & Newspapers	3492		1495
(b) Miscellaneous not Enumerated	50428		37424
c) Vehicle Running and Maintenance	161926		153894
(d) Staff Welfare	185551		46511
(e) Meeting Expenses	5514		0
(f) Fees & Subscription	110743		38244
(g) Gratuity Paid	<u>0</u>	3022050	0
To Bad Debts Written Off	47956	47956	0
To Expense pertains to earlier year	3747241	3747241	0
GRAND TOTAL		91402365	84015994

Accounting policies, notes on accounts: Schedule 'B'

PLACE: SHIMLA

(B.L Bhardwaj)
Asstt. Manager

(Priyatu Mandal)
Managing Director

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2022

INCOME	AMOUNT	TOTAL	<i>Amount in Rupees</i> PREVIOUS YEAR
TOTAL BROUGHT OVER		91402365	84015994

91402365

84015994

" In terms of our report of even date annexed".

for A.Singhi & Associates.,

Chartered Accountants

FRN-021593N

Director

(Aman Singhi)

Proprietor

Membership No.509257

SCHEDULE SHOWING PARTICULARS OF LOANS AND ADVANCES REFERRED TO

	This year	Previous Year
I. PARTICULARS OF LOANS AND ADVANCES		
(a) Debts considered good in respect of which the Corporation is fully secured	9,86,74,360	17,75,41,356
(b) Debts previously fully secured but now secured to the extent of Rs.26,01,85,381/=	<u>1,50,20,17,044</u>	<u>1,17,64,43,338</u>
	1,60,06,91,404	1,35,39,84,694
Less: (i) Overdue interest as on 31.3.2022 (including suit filed cases)	1,09,39,20,555	84,19,65,463
(ii) Funded interest as on 31.3.2022	0	0
(iii) Advance payment	0	0
Balance as per Balance Sheet (Including Other charges of Rs.2,20,31,505 debited to parties)	<u>50,67,70,850</u>	<u>51,20,19,231</u>
(c) Debts due by concerns in which one or more Directors of the Corporation are interested as Directors, Partners , Proprietors, Share-holders or Managing Agents or in the case of private Companies as Members	-----	-----
(d) Total amount of Loans disbursed during the year to concerns in which one or more directors of the Corporation are interested as Directors,Partners Proprietors, Share-holders or Managing Agents or in the case of private Companies as Members	-----	-----
(e) (i) Total amount of instalments whether of Principal or Interest of which default were made at any time during the year	-----	-----
(ii) Total amount of instalments whether of Principal or Interest overdue at the end of the year (excluding those against whom legal suits have been filed and disclosed under (iv) below)	54,14,05,911	41,11,29,013
(iii) Total amount of instalments whether of Principal or Interest overdue by the concerns in which Directors of the Corporation are interested		
(iv) Total amount due from Borrowers against whom suits have been filed	1,03,72,53,989	92,02,39,184
(f) Debts Guaranteed by the State Government & its undertakings & Scheduled Banks	-----	-----
(g) Debts due by the loanee concerns whose management has been taken over by the Corporation	-----	-----

	This year	Previous Year
II. CLASSIFICATION OF LOANS & ADVANCES		
ACCORDING TO THE SIZE OF INDUSTRIAL UNITS		
(i) Debts due from Small Industrial concerns	1,23,42,72,670	1,06,90,21,918
(ii) Debts due from concerns other than those included in (i) above	<u>36,64,18,734</u>	<u>28,49,62,776</u>
	1,60,06,91,404	1,35,39,84,694
Less: (i) Over due interest as on 31.3.2022 (including Suit Filed Cases)	1,09,39,20,554	84,19,65,463
(ii) Funded Interest as on 31.3.2022	0	0
(iii) Advance payment	0	0
Balance as per Balance Sheet	<u>50,67,70,850</u>	<u>51,20,19,231</u>
III. ACCORDING TO THE CONSTITUTION OF THE INDUSTRIAL UNITS		
(a) Proprietary	46,81,21,992	36,63,74,399
(b) Partnership	17,34,85,795	17,08,18,183
(c) Hindu Un-divided Family	0	0
(d) Co-operative Societies	0	0
(e) Private Limited Companies	92,80,76,943	78,57,87,938
(f) Public Limited Companies	<u>3,10,06,674</u>	<u>3,10,04,174</u>
	1,60,06,91,404	1,35,39,84,694
Less: (i) Over due interest as on 31.3.2022 (including Suit Filed Cases)	1,09,39,20,554	84,19,65,463
(ii) Funded Interest as on 31.3.2022	0	0
(iii) Advance Payment	0	0
Balance as per Balance Sheet	<u>50,67,70,850</u>	<u>51,20,19,231</u>
IV. ACCORDING TO HEALTH OF INDUSTRIAL UNITS		
(a) Standard Accounts	0	0
(b) Sub-Standard Accounts	0	0
(c) Doubtful Accounts	69,13,32,101	45,81,93,110
(d) Loss Assets Accounts	<u>90,93,59,303</u>	<u>89,57,91,584</u>
	1,60,06,91,404	1,35,39,84,694
Less: (i) Over due interest as on 31.3.2022 (including Suit Filed Cases)	1,09,39,20,554	84,19,65,463
(ii) Funded Interest as on 31.3.2022	0	0
Balance as per Balance Sheet	<u>50,67,70,850</u>	<u>51,20,19,231</u>

NOTE: Loans to Companies/concerns, where charge registration is pending and/or assets are un-insured/under insured due to certain reasons, have been considered secured, unless otherwise stated.

FOR M/s A.Singhi & Associates
Chartered Accountants

[B.L. Bhardwaj]
Asstt. Manager

[Priyatu Mandal] IAS
Managing Director

[Aman Singhi]
Partner

NOTES ON ACCOUNTS:**A. ACCOUNTING POLICIES**

1. System of Accounting – Mercantile System of Accounting.
2. Depreciation has been charged as per written down value method on the rates prescribed in Schedule II of the Companies Act, 2013.
3. Income in respect of standard assets has been recognized on accrual basis and in case of NPAs on receipt basis.
4. Appropriations of receipts:
Realizations from the borrowers have been appropriated in the following manner:
 - (a) Receipt from normal cases: First towards other monies (miscellaneous expenses), then towards current year's income and the balance receipt has been adjusted against principal amount.
 - (b) Receipt from litigation cases, cases settled under one time settlement scheme and from sale of taken over units: First towards other monies (miscellaneous expenses), then towards principal and the balance receipt has been adjusted against interest income.
5. In one time settlement cases, the effect of write off/write back, is given at the time of receipt of final payment.
6. Dividend on investment is accounted for on receipt basis.
7. Provision for NPAs has been calculated on outstanding amount of principal and misc. charges after deducting claims received from DICGC.
8. Investments have been stated at cost.
9. The Corporation has taken Group Gratuity Policy and Leave Encashment Policy from Life Insurance Corporation of India to meet out the retirement benefits of the employees of the Corporation.

B. CONTINGENT LIABILITIES NOT PROVIDED FOR

1. Income tax cases pending/considered pending (including cases under appeal/reference/ ratification at different levels) – Amount unascertained.

C. NOTES

1. Provision for Loans and Advances
Loan assets are classified based on record of recovery as Standard, Sub-standard, Doubtful and Loss. Provision has been made as per guidelines received from SIDBI vide letter No. SIDBI No. 6190/IFV/SFCs/Policy dated 13th February, 2015.

i. Standard assets	0.25% of loans
ii. Sub-standard assets	15% of loans
iii. Doubtful Assets	100% of unsecured portion plus 25%/40%/100% of secured portion depending on the period for which the loans remained doubtful.
iv. Loss Assets	100% of loans
2. Loans have been generally classified on the basis of original value of securities in the absence of availability of present value of the same. In case of taken over units, the value of securities have been considered as per the latest valuation reports.
3. As on 31st March 2022, three industrial units were in the custody of the Corporation in exercise of its rights u/s 29 of the State Financial Corporations' Act, 1951. Pending final settlement/ disposal, accounts stand unadjusted.
4. During September 2011, the Corporation had arrived at one time settlement with SIDBI for the outstanding loan of Rs.6715 lakh on payment of Rs.40.00 crore up to 01.06.2016. The Corporation has repaid entire OTS amount with delayed period interest. The adjustment of waiver of liability will be made at the time of final decision of SIDBI.

5. As per decision taken on 30.09.2003, the Corporation is sharing sale proceeds with the Excise and Taxation Department in respect of industrial units which are taken over and sold u/s 29 of the SFCs' Act, 1951.
6. The Income Tax Authority has raised a demand of Rs. 20,92,244/- for assessment year 2013-14, out of which an amount of Rs.4,18,500/- (i.e. 20% of total demand) has been deposited by the Corporation with the income tax authority as per their condition. The said amount has been shown as Income Tax recoverable and further no provision has been made for the balance amount as the Corporation has preferred an appeal before the Appellate Authority against the said demand.
7. The Corporation has accounted for interest of Rs. 6,95,16,400/- during the year on State Government loans at simple rate of interest @ 8.50% in view of the directions from the Government. The repayment amounting to Rs.47,98,94,456/- towards interest and Rs. 71,41,64,600/- towards principal is due up to 31.03.2022.
8. Due to losses/inadequate profits of the Corporation in the earlier years and because of non-receipt of subvention from the State Government, no dividend has been declared/ paid. Subvention claims for earlier years amounting to Rs.1269.82 lakh are pending with the State Government. Dividend for earlier years would be paid after receiving subvention from the State Government.
9. The Corporation is maintaining CPF Trust and has provided interest @ 7.10% w.e.f. 01.04.2021 to 31.03.2022, total amount of interest paid is Rs.29,48,076/- for the year.
10. The Corporation had received Rs.71.00 crore during the year 2008-09 as share capital as pass through vehicle (cash neutral support) with the specific directions that these funds were to be invested in Himachal Road Transport Corporation (HRTC). These funds include Rs. 3.00 crore for which the Government has directed to give as subsidy/ grant-in-aid. However, the Corporation has no power under the statute to provide subsidy/ grants to any other Corporation. In view of the same, the entire amount of Rs. 71.00 crore has been treated as Investment in HRTC. The corporation has not received any documentary evidence regarding treatment of these funds in HRTC. The matter has been taken up with the Government by the corporation to seek specific direction regarding treatment of these funds by the corporation as well as by HRTC, keeping in view the stoppage of lending activities by the corporation. The response from the State Govt. is still awaited and the final treatment will be given only after receipt of necessary direction in the matter.
11. The balances of debit and credit on account of amounts recoverable and payable including Loans and Advances under different heads are subject to confirmation.
12. The rent of Jharmajri Office, which was closed in earlier years, has not been finalized by the Industries Department, hence no provision of rent has been made.
13. Assets also include Rs.14,96,119.00 recoverable on account of interest tax from Income Tax Department. The matter is under litigation and adjustment will be made at the time of final settlement.
14. In the opinion of the management, subject to above notes, the value of current assets, loans and advances except loans classified as NPAs have the value at least equal to the amount at which they are stated in the Balance Sheet, if realized in the ordinary course of business.
15. The mandated lending activity of the Corporation has been stopped which has resulted in to gross NPA as on 31.03.2021 to 100 % where as the net NPA of 100% low asset base, almost entire loan portfolio of the corporation is in litigation and therefore the net worth of the Corporation has become negative.
16. No provision for income tax has been made due to loss for the year and carry forward losses.
17. Disclosures in compliance with SIDBI's guidelines

CAPITAL

- (a) Core Capital Risk Weighted Adequacy Ratio (CRAR):(-) 60.03%
 (b) Supplementary Capital Risk Weighted Adequacy Ratio : nil
 (c) Amount of sub-ordinated debt raised and outstanding as Tier-II capital: nil
 (d) Shareholding pattern:

(Rupees in lakh)

S. No.	Category	Ordinary share capital	Special share capital	Total	%age of holding
1	State Government	9135.79*	162.00	9297.79*	93.38
2	SIDBI	542.89	112.00	654.89	6.58
3.	Banks & Financial Institutions	3.24	-	3.24	0.03
4.	Private share holders	1.19	-	1.19	0.01
	Total	9683.11	274.00	9957.11	100.00

*including share application money of Rs 7100.00 lakh.

(A.) ASSET QUALITY AND CREDIT CONCENTRATION

- (a) **Percentage of NPAs to Loans & Advances** Gross 100%
 Net 100%
 (b) **Amount and percentage of net NPAs to Net Loans & Advances:**

(Rupees in lakh)

Asset category	Gross Loans	%age	Provisions	Loan after provisions	%age
Standard	0.00	0.00	0.00	0.00	0.00
Sub-standard	0.00	0.00	0.00	0.00	0.00
Doubtful*	1662.45	32.86	1662.45	0.00	0.00
Loss Assets	3396.50	67.14	3396.50	0.00	0.00
Total	5058.95	100.00	5058.95	0.00	0.00

*Note: After adjustment of claims of Rs. 8.76 lakhs received from DICGC

(c) Amount of provision made during the year*in lakh)**(Rupees*

S. No.	Assets & other	Provisions
1	Loans & Advances	-52.48
1.1	Standard Assets	0.00
1.2	Sub-Standard Assets	0.00
1.3	Doubtful Assets	-1.74
1.4.	Loss Assets	-50.74
2	Income tax	Nil
3	Investments	Nil

(d) Movements in net NPAs

- (i.) Sub Standard = Nil (100% NPA)
(ii.) Doubtful = Nil (100% NPA)

Credit exposure as percentage to capital employed and to total assets in respect of:

Particulars	Capital employed	Total Assets
a) the largest single borrower	Rs.451.60 lakh (1.72%)	8.91%
b) 10 largest single borrowers	Rs.1596.90 lakh (610%)	31.51%

(B.) LIQUIDITY**Maturity pattern of rupee/foreign, current assets & liabilities.***(Rupees in crore)*

Item	<= 1 y r	>1<= 3 yr	>3<= 5 yr	>5<= 7 yr	>7<= 10 yr	> 10 yr	Total
Rupee assets	-	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-	-
Total assets	-	-	-	-	-	-	-
Rupee liabilities	-	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-

(C.) OPERATING RESULTS

- (e) Interest income as percentage to average working funds = 0.48%
(f) Non-interest income as percentage to average working funds = 0.0%
(g) Operating profit as a percentage to average working funds = Nil
(h) Return on average assets = Nil
(i) Operating profit per employee = Nil
(j) Net profit per employee = Nil
- b. Schedule No A & B forming integral part of the Balance Sheet have been duly authenticated.
- c. Figures have been rounded off to the nearest rupee and figures of the previous year have been regrouped and re-arranged wherever necessary to make them comparable with the figures of the current year.

A.Singhi & Associates
Chartered Accountants

(B.L Bhardwaj)
Asstt. Manager

Director

(Priyatu Mandal)
Managing Director

(Aman Singhi)
Partner