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56th
ANNUAL REPORT
&
ACCOUNTS
2022-23

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

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Himachal Pradesh Financial Corporation
BOARD OF DIRECTORS (AS ON 31.03.2023)

Sr.No.	Name	Designation	Nominated by
1	Sh. Prabodh Saxena, IAS	Chairman	Small Industries Development Bank Of India
2	Sh. R.D. Nazim, IAS	Director	The Government of Himachal Pradesh
3	Sh. . Piyush Bhargav	Director	Small Industries Development Bank Of India
4	Sh. Yangjor	Director	The Life Insurance Corporation of India
5	Sh. Anjani Kumar	Director	The Punjab National Bank
6	Sh. Priyatu Mandal, IAS	Managing Director	The Government of Himachal Pradesh

AUDITORS

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

Cell: +919218560010
+917018429164

e-mail: amansinghiaca@yahoo.co.in

Himachal Pradesh Financial Corporation
OFFICERS & OFFICIAL

1. Shri. B.L. Bhardwaj

Dy. Manager

2. Smt. Devi Bali

Asstt. Manager

3. Shri Ramesh Thakur

Asstt. Manager

TEN YEARS				
Year ended on 31st March	2023	2022	2021	2020
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	147.97	145.11	122.84	151.65
(ii) Other Income	33.53	0.89	1.16	0.37
(A) Total:-	181.50	146.00	124.00	152.02
Cost Of Borrowings	247.50	762.12	740.31	748.56
GROSS PROFIT (A)	(-) 66.00	(-) 616.12	(-) 616.31	(-) 596.54
OPERATING EXPENSES				
(i) Staff Cost (Salaries, P.F. & Gratuity)	307.80	128.63	80.29	82.91
(ii) Administrative & General expenses.	24.39	22.80	19.56	19.25
(iii) Bad Debts Written off	0.24	0.48	0.00	2.00
(B) Total:-	332.43	151.91	99.85	104.16
Net Profit/Loss before Tax (A-B)	(-) 398.43	(-) 768.03	(-) 716.16	(-) 700.70
Add: Service Tax written off	2.02	0.00	0.00	0.00
Less: NPAs Reversed	14.85	-----	-----	-----
Net Deficit	(-) 385.60	(-) 768.03	(-) 716.16	(-) 700.70
(i) Appropriation to Reserves	----	----	----	----
(ii) Provision for Dividend	----	----	----	----
(iii) Repayment of subvention	----	----	----	----
(i) Share Capital	11318.24	9957.11	9957.11	9957.11
(ii) Reserves	497.46	497.46	497.46	497.46
(iii) Loans Outstanding	16162.41	16006.69	13539.85	13560.11
(iv) No. of Accounts	407	412	422	423
(v) Refinance Outstanding	2827.16	2827.16	2827.16	2827.16
(vi) Bonds Outstanding	0.00	0.00	0.00	260
(vii) No. of Offices	----	----	----	----

Rs. In Lakhs)

BREAK –UP OF TERM LOAN SANCTIONED	As on 31st March-2023		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	11318.24
Cold Storage & Ice Factory	178.06	27	Reserves	497.46
Electrical Appliances/Equipments.	5395.71	194	Total:-	11815.70
Engineering Goods	2584.89	177	Share Application Money of Rs.7100.00 pending (not included)	
Fertilizers	56.19	6	BORROWINGS	
Food Manufacturing	7565.08	368	Bonds	0.00
Hotels/Restaurants	10498.04	783	Small Industries	0.00
Leather and Fur Products	682.23	59	Small Industries Development Bank of India (SIDBI)	2827.16
Metal Products	7539.36	319	Reserve Bank of India	0.00
Mineral, Mining & Stone Crushing	1727.66	188	State Government Interest	5020.32
Petroleum & Coal	17.54	4	Other loans	0.00
Paper & Paper Products	3218.13	157	Total:-	7847.48
Printing Presses	446.08	67	EARNINGS	
Rubber Products/plastic	5979.06	361		
Service Stations	208.01	66	(i) Gross Income	181.50
Textiles	3465.69	231	(ii) NPAs Reversed	14.85
Transport Equipment	2264.56	151	Total income including NPAs Reversal	196.35
Transport Operators	4654.67	2224	EXPENDITURE	
Miscellaneous Units	5741.13	546	(i) Cost of Borrowings	247.50
Total	71183.27	6352	(ii) Administrative & General Expenses	334.21
			(iii) Bad Debts written off	0.24
			Total expenses	581.95
			Net Deficit	(-) 385.60
			Provision for Taxation	-----

REPORT OF THE BOARD OF DIRECTORS OF HIMACHAL PRADESH FINANCIAL CORPORATION

For the year ended 31st March, 2023

(Under Section 36 of the State Financial Corporations Act, 1951)

The Board of Directors of Himachal Pradesh Financial Corporation takes pleasure in presenting the 56th Annual Report on the working of the Corporation along with Audited Statement of Accounts for the year ended 31st March, 2023.

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 2022-23 have been given in Table-1.

Table-1
Due and Recovery Position of Financial Year 2022-23

<i>Rupees in lakh</i>				
Sr No	Particulars	Principal	Interest	Total
1	Arrears at the beginning of the year	4847.40	10939.20	15786.60
2	Less: Amount rescheduled	0.00	0.00	0.00
3	Less: amount written off/ back	0.24	21.51	21.75
4	Net Arrears (1-2-3)	4847.16	10917.69	15764.85
5	Due during the year	0.00	226.90	226.90
6	Total Demand (4+5)	4847.16	11144.59	15991.75
7	Receipt: Out of Arrears (After time)	13.04	34.31	47.35
8	Receipt: Out of Current Demand (In time)	0.00	0.73	0.73
9	Total Receipt (7+8)	13.04	35.04	48.08
10	Arrears at the close of the year (6-9)	4834.12	11109.55	15943.67
11	Recovery %age of arrears (7/4)	0.26	0.31	0.30
12	Recovery %age of current demand (8/5)	0.00	0.32	0.32
13	Total recovery percentage (9/6)	0.26	0.31	0.30

During 2022-23, out of total demand of Rs 15,991.75 lakh (principal Rs 4,847.16 lakh and interest Rs 11,144.59 lakh), the Corporation effected recovery of Rs. 48.08 lakh (0.30%) against recovery of Rs. 90.26 lakh (0.57%) during the previous year. At the close of the year, an amount of Rs 15,943.67 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 2022-23 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	1483.90	3930.16	5414.06
2	Add: Fresh RC cases	0.00	0.00	0.00
3	Less: amount written off/back	0.00	0.79	0.79
4	Less: Amount transferred to suit filed cases	0.00	0.00	0.00
5	Net Arrears	1483.90	3929.37	5413.27
6	Due during the year	0.00	206.14	206.14
7	Total Demand (5+6)	1483.90	4135.51	5619.41
8	Total Receipt	1.86	18.03	19.89
9	Arrears at the close of the year	1482.04	4117.48	5599.52
10	Total recovery percentage (8/7)	0.12	0.44	0.35

During 2022-23, out of total demand of Rs.5,619.41 lakhs (principal Rs 1,483.90 lakhs and interest Rs 4,135.51 lakh), the Corporation effected recovery of Rs.19.89 lakhs (0.35%) against recovery of Rs 14.18 lakhs (0.26%) during the previous year. At the close of the year, an amount of Rs 5,599.52 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 2022-23 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	3363.50	7009.03	10372.53
2	Add: Fresh suit file cases	0.00	0.00	0.00
3	Less: amount written off/back	0.24	20.72	20.96
4	Net Arrears	3363.26	6988.31	10351.57
5	Due during the year	0.00	20.77	20.77
6	Total Demand (4+5)	3363.26	7009.08	10372.34
7	Total Receipt	11.17	17.01	28.18
8	Arrears at the close of the year	3352.09	6992.07	10344.16
9	Total recovery percentage (7/6)	0.33	0.24	0.27

During 2022-23, out of total demand of Rs 10,372.34 lakhs (principal Rs 3,363.26 lakhs and interest Rs 7,009.08 lakhs), the Corporation effected recovery of Rs 28.18 lakhs (0.27%) against recovery of Rs 76.08 lakhs (0.73%) during the previous year. At the close of the year, an amount of Rs 10,344.16 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 2022-23 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	119.24	71.92	191.16
2	Less: amount written back	0.00	0.00	0.0
3	Net Arrears	119.24	71.92	191.16
4	Due during the year	0.00	0.00	0.0
5	Total Demand (3+4)	119.24	71.92	191.16
6	Total Receipt	2.00	0.00	2.00
7	Arrears at the close of the year	117.24	71.92	189.16
8	Total recovery percentage (6/5)	1.68	0.00	1.04

During 2022-23, out of total demand of Rs. 191.16 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 2.00 lakhs (1.04%) against recovery of Rs 3.13 lakhs (1.61%) during the previous year. At the close of the year, an amount of Rs. 189.16 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 2022-23 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	669.07	2836.80	3505.87
2	Add: Fresh RC Cases	0.00	0.00	0.00
3	Less: amount written off/back	0.00	0.79	0.79
4	Net Arrears	669.07	2836.01	3505.08
5	Due during the year	0.00	109.90	109.90
6	Total Demand (4+5)	669.07	2945.91	3614.98
7	Total Receipt	1.86	18.04	19.90
8	Arrears at the close of the year	667.21	2927.87	3595.08
9	Total recovery percentage (7/6)	0.28	0.61	0.55

During 2022-23, out of total demand of Rs 3,614.98 lakh (principal Rs.669.07 lakh and interest Rs 2,945.91 lakh) in RC cases, the Corporation effected recovery of Rs 19.90 lakh (0.55%) against recovery of Rs 14.18 lakh (0.40%) during the previous year. At the close of the year, an amount of Rs 3,595.08 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 Share Capital of the Corporation remained at previous year's level of Rs 15,000 lakh. During the year 2022-23, the State Government converted loan amount of Rs.84,61,13000/- in to equity on 23.07.2022 and thus paid up capital increased to Rs.11318.24 lakh. 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 2022-23, the Corporation did not raise any bond. At the close of the year, nothing is outstanding.

2.3 REFINANCE/LOC

During 2022-23 the Corporation did not avail any refinance from SIDBI and LOC from any bank.

3. FINANCIAL RESULTS

During 2022-23, the Corporation earned total revenue of Rs. 181.50 lakh (previous year Rs 146.00 lakh) and incurred revenue expenditure of Rs. 581.95 lakh (previous year Rs. 914.02 lakh) and thus recorded business loss of Rs. 400.45 lakh against business loss of Rs. 768.02 lakh in the previous year before provisioning. The business loss during this year amounting to (Rs. 400.45 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.185.23 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. Nazeem, IAS, Principal Secretary (Industries), was nominated as director by the State Government on 16.07.2022 in place of Sh. R.D. Dhiman, IAS Principal Secretary (Industries),

Sh. Anjini Kumar Dy. General Manager, PNB was nominated as Director by the PNB on 30.07.2022 in place of Sh. Sushil Kumar Khurana, Dy. General Manager.

Sh. Piyush Bhargava, Dy. General Manager, SIDBI was nominated as director by the SIDBI on 19.09.2022 in place of Sh. Udayan Dua, Manager, SIDBI

The Board places on record its appreciation of valuable services rendered by the all outgoing Directors.

6.2 CHAIRMAN

Shri Ram Subhag Singh, IAS, Chief Secretary to the Government of Himachal Pradesh remained Chairman of the Corporation w.e.f. 05.08.2021 to 06.07.2022 and thereafter Sh. R.D. Dhiman, IAS, Chief Secretary to the Government of Himachal Pradesh remained Chairman w.e.f. 16.07.2022 to 31.12.2022. Sh. Prabodh Saxena, IAS, Chief Secretary to the Government of Himachal Pradesh nominated as Chairman of the Corporation w.e.f. 31.12.2022

6.3 MANAGING DIRECTOR

Sh. Priyatu Mandal, IAS, continued to be Managing Director of the Corporation during this financial year.

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 and on behalf of the Board of Directors

MANAGING DIRECTOR

STATEMENTS

LIST OF DIRECTORS ON THE BOARD OF HPFC AS ON 31.03.2023

Sr No	Name of Director	Occupation & Address	By whom nominated/ elected	Date of nomination	Tenure
1.	Sh. Prabodh Saxena, IAS	Chief Secretary to the Govt. of Himachal Pradesh Shimla-171002	Nominated as Director by the State Govt. & Chairman by the SIDBI.	31.12.2022 as Director and 31.12.2022 as Chairman	Director: -At the pleasure of State Govt. Chairman: 3 Years
2.	Sh. R.D.Nazeem, IAS	Principal Secretary (Inds) to the Govt. of Himachal Pradesh, Shimla-171002	State Govt.	16.7.2022	At the pleasure of State Government
3.	Sh. Piyush Bhargav	Dy. General Manager, Small Industries Development Bank of India, Ludhiana.	Small Industries Dev. Bank of India.	19.09.2022	At the pleasure of SIDBI
4.	Sh. Yangjor	Sr. Divisional Manager, Life Insurance Corporation of India, Shimla-9	LIC of India	22.06.2021	At the pleasure of LIC
5.	Sh. Anjani Kumar	Dy. General Manager, Circle Head, Punjab National Bank, Circle Office Shimla-171001	Punjab National Bank	30.07.2022	At the pleasure of Punjab National Bank
6.	Sh. Priyatu Mandal, IAS	Managing Director, HPFC, Shimla-171001	Appointed by the State Government	14.07.2021	At the pleasure of State Govt.

STATEMENT FOR PROFIT AND LOSS ACCOUNT FOR THREE YEARS ENDED
ON 31ST MARCH 2023

(Rs. In lakhs)

Particulars	2021	2022	2022
I. INCOME			
(a) Interest on Advances	8.09	44.11	35.05
(b) (i) Interest on investments and deposits	114.75	101.00	112.92
(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	0.57	0.69	3.71
(ii) Dividend	0.59	0.20	0.30
(iii) Transfer of Shares	0.00	0.00	29.52
(iv) Income Pertaining to Previous Years	0.00	0.00	0.00
TOTAL:-	124.00	146.00	181.50
II EXPENDITURE			
(a) Interest Paid on			
(i) Bond & Debentures	13.94	0.00	0.00
(ii) State Govt. Loan	695.16	695.16	221.37
(iii) Borrowing from RBI	0.00	0.00	0.00
(iv) Staff Provident Fund	31.21	29.48	26.13
(v) Borrowing from notified Institution			
(a) SIDBI	0.00	37.47	0.00
(b) Others (Banks)	0.00	0.00	0.00
(b) Salary & Allowances including Medical and Provident and Fund Contribution			
(i) Managing Director	0.00	0.39	1.18
(ii) Other Staff	80.28	128.24	85.12
(iii) Group Gratuity Exp. LIC (Provision)	0.00	0.00	221.43
(iv) Group Leave Encashment Exp. LIC (Provision)	0.00	0.00	0.00

Statement No. 2

(Rs. In lakhs)

Particulars	2021	2022	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	0.00	0.00	0.07
(e) Rent, Rate, Taxes, Insurance & Lighting	10.41	10.79	9.68
(f) Auditor's fee	0.59	0.59	0.59
(g) Law & Professional Charges	0.11	0.00	0.14
(h) Loss on sale of investments	0.00	0.00	0.00
(i) Service Tax written off	0.00	0.00	2.02
(j) Bad Debts & other losses written off	0.00	0.48	0.24
(k) Other Expenses	8.46	11.43	13.98
(l) Net Profit/ Loss	(-) 716.16	(-) 768.03	(-) 400.45
TOTAL	124.00	146.00	181.50
APPROPRIATIONS			
(a) Net profit / loss as above	(-) 716.16	(-) 768.03	(-) 400.45
(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	18.59	52.48	14.85
(g) Net Profit /Loss Carried to Balance Sheet	(-) 697.57	(-) 715.55	(-) 385.60

SOURCES AND USES OF FUNDS

		(Rs. In lakh)		
Particulars	2020.21 (Actuals)	2021.22 (Actuals)	2022-23 (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	37.47	0.00
	(ii) Bonds	260.00	0.00	0.00
	(iii) Central Govt. Subsidy (Refund)	0.00	0.00	0.00
	(iv) RBI (Adhoc Bonds)	0.00	0.00	0.00
	(v) Others	0.00	0.00	0.00
Total		260.00	37.47	0.00
4	Revenue Payments			
	(i) Interest(Bonds and CPF)	45.15	29.48	0.00
	(ii) Service Tax	0.00	0.00	0.00
	(iii) Administrative Expenses	99.85	151.91	332.43
	(iv) Income Tax	-	-	-
	(v) Dividend	-	-	-
	(vi) Others	0.00	0.00	0.00
Total		145.00	181.39	332.43
5	CGF Claims paid to DICGC	-	-	-
6	Refund of Subvention	-	-	-
7	Other Cash Outgoings	11.02	10.17	20.15
8	Closing Cash and bank balances	1991.27	2129.39	1978.05
Grand Total		2407.29	2358.42	2330.63

Statement No. 3(Contd.)

		(Rs. In lakh)		
Particulars	2020-21 (Actuals)	2021-22 (Actuals)	2022-23 (Actuals)	
II RESOURCES				
9	Opening Cash and bank balance	1967.95	1991.27	2129.39
10	Increase in Capital	-	-	-
	(i) State Government	-	-	0.00
	(ii) IDBI/SIDBI	-	-	-
	Total	1967.95	1991.27	2129.39
11	Borrowings			
	(i) SIDBI Refinance	-	-	-
	(ii) Bonds	-	-	-
	(iii) Deposits	-	-	-
	(iv) RBI (Adhoc Bonds)	-	-	-
	(v) State Govt.	282.73	0.00	0.00
	Total	282.73	0.00	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)	21.04	46.15	13.04
14	Revenue Receipts			
	(i) Interest	8.09	44.11	35.05
	(ii) Others	115.91	101.89	146.45
	Total	124.00	146.00	194.54
15	Income from Sale of investment			
	(i) Face -value	-	-	-
	(ii) Profit/Loss	-	-	-
16	Suvention received	-	-	-
17	Other cash inflow	17.09	175.00	6.70
	Grand Total	2412.81	2358.42	2330.63

**COMPARATIVE SUMMARISED BALANCE SHEET FOR THREE YEARS ENDED
ON 31ST MARCH 2023**

(Rs. In lakh)

Particulars	2021	2022	2023
ASSETS			
Cash in Hand and Bank Balance with Banks in Current /Fixed Accounts	1991.27	2129.39	1978.05
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	5120.19	5067.71	5052.86
Other Assets	140.59	138.09	131.98
Dividend Deficit Account	78.76	78.76	78.76
Net Loss as per Profit & Loss Account	17381.76	18097.3	18482.91
TOTAL	31818.18	32616.86	32830.17
LIABILITIES			
Capital and Reserves			
(i) Paid up Capital	2857.11	2857.11	11318.24
(ii) Share Application Money	7100.00	7100.00	7100.00
(iii) Reserves (out of which for Bad & Doubtful Debts)	497.46	497.46	497.46
Bonds and Debentures	0.00	0.00	0.00
Borrowings			
(i) Reserve Bank of India			
(ii) SIDBI	2827.16	2827.16	2827.16
(iii) State Government	8461.13	8461.13	0.00
(iv) Kangra Central Co-oprative Bank	0.00	0.00	0.00
Subvention from State Government	78.76	78.76	78.76
Provision for Non-Performing Advances	5111.43	5058.94	5044.10
Other Liabilities (Including State Govt. Interest)	4885.13	5736.30	5964.45

**PARTY WISE DISTRIBUTION OF THE SHARES OF THE CORPORATION
AS ON 31 MARCH 2023**

(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	*10658920	10658.92	94.17
(b) Under Section 4(5) of State Financial Corporation Act, 1951				
(ii) Small Industries Development Bank of India	1	**654885	654.89	5.79
(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	11318240	11318.24	100.00

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

* It does not includes Rs.71.00 Crore Share Application Money, which was as pass through arrangement with HRTC

** 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 2023**

A. BORROWINGS

		(Rs. In lakh)		
Sources		Limit 2022-2023	Amount Availed	Outstanding As on 31.03.2023
1	Reserve Bank of India	-	-	-
2	SIDBI	-	-	2827.16
3	State Government	-	-	0.00
4	Others	-	-	0.00
TOTAL				2827.16

B. BONDS

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

Statement No. 7

**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)			
	2020-21			2021-22			2022-2023			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 31.03.2023	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		

(Rs. In lakh)

Since inception											
Others		Total		SSI		SRT0		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	2022-23										
	SSI		SRTO		Others		Total		SSI		
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	
ASSISTANCE FOR											
New Projects	-	-	-	-	-	-	-	-			
Expansions	-	-	-	-	-	-	-	-			
Diversification	-	-	-	-	-	-	-	-			
Rehabilitation	-	-	-	-	-	-	-	-			
Modernisation/ replacement	-	-	-	-	-	-	-	-	389	6135.24	
Power Generation	-	-	-	-	-	-	-	-			
Quality Control	-	-	-	-	-	-	-	-			
Polution Control	-	-	-	-	-	-	-	-			
Research & Developn	-	-	-	-	-	-	-	-			
Over run finance	-	-	-	-	-	-	-	-			
Others	-	-	-	-	-	-	-	-			
TOTAL	-	-	-	-	-	-	-	-	389	6135.24	

(ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

(Rs. In lakh)

Total (Live Cases)					
SRTO		Others		Total	
No.	Amt.	No.	Amt.	No.	Amt.
63	165.02	33	1928.46	485	8228.72
63	165.02	33	1928.46	485	8228.72

Statement No.10

(ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

(Rs. In lakh)

				Disbursements					
Total (Live Cases)				2021-22		2022-23		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
20	273.10	24	922.10	-	-	-	-	237.39	718.31
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	631.59
-	-	-	-	-	-	-	-	-	-
25	437.96	34	672.82	-	-	-	-	434.50	669.35
4	33.88	4	33.88	-	-	-	-	16.36	16.36
36	446.34	38	536.35	-	-	-	-	409.84	499.83
3	7.00	3	7.00	-	-	-	-	7.00	7.00
11	78.30	11	78.30	-	-	-	-	75.02	75.02
33	1153.69	34	1183.69	-	-	-	-	1091.27	1121.27
19	162.31	19	162.31	-	-	-	-	153.53	153.53
-	-	63	165.02	-	-	-	-	-	164.77
1	8.20	1	8.20	-	-	-	-	8.20	8.20
389	6135.24	485	8228.73	-	-	-	-	5790.56	7527.00

AREA WISE DISTRIBUTION OF TERM LOANS (SANCTIONED AND DISBURSED)

Name of the District	Sanctions (effective)								
	Small Scale								
	2021-22		2022-23		Total(Live Cases)		2021-22		
	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	-	-	-	-	140	3182.39	-	-
12	Una	-	-	-	-	62	606.90	-	-
TOTAL		-	-	-	-	389	6135.24	-	-

(ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

Statement No.11

(Rs. In lakh)

Disbursements									
SRTOs		Small-Scale					SRTOs		Total
2022-23		Total(Live Cases)		2021-22	2022-23	Total(Live Cases)		2021-22	2022-23 (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
-	-	30	85.36	-	-	152.90	-	-	85.36
-	-	5	13.68	-	-	968.74	-	-	13.64
-	-	8	15.65	-	-	3040.15	-	-	15.59
-	-	2	8.76	-	-	590.94	-	-	8.76
-	-	63	165.02	-	-	5790.56	-	-	164.77

AREA WISE DISTRIBUTION OF TERM LOANS (SANCTIONED AND DISBURSED)
(ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

Name of the District		Sanctions (effective)						Disbursements		
		2021-22		2022-23		Total (Live Cases)		2021-22	2022-23	Total (LiveCases)
		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	-	-	-	-	72	384.71	-	-	309.72
10	Sirmaur	-	-	-	-	78	1262.85	-	-	1079.50
11	Solan	-	-	-	-	168	4423.5	-	-	4054.30
12	Una	-	-	-	-	66	681.67	-	-	665.70
TOTAL		-	-	-	-	485	8228.73	0.00	-	7527.00

Statement No.13

MATURITY- WISE BREAKUP OF SANCTIONS (GROSS)

(ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

(Rs. In lakh)

Maturity Period	Sanctions						As on 31st March 2023		
	2020-21		2021-22		2022-23		[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 2023		
	2020-21		2021-22		2022-23		[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

Statement No. 15

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

	Sanctions (effective)						Disbursement		
	2021-22		2022-23		Total (Live Cases)		2021-22	2022-23	Total (Live Cases)
	No.	Amt.	No.	Amt.	No.	Amt.	Amt.	Amt.	Amt.
SRTO	-	-	-	-	63	165.02	-	-	164.77
Small Scale Sector									
(a) Tiny Sector (including composite loans)	-	-	-	-			-	-	
(b) Other SSI Units	-	-	-	-	389	6135.24	-	-	5790.56
Others	-	-	-	-	33	1928.47	-	-	1571.67
TOTAL	-	-	-	-	485	8228.73	-	-	7527.00

Statement No. 16

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

	Sanctions (effective)						Disbursement		
	2021-22		2022-2023		Total (Live Cases)		2021-22	2022-23	Total (Live Cases)
	No.	Amt.	No.	Amt.	No.	Amt.	Amt.	Amt.	Amt.
Public Limited Companies	-	-	-	-	8	219.06	-	-	219.06
PVT. Ltd Companies	-	-	-	-	132	5448.98	-	-	4894.06
Co-operatives			-	-	0	0.00	-	-	0.00
Partnership Firms			-	-	83	1121.65	-	-	1077.03
Proprietorship concerns	-	-	-	-	262	1439.04	-	-	1336.85
Hindu Undivided Family Firms	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	485	8228.73	0.00	-	7527.00

RECOVERY PERFORMANCE (ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

	2021-22			2022-23		
	Principal	Interest	Total	Principal	Interest	Total
A. Demand						
(i) Arrears at the beginning of the year.	4894.03	8419.65	13313.68	4847.40	10939.20	15786.60
Less: Writtenoff/back etc.	0.48	1066.61	1067.09	0.24	21.51	21.75
	4893.55	7353.04	12246.59	4847.16	10917.69	15764.85
(ii) Current demand less reschedulement	0.00	3630.27	3630.27	0.00	226.90	226.90
Net Total Demand	4893.55	10983.31	15876.86	4847.16	11144.59	15991.75
B. Recovery						
(iii) Out of arrears (Excluding net receipts from DICGC)	46.15	33.75	79.90	13.04	34.31	47.35
(iv) Out of Current demand	0.00	10.36	10.36	0.00	0.73	0.73
Total	46.15	44.11	90.26	13.04	35.04	48.08
C.						
Arrears at the end of the year	4847.40	10939.20	15786.60	4834.12	11109.55	15943.67
% of B (iv) to A(ii)	0.00	0.29	0.29	0.00	0.32	0.32
% of B to A	0.94	0.40	0.57	0.27	0.31	0.30
C as % of Loans Outstanding	30.28	68.34	98.62	29.91	68.74	98.65

ARREARS POSITIONS AS ON 31ST MARCH , 2023
(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
2	3 months - 12 months	0	0.00	0.00	0.00
3	1-2 years	0	0.00	0.00	0.00
4	2-3 years	0	0.00	0.00	0.00
5	3-5 years	0	0.00	0.00	0.00
6	5-7 years	0	0.00	0.00	0.00
7	7-10 years	0	0.00	0.00	0.00
8	Over 10 years	414	4834.12	4834.12	29.91
Total		414	4834.12	4834.12	29.91

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
2	3 months - 12 months	0	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
4	2-3 years	0	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
6	5-7 years	0	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
8	Over 10 years	466	4834.12	11109.55	15943.67	4834.12	11109.55	15943.67	98.65
Total		466	4834.12	11109.55	15943.67	4834.12	11109.55	15943.67	98.65

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
2	Rs. 0.50 lacs to Rs. 1.00 lacs	19	11.37	23.63
3	Rs. 1.00 lacs to Rs. 2.00 lacs	55	62.61	309.35
4	Rs. 2.00 lacs to Rs. 5.00 lacs	111	260.30	913.98
5	Rs. 5.00 lacs to Rs. 10.00 lacs	89	448.18	1507.99
6	Rs. 10.00 lacs to Rs. 20.00 lacs	58	493.63	1080.73
7	Rs. 20.00 lacs to Rs. 30.00 lacs	49	759.72	1737.37
8	Rs. 30.00 lacs to Rs. 60.00 lacs	48	1297.72	1780.90
9	Above 60.00 lacs	12	1492.45	3743.26
Total		466	4834.12	11109.55

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			4
I. Industry-wise Break-up								
1	Cement	7	313.79	109.35	197.94	307.29	1.94	1.90
2	Chemicals	43	2871.00	940.33	1905.00	2845.33	17.76	17.60
3	Cold Storage & Ice Factory	4	110.45	41.16	63.20	104.36	0.68	0.65
4	Electrical Appliances/ Goods	22	882.49	328.62	542.32	870.94	5.46	5.39
5	Engineering Goods	20	505.41	134.43	361.90	496.33	3.13	3.07
6	Fertilizers	-	-	-	-	-	-	-
7	Food Manufacturing	42	2447.10	779.96	1645.89	2425.85	15.14	15.01
8	Hotel & Restaurants	32	2554.15	248.34	2294.55	2542.89	15.80	15.73
9	Leather Products	7	252.54	132.15	103.04	235.19	1.56	1.46
10	Metal Products	25	621.72	162.74	446.58	609.32	3.85	3.77
11	Minerals	5	385.44	53.23	329.51	382.74	2.38	2.37
12	Miscellaneous	58	923.78	463.81	439.59	903.40	5.72	5.59
13	Petroleum & Coal	-	-	-	-	-	-	-
14	Paper Products	33	1109.14	350.56	734.62	1085.18	6.86	6.71
15	Printing Presses	4	43.59	10.15	31.76	41.91	0.27	0.26
16	Rubber & Plastics	38	669.59	287.46	363.79	651.25	4.14	4.03
17	Service Stations	3	13.46	6.89	6.38	13.27	0.08	0.08
18	Stone Crushers	10	276.52	43.13	232.89	276.02	1.71	1.71
19	Textiles	33	1359.40	607.84	733.52	1341.36	8.41	8.30
20	Transport Equipments	18	193.42	45.35	146.38	191.73	1.20	1.19
21	Transport Operators	61	619.14	83.25	528.81	612.06	3.83	3.79
22	Watches & Parts	1	7.28	5.37	1.88	7.25	0.05	0.04
TOTAL		466	16159.41	4834.12	11109.55	15943.67	99.98	98.65

Statement No. 18 (Contd.)

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	692.32	253.93	423.06	676.99	4.28	4.19
2	Chamba	3	122.19	9.17	112.94	122.11	0.76	0.76
3	Hamirpur	8	86.89	40.20	36.37	76.57	0.54	0.47
4	Kangra	47	1605.48	325.02	1264.22	1589.24	9.93	9.83
5	Kinnaur	4	35.84	15.16	20.64	35.80	0.22	0.22
6	Kullu	7	1972.07	335.78	1633.11	1968.89	12.20	12.18
7	Lahaul-Spiti	0	0.00	0.00	0.00	0.00	0.00	0.00
8	Mandi	11	172.13	14.47	156.74	171.21	1.07	1.06
9	Shimla	70	1301.15	229.92	1065.01	1294.93	8.05	8.01
10	Sirmaur	77	1713.56	712.03	955.87	1667.90	10.60	10.32
11	Solan	158	7446.51	2483.47	4871.59	7355.06	46.07	45.51
12	Una	63	1011.27	414.97	570.00	984.97	6.26	6.09
Total		466	16159.41	4834.12	11109.55	15943.67	99.98	98.65
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	134	9738.64	3137.61	6480.05	9617.66	60.25	59.51
4	Co-operative	0	0.00	0.00	0.00	0.00	0.00	0.00
5	Other	332	6420.77	1696.51	4629.50	6326.01	39.73	39.14
Total		466	16159.41	4834.12	11109.55	15943.67	99.98	98.65
IV.	Client-wise Break-up							
1	Small	437	12500.78	3994.68	8335.61	12330.29	77.34	76.29
2	Others	29	3658.63	839.44	2773.94	3613.38	22.64	22.36
Total		466	16159.41	4834.12	11109.55	15943.67	99.98	98.65

NORMAL INTEREST RATE STRUCTURE AS ON 31.03.2023

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 2023, 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, 2023; 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.50,44,09,729.00 (net of DICGC claim of Rs. 8,76,403.00) are classified as Non-performing loans as on 31.03.2023. The Corporation has incurred loss of Rs.3.86 Crore during the year and accumulated losses stands at Rs.184.29 crore as on 31.03.2023, 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.50.44 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 of settlement has been paid with delayed period interest but Rs. 24.90 Crore is pending for payment. However, 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 interest due to State Government Rs. 50.20 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.50,52,86,132.00.

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. Further, the board of Directors of the Corporation in its 243rd meeting has also decided to initiate action for winding up of the corporation under section 45 of SFC Act. Our opinion is not modified in respect of this matter.

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

Place: Shimla
Dated: 30/09/23

(CA Aman Singhi)
Partner
Membership No. 509257
UDIN 23509257BGWSIR5508

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 31.03.2023 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 31.03.2023 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 31.03.2023 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 31.03.2023 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, 2023

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] 25,83,107 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)	27400000		27400000
[iii] 84,61,130 Shares of Rs. 100 each fully paid-up	<u>846113000</u>	1131823700	
[iv] 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 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)	<u>33700000</u>	282716050	33700000
[iii] From State Govt.	0		846113000
Add:- Interest Accrued	<u>502031696</u>	502031696	479894456
TOTAL CARRIED OVER		<u>2676317404</u>	<u>2654180164</u>

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA
BALANCE SHEET AS AT 31st MARCH, 2023

PROPERTY AND ASSETS	AMOUNT	TOTAL	Amount in Rupees PREVIOUS YEAR
1 CASH AND BANK BALANCE			
[a] Cash in hand	99602		89461
[b] Balance with Banks u/s 33 (2) of SFCs Act,1951			
Scheduled Banks			
in Current Accounts	11787491		14087921
in Short Term Deposits	135916974		127724542
[c] CPF Deposits	50000000		71036190
[d] Postage Stamps in Hand	998	197805065	466
 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	493562551		494847269
[ii] Soft Loans from Special Share Capital	3626507		3826507
[iii] Seed Capital Loans under Semfex Scheme	296087		296087
[iv] National Equity Fund	7800987	505286132	7800987
 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	7663349		
Add : Depreciation for the year	222357	7885706	4343501
TOTAL CARRIED OVER		1417995698	1434836288

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA
BALANCE SHEET AS AT 31st MARCH, 2023

CAPITAL AND LIABILITIES	AMOUNT	TOTAL	PREVIOUS YEAR
TOTAL BROUGHT OVER		2676317404	2654180164
4 SUBVENTION PAID BY THE STATE GOVERNMENT ON ACCOUNT OF DIVIDEND (SEC 6 READ WITH SEC 35)		7876000	7876000
5 OTHER LIABILITIES			
[i] Borrowers' Imprest	2337218		2358619
[ii] Staff Provident Fund (Net)	40772591		38666045
[iii] Amount Realised from DICGC	876403		876403
[iv] Earnest Money /Unknown Parties	41012399		40880175
[v] Token Money for OTS - Pending Adjustment	1498490		2539566
[vi] SIDBI / Central Govt. Subsidy	149000		149000
[vii] State Govt. Interest Subsidy	256994		256994
[viii] Bills Payable including Salary etc	7317342		7825793
[ix] Pension Payable	<u>193650</u>	94414087	182645
6 PROVISION FOR NON PERFORMING ADVANCES			
Balance as per last Balance Sheet	505894447		
Less: Provision reversed during the year	<u>1484718</u>	504409729	505894447
			0
TOTAL CARRIED OVER		3283017220	3261685851

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA
BALANCE SHEET AS AT 31st MARCH, 2023

PROPERTY AND ASSETS	AMOUNT	TOTAL	Amount in Rupees PREVIOUS YEAR
TOTAL BROUGHT OVER		1417995698	1434836288
5 MOTOR VEHICLE, FURNITURE AND FIXTURES ETC.			
Cost upto last Balance Sheet	6480697		
Additions during the year	42967		
	6523664		
Less: Sales/Adjustments during the year	0		
	6523664		
Less: Depreciation written off upto last Balance Sheet	5961522		
Less: Adjusted during the year	0		
Add : Depreciation for the year	137019	6098541	425123
			519173
6 OTHER ASSETS			
[i] Advances to Staff			
[b] Accrued Interest on HBA		145309	228707
[c] Travelling		21700	30416
[d] LIC/GIS amt. recoverable from staff		406	406
[e] Amt. Deposit in H.P. High Court		4434026	4434026
[ii] Other Advance [Sundry Advance]		458680	469740
[iii] Stationery in Hand		47528	40984
[iv] Pre-paid Expenses		30230	28688
[v] Service Tax Recoverable		0	201731
[vi] Advance Income Tax A.Y. 2013-14		418500	418500
[vii] Security Deposits (Refundable)		4250	1850
[viii] Investment Deposit A/c with IDBI u/s 32AB of I.T. Act,1961		7000	7000
[ix] TDS Recoverable		1366035	6933664
TOTAL CARRIED OVER		4601441	1425354485
			1442583544

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA
BALANCE SHEET AS AT 31st MARCH, 2023

CAPITAL AND LIABILITIES	AMOUNT	TOTAL	PREVIOUS YEAR
TOTAL BROUGHT OVER		3283017220	3261685851
7 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		3283017220	3261685851

Accounting policies, notes on accounts: Schedule 'B'

PLACE: SHIMLA

DATE:

(B.L. Bhardwaj)

Dy. Manager

(Priyatu Mandal) IAS

Managing Director

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA
BALANCE SHEET AS AT 31st MARCH, 2023

PROPERTY AND ASSETS	AMOUNT	TOTAL	Amount in Rupees PREVIOUS YEAR
TOTAL BROUGHT OVER		1425354485	1442583544
7 DIVIDEND DEFICIT ACCOUNT		7876000	7876000
8 ADVANCE INTEREST TAX		1496119	1496119
9 PROFIT AND LOSS ACCOUNT			
Loss as per last Balance Sheet	1809730188		
Deficit as per Profit and Loss Account	<u>38560428</u>	1848290616	1809730188
GRAND TOTAL		3283017220	3261685851

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

for A.Singhi & Associates,

Chartered Accountants

FRN-021593N

Director

(Aman Singhi)

Partner

Membership No.509257

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2023

EXPENDITURE	AMOUNT	TOTAL	PREVIOUS YEAR
To Interest on Borrowing			
(a) Interest on Bonds	0		
(b) Interest on State Govt. Loan	21521516		
(c) Interest on CPF	<u>2613002</u>	24134518	72464476
To Salaries and Allowances			
(a) Managing Director (including Medical Re-imbursement -Nil , Previous year: nil/=	118026		
(b) Others (including Medical Re-imbursement Rs.1,00,219/= Previous year: Rs.1,24,966/=)	<u>7926049</u>	8044075	12120642
To Travelling & Other Allowances			
(a) Managing Director	0		0
(b) Directors	0		0
(c) Others	<u>6871</u>	6871	0
To Contribution to Staff Provident Fund	585847		741806
To Rent, Rates, Taxes, Lighting and Insurance etc.	967583		1078521
To Postage, Telegram and Stamps etc.	7468		14297
To Telephones Expences	26971		38575
To Printing and Stationery	324014		65243
To Publicity and Advertisement	6176		9889
To Repairs and Renewals	77022		183601
To Bank Charges and Commission	2563		2959
To Auditor's Remuneration	59000		59000
TOTAL CARRIED OVER	<u>2056644</u>	<u>32185464</u>	<u>86779009</u>

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2023*Amount in Rupees*

INCOME	AMOUNT	TOTAL	PREVIOUS YEAR
By Interest on			
(a) Loans & Advances	3504785		4410925
(b) Investments & Deposits	<u>11291940</u>	14796725	10100078
By Other Income			
(a) Miscellaneous Income	268765		
(b) Dividend	29522		
(c) RTI	580		
(d) NOC Charges	14000		
(e) Licensing Fee (Official Accomodation)	88210		
(e) Gain on transfer of Shares	<u>2952200</u>	3353277	88766
By Excess Provision of NPAs Written Back		1484718	5248382
By Net Deficit for the year			
(a) Before Provisions for NPAs	40045146		
(b) Provision for NPAs Reversed	<u>-1484718</u>	38560428	71554214
TOTAL CARRIED OVER		58195148	91402365

EXPENDITURE	AMOUNT	TOTAL	PREVIOUS YEAR
TOTAL BROUGHT OVER	2056644	32185464	86779009
To Depreciation	359374		310505
To Law & Professional Charges	14400		0
To Other Expenses			
(a) Books & Newspapers	1807		3492
(b) Miscellaneous not Enumerated	42702		50428
(c) Vehicle Running and Maintenance	275743		161926
(d) Staff Welfare	85792		185551
(e) Meeting Expenses	3684		5514
(f) Fees & Subscription	164890		110743
(g) Entertainment	20002	3025038	0
To Bad Debts Written Off		24082	47956
To Gratuity Paid to LIC		22143109	0
To Expenses Pertains to Earlier Years		817455	3747241
GRAND TOTAL		58195148	91402365

Accounting policies, notes on accounts: Schedule 'B'

Place: Shimla
Date:

(B.L Bhardwaj)
Dy. Manager

(Priyatu Mandal) IAS
Managing Director

			<i>Amount in Rupees</i>
INCOME	AMOUNT	TOTAL	PREVIOUS YEAR
TOTAL BROUGHT OVER		58195148	91402365

58195148	91402365
-----------------	-----------------

" 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	9,85,65,940	9,86,74,360
(b) Debts previously fully secured but now secured to the extent of Rs.26,01,85,381/=	<u>1,51,76,74,918</u>	<u>1,50,20,17,044</u>
	1,61,62,40,858	1,60,06,91,404
Less: (i) Overdue interest as on 31.3.2023 (including suit filed cases)	1,11,09,54,726	1,09,39,20,555
(ii) Funded interest as on 31.3.2023	0	0
(iii) Advance payment	0	0
Balance as per Balance Sheet (Including Other charges of Rs.2,18,73,967 debited to parties)	<u>50,52,86,132</u>	<u>50,67,70,850</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)	55,99,51,661	54,14,05,911
(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	1,03,44,15,230	1,03,72,53,989
(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	-----	-----

IN THE BALANCE SHEET AS ON 31ST MARCH,2023	SCHEDULE "A" Amt. in Rupees	
	This year	Previous Year
II. CLASSIFICATION OF LOANS & ADVANCES		
ACCORDING TO THE SIZE OF INDUSTRIAL UNITS		
(i) Debts due from Small Industrial concerns	1,25,02,57,392	1,23,42,72,670
(ii) Debts due from concerns other than those included in (i) above	<u>36,59,83,466</u>	<u>36,64,18,734</u>
	1,61,62,40,858	1,60,06,91,404
Less: (i) Over due interest as on 31.3.2023 (including Suit Filed Cases)	1,11,09,54,726	1,09,39,20,554
(ii) Funded Interest as on 31.3.2023	0	0
(iii) Advance payment	<u>0</u>	<u>0</u>
Balance as per Balance Sheet	<u>50,52,86,132</u>	<u>50,67,70,850</u>
III.ACCORDING TO THE CONSTITUTION OF THE INDUSTRIAL UNITS		
(a) Proprietary	46,95,28,276	46,81,21,992
(b) Partnership	17,26,63,345	17,34,85,795
(c) Hindu Un-divided Family	0	0
(d) Co-operative Societies	0	0
(e) Private Limited Companies	94,30,80,222	92,80,76,943
(f) Public Limited Companies	<u>3,09,69,015</u>	<u>3,10,06,674</u>
	1,61,62,40,858	1,60,06,91,404
Less: (i) Over due interest as on 31.3.2023 (including Suit Filed Cases)	1,11,09,54,726	1,09,39,20,554
(ii) Funded Interest as on 31.3.2023	0	0
(iii) Advance Payment	<u>0</u>	<u>0</u>
Balance as per Balance Sheet	<u>50,52,86,132</u>	<u>50,67,70,850</u>
IV. ACCORDING TO HEALTH OF INDUSTRIAL UNITS		
(a) Standard Accounts	0	0
(b) Sub-Standard Accounts	0	0
(c) Doubtful Accounts	71,18,96,523	69,13,32,101
(d) Loss Assets Accounts	<u>90,43,44,335</u>	<u>90,93,59,303</u>
	1,61,62,40,858	1,60,06,91,404
Less: (i) Over due interest as on 31.3.2023 (including Suit Filed Cases)	1,11,09,54,726	1,09,39,20,554
(ii) Funded Interest as on 31.3.2023	0	0
Balance as per Balance Sheet	<u>50,52,86,132</u>	<u>50,67,70,850</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]
Dy. Manager

[Priyatu Mandal] IAS
Managing Director

[Aman Singhi]
Partner

Himachal Pradesh Financial Corporation
NEW HIMRUS BUILDING, SHIMLA-171001
Cash Flow Statement
for the year ended on 31st March 2023

Amt' in Rs.

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
A. Cash flow from operating activities				
Net profit before tax and extra ordinary items		(3,85,60,428)		(7,15,54,214)
Adjustments for:				
Depreciation & amortization Expenses	3,59,374		3,10,505	
Interest on Borrowings	2,41,34,518		7,24,64,476	
Provision for Gratuity	-		-	
Provision for Leave Encashment	-		-	
Short term Provision	-		-	
Tranferred from Reserve	-		-	
Depreciation Adjustment from Retain earning	-		-	
Less: Provision for NPAs Written Back	(14,84,718)	2,30,09,174	(52,48,382)	6,75,26,599
Operating profit/(loss)before working capital change		(1,55,51,254)		(40,27,615)
Adjustments for:	-			
Borrowers' Imprest	(21,401)		41,453	
Staff Provident Fund (Net)	21,06,546		(82,58,124)	
Earnest Money /Unknown Parties	1,32,224		1,77,07,774	
Token Money for OTS - Pending Adjustment	(10,41,076)			
Interest Payable	2,21,37,240		6,95,16,400	
Bills Payable including Salary etc	(5,08,451)		61,09,200	
Pension Payable	11,005		-	
Loans and Advances	14,84,718		52,48,381	
Other Assets	2,94,419		96,833	
(Increase)/Decrease in net current assets		2,45,95,224		9,04,61,917
Cash generated from operations		90,43,970		8,64,34,302
Taxes Paid		-		-
Extraordinary items		-		-
<i>Net cash from operating activities</i>		90,43,970		8,64,34,302
B. Cash flow from Investing activities				
Interest Income		-		
Purchase of Fixed Assets		(42,967)		(1,58,662)
Sale of Fixed Assets		-		-
<i>Net cash from Investing activities</i>		(42,967)		(1,58,662)
C. Cash Flow from Financing activities				
Increase in Share Capital		-		-
Payment of Interest		(2,41,34,518)		(7,24,64,476)
Repayment of loan from State Government'		-		-
GIA received for CFC		-		-
GIA for pension		-		-
Increase in Loan & Public Deposits		-		-
<i>Net cash from financing activities</i>		(2,41,34,518)		(7,24,64,476)
Net increase in cash and cash equivalents(A+B+C)		(1,51,33,515)		1,38,11,164
Cash and cash equivalents at the beginning of the year		21,29,38,580		19,91,27,416
<i>Cash and cash equivalents at the Close of the year</i>		19,78,05,065		21,29,38,580

We have verified the above cash flow statement of HP State Financial Corporation derived from the audited financial statements for the year ended 31st March , 2023

As per our report of even date
For A Singhi & Associates
Chartered Accountants

(Aman Singhi)
Partner
M.No. 509257
19 Ganj Road, Shimla (H.P.) -171001

Place: Shimla
Date:

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.
10. The corporation has shown an amount of Rs. 36,01,548/- as payable on account of receipt from various borrowers against which the party wise details are not available. This amount is included in Earnest Money /Unknown Parties under current liabilities.
11. The corporation has received Rs.17751774 from official liquidator of M/s Inka Food Pvt. Ltd., Nalagarh Distt. Solan which has gone into liquidation. The assets of the liquidated company on which the corporation had first charge was sold for Rs. 5.80 crore. The amount received by the corporation has been shown in Suspense Account under current liabilities. The corporation has filed the case against the liquidator of the company stating why the whole amount received against such charge was not transferred to the corporation. Thus, the same is under litigation and proper adjustment will be made only after final outcome of the case.
12. As per the decision taken by the Government vide letter no. IND-A-C004/2/2021-IND-A-GoHP dated 23.07.2022 and ratified by the Board of Directors allotted 84,61,130 number of shares have been issued to the HP Government in lieu of outstanding loan of Rs. Rs. 84,61,13,000/-.

B. CONTINGENT LIABILITIES NOT PROVIDED FOR

1. Income tax cases pending/considered pending (including cases under appeal/reference/ratification at different levels) The Income Tax Authority has raised a demand of Rs. 20,92,244/- for assessment year 2013-14,
2. The corporation has filed an appeal before Hon'ble High Court of Himachal Pradesh against the order of District. Court on account of excess recovery for Rs. 44, 34,026/- in the case of M/s Hotel Fingask. The same has not been acknowledged by the Corporation.

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 2023, 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. 2, 21,37,240/- 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. 50, 20, 31,696/- towards interest is due up to 31.03.2023.
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. 01.04.2022 to 31.03.2023, total amount of interest paid is Rs.26,13,002/- 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

SCHEDULE “B”

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 31.03.2023 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): 2.14%
- (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	10496.92*	162.00	10658.92*	94.17
2	SIDBI	542.89	112.00	654.89	5.79
3.	Banks & Financial Institutions	3.24	-	3.24	0.03
4.	Private share holders	1.19	-	1.19	0.01
	Total	11044.24	274.00	11318.24	100.00
*Excluding share application money of Rs 7100.00 lakh.					

SCHEDULE "B"

(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*	1663.84	32.99	1663.84	0.00	
Loss Assets	3380.26	67.01	3380.26	0.00	0.00
Total	5044.10	100.00	5044.10	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

(Rupees in lakh)

S. No.	Assets & other	Provisions
1	Loans & Advances	-14.85
1.1	Standard Assets	0.00
1.2	Sub-Standard Assets	0.00
1.3	Doubtful Assets	1.39
1.4.	Loss Assets	-16.24
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.451.79 lakh (1.70%)	8.94%
b) 10 largest single borrowers	Rs.1596.99 lakh (5.99%)	31.60%

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

Item	<= 1 yr	>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 = 0.56%
- (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)
Dy. Manager

Director

(Priyatu Mandal) IAS
Managing Director

(Aman Singhi)
Partner