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59th

ANNUAL REPORT

&

ACCOUNTS

2025-26

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

CONTENTS

Himachal Pradesh Financial Corporation

BOARD OF DIRECORS (AS ON 31.03.2026)

Sr.No.	Name	Designation	Nominated by
1	Sh. Sanjay Gupta, IAS	Chairman	Small Industries Development Bank Of India
2	Sh. R.D. Nazim, IAS	Director	The Government of Himachal Pradesh
3	Sh.Sunil S	Director	Small Industries Development Bank Of India
4	Sh. Dinesh Kumar Sharma	Director	The Life Insurance Corporation of India
5	Miss. Shikha Aneja	Director	The Punjab National Bank
6	Sh. Rohit Jamwal, IAS	Managing Director	The Government of Himachal Pradesh

AUDITORS

M/s Tiwari Dogra & Associates,
Chartered Accountants
Jagat Gian Apartment, Top Floor,
By Pass Chowk, Khalini, Shimla-171002

Cell: +919418119067
e-mail: atultiwari87@gmail.com

Himachal Pradesh Financial Corporation

OFFICERS & OFFICIAL

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1. Sh. Rohit Jamwal, IAS	**Managing Director**
2. Shri Ramesh Thakur	**Asstt. Manager**

TEN YEARS				
Year ended on 31st March	**2026**	**2025**	**2024**	**2023**
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	231.52	208.89	196.12	147.97
(ii) Other Income	1.00	0.94	2.74	33.53
(A) Total:-	232.52	209.83	198.86	181.50
Cost Of Borrowings	13.60	22.14	29.82	247.50
GROSS PROFIT (A)	218.92	187.69	169.04	(-) 66.00
OPERATING EXPENSES				
(i) Staff Cost (Salaries, E.P.F. & Gratuity)	60.54	74.91	120.50	307.80
(ii) Administrative & General expenses.	90.85	20.22	24.36	24.39
(iii) Bad Debts Written off	0.00	0.00	0.00	0.24
(B) Total:-	151.39	95.13	144.86	332.43
Net Profit/Loss before Tax (A-B)	67.53	92.56	24.18	(-) 398.43
Add: Service Tax written off	0.00	0.00	0.00	2.02
Less/ Plus NPAs Reversed	61.05	0.77	253.37	14.85
Net Deficit/Surplus	128.58	93.33	277.55	(-) 385.60
(i) Appropriation to Reserves	----	----	----	----
(ii) Provision for Dividend	----	----	----	----
(iii) Repayment of subvention	----	----	----	----
(i) Share Capital	11318.24	11318.24	11318.24	11318.24
(ii) Reserves	497.46	497.46	497.46	497.46
(iii) Loans Outstanding	15426.56	15631.63	15687.56	16162.41
(iv) No. of Accounts	385	392	399	407
(v) Refinance Outstanding	2827.16	2827.16	2827.16	2827.16
(vi) Bonds Outstanding	0.00	0.00	0.00	0.00
(vii) No. of Offices	----	----	----	----

OF GROWTH (Rs. In Lakhs)

2022	2021	2020	2019	2018	2017
------	------ ------	------ ------	------ ------	------ ------	------ ------
------ ------ ------	------ ------	------ ------ ------	------ ------ ------	------ ------ ------	------ ------
145.11 0.89	122.84 1.16	151.65 0.37	254.84 0.55	255.24 3.10	341.68 1.40
146.00	124.00	152.02	255.39	258.34	343.08
762.12	740.31	748.56	759.51	761.77	756.74
(-) 616.12	(-) 616.31	(-) 596.54	(-) 504.12	(-) 503.43	(-) 413.66
128.63 22.80 0.48	80.29 19.56 0.00	82.91 19.25 2.00	97.34 25.55 645.61	153.07 25.66 0.00	182.11 28.97 1.43
151.91	99.85	104.16	768.50	178.73	212.51
(-) 768.03 0.00 ------ (-) 768.03 ----	(-) 716.16 0.00 ------- (-) 716.16 ----	(-) 700.70 0.00 ------- (-) 700.70 ----	(-) 1272.62 0.00 ------- (-) 1272.62 ----	(-) 682.16 0.00 ------- (-) 682.16 ----	(-) 626.17 0.00 ------- (-) 626.17 ----
----	----	----	----	----	----
----	----	----	----	----	----
9957.11	9957.11	9957.11	9957.11	9957.11	9957.11
497.46	497.46	497.46	497.46	497.46	497.46
16006.69	13539.85	13560.11	13484.88	17264.48	16468.82
412	422	423	429	449	460
2827.16	2827.16	2827.16	2827.16	2937.16	2937.16
0.00	0.00	260.00	580.00	900.00	1374.00
----	----	----	----	----	----

Rs. In Lakhs)

BREAK –UP OF TERM LOAN SANCTIONED	**As on 31st March-2026**		**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		
Rubber Products/plastic	5979.06	361	**EARNINGS**	
Service Stations	208.01	66	(i) Gross Income	232.52
Textiles	3465.69	231	(ii) NPAs Reversed	61.06
Transport Equipment	2264.56	151	**Total income including NPAs Reversal**	**293.58**
Transport Operators	4654.67	2224	**EXPENDITURE**	
Miscellaneous Units	5741 .13	546	(i) Cost of Borrowings	13.60
Total	**71183.27**	**6352**	(ii) Administrative & General Expenses	151.39
			(iii) Bad Debts written off	0.00
			Total expenses	**164.99**
			Net Surplus	**128.59**
			Provision for Taxation	---------

REPORT OF THE BOARD OF DIRECTORS OF HIMACHAL PRADESH FINANCIAL CORPORATION

For the year ended 31st March, 2026
(Under Section 36 of the State Financial Corporations Act, 1951)

The Board of Directors of Himachal Pradesh Financial Corporation takes pleasure in presenting the 59th Annual Report on the working of the Corporation along with Audited Statement of Accounts for the year ended 31st March, 2026.

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 2025-26 have been given in Table-1.

Table-1
Due and Recovery Position of Financial Year 2025-26

Rupees in lakh

Sr No	Particulars	Principal	Interest	Misc.	Total
1	Arrears at the beginning of the year	4578.89	10832.91	219.83	15631.63
2	Less: Amount rescheduled	0.00	0.00	0.00	0.00
3	Less: amount written off/ back	0.00	111.40	0.00	111.40
4	Net Arrears (1-2-3)	4578.89	10721.51	219.83	15520.23
5	Due during the year	0.00	59.26	12.38	71.64
6	Total Demand (4+5)	4578.89	10780.77	232.21	15591.87
7	Receipt: Out of Arrears (After time)	66.29	32.61	5.51	104.41
8	Receipt: Out of Current Demand (In time)	0.00	59.26	1.64	60.90
9	Total Receipt (7+8)	66.29	91.87	7.15	165.31
10	Arrears at the close of the year (6-9)	4512.60	10688.90	225.06	15426.56
11	Total recovery percentage (9/6)	1.45	0.85	3.08	1.06

During 2025-26, out of total demand of Rs 15,591.87 lakh (principal Rs 4,578.89 lakh, interest Rs. 10,780.77 lakh and Misc. Rs.232.21 lakh), the Corporation effected recovery of Rs. 165.31 lakh (1.06%) against recovery of Rs. 72.66 lakh (0.47%) during the previous year. At the close of the year, an amount of Rs 15,426.56 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 2025-26 has been presented in Table-2.

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

Rupees in lakh

Sr No	Particulars	Principal	Interest	Misc.	Total
1	Arrears at the beginning of the year	1293.66	3941.93	26.35	5261.94
2	Add: Fresh RC cases	0.00	0.00	0.00	0.00
3	Less: amount written off/back	0.00	0.00	0.00	0.00
4	Less: Amount transferred to suit filed cases	0.00	0.00	0.00	0.00
5	Net Arrears	1293.66	3941.93	26.35	5261.94
6	Due during the year	0.00	14.93	1.71	16.64
7	Total Demand (5+6)	1293.66	3956.86	28.06	5278.58
8	Total Receipt	14.26	26.28	4.33	44.87
9	Arrears at the close of the year	1279.40	3930.58	23.73	5233.71
10	Total recovery percentage (8/7)	1.10	0.66	15.43	0.85

During 2025-26, out of total demand of Rs.5,278.58 lakhs (Principal Rs 1,293.66 lakhs, Interest Rs 3,956.86 lakh and Misc. Rs. 28.06 lakh), the Corporation effected recovery of Rs.44.87 lakhs (0.85%) against recovery of Rs. 30.60 lakhs (0.58%) during the previous year. At the close of the year, an amount of Rs 5,233.71 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 2025-26 has been depicted in Table-3.

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

Rupees in lakh

Sr No	Particulars	Principal	Interest	Misc.	Total
1	Arrears at the beginning of the year	3285.23	6890.98	193.47	10369.68
2	Add: Fresh suit file cases	0.00	0.00	0.00	0.00
3	Less: amount written off/back	0.00	111.40	0	111.40
4	Net Arrears	3285.23	6779.58	193.47	10258.28
5	Due during the year	0.00	44.33	10.67	55.00
6	Total Demand (4+5)	3285.23	6823.91	204.14	10313.28
7	Total Receipt	52.04	65.59	2.81	120.44
8	Arrears at the close of the year	3233.19	6758.32	201.33	10192.84
9	Total recovery percentage (7/6)	1.58	0.96	1.38	1.17

During 2025-26, out of total demand of Rs 10,313.28 lakhs (principal Rs 3,285.23 lakhs, interest Rs. 6,823.91 lakhs and Misc. Rs. 204.14 lakh), the Corporation effected recovery of Rs. 120.44 lakhs (1.17%) against recovery of Rs.42.11 lakhs (0.41%) during the previous year. At the close of the year, an amount of Rs 10,192.84 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 2025-26 have been presented in Table-4.

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

Rupees in lakh

Sr No	Particulars	Principal	Interest	Misc.	Total
1	Arrears at the beginning of the year	113.47	69.86	0.00	183.33
2	Less: amount written back	0.00	0.00	0.00	0.00
3	Net Arrears	113.47	69.86	0.00	183.33
4	Due during the year	0.00	0.00	0.00	0.00
5	Total Demand (3+4)	113.47	69.86	0.00	183.33
6	Total Receipt	3.71	0.37	0.00	4.08
7	Arrears at the close of the year	109.76	69.49	0.00	179.25
8	Total recovery percentage (6/5)	3.27	0.53	0.00	2.22

During 2025-26, out of total demand of Rs. 183.33 lakhs (principal Rs. 113.47 lakhs and interest Rs. 69.86 lakhs) in soft loan cases/ Seed capital cases, the Corporation effected recovery of Rs 4.08 lakhs (2.22%) against recovery of Rs.2.73 lakhs (1.47%) during the previous year. At the close of the year, an amount of Rs. 179.25 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 2025-26 has been given in Table-5.

Table-5
Due and Recovery Position from RC Cases

Rupees in lakh

Sr No	Particulars	Principal	Interest	Misc.	Total
1	Arrears at the beginning of the year	655.55	2752.32	10.09	3417.96
2	Add: Fresh RC Cases	0.00	0.00	0.00	0.00
3	Less: amount written off/back	0.00	0.00	0.00	0.00
4	Net Arrears	655.55	2752.32	10.09	3417.96
5	Due during the year	0.00	0.00	0.41	0.41
6	Total Demand (4+5)	655.55	2752.32	10.50	3418.37
7	Total Receipt	2.34	0.00	0.19	2.53
8	Arrears at the close of the year	653.21	2752.32	10.31	3415.84
9	Total recovery percentage (7/6)	0.36	0.00	1.81	0.07

During 2025-26, out of total demand of Rs 3,418.37 lakh (principal Rs.655.55 lakh, interest Rs. 2,752.32 lakh) in RC cases, the Corporation effected recovery of Rs 2.53 lakh (0.07%) against recovery of Rs. 30.60 lakh (0.89%) during the previous year. At the close of the year, an amount of Rs. 3,415.84 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 and Rs.11318.24 lakh respectably. 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 2025-26, the Corporation did not raise any bond. At the close of the year, nothing is outstanding.

2.3 REFINANCE/LOC

During 2025-26 the Corporation did not avail any refinance from SIDBI and LOC from any bank.

3. FINANCIAL RESULTS

During 2025-26, the Corporation earned total revenue of Rs. 232.52 lakh (previous year Rs.209.83 lakh) and incurred revenue expenditure of Rs. 164.99 lakh (previous year Rs. 117.27 lakh) and thus recorded business surplus of Rs. 67.53 lakh against business surplus of Rs. 92.53 lakh in the previous year before provisioning. After reversal of NPAs provision of Rs. 61.06 lakh the net surplus of the Corporation is Rs.128.59 lakh.

4. DIVIDEND

Due to losses/inadequate profit of the Corporation in the earlier years and because of non-receipt of subvention from the State Government, no dividend has been declared/ paid. 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 Tiwari Dogra & 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:

Sh. Sunil S General Manager, Small Industries Development Bank of India was nominated as director by the SIDBI on 30.06.2025 in placed of Sh. Piyush Bhargav DGM, SIDBI.

Sh. Dinesh Kumar Sharma, Sr. Divisional Manager, LIC of India, Shimla was nominated as Director by the LIC on 19.05.2025 in place of sh. Nidhey Gupta Sr. Divisional Manager LIC of India, Shimla.

Miss Shikha Aneja, Dy. General Manager, Circle Head, PNB Shimla was nominated as director by the PNB on 18.09.2025 in place of Sh. Anjani Kumar, DGM, PNB Shimla.

6.2 CHAIRMAN

Sh. Prabodh Saxena, IAS, Chief Secretary to the Government of Himachal Pradesh remained Chairman of the Corporation up to 24.10.2025. Sh. Sanjay Gupta, IAS, Chief Secretary to the Government of Himachal Pradesh nominated as Chairman of the Corporation w.e.f. 25.10.2025.

6.3 MANAGING DIRECTOR

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

7. ACKNOWLEDGEMENT

The Board of Directors wishes to places 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

Statement No. 1

LIST OF DIRECTORS ON THE BOARD OF HPFC AS ON 31.03.2026

Sr No	Name of Director	Occupation & Address	By whom nominated/ elected	Date of nomination	Tenure
1.	Sh. Sanjay Gupta, IAS	Chief Secretary to the Govt. of Himachal Pradesh Shimla-171002	Nominated as Director by the State Govt. & Chairman by the SIDBI.	25.10.2025 as Director and 25.10.2025 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. Sunil S	General Manager, Small Industries Development Bank of India.	Small Industries Dev. Bank of India.	03.06.2025	At the pleasure of SIDBI
4.	Sh. Dinesh Kumar Sharma	Sr. Divisional Manager, Life Insurance Corporation of India, Shimla-9	LIC of India	19.05.2025	At the pleasure of LIC
5.	Miss. Shikha Aneja	Dy. General Manager, Circle Head, Punjab National Bank, Circle Office Shimla-171001	Punjab National Bank	18.09.2025	At the pleasure of Punjab National Bank
6.	Sh. Rohit Jamwal, IAS	Managing Director, HPFC, Shimla-171001	Appointed by the State Government	07.10.2024	At the pleasure of State Govt.

STATEMENT FOR PROFIT AND LOSS ACCOUNT FOR THREE YEARS ENDED ON 31ST MARCH 2026

(Rs. In lakhs)

Particulars	2024	2025	2026
I. INCOME			
(a) Interest on Loan & Advances	66.59	63.43	91.87
(b) (i) Interest on investments and deposits	129.53	145.46	139.65
(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	1.09	0.94	0.81
(ii) Dividend	0.59	0.00	0.00
(iii) Transfer of Shares	0.00	0.00	0.00
(iv) Income Pertaining to Previous Years	1.06	0.00	0.19
TOTAL:-	**198.86**	**209.83**	**232.52**
II EXPENDITURE			
(a) Interest Paid on			
(i) Bond & Debentures	0.00	0.00	0.00
(ii) State Govt. Loan	0.00	0.00	0.00
(iii) Borrowing from RBI	0.00	0.00	0.00
(iv) Staff Provident Fund	29.82	22.14	13.60
(v) Borrowing from notified Institution			
(a) SIDBI	0.00	0.00	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	0.00	0.00
(ii) Other Staff	120.50	74.91	60.55
(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			**2024**	**2025**	**2026**
(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	0.01	0.07
(e)		Rent, Rate, Taxes, Insurance & Lighting	9.96	9.71	10.23
(f)		Auditor's fee	0.59	0.59	0.59
(g)		Law & Professional Charges	0.09	0.27	2.26
(h)		Interest on Income Tax	0.00	0.00	0.12
(i)		Provision for Taxation (MAT)	0.00	0.00	11.55
(j)		Bad Debts & other losses written off	0.00	0.00	0.00
(k)		Other Expenses	13.70	9.65	66.02
(l)		Net Surplus/ Loss	24.18	92.56	67.53
		TOTAL	**198.86**	**209.83**	**232.52**
APPROPRIATIONS					
(a)		Net profit / loss as above	24.18	92.56	67.53
(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	253.37	0.77	61.05
(g)		Net Profit /Loss Carried to Balance Sheet	277.55	93.33	128.59

Statement No. 3

SOURCES AND USES OF FUNDS

(Rs. In lakh)

		Particulars	2023-24 (Actuals)	2024-25 (Actuals)	2025-26 (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	0.00
	(ii)	Bonds	0.00	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	0.00	0.00	0.00
4	Revenue Payments				
	(i)	Interest(Bonds and CPF)	29.82	22.14	13.60
	(ii)	Service Tax	0.00	0.00	0.00
	(iii)	Administrative Expenses	144.86	94.05	139.72
	(iv)	Income Tax (MAT)	-	1.09	11.67
	(v)	Dividend	-	-	-
	(vi)	Others	0.00	0.00	0.00
		Total	174.68	117.28	164.99
5	CGF Claims paid to DICGC		-	-	-
6	Refund of Subvention		-	-	-
7	Other Cash Outgoings		115.00	240.00	17.51
8	Closing Cash and bank balances		2145.70	2010.27	2125.58
		Grand Total	2435.38	2367.55	2308.08

Statement No. 3 (Contd.)

(Rs. In lakh)

	Particulars	2023-24 (Actuals)	2024-25 (Actuals)	2025-26 (Actuals)
II RESOURCES				
9	Opening Cash and bank balance	1978.05	2145.70	2010.27
10	Increase in Capital	-	-	-
(i)	State Government	0.00	0.00	0.00
(ii)	IDBI/SIDBI			
	Total	1978.05	2145.70	2010.27
11	Borrowings			
(i)	SIDBI Refinance	-	-	-
(ii)	Bonds	-	-	-
(iii)	Deposits	-	-	-
(iv)	RBI (Adhoc Bonds)	-	-	-
(v)	State Govt.	0.00	0.00	0.00
	Total	0.00	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)	246.00	9.23	66.29
14	Revenue Receipts			
(i)	Interest on term loan	66.59	63.42	91.87
(ii)	Others	132.27	146.40	139.65
	Total	198.86	209.82	231.52
15	Income from Sale of investment			
(i)	Face -value	-	-	-
(ii)	Profit/Loss	-	-	-
16	Suvention received	-	-	-
17	Other cash inflow	12.47	2.80	0.00
	Grand Total	2435.38	2367.55	2308.08

Statement No. 4

COMPARATIVE SUMMARISED BALANCE SHEET FOR THREE YEARS ENDED ON 31ST MARCH 2026

(Rs. In lakh)

Particulars		2024	2025	2026
ASSETS				
Cash in Hand and Bank Balance with Banks in Current /Fixed Accounts		2145.70	2010.27	2125.58
Investments				
(i)	Government Securities			
(ii)	In Share of industrial concerns			
(iii)	Debentures/Shares etc (underwritting)	7100.60	7100.60	7100.60
(iv)	Other	5.01	5.01	5.01
Loan and Advances		4799.50	4798.72	4737.66
Other Assets		130.43	127.34	80.92
Dividend Deficit Account		78.76	78.76	78.76
Net Loss as per Profit & Loss Account		18205.36	18112.03	17983.44
TOTAL		**32465.36**	**32232.73**	**32111.97**
LIABILITIES				
Capital and Reserves				
(i)	Paid up Capital	11318.24	11318.24	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	0.00	0.00	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		4790.73	4789.96	4728.89
Other Liabilites (Including State Govt. Interest)		5853.01	5621.15	5561.46
TOTAL		**32465.36**	**32232.73**	**32111.97**

Statement No. 5

PARTY WISE DISTRIBUTION OF THE SHARES OF THE CORPORATION AS ON 31 MARCH 2026

(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 31^{ST} MARCH 2026

A. BORROWINGS

(Rs. In lakh)

Sources		Limit 2025-2026	Amount Availed	Outstanding As on 31.03.2026
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

Bonds are fully paid

(Rs. In lakhs)

Paticulars	2023-24			2024-25			2025-26					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 31.03.2026	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		

SANCTIONS AND DISBURSALS OF TERM LOANS

Particulars	2024-25								2025-26			
	SSI		SRTO		Others		Total		SSI		SRTO	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
A. SANCTIONS												
(i) Gross sanctions	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-				
(ii) Sanctions	-	-	-	-	-	-	-	-	-	-	-	-
subsequently cancelled/												
reduced/lapsed relating												
to : -	-	-	-	-	-	-	-	-	-	-	-	-
(a) Current year's												
sanctions	-	-	-	-	-	-	-	-	-	-	-	-
(b) Previous year's												
sanctions	-	-	-	-	-	-	-	-	-	-	-	-
(c) TOTAL (a+b)	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Effective												
sanctions [(i) -(ii - a)]	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
B. DISBURSALS	-	-	-	-	-	-	-	-	-	-	-	-

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	2025-26									
	SSI		SRTO		Others		Total		SSI	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
ASSISTANCE FOR										
New Projects	-	-	-	-	-	-	-	-		
Expansions	-	-	-	-	-	-	-	-		
Diversification	-	-	-	-	-	-	-	-		
Rehabilitation	-	-	-	-	-	-	-	-		
Modernisation/ replacement	-	-	-	-	-	-	-	-	372	6005.23
Power Generation	-	-	-	-	-	-	-	-		
Quality Control	-	-	-	-	-	-	-	-		
Polution Control	-	-	-	-	-	-	-	-		
Research & Develop	-	-	-	-	-	-	-	-		
Over run finance	-	-	-	-	-	-	-	-		
Others	-	-	-	-	-	-	-	-		
TOTAL	-	-	-	-	-	-	-	-	372	6005.23

Statement No.9

(ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

(Rs. In lakh)

Total (Live Cases)					
SRTO		Others		Total	
No.	Amt.	No.	Amt.	No.	Amt.
54	143.37	32	1845.67	458	7994.27
54	143.37	32	1845.67	458	7994.27

INDUSTRY WISE CLASSIFICATION OF TERM LOAN SANCTIONED & DISBURSMENT

		Sanctions (effective)							
		2024-25				2025-26			
		SSI		Total		SSI		Total	
		No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	Cement	-	-	-	-	-	-	-	-
2	Chemicals	-	-	-	-	-	-	-	-
3	Cold Storage & Ice Factory	-		-	-	-		-	-
4	Electrical Appliances/ Goods	-		-	-	-		-	-
5	Engineering Goods	-	-	-	-	-	-	-	-
6	Fertilizers	-		-	-	-		-	-
7	Food Manufacturing	-		-	-	-		-	-
8	Hotel & Restaurants	-	-	-	-	-	-	-	-
9	Leather Products	-		-	-	-		-	-
10	Metal Products	-	-	-	-	-	-	-	-
11	Minerals	-	-	-	-	-	-	-	-
12	Miscellaneous	-	-	-	-	-	-	-	-
13	Petroleum & Coal	-	-	-	-	-	-	-	-
14	Paper Products	-	-	-	-	-	-	-	-
15	Printing Presses	-	-	-	-	-	-	-	-
16	Rubber & Plastics	-	-	-	-	-	-	-	-
17	Service Stations	-	-	-	-	-	-	-	-
18	Stone Crushers	-	-	-	-	-	-	-	-
19	Textiles	-	-	-	-	-	-	-	-
20	Transport Equipments	-	-	-	-	-	-	-	-
21	Transport Operators	-	-	-	-	-	-	-	-
22	Watches & Parts	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-	-

Statement No.10

(ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

(Rs. In lakh)

				Disbursements					
Total (Live Cases)				2024-25		2025-26		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
40	924.59	45	1108.51	-	-	-	-	879.93	1063.35
3	24.17	3	24.17	-	-	-	-	22.93	22.93
19	263.10	23	912.10	-	-	-	-	228.88	709.80
18	159.66	20	249.66	-	-	-	-	145.82	233.82
-	-	-	-	-	-	-	-	-	-
39	947.67	39	947.67	-	-	-	-	921.37	921.37
27	362.53	30	476.61	-	-	-	-	337.67	421.23
7	87.98	8	197.98	-	-	-	-	87.98	98.98
22	272.45	24	355.14	-	-	-	-	234.90	312.75
5	58.00	5	58.00	-	-	-	-	57.65	57.65
58	480.49	59	625.50	-	-	-	-	458.83	601.00
-	-	-	-	-	-	-	-	-	-
25	437.96	34	672.81	-	-	-	-	434.50	669.35
4	33.88	4	33.88	-	-	-	-	16.36	16.36
36	446.34	38	536.34	-	-	-	-	409.84	499.83
3	7.00	3	7.00	-	-	-	-	7.00	7.00
8	51.42	8	51.42	-	-	-	-	48.36	48.36
33	1153.69	34	1183.69	-	-	-	-	1091.27	1121.27
19	162.31	19	162.31	-	-	-	-	153.53	153.53
-	-	54	143.37	-	-	-	-	-	143.18
1	8.20	1	8.20	-	-	-	-	8.20	8.20
372	6005.23	458	7994.27	-	-	-	-	5666.69	7298.75

AREA WISE DISTRIBUTION OF TERM LOANS (SANCTIONED AND DISBURSED)

Name of the District		Sanctions (effective)							
		Small Scale							
		2024-25		2025-26		Total(Live Cases)		2024-25	
		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	-	-	-	-	37	411.35	-	-
5	Kinnaur	-	-	-	-	4	27.28	-	-
6	Kullu	-	-	-	-	4	367.50	-	-
7	Lahaul-Spiti	-	-	-	-	-	-	-	-
8	Mandi	-	-	-	-	10	25.78	-	-
9	Shimla	-	-	-	-	38	173.96	-	-
								-	-
10	Sirmaur	-	-	-	-	66	1069.61	-	-
		-	-	-	-				
11	Solan	-	-	-	-	135	3132.07	-	-
12	Una	-	-	-	-	61	598.59	-	-
	TOTAL	-	-	-	-	**372**	**6005.23**	**-**	**-**

(ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN) Statement No.11

(Rs. In lakh)

Disbursements									
SRTOs				Small-Scale			SRTOs		Total
2025-26		Total(Live Cases)		2024-25	2025-26	Total(Live Cases)	2024-25	2025-26	(Live Cases)
No.	Amt.	No.	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.
-	-	6	9.55	-	-	139.83	-	-	9.48
-	-	1	3.02	-	-	9.17	-	-	3.01
-	-	2	2.85	-	-	47.50	-	-	2.85
-	-	3	5.14			401.40	-	-	5.14
-	-	-	-	-	-	24.89	-	-	-
-	-	1	3.50	-	-	359.01	-	-	3.50
-	-	-	-			-	-	-	-
-	-	2	12.03	-	-	24.70	-	-	12.03
-	-	27	74.18	-	-	147.96	-	-	74.17
-	-	4	12.49	-	-	935.30	-	-	12.46
-	-	6	11.85	-	-	2994.30	-	-	11.78
-	-	2	8.76	-	-	582.63	-	-	8.76
-	**-**	**54**	**143.37**	**-**	**-**	**5666.69**	**-**	**-**	**143.18**

Statement No. 12

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

	Name of the District	Sanctions (effective)						Disbursements		
		2024-25		2025-26		Total (Live Cases)		2024-25	2025-26	Total (LiveCases)
		No.	Amt.	No.	Amt.	No.	Amt.	Amt.	Amt.	Amt.
I.	Backward Districts									
1	Bilaspur	-	-	-	-	16	295.71	-	-	291.48
2	Chamba	-	-	-	-	3	13.13	-	-	12.18
3	Hamirpur	-	-	-	-	8	50.67	-	-	50.35
4	Kangra	-	-	-	-	42	476.49	-		466.55
5	Kinnaur	-	-	-	-	4	27.28	-	-	24.89
6	Kullu	-	-	-	-	6	445.02	-	-	406.00
7	Lahaul-Spiti	-	-	-	-	-	-	-	-	-
8	Mandi	-	-	-	-	13	47.87	-	-	46.79
9	Shimla	-	-	-	-	67	367.15	-	-	293.59
10	Sirmaur	-	-	-	-	73	1228.22	-	-	1044.87
11	Solan	-	-	-	-	161	4369.37	-	-	4004.65
12	Una	-	-	-	-	65	673.36	-	-	657.39
	TOTAL	-	-	-	-	458	7994.27	0.00	-	7298.74

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 2026	
		2023-24		2024-25		2025-26		[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 2026	
		2023-24		2024-25		2025-26		[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		
	2024-25		2025-26		Total (Live Cases)		2024-25	2025-26	Total (Live Cases)
	No.	Amt.	No.	Amt.	No.	Amt.	Amt.	Amt.	Amt.
SRTO	-	-	-	-	54	143.37	-	-	143.18
			-	-					
Small Scale Sector			-	-					
(a) Tiny Sector (including	-	-	-	-			-	-	
composite loans)	-	-	-	-				-	
(b) Other SSI Units	-	-	-	-	372	6005.23	-	-	5666.69
	-	-	-	-					
Others	-	-	-	-	32	1845.67	-	-	1488.87
TOTAL	-	-	-	-	**458**	**7994.27**	-	-	**7298.74**

Statement No. 16

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

	Sanctions (effective)						Disbursement		
	2024-25		2025-2026		Total (Live Cases)		2024-25	2025-26	Total (Live Cases)
	No.	Amt.	No.	Amt.	No.	Amt.	Amt.	Amt.	Amt.
Public Limited Companies	-	-	-	-	8	219.06	-	-	219.06
PVT. Ltd Companies	-	-	-	-	130	5397.49	-	-	4845.55
Co-operatives			-	-	0	0.00	-	-	0.00
Partnership Firms			-	-	79	1107.75	-	-	1063.12
Proprietorship concerns	-	-	-	-	241	1269.97	-	-	1171.01
Hindu Undivided Family Firms	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	**458**	**7994.27**	**0.00**	-	**7298.74**

Statement No. 17

RECOVERY PERFORMANCE (ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

		2024-25				2025-26			
		Principal	Interest	Misc.	Total	Principal	Interest	Misc.	Total
A.	**Demand**								
	(i) Arrears at the beginning of the year.	4588.12	10888.07	211.37	15687.56	4578.89	10832.91	219.83	15631.63
	Less: Writtenoff/back etc.	0.00	15.21	0.00	15.21	0.00	111.40	0.00	111.40
		4588.12	10872.86	211.37	15672.35	4578.89	10721.51	219.83	15520.23
	(ii) Current demand less reschedulement	0.00	23.48	8.84	23.48	0.00	59.26	12.38	71.64
	Net Total Demand	**4588.12**	**10896.34**	**220.21**	**15695.83**	**4578.89**	**10780.77**	**232.21**	**15591.87**
B.	**Recovery**								
	(iii) Out of arrears (Excluding net receipts from DICGC)	9.23	39.95	0.11	49.18	66.29	32.61	5.51	104.41
	(iv) Out of Current demand	0.00	23.48	0.27	23.48	0.00	59.26	1.64	60.90
	Total	**9.23**	**63.43**	**0.38**	**72.66**	**66.29**	**91.87**	**7.15**	**165.31**
C.	Arrears at the end of the year	4578.89	10832.91	219.83	15631.63	4512.60	10688.90	225.06	15426.56
	% of B (iv) to A(ii)	0.00	100.00	0.00	100.00	0.00	100.00	13.25	85.01
	% of B to A	0.20	0.58	0.17	0.46	1.45	0.85	3.08	1.06
	C as % of Loans Outstanding	29.29	69.30	1.41	100.00	29.25	69.29	1.46	100.00

ARREARS POSITIONS AS ON 31ST MARCH , 2026
(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	390	4512.60	4512.60	29.25	29.25
	Total	390	4512.60	4512.60	28.87	28.87

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
			Principal 3	Interest 4	Total 5	Principal 6	Interest 7	Total 8		
	1	2							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	440	4512.60	10688.90	15201.50	4512.60	10688.90	15201.50	98.54	98.54
	Total	440	4512.60	10688.90	15201.50	4512.60	10688.90	15201.50	98.54	98.54

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	24	7.94	12.08	20.02
2	Rs. 0.50 lacs to Rs. 1.00 lacs	18	10.84	22.66	33.50
3	Rs. 1.00 lacs to Rs. 2.00 lacs	53	60.38	305.46	365.84
4	Rs. 2.00 lacs to Rs. 5.00 lacs	97	230.42	749.80	980.22
5	Rs. 5.00 lacs to Rs. 10.00 lacs	86	432.51	1330.49	1763.00
6	Rs. 10.00 lacs to Rs. 20.00 lacs	57	484.85	1055.62	1540.47
7	Rs. 20.00 lacs to Rs. 30.00 lacs	46	685.50	1699.99	2385.49
8	Rs. 30.00 lacs to Rs. 60.00 lacs	48	1296.35	1780.89	3077.24
9	Above 60.00 lacs	11	1303.81	3731.91	5035.72
	Total	440	4512.60	10688.90	15201.50

Statement No. 18 (Contd.)

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	5	6	7
I.	**Industry-wise Break-up**							
1	Cement	7	313.79	109.35	197.94	307.29	2.03	1.99
2	Chemicals	43	2862.59	933.48	1905.00	2838.48	18.56	18.40
3	Cold Storage & Ice Factory	3	66.43	10.17	52.29	62.46	0.43	0.40
4	Electrical Appliances/ Goods	22	884.04	328.62	542.32	870.94	5.73	5.65
5	Engineering Goods	19	494.60	131.13	355.60	486.73	3.21	3.16
6	Fertilizers	0	0.00	0.00	0.00	0.00	0.00	0.00
7	Food Manufacturing	38	2124.44	585.23	1517.11	2102.34	13.77	13.63
8	Hotel & Restaurants	30	2514.07	236.43	2267.13	2503.56	16.30	16.23
9	Leather Products	7	254.84	132.15	103.04	235.19	1.65	1.52
10	Metal Products	21	542.02	126.53	405.03	531.56	3.51	3.45
11	Minerals	5	385.38	53.23	329.51	382.74	2.50	2.48
12	Miscellaneous	55	887.85	441.40	423.14	864.54	5.76	5.60
13	Petroleum & Coal	-	0.00	0.00	0.00	0.00	0.00	0.00
14	Paper Products	33	1086.81	350.42	711.50	1061.92	7.05	6.88
15	Printing Presses	4	43.59	10.15	31.76	41.91	0.28	0.27
16	Rubber & Plastics	38	666.41	283.42	363.79	647.21	4.32	4.20
17	Service Stations	3	13.46	6.89	6.38	13.27	0.09	0.09
18	Stone Crushers	8	263.00	41.67	220.53	262.20	1.70	1.70
19	Textiles	33	1360.35	607.84	733.52	1341.36	8.82	8.70
20	Transport Equipments	18	193.42	45.35	146.38	191.73	1.25	1.24
21	Transport Operators	52	457.28	73.77	375.05	448.82	2.96	2.91
22	Watches & Parts	1	7.28	5.37	1.88	7.25	0.05	0.05
	TOTAL	**440**	**15421.65**	**4512.60**	**10688.90**	**15201.50**	**99.97**	**98.54**

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	16	683.64	251.39	417.29	668.68	4.43	4.33
2	Chamba	3	122.19	9.17	112.94	122.11	0.79	0.79
3	Hamirpur	8	89.75	40.20	36.37	76.57	0.58	0.50
4	Kangra	42	1539.13	311.58	1212.01	1523.59	9.98	9.88
5	Kinnaur	4	36.17	15.16	20.64	35.80	0.23	0.23
6	Kullu	6	1946.64	323.87	1621.76	1945.63	12.62	12.61
7	Lahaul-Spiti	0	0.00	0.00	0.00	0.00	0.00	0.00
8	Mandi	11	172.29	14.47	156.74	171.21	1.12	1.11
9	Shimla	65	1078.23	223.30	848.21	1071.51	6.99	6.95
10	Sirmaur	73	1642.32	679.95	916.12	1596.07	10.65	10.35
11	Solan	150	7107.09	2228.54	4785.73	7014.27	46.07	45.47
12	Una	62	1004.20	414.97	561.09	976.06	6.51	6.33
	Total	**440**	**15421.65**	**4512.60**	**10688.90**	**15201.50**	**99.97**	**98.54**
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	130	9446.09	2882.05	6439.36	9321.41	61.23	60.42
4	Co-operative	0	0.00	0.00	0.00	0.00	0.00	0.00
5	Other	310	5975.56	1630.55	4249.54	5880.09	38.74	38.12
	Total	**440**	**15421.65**	**4512.60**	**10688.90**	**15201.50**	**99.97**	**98.54**
IV.	**Client-wise Break-up**							
1	Small	412	11815.35	3689.72	7949.43	11639.15	76.59	75.45
2	Others	28	3606.30	822.88	2739.47	3562.35	23.38	23.09
	Total	**440**	**15421.65**	**4512.60**	**10688.90**	**15201.50**	**99.97**	**98.54**

Statement No. 19

NORMAL INTEREST RATE STRUCTURE AS ON 31.03.2026

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%

Note: Additional interest @ 1% shall be charged on the default amount for the period of default.

<u>ACCOUNTS</u>

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 2026, 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 is 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, 2026; and

ii) In the case of the statement of Profit and Loss, of the Surplus of the Corporation for the year ended on that date.

Emphasis of Matters

A)

i) As explained to us, the Corporation has carried out periodic inspection of the financed units through its officials. However, updated valuation reports of the primary and collateral securities have not been obtained in respect of a number of loan accounts. In the absence of current valuation reports, we were unable to verify whether the securities held by the Corporation are adequate to cover the outstanding loans and advances or whether the diminution in value of such securities due to passage of time, depreciation, obsolescence and prevailing market conditions has been appropriately considered.

Further, in respect of doubtful advances, the valuation of the available securities has not been carried out on the basis of current market value for determining the realizable value and the resultant shortfall. The classification of advances as loss assets appears to have been based primarily on the loss, removal or sale of primary securities rather than on a comprehensive assessment of the realizable value of all available securities. Consequently, we are unable to comment upon the adequacy of the provisions made against such advances.

i) Loans and Advances amounting to Rs. 47,28,89,821.00 (net of DICGC claim of Rs. 8,76,403.00) have been classified as Non-Performing Assets (NPAs) as on 31.03.2026. The Corporation has reported a surplus of Rs. 128.58 lakh during the year; however, the accumulated losses stand at Rs. 179.83 crore as on 31.03.2026, resulting in a negative net worth of the Corporation. Although there has been an improvement in the financial results during the year, the level of accumulated losses and NPAs continues to be significant. In our opinion, the Corporation needs to further strengthen its recovery mechanism and continuously monitor the recovery of loans and advances to improve its financial position and reduce credit risk.

iii) The Corporation has presented Loans and Advances on a gross basis instead of presenting the same net of provisions created for sub-standard, doubtful and loss assets. Consequently, both Loans and Advances and the corresponding provisions are overstated by Rs. 47.28 crore in the Balance Sheet as at 31.03.2026.

iv) The Corporation does not have an Internal Audit System. Although the Corporation has discontinued its lending operations and is primarily engaged in recovery of outstanding loans and management of existing assets and liabilities, an independent internal audit mechanism would facilitate periodic review of recovery processes, financial controls, statutory compliances, and governance procedures. The absence of such a system may limit the effectiveness of monitoring and evaluation of key operational and financial controls..

v) As required by Accounting Standard (AS) 22 – *Accounting for Taxes on Income*, the Corporation has not recognized deferred tax assets/liabilities in the financial statements. The Management has not recognized the deferred tax asset considering the continued accumulated losses and the uncertainty regarding the availability of sufficient future taxable income against which such deferred tax asset could be realized. Consequently, the impact thereof on the financial statements, if any, has not been ascertained..

vi) As per the directions of the State Government, the Corporation has discontinued its financing activities since earlier years and is presently engaged primarily in the recovery of outstanding loans and advances. Consequently, the Corporation's principal business operations have ceased, and the entire outstanding loan portfolio comprises Non-Performing Assets (NPAs). These matters have been considered while evaluating the Corporation's ability to continue as a going concern.

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

i) **Refer Note No. C-2** regarding the classification of Loans and Advances. The Corporation has generally classified loan assets on the basis of the original value of securities, as updated valuation reports indicating the present realizable value of securities are not available in respect of a number of loan accounts. Consequently, we were unable to verify the adequacy of the security coverage and the appropriateness of the classification of loan assets and related provisions based on the present realizable value of securities, as envisaged under the applicable SIDBI guidelines. Accordingly, the impact, if any, on the provision for Non-Performing Assets could not be ascertained.

ii) **Refer Note No. C-4** regarding the One Time Settlement (OTS) of refinance from SIDBI. The Corporation has repaid the entire OTS amount together with delayed period interest. However, the final confirmation from SIDBI regarding waiver/adjustment of the balance liability has not yet been received. Consequently, the financial impact, if any, arising from the final settlement could not be ascertained

iii) **Refer Note No. C-6** regarding the income tax demand of **Rs. 20,92,244** pertaining to **Assessment Year 2013-14**. The Corporation had deposited **Rs. 4,18,500** under protest. The **Income Tax Appellate Tribunal (ITAT), Chandigarh**, vide its order dated **22.04.2026**, has allowed the Corporation's appeal. The Corporation has filed a claim for refund of the amount deposited. Accordingly, no provision has been made in the financial statements in respect of the said demand.

iv) **Refer Note No. C-7** regarding the interest payable to the State Government. The principal loan of **Rs. 84,61,13,000** released by the State Government for discharge of bond liabilities has been converted into equity pursuant to Government Letter No. **IND-A-C004/2/2021-IND-A-GoHP dated 23.07.2022**. However, interest amounting to **Rs. 50,20,31,696** remains payable as on **31.03.2026**. The financial statements have been prepared accordingly.

v) **Refer Note No. C-8** regarding subvention claims aggregating to **Rs. 1,269.82 lakh** receivable from the State Government, which remain pending as on **31.03.2026**. The Corporation has not declared dividend for earlier years due to non-receipt of the subvention claims and inadequate profits. The ultimate realization of the aforesaid claims is subject to the decision of the State Government.

vi) **Refer Note No. C-10** regarding the investment of **Rs. 71.00 crore** in Himachal Road Transport Corporation (HRTC), representing funds received by the Corporation during the year 2008-09 as a pass-through vehicle. The Corporation has not received documentary confirmation from HRTC regarding the accounting and treatment of the said investment, and the matter is pending final directions from the State Government. Consequently, we are unable to comment upon the appropriateness of the accounting treatment and the consequential effect, if any, on the financial statements.

vii) **Refer Note No. C-11** regarding balances of receivables and payables, including Loans and Advances, which are subject to confirmation. In the absence of confirmations from the concerned parties, we were unable to verify the accuracy and completeness of such balances. Consequently, the impact of any adjustments that may arise upon reconciliation or confirmation of these balances on the financial statements could not be ascertained.

viii) **Refer Note No. C-12** regarding non-provision of rent in respect of the Jharmajri Branch Office, which was closed in earlier years. Since the rent payable has not been finalized by the Industries

Department, the Corporation has not recognised any liability in the financial statements. Consequently, the amount of liability, if any, and its consequential impact on the financial statements could not be ascertained.

ix) **Refer Note No. C-13** regarding **Interest Tax Recoverable** of **Rs. 14,96,119** included under Assets. As the matter is sub judice and pending final settlement, we are unable to express an opinion on the recoverability of the said amount and the consequential impact, if any, on the financial statements.

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.47,98,72,004.00.

Material Uncertainty Related to Going Concern

We draw attention to **Paragraph A(i) and A(vi) of the Emphasis of Matters** and **Notes C-15 and C-17** to the financial statements, which indicate that the Corporation has **accumulated losses of Rs. 179.83 crore as at 31 March 2026**, resulting in a **negative net worth**. The Corporation has discontinued its principal business activity of financing in accordance with the directions of the State Government and is presently engaged primarily in the recovery of outstanding loans and advances. Further, the **entire loan portfolio of the Corporation comprises Non-Performing Assets (NPAs)**, and almost the entire portfolio is under various stages of litigation and recovery proceedings.

The Corporation's operations are presently confined to recovery of dues, management of existing assets and liabilities and discharge of statutory obligations. The continuation of the Corporation is substantially dependent upon the successful recovery of outstanding loans and advances, continued financial and administrative support from the State Government, and the outcome of decisions regarding its future course of operations.

Further, as stated by the Management, the **Board of Directors of the Corporation, in its 243rd Meeting, resolved to initiate action for winding up of the Corporation under Section 45 of the State Financial Corporations Act, 1951**, and the matter is under consideration of the State Government. These events and conditions indicate the existence of a **material uncertainty that may cast significant doubt on the Corporation's ability to continue as a going concern**.

Nevertheless, the accompanying financial statements have been prepared on a **going concern basis**, based on the Management's assessment that the Corporation will continue to receive the necessary support from the State Government and will continue to realise its assets and discharge its liabilities in the normal course of its existing operations.

Our opinion is not modified in respect of this matter.

For Tiwari Dogra & Associates
Chartered Accountants

(CA Atul Tiwari)
M.No 523655
FRN: 025322N

Dated: 31/07/2026
UDIN:

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 31.03.2026 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 31.03.2026 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 31.03.2026 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 31.03.2026 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, 2026

	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	846113000	1131823700	846113000
	[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	18189352	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)	33700000	282716050	33700000
	[iii] From State Govt.	0		0
	Add:- Interest Accrued		502031696	502031696
	TOTAL CARRIED OVER		2676317404	2676317404

HIMACHAL PRADESH FINANCIAL CORPORATION SHIMLA
BALANCE SHEET AS AT 31st MARCH, 2026

Amount in Rupees

PROPERTY AND ASSETS		AMOUNT	TOTAL	PREVIOUS YEAR
1 CASH AND BANK BALANCE				
[a] Cash in hand		23933		5687
[b] Balance with Banks u/s 33 (2) of SFCs Act,1951				
Scheduled Banks				
in Current Accounts		20188169		10823837
in Short Term Deposits		171344710		139478118
[c] CPF Deposits		21000000		50717778
[d] Postage Stamps in Hand		882	212557694	1981
2 INVESTMENTS				
Government Securities				
[i] Central Government		0		0
[ii] State Government		0		0
[iii] Debentures and Shares acquired under under-writing agrement u/s 25 (i) (da)				
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 Matuarity)		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		462789960		468524739
[ii] Soft Loans from Special Share Capital		3292507		3617508
[iii] Seed Capital Loans under Semfex Scheme		242320		242320
[iv] National Equity Fund		7441437	473766224	7487437
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	8298463			
Add : Depeciation for the year	191428	8489891	3739316	3930744
TOTAL CARRIED OVER			1400624234	1395391149

HIMACHAL PRADESH FINANCIAL CORPORATION SHIMLA
BALANCE SHEET AS AT 31st MARCH, 2026

	CAPITAL AND LIABILITIES	AMOUNT	TOTAL	PREVIOUS YEAR
	TOTAL BROUGHT OVER		2676317404	2676317404
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	1979565		1962765
	[ii] Staff Provident Fund (Net)	17808097		24493249
	[iii] Amount Realised from DICGC	876403		876403
	[iv] Earnest Money /Unknown Parties	23149106		23158625
	[v] Token Money for OTS - Pending Adjustment	1264660		1329660
	[vi] SIDBI / Central Govt. Subsidy	149000		149000
	[vii] State Govt. Interest Subsidy	256994		256994
	[viii] Bills Payable including Salary etc	7328354		7690221
	[ix] Pension Payable	146914	52959093	58462
6	PROVISION FOR NON PERFORMING ADVANCES			
	Balance as per last Balance Sheet	478995601		
	Less: Provision reversed during the year	6105780	472889821	478995601
7	PROVISION FOR TAXATION (MAT)		1154676	108853
	TOTAL CARRIED OVER		3211196994	3223273237

H I M A C H A L P R A D E S H F I N A N C I A L C O R P O R A T I O N S H I M L A

B A L A N C E S H E E T A S A T 31st M A R C H, 2026

Amount in Rupees

PROPERTY AND ASSETS		AMOUNT	TOTAL	PREVIOUS YEAR
TOTAL BROUGHT OVER			1400624234	
5 MOTOR VEHICLE, FURNITURE AND FIXTURES ETC.				
Cost upto last Balance Sheet		6779018		
Additions during the year		0		
		6779018		
Less: Sales/Adjustments during the year		22218		
		6756800		
Less: Depreciation written off upto last Balance Sheet	6405746			
Less: Adjusted during the year	0			
Add : Depreciation for the year	43552	6449298	307502	373272
6 OTHER ASSETS				
[i] Advances to Staff				
[a] Accrued Interest on HBA		37809		77240
[b] Travelling		20000		20000
[c] LIC/GIS amt. recoverable from staff		0		0
[d] Amt. Deposit in H.P. High Court		0		4434026
[e] Society Amt. Receivable from Staff		0		0
[ii] Other Advance [Sundry Advance]		552166		551770
[iii] Stationery in Hand		42274		36389
[iv] Pre-paid Expenses		14314		15377
[v] Advance Income Tax A.Y. 2013-14		418500		418500
[vi] Security Deposits (Refundable)		9050		4250
[vii] Investment Deposit A/c with IDBI u/s 32AB of I.T. Act,1961		9168		7000
[viii] TDS Recoverable		1445860		1366942
[ix] HRA Recoverable		0	2549141	2484
TOTAL CARRIED OVER		2549141	1403480877	1402698399

HIMACHAL PRADESH FINANCIAL CORPORATION SHIMLA
BALANCE SHEET AS AT 31st MARCH, 2026

	CAPITAL AND LIABILITIES	AMOUNT	TOTAL	PREVIOUS YEAR
	TOTAL BROUGHT OVER		3211196994	3223273237
7	CONTINGENT PROVISION AGAINST STANDARD ASSETS			
	Balance as per last Balance Sheet	0		
	Less: Provision reversed during the year	0	0	0
	GRAND TOTAL		3211196994	3223273237

Accounting policies, notes on accounts: Schedule 'B'

PLACE: SHIMLA	(Ramesh Thakur)	(Rohit Jamwal) IAS
DATE: 31.07.2026	Asstt. Manager	Managing Director

HIMACHAL PRADESH FINANCIAL CORPORATION SHIMLA

BALANCE SHEET AS AT 31st MARCH, 2026

Amount in Rupees

PROPERTY AND ASSETS	AMOUNT	TOTAL	PREVIOUS YEAR
TOTAL BROUGHT OVER	2549141	1403480877	1402698399
7 DIVIDEND DEFICIT ACCOUNT	7876000	7876000	7876000
8 ADVANCE INTEREST TAX	1496119	1496119	1496119
9 PROFIT AND LOSS ACCOUNT			
Loss as per last Balance Sheet	1811202719		
Surplus as per Profit and Loss Account	12858721	1798343998	1811202719
GRAND TOTAL		3211196994	3223273237

" In terms of our report of even date annexed".
for Tiwari Dogra & Associates,
Chartered Accountants
ICAI FRN-025322N

Director

(Atul Tiwari)
Partner
Membership No.523655

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2026

EXPENDITURE	AMOUNT	TOTAL	PREVIOUS YEAR
To Interest on Borrowing			
(a) Interest on Bonds	0		
(b) Interest on State Govt. Loan	0		
(c) Interest on CPF	1360472	1360472	2213713
To Salaries and Allowances			
(a) Managing Director (including Medical Re-imbursement -Nil , Previous year: nil/=	0		
(b) Others (including Medical Re-imbursement Rs.47,529/= Previous year: Rs.1,09,838/=)	5699567	5699567	7033807
To Travelling & Other Allowances			
(a) Managing Director	0		
(b) Directors	0		
(c) Others	7291	7291	1000
To Contribution to Staff Provident Fund	354857		457181
To Rent, Rates, Taxes, Lighting and Insurance etc.	1023335		970905
To Postage,Telegram and Stamps etc.	9099		6604
To Telephones Expences	36760		35816
To Printing and Stationery	39406		42432
To Publicity and Advertisement	0		0
To Repairs and Renewals	73697		9719
To Bank Charges and Commission	1649		1993
To Auditor's Remuneration	59000		59000
TOTAL CARRIED OVER	1597803	7067330	10832170

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2026

Amount in Rupees

INCOME	AMOUNT	TOTAL	PREVIOUS YEAR
By Interest on			
(a) Loans & Advances	9187115		6342720
(b) Investments & Deposits	13964974	23152089	14546491
By Other Income			
(a) Miscellaneous Income	3992		1590
(b) Profit from Sale of Assets	989		0
(c) RTI	2221		1271
(d) NOC Charges	7000		9000
(e) Licensing Fee (Offical Accomodation)	66840		81870
(f) Income Pertain to Previous Year	19000		0
(g) Gain on transfer of Shares	0	100042	0
By Excess Provision of NPAs Written Back		6105780	77611
By Net loss for the year		0	0
TOTAL CARRIED OVER		29357911	21060553

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2026

EXPENDITURE	AMOUNT	TOTAL	PREVIOUS YEAR
TOTAL BROUGHT OVER	1597803	7067330	10832170
To Depreciation	234981		338722
To Law & Professional Charges	226200		27150
To Other Expenses			
(a) Books & Newspapers	1525		1885
(b) Miscellaneous not Enumerated	5573842		53916
(c) Vehicle Running and Maintenance	444203		193124
(d) Staff Welfare	54788		69258
(e) Meeting Expenses	9476		0
(f) Fees & Subscription	111278		100412
(g) Winter Heating	11068	8265164	1900
To Intt. On Income Tax		12020	0
To Provision for Taxation (MAT)		1154676	108853
To Net Surplus for the year			
(a) Before Provision for NPAs	6752941		
(b) Provision for NPAs Reversed	6105780	12858721	9333163
GRAND TOTAL		29357911	21060553

Accounting policies, notes on accounts: Schedule 'B'

PLACE: SHIMLA	(Ramesh Thakur)	(Rohit Jamwal) IAS
DATE: 31.07.2026	Asstt. Manager	Managing Director

HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2026

Amount in Rupees

INCOME	AMOUNT	TOTAL	PREVIOUS YEAR
TOTAL BROUGHT OVER		29357911	21060553
		29357911	21060553

" In terms of our report of even date annexed".
for Tiwari Dogra & Associates,
Chartered Accountants
ICAI FRN-025322N

Director

(Atul Tiwari)
Partner
Membership No.523655

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	9,62,85,528	9,87,00,616
(b)	Debts previously fully secured but now secured to the extent of Rs.14,11,26,669/=	1,44,63,70,386	1,46,44,61,900
		1,54,26,55,914	1,56,31,62,516
	Less: (i) Overdue interest as on 31.3.2026 (including suit fied cases)	1,06,88,89,690	1,08,32,90,513
	(ii) Funded interest as on 31.3.2026	0	0
	(iii) Advance payment	0	0
	Balance as per Balance Sheet (Including Other charges of Rs.2,25,06,130 debited to parties)	47,37,66,224	47,98,72,003
(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)	52,09,98,655	52,35,58,979
	(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	99,91,51,129	1,01,76,20,729
(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	---------	---------

SCHEDULE "A"

IN THE BALANCE SHEET AS ON 31ST MARCH,2026 *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	1,18,19,03,374		1,19,97,99,207
(ii) Debts due from concerns other than those included in (i) above	36,07,52,540		36,33,63,309
	1,54,26,55,914		1,56,31,62,516
Less: (i) Over due interest as on 31.3.2026 (including Suit Filed Cases)	1,06,88,89,690		1,08,32,90,513
(ii) Funded Interest as on 31.3.2026	0		0
(iii) Advance payment	0		0
Balance as per Balance Sheet	47,37,66,224	0	47,98,72,003
III.ACCORDING TO THE CONSTITUTION OF THE INDUSTRIAL UNITS			
(a) Proprietory	42,78,40,873		44,28,37,851
(b) Partnership	17,00,19,351		17,07,52,096
(c) Hindu Un-divided Family	0		0
(d) Co-operative Societies	0		0
(e) Private Limited Companies	91,42,82,991		91,90,59,870
(f) Public Limited Companies	3,05,12,699		3,05,12,699
	1,54,26,55,914		1,56,31,62,516
Less: (i) Over due interest as on 31.3.2026 (including Suit Filed Cases)	1,06,88,89,690		1,08,32,90,513
(ii) Funded Interest as on 31.3.2026	0		0
(iii) Advance Payment	0		0
Balance as per Balance Sheet	47,37,66,224		47,98,72,003
IV. ACCORDING TO HEALTH OF INDUSTRIAL UNITS			
(a) Standard Accounts	0		0
(b) Sub-Standard Accounts	0		0
(c) Doubtful Accounts	68,16,38,923		69,17,14,568
(d) Loss Assets Accounts	86,10,16,991		87,14,47,948
	1,54,26,55,914		1,56,31,62,516
Less: (i) Over due interest as on 31.3.2026 (including Suit Filed Cases)	1,06,88,89,690		1,08,32,90,513
(ii) Funded Interest as on 31.3.2026	0		0
Balance as per Balance Sheet	47,37,66,224		47,98,72,003

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 Tiwari Dogra & Associates
Chartered Accountants

[Ramesh Thakur]	[Rohit Jamwal] IAS	[Atul Tiwari]
Asstt. Manager	Managing Director	Partner

SCHEDULE “B”

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. 35,01,549/- as payable on account of receipt from various borrowers. This amount is included in Earnest Money /Unknown Parties under current liabilities.

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. 15,46,070/- for assessment year 2025-26.

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 2026, two 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.67.15 crore 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. The Income Tax Appellant Tribunal, Chandigarh vide in its order dated 22.04.2026 the appeal of the Corporation has been allowed. The Corporation has filed claim for refund of above amount.

7. The State Government had released an amount of Rs.84,61,13,000/- as loan to discharge the Bond liabilities as Guarantor w.e.f. 23.10.2012 to 06.02.2021. The State Government vide its letter No. IND-A-C004/2/2021-IND-A-GoHP dated 23.07.2022 has converted this amount in to equity. An amount of Rs. 50, 20, 31,696/- towards interest on State Government loan is payable as on 31.03.2026.

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. 01.04.2025 to 31.03.2026, total amount of interest paid is Rs.13,60,472/- 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 i.e. Rs.5,26,767/- for the F.Y 1993-94, Rs.64,105/- for the F.Y 1995-96, Rs.3,96,107/- for the F.Y 1998-99 and Rs.5,09,140/- for the F.Y 1999-2000. 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 31.03.2026 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 current income tax has been made because, after considering the provision for MAT written back, brought forward business losses and other eligible carry forward losses available under the Income-tax Act, 1961, no taxable income remained chargeable to tax for the year.

17. Disclosures in compliance with SIDBI's guidelines

CAPITAL

(a) Core Capital Risk Weighted Adequacy Ratio (CRAR): 5.84%
(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*	1474.29	31.18	1474.29	0.00	
Loss Assets	3254.61	68.82	3254.61	0.00	0.00
Total	**4728.90**	**100**	**4728.90**	**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	-61.05
1.1	Standard Assets	0.00
1.2	Sub-Standard Assets	0.00
1.3	Doubtful Assets	-13.71
1.4.	Loss Assets	-47.34
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.308.46 lakh (1.13%)	6.43%
b) 10 largest single borrowers	Rs.1422.58 lakh (5.22%)	29.60%

(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 = 0.72%
(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.

Tiwari Dogra & Associates
Chartered Accountants

(Ramesh Thakur) Asstt. Manager	Director	(Rohit Jamwal) IAS Managing Director	(Atul Tiwari) Partner