



49<sup>th</sup>

ANNUAL REPORT

&

ACCOUNTS

2015-16

**HIMACHAL PRADESH FINANCIAL CORPORATION**

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**HIMACHAL PRADESH FINANCIAL CORPORATION**  
**New Himrus Building, Circular Road,**  
**Shimla-171001**

**NOTICE**

In pursuance of Regulation 43 of the Himachal Pradesh Financial Corporation's General Regulations, it is hereby notified that the 49<sup>th</sup> Annual General Meeting of the Shareholders of the Himachal Pradesh Financial Corporation will be held in the Chamber of Chairperson (Chief Secretary to the Government of Himachal Pradesh) in H.P. Secretariat Shimla-171002 on Thursday the 28<sup>th</sup> July, 2016 at 11.00 A.M. to transact the following business: -

“To discuss and if deemed fit, to adopt the annual accounts of the Corporation including the Profit and Loss account and the Balance Sheet for the year ending the 31<sup>st</sup> March 2016, together with a report of the Board of Directors on the working of the Corporation, the auditor's report(s) on the said balance sheet and accounts, proposal for declaration of dividend and capitalization of reserves”.

It is also notified that the share Register of the Corporation will remain closed and the registration of transfer of shares suspended from 30<sup>th</sup> June 2015 to 28<sup>th</sup> July 2016 (both days inclusive).

Note: -

1. The last date for deposit of proxies shall be 25<sup>th</sup> July, 2016
2. The last date for deposit of certified copies of resolution appointing duly authorized representatives shall be 25<sup>th</sup> July, 2016.
3. The written order of the State Government authorizing any of its officers to act as its representative at the meeting to be deposited at the Head office of the Corporation on or before 28<sup>th</sup> July, 2016 by 11.00 A.M.

BY ORDER OF THE BOARD

MANAGING DIRECTOR

# Himachal Pradesh Financial Corporation

## **HEAD OFFICE**

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New Himrus Building,  
Circular Road,  
Shimla-171001

Telephones : 2625109, 2624552, 2624765,  
: 2620104, 2622526, 2624506, 2624642

EPABX : 2624228, 2625940

Fax : 0177-2623027

E-Mail : [hpfc-hp@nic.in](mailto:hpfc-hp@nic.in)

Website : <http://hpfc.nic.in>

**Himachal Pradesh Financial Corporation**  
**BOARD OF DIRECTORS (As on 31.03.2016)**

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- |                            |   |
|----------------------------|---|
| 1. Sh. P.Mittra            | <i>Chairman</i><br>Nominated by Small Industries Development Bank of India  |
| 2. Sh. R. D. Dhiman        | Nominated by the Government of Himachal Pradesh                             |
| 3. Sh. Balbir Singh        | Nominated by Small Industries Development Bank of India                     |
| 4. Sh. Gurmel Singh Parmar | Nominated by the Life Insurance Corporation of India                        |
| 5. Sh. Vishesh Srivastava  | Nominated by the Punjab National Bank                                       |
| 6. Dr. Arun Kumar Sharma   | <i>Managing Director</i><br>Appointed by the Government of Himachal Pradesh |

**AUDITORS**

**M/s A. Singhi & Associates**  
*Chartered Accountants*  
# 19, Ganj Road, Shimla-171001  
Cell: +919218560010  
9218660010  
Ph.: #01772659788(O)  
Ph.: #01776533105(R)  
*e-mail: [amansinghiaca@yahoo.co.in](mailto:amansinghiaca@yahoo.co.in)*

**Himachal Pradesh Financial Corporation**  
**PRINCIPAL OFFICERS**

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**1. Shri V.P. Singh**

**General Manager**

**2. Sh. Subhash Rana**

**Dy. General Manager**

<b>TEN YEARS</b>				
<b>Year ended on 31st March</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>During the year</b>				
<b>SANCTION</b>				
(i) Term Loan	-----	-----	-----	-----
(ii) Soft Loan	-----	-----	-----	-----
<b>DISBURSEMENT</b>				
(i) Term Loan	-----	-----	-----	-----
(ii) Soft Loan	-----	-----	-----	-----
<b>As at the end of the Year</b>				
<b>OPERATING INCOME</b>				
(i) Interest	457.24	523.43	490.82	871.23
(ii) Other Income	6.00	9.06	46.06	2.93
	<b>463.24</b>	<b>532.49</b>	<b>536.88</b>	<b>874.16</b>
<b>Cost Of Borrowings</b>	<b>1281.89</b>	<b>402.79</b>	<b>521.46</b>	<b>654.53</b>
<b>GROSS PROFIT (A)</b>	(-) 818.65	129.70	15.42	219.63
<b>OPERATING EXPENSES</b>				
(i) Staff Cost (Salaries, P.F. & Gratuity)	198.78	227.06	367.57	1146.06*
(ii) Administrative & General expenses.	32.24	34.33	35.56	30.60
(iii) Bad Debts Written off	25.28	10.17	4.38	13.70
<b>(B)</b>	<b>256.30</b>	<b>271.56</b>	<b>407.51</b>	<b>1190.36</b>
<b>Net Profit/Loss before Tax (A-B)</b>	(-) 1074.95	(-) 141.86	(-) 392.09	(-) 970.73
<b>Add: Service Tax written off</b>	<b>0.00</b>	<b>0.90</b>	-----	-----
<b>Profit after Tax</b>	(-) 1074.95	(-) 142.76	(-) 392.09	(-) 970.73
(i) Appropriation to Reserves	----	----	----	----
(ii) Provision for Dividend	----	----	----	----
(iii) Repayment of subvention	----	----	----	----
(i) Share Capital	9957.11	9957.11	9957.11	9957.11
(ii) Reserves	497.46	497.46	497.46	497.46
(iii) Loans Outstanding	16396.46	16823.73	16799.22	17941.53
(iv) No. of Accounts	489	510	540	574
(v) Refinance Outstanding	3052.16	3952.16	4827.16	5627.16
(vi) Bonds Outstanding	2410.00	3226.00	4512.00	5650.50
(vii) No. of Offices	----	----	----	----
<i>Note-1: *Includes differential amount of gratuity of Rs. 153.14 lakh paid to retirees on account of enhancement of gratuity limit to</i>				

OF GROWTH					
(Rs. In Lakhs )					
2012	2011	2010	2009	2008	2007
-----	16.82	3022.06	3038.80	1127.02	4194.75
-----	-----	-----	-----	-----	65.32
140.00	632.77	2025.70	1752.87	1515.31	4145.11
-----	-----	-----	11.00	0.80	51.48
1255.32	1130.25	1762.55	1648.82	1821.82	1547.86
2.37	8.51	11.13	14.82	90.05	27.33
1257.69	1138.76	1773.68	1663.64	1911.87	1575.19
798.69	1515.92	1867.21	1592.86	1639.53	1474.06
459.00	(-)377.16	(-)93.53	70.78	272.34	101.13
			0.50		
440.43	529.67	436.71		342.97	335.06
			54.76		
33.05	62.69	68.24		75.35	70.24
			26.70		
4.60	8.80	6.49		39.19	151.38
478.08	601.16	511.44	486.96	457.51	556.69
(-) 19.08	(-)978.32	(-)605.61	(-)416.18	(-)185.17	(-)455.56
-----	-----	-----	-----	-----	-----
(-) 19.08	(-)978.32	(-)605.61	(-)416.18	(-)185.17	(-)455.56
----	----	----	----	----	----
----	----	----	----	----	----
----	----	----	----	----	----
9957.11	9957.11	9957.11	4857.11	2857.11	2857.11
497.46	497.46	497.46	497.46	497.46	497.46
19666.54	21997.18	24095.46	24028.72	25309.46	27575.53
639	691	730	785	880	931
6380.64	6930.64	8028.87	7610.27	8784.69	8588.92
7735.00	8953.00	8958.50	9106.50	10132.00	10270.00
----	4	4	4	4	4

*Rs 10 lakh, provision of Rs 367.05 lakh made toward group gratuity and provision of Rs 253.50 lakh made toward leave encashment*



**BREAK-UP OF TERM LOAN  
SANCTIONED**

As on 31<sup>st</sup> March 2016

**FINANCIAL SUMMARY**

(Rs. In lakhs)

<b>INDUSTRY</b>	<b>Amount Sanctioned Rs. in lakhs</b>	<b>No. of Application</b>	<b>CAPITAL &amp; RESERVES</b>	
Cement Products	1023.14	53	Authorized Capital	15000.00
Chemicals	7938.04	371	Paid-up Capital Reserves	9957.11
Cold Storage & Ice Factory	178.06	27		497.46
Electrical Appliances/Equipments.	5395.71	194		10454.57
Engineering Goods	2584.89	177	<b>BORROWINGS</b>	
Fertilizers	56.19	6	Bonds	2410.00
Food Manufacturing	7565.08	368	Small Industries	-----
Hotels/Restaurants	10498.04	783	Development Bank of India	3052.16
Leather and Fur Products	682.23	59	Reserve Bank of India	-----
Metal Products	7539.36	319	State Government	5528.50
Mineral, Mining & Stone Crushing	1727.66	188	Other loans	110.48
Petroleum & Coal	17.54	4		11101.14
Paper & Paper Products	3218.13	157	<b>EARNINGS</b>	
Printing Presses	446.08	67	Gross Income	463.24
Rubber & Rubber Products/plastic	5979.06	361	(i) Cost of Borrowings	1281.89
Service Stations	208.01	66	(ii) Administrative & General Expenses	231.02
Textiles	3465.69	231	(iii) Bad Debts written off	25.28
Transport Equipment	2264.56	151	Net Profit/loss	(-) 1074.95
Transport Operators	4654.67	2224	Provision for Taxation	-----
Miscellaneous Units	5741.13	546		
<b>Total</b>	<b>71183.27</b>	<b>6352</b>		

# REPORT OF THE BOARD OF DIRECTORS OF HIMACHAL PRADESH FINANCIAL CORPORATION

*For the year ended 31<sup>st</sup> March, 2016  
(Under Section 36 of the State Financial Corporations Act, 1951)*

The Board of Directors of Himachal Pradesh Financial Corporation takes pleasure in presenting the 49<sup>th</sup> Annual Report on the working of the Corporation along with Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2016.

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 2015-16 have been given in Table-1.

**Table-1  
Due and Recovery Position of Financial Year 2015-16**

*Rupees in lakh*

Sr No	Particulars	Principal	Interest	Total
1	Arrears at the beginning of the year	7092.87	8541.65	15634.52
2	Less: Amount rescheduled	0.00	0.00	0.00
3	Less: amount written off/ back	25.28	65.88	91.16
4	Net Arrears (1-2-3)	7067.59	8475.77	15543.36
5	Due during the year	393.82	859.97	1253.79
6	Total Demand (4+5)	7461.41	9335.74	16797.15
7	Receipt: Out of Arrears	566.46	257.31	823.77
8	Receipt: Out of Current Demand	236.15	136.05	372.20
9	Total Receipt (7+8)	802.61	393.36	1195.97
10	Arrears at the close of the year (6-9)	6658.80	8942.38	15601.18
11	Recovery % age of arrears (7/4)	8.01	3.03	5.30
12	Recovery % age of current demand (8/5)	59.96	15.82	29.68
13	Total recovery percentage (9/6)	10.76	4.21	7.12

During 2015-16, out of total demand of Rs 16,797.15 lakh (principal Rs 7,461.41 lakh and interest Rs 9,335.74 lakh), the Corporation effected recovery of Rs 1,195.97 lakh (7.12%) against recovery of Rs 1,050.67 lakh (6.30%) during the previous year and thus recorded 13.83% growth in recovery. At the close of the year, an amount of Rs 15601.18 lakh remained in arrear with the loanes.

## 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 2015-16 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	1619.09	1783.72	3402.81
2	Less: Amt transferred to suit filed cases	0.00	0.00	0.00
3	Less: amount written off/back	0.00	24.90	24.90
4	Less: Amount rescheduled	0.00	0.00	0.00
5	Net Arrears	1619.09	1758.82	3377.91
6	Due during the year	393.82	404.67	798.49
7	Total Demand (5+6)	2012.91	2163.49	4176.40
8	Total Receipt	676.82	200.59	877.41
9	Arrears at the close of the year	1336.09	1962.90	3298.99
10	Total recovery percentage (8/7)	33.62	9.27	21.00

During 2015-16, out of total demand of Rs.4,176.40 lakhs (principal Rs 2,012.91 lakhs and interest Rs 2,163.49 lakh), the Corporation effected recovery of Rs 877.41 lakhs (21.00%) against recovery of Rs 690.72 lakhs (16.87%) during the previous year and thus recorded 27.03% growth in recovery. At the close of the year, an amount of Rs 3298.99 lakhs remained in arrear with the loanes.

## 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 2015-16 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	5473.78	6757.93	12231.71
2	Add: Fresh suit-filed cases	0.00	0.00	0.00
3	Less: amount written off/back	25.28	40.98	66.26
4	Net Arrears	5448.50	6716.95	12165.45
5	Due during the year	0.00	455.30	455.30
6	Total Demand (4+5)	5448.50	7172.25	12620.75
7	Total Receipt	125.79	192.77	318.56
8	Arrears at the close of the year	5322.71	6979.48	12302.19
9	Total recovery percentage (7/6)	2.31	2.69	2.52

During 2015-16, out of total demand of Rs 12,620.75 lakhs (principal Rs 5,448.50 lakhs and interest Rs 7,172.25 lakhs), the Corporation effected recovery of Rs 318.56 lakhs (2.52%) against recovery of Rs 359.95 lakhs (2.86%) during the previous year and thus recorded 11.50% decline. At the close of the year, an amount of Rs 12302.19 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 2015-16 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	146.08	62.35	208.43
2	Less: amount written back	0.00	0.02	0.02
3	Net Arrears	146.08	62.33	208.41
4	Due during the year	0.00	8.13	8.13
5	Total Demand (3+4)	146.08	70.46	216.54
6	Total Receipt	2.62	5.66	8.28
7	Arrears at the close of the year	143.46	64.80	208.26
8	Total recovery percentage (6/5)	1.79	8.03	3.82

During 2015-16, out of total demand of Rs 216.54 lakhs (principal Rs 146.08 lakhs and interest Rs 70.46 lakhs) in soft loan cases/ Seed capital cases, the Corporation effected recovery of Rs 8.28 lakhs (3.82%) against recovery of Rs 32.35 lakhs (13.44%) during the previous year. At the close of the year, an amount of Rs 208.26 lakhs remained overdue with the borrowers.

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

The detail of amount due and recovered from Revenue Recovery Cases during the financial year 2015-16 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	333.46	1321.20	1654.66
2	Add: Fresh RC Cases	0.00	0.00	0.00
3	Less: amount written back/ adjusted	2.62	27.94	30.56
4	Net Arrears	330.84	1293.26	1624.10
5	Due during the year	0.86	173.65	174.51
6	Total Demand (4+5)	331.70	1466.91	1798.61
7	Total Receipt	23.56	15.50	39.06
8	Arrears at the close of the year	308.14	1451.41	1759.55
9	Total recovery percentage (7/6)	7.10	1.06	2.17

During 2015-16, out of total demand of Rs 1,798.61 lakh (principal Rs 331.70 lakh and interest Rs 1466.91 lakh) in RC cases, the Corporation effected recovery of Rs 39.06 lakh (2.17%) against recovery of Rs 20.21 lakh (1.20%) during the previous year. At the close of the year, an amount of Rs 1,759.55 lakh remained overdue in RC cases.

## **2. RESOURCES**

### **2.1 SHARE CAPITAL**

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

### **2.2 BONDS**

During 2015-16, the Corporation did not raise any bond but redeemed bonds Rs 816.00 lakh. At the close of the year, bonds amounting to Rs.2410 lakh remained outstanding.

### **2.3 REFINANCE/LOC**

During 2015-16, the Corporation did not avail any refinance from SIDBI but paid Rs 900 lakh to SIDBI against earlier OTS and at the close of the year, an amount of Rs.225 lakh remained outstanding against OTS.

### **2.4 LOAN FROM BANK**

During 2015-16, the Corporation did not raise any loan from any Bank, but paid an amount of Rs 50.00 lakh to Kangra Central Cooperative Bank Ltd., (KCCB) and at the close of the year, an amount of Rs 110.48 lakh remained outstanding including up to date interest.

## **3. FINANCIAL RESULTS**

During 2015-16, the Corporation earned total revenue of Rs. 463.24 lakh (previous year Rs 532.49 lakh) and incurred revenue expenditure of Rs 1538.19 lakh (previous year Rs 675.25 lakh) and thus recorded business loss of Rs 1074.95 lakh against business loss of Rs 142.76 lakh in the previous year. The business loss during this year has increased due to provision of interest on loans amounting to Rs.963.18 lakh given by the State Government to repay the government guaranteed bonds during last four years period. Otherwise the business loss of the Corporation without State Government interest is Rs.111.77 lakh and net loss is of Rs.2.43 lakh after reversing the provision of NPAs for Rs. 109.34 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 Shareholders of the Corporation in the Special General Meeting. The Internal Audit is being looked after by the Internal Audit Cell of the Corporation headed by SAS Officer of the State Government. The Accountant General Himachal Pradesh has also carried out the audit of the Corporation for the year 2014-15.

## **6 MANAGEMENT**

### **6.1 BOARD OF DIRECTORS**

The Corporation is managed by the Board of Directors, constituted under the provisions of the SFCs Act. During the year under report, the Board of Directors held four meetings. The changes took place in the composition of Board of Directors during the year is that Shri Balbir Singh was nominated as Director on 22.06.2015 in place of Shri Javed Siddiqui by SIDBI and Shri Vishesh Srivastava nominated as Director on 26.06.2015 in place of Shri V.K. Goyal by PNB.

The Board places on record its appreciation of valuable services rendered by the outgoing Directors Shri Javed Siddiqui and Shri V.K. Goyal.

### **6.2 CHAIRMAN**

Shri P.Mitra, IAS, Chief Secretary to the Government of Himachal Pradesh continued to be Chairman of the Board of Directors of the Corporation.

### **6.3 MANAGING DIRECTOR**

Shri Onkar Sharma, IAS, remained Managing Director of the Corporation up to 15.06.2015 and thereafter Dr. Arun Kumar Sharma, IAS joined as Managing Director of the Corporation w.e.f. 16.06.2015.

## **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, HIMCON and Banks for support, cooperation, guidance and cordiality.

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

For and on behalf of the Board of Directors

**MANAGING DIRECTOR**

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# **STATEMENTS**

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## Statement No. 1

## LIST OF DIRECTORS ON THE BOARD OF HPFC AS ON 31.03.2016

Sr N o	Name of Director	Occupation & Address	By whom nominated/ elected	Date of nomination	Tenure
1.	Sh. P. Mitra, IAS	Chief Secretary to the Govt. of Himachal Pradesh Shimla-171002	Nominated as Director by the State Govt. & Chairman by the SIDBI.	17.02.2014 as Director and 26.02.2014 as Chairman	<b>Director:</b> -At the pleasure of State Govt. <b>Chairman:</b> 3 Years
2.	Sh. R.D. Dhiman, IAS	Principal Secretary(Inds) to the Govt. of Himachal Pradesh, Shimla-171002	State Govt.	18.09.2013	At the pleasure of State Government
3.	Sh. Balbir Singh	Dy. General Manager, Small Industries Development Bank of India, Ludhiana.	Small Industries Dev. Bank of India.	22.06.2015	At the pleasure of SIDBI
4.	Sh. Gurmel Singh Parmar	Sr. Divisional Manager, Life Insurance Corporation of India, Shimla-9	LIC of India	01.06.2014	At the pleasure of LIC
5.	Sh. Vishesh Shrivastava	Dy.General Manager, Circle Head, Punjab National Bank, Circle Office Shimla-171001	Punjab National Bank	26.06.2015	At the pleasure of Punjab National Bank
6.	Dr. Arun Kumar, IAS	Managing Director, HPFC, Shimla-171001	Appointed by the State Government	16.06.2015	At the pleasure of State Govt.



**Statement No. 2**

**STATEMENT FOR PROFIT AND LOSS ACCOUNT FOR THREE YEARS ENDED ON 31<sup>ST</sup> MARCH 2016**

(Rs. In lakhs)

Particulars	2014	2015	2016
<b>I INCOME</b>			
(a) Interest on Advances	376.31	438.47	392.10
(b) (i) Interest on investments and deposits	113.52	84.40	64.87
(ii) Interest on Government Securities	-	-	-
(iii) Interest on Bonds & Debentures			
(c) Interest on advances to Staff	1.00	0.56	0.27
(d) Interest on investment in shares of industrial concerns	-	-	-
(e) Guarantee Commission and Brokerage	-	-	-
(f) Underwriting commission	-	-	-
(g) Agency commission received from State Government	-	-	-
(i) Profit from sale of:	-	-	-
(i) Acquired Assets	-	-	-
(ii) Other Assets	0.18	-	-
(h) Investigation Fees	-	-	-
(i) Commitment Charges	-	-	-
(k) Other Income			
(i) Miscellaneous Income	2.47	1.06	2.15
(ii) Processing Fee	-----	8.00	-
(iii) Sale of Application Forms	0.04	-	-
(iv) Income Pertaining to Previous Years	43.36	-	3.85
<b>TOTAL</b>	<b>536.88</b>	<b>532.49</b>	<b>463.24</b>
<b>II EXPENDITURE</b>			
(a) Interest Paid on			
(i) Bonds & Debentures	417.92	319.70	243.89
(ii) State Govt. Loan	-	-	963.18
(iii) Borrowing from RBI	-	-	-
(iv) Staff Provident Fund			
(v) Borrowing from notified Institution	73.39	70.37	66.50
(a) SIDBI	-	-	-
(b) Others (Bank)	30.15	12.72	8.31
(b) Salary & Allowances including Provident and Medical Fund Contribution			
(i) Managing Director	15.37	0.15	15.60
(ii) Other Staff	268.22	226.32	179.58
(iii) Group Gratuity Exp. LIC (Provision)	25.66	0.00	0.00
(iv) Group Leave Encashment Exp. LIC (Provision)	54.43	0.00	2.99
(vi) Gratuity Paid to Retirees (Including Arrears on a/c of enhancement in the limit of gratuity.	3.83	0.00	0.00

(Rs. In lakhs)

Particulars	2014	2015	2016
(c) Fees & Travelling Allowances paid to Director & Committee Members	0.04	0.11	0.00
(d) Traveling and other Allowances			
(i) Managing Director	0.32	-----	1.00
(ii) Other Staff	0.36	0.32	0.12
(e) Rent, Rate, Taxes, Insurance & Lighting	10.50	10.57	9.99
(f) Auditor's Fee	0.42	0.48	0.54
(g) Law & Professional Charges	0.59	0.16	0.59
(h) Loss on sale of investments	-----	-----	0.65
(i) Service Tax written off	-----	-0.90	0.00
(j) Bad Debts & other losses written off	4.38	10.17	25.28
(k) Other Expenses	23.34	22.68	19.37
(l) Honorarium to Chairman	<b>0.06</b>	0.60	0.60
(l) Net Profit/ Loss	<b>(-) 392.09</b>	<b>(-) 142.76</b>	<b>(-) 1074.95</b>
<b>TOTAL</b>	<b>536.88</b>	<b>532.49</b>	<b>(-) 463.24</b>

**APPROPRIATIONS**

(a) Net profit/loss as above	(-) 392.09	(-) 142.76	(-)1074.95
(b) Provision for Taxation for the year	-----	-----	-----
(c) Amount Allocated to :			
(i) General Reserve	-----	-----	-----
(ii) Special Reserve fund for purpose of section 36 (i) (viii) of Income Tax Act, 1961	-----	-----	-----
(iii) Reserve for Bad & Doubtful Debts	-----	-----	-----
(d) Amount appropriated for payment of guaranteed dividend			
(i) From Profit	-----	-----	-----
(ii) From subvention received from State Government	-----	-----	-----
(e) Amount to State Government in repayment of subvention received for payment of guaranteed dividend	-----	-----	-----
(f) Provision for Non- Performing Assets	1256.73	(-) 33.80	(-) 109.34
(g) Net Profit/Loss Carried to Balance Sheet	(-) 1648.82	(-) 108.97	(-) 965.61

**SOURCES AND USES OF FUNDS**

Particulars	(Rs. In lakh)		
	2013-2014 (Actuals)	2014-2015 (Actuals)	2015-2016 (Actuals)
<b>I BUSINESS</b>			
1 Effective Sanctions			
(i) Investments in Shares	-	-	-
(ii) Term Loan	(-)	(-)	(-)
(iii) Seed Capital/Soft Loan	-	-	-
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
2 Disbursements			
(i) Term Loan	-	-	-
(ii) Seed Capital/Soft Loan	-	-	-
(iii) Central Govt. Subsidy/incentive	-	-	-
(iv) State Govt. Subsidy/incentive	-	-	-
(v) Investments	-	-	-
(vi) Others	-	-	-
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
3 Repayments			
(i) SIDBI Refinance	800.00	875.00	900.00
(ii) Bonds	1138.50	1286.00	816.00
(iii) Deposits	-	-	-
(iv) RBI (Adhoc Bonds)	-	-	-
(v) Others	294.00	52.60	41.68
<b>Total</b>	<b>2232.50</b>	<b>2213.60</b>	<b>1757.68</b>
4 Revenue Payments			
(i) Interest	521.46	402.79	318.70
(ii) Fringe Benefit Tax	-	-	-
(iii) Administrative Expenses	407.51	271.56	256.30
(iv) Income Tax	-	-	-
(v) Dividend	-	-	-
(vi) Others (Service Tax written off)	-	0.90	0.00
<b>Total</b>	<b>928.97</b>	<b>675.25</b>	<b>575.00</b>
5 CGF Claims paid to DICGC		-	-
6 Refund of Subvention		-	-
7 Other Cash Outgoings	1078.48	167.72	16.87
8 Closing Cash and bank balances	1101.71	936.11	966.04
<b>Grand Total</b>	<b>5341.66</b>	<b>3992.68</b>	<b>3315.59</b>

## Statement No. 3(Contd.)

		(Rs. In lakh)		
Particulars	2013-2014 (Actuals)	2014-2015 (Actuals)	2015-2016 (Actuals)	
<b>II RESOURCES</b>				
9	Opening Cash and bank balance	1902.47	1101.71	936.11
10	Increase in Capital	-	-	-
	(i) State Government	-	-	-
	(ii) IDBI/SIDBI	-	-	-
	Total	1902.47	1101.71	936.11
11	Borrowings			
	(i) SIDBI Refinance	-	-	-
	(ii) Bonds	-	-	-
	(iii) Deposits	-	-	-
	(iv) RBI (Adhoc Bonds)	-	-	-
	(v) State Govt.	1591.00	1653.00	1104.50
	Total	1591.00	1653.00	1104.50
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)	1243.75	611.78	802.61
14	Revenue Receipts			
	(i) Interest	395.01	438.89	393.36
	(ii) Others	160.58	94.02	71.14
	Total	555.59	532.91	464.50
15	Income from Sale of investment			
	(i) Face -value	-	-	-
	(ii) Profit/Loss	-	-	-
16	Suvention received	-	-	-
17	Other cash inflow	48.85	93.28	7.87
	Grand Total	5341.66	3992.68	3315.59

**COMPARATIVE SUMMARISED BALANCE SHEET FOR THREE YEARS  
ENDED ON 31<sup>ST</sup> MARCH**

(Rs. In lakh)

Particulars	2014	2015	2016
<b>ASSETS</b>			
Cash in Hand and Bank Balance with Banks in Current /Fixed Accounts	1101.71	936.11	966.04
Investments			
(i) Government Securities			
(ii) In Share of industrial concerns			
(iii) Debentures/Shares etc (underwriting)	7100.6	7100.6	7100.6
(iv) Other	5.01	5.01	5.01
Loan and Advances	8907.75	8274.3	7445.04
Other Assets	149.4	129.87	112.44
Dividend Deficit Account	78.76	78.76	78.76
Net Loss as per Profit & Loss Account	14391.78	14500.75	15466.36
<b>TOTAL</b>	<b>31735.01</b>	<b>31025.40</b>	<b>31174.25</b>
<b>LIABILITIES</b>			
Capital and Reserves			
(i) Paid up Capital	9957.11	9957.11	9957.11
(ii) Reserves (out of which for Bad & Doubtful Debts)	497.46	497.46	497.46
Bonds and Debentures	4723.34	3388.92	2536.21
Borrowings			
(i) Reserve Bank of India			
(ii) SIDBI	4827.16	3952.16	3052.16
(iii) State Government	2771.00	4424.00	5528.50
(iv) Kangra Central Co-oprative Bank	204.76	152.17	110.48
Subvention from State Government	78.76	78.76	78.76
Provision for Non-Performing Advances	7336.96	7303.17	7193.83
Other Liabilities	1338.46	1271.65	2219.74
<b>TOTAL</b>	<b>31735.01</b>	<b>31025.40</b>	<b>31174.25</b>

**PARTY WISE DISTRIBUTION OF THE SHARES OF THE CORPORATION  
AS ON 31 MARCH 2016**

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

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

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

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**DETAILS OF BORROWINGS AND BONDS  
AS ON 31<sup>ST</sup> MARCH 2016**

**A. BORROWINGS**

		(Rs. In lakh)		
Sources		Limit (2015-16)	Amount Availed	Outstanding As on 31.03.2016
1	Reserve Bank of India	-	-	-
2	SIDBI	-	-	3052.16
3	State Government	-	-	5528.50
4	Others	-	-	110.48
<b>TOTAL</b>				<b>8691.14</b>

**B. BONDS**

Date of Issue	Amount issued	Interest %	Balance Amount	Maturity Date
31.03.2006 #	800.00	8.75	70.00	21.04.2016
10.07.2006 #	1980.00	8.40	192.00	10.07.2016
10.08.2007 #	770.00	9.20	308.00	10.08.2018
08.04.2009 #	300.00	9.32	240.00	10.05.2019
17.08.2010 #	1600.00	8.74	1600.00	17.09.2020
<b>TOTAL</b>			<b>2410.00</b>	
# Non-SLR Bonds				

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

(Rs. In lakhs)

Particulars	2013-14		2014-15		2015-16		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 31.03.2016	Received in cash	Converted for old Bonds
	1	2	3	4	5	6	7	8	9	10	11	12	13
1. IDBI Pension	-	-	-	-	-	-	-	-	-	20.00	0.00	-	-
2. State Bank of India and its subsidiaries	-	-	-	-	-	-	-	-	-	18.00	611.00	-	-
3. Other Commercial Banks	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Co-operative Banks	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Life Insurance Corporation of India	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Other Financial Institutions (Insurance Co. Trusts etc.)	-	-	-	-	-	-	-	-	-	778.00	1799.00	-	-
7. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>										<b>816.00</b>	<b>2410.00</b>		



## SANCTIONS AND DISBURSALS OF TERM LOANS

Particulars	2014-15								2015-16			
	SSI		SRTO		Others		Total		SSI		SRTO	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
<b>A. SANCTIONS</b>												
(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>B. DISBURSALS</b>	-	-	-	-	-	-	-	-	-	-	-	-

(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	2015-16									
	SSI		SRT0		Others		Total		SSI	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
<b>ASSISTANCE FOR</b>										
New Projects	-	-	-	-	-	-	-	-		
Expansions	-	-	-	-	-	-	-	-		
Diversification	-	-	-	-	-	-	-	-		
Rehabilitation	-	-	-	-	-	-	-	-		
Modernisation/ replacement	-	-	-	-	-	-	-	-	449	7584.86
Power Generation	-	-	-	-	-	-	-	-		
Quality Control	-	-	-	-	-	-	-	-		
Polution Control	-	-	-	-	-	-	-	-		
Research & Developn	-	-	-	-	-	-	-	-		
Over run finance	-	-	-	-	-	-	-	-		
Others	-	-	-	-	-	-	-	-		
<b>TOTAL</b>	-	-	-	-	-	-	-	-	<b>449</b>	<b>7584.86</b>

**(ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)****(Rs. In lakh)**

<b>Total (Live Cases)</b>					
<b>SRTO</b>		<b>Others</b>		<b>Total</b>	
<b>No.</b>	<b>Amt.</b>	<b>No.</b>	<b>Amt.</b>	<b>No.</b>	<b>Amt.</b>
<b>96</b>	<b>246.62</b>	<b>36</b>	<b>3744.13</b>	<b>581</b>	<b>11575.61</b>
<b>96</b>	<b>246.62</b>	<b>36</b>	<b>3744.13</b>	<b>581</b>	<b>11575.61</b>

## INDUSTRY WISE CLASSIFICATION OF TERM LOAN SANCTIONED & DISBURSMENT

	Sanctions (effective)								
	2014-15				2015-16				
	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	-	-	-	-	-	-	-	-
<b>TOTAL</b>		-	-	-	-	-	-	-	-

**(ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)**

(Rs. In lakh)											
Total (Live Cases)				Disbursements				Total (Live Cases)			
				2014-15		2015-16					
SSI		Total		SSI		Total		SSI		Total	
No.	Amt.	No.	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.
6	125.21	8	241.33	-	-	-	-	123.09	190.21		
44	1054.36	50	1238.28	-	-	-	-	1003.70	1187.12		
4	53.47	4	53.47	-	-	-	-	49.24	49.24		
26	328.06	30	977.07	-	-	-	-	291.24	772.16		
21	176.13	23	266.13	-	-	-	-	162.29	250.29		
1	15.30	1	15.30	-	-	-	-	15.30	15.30		
49	1003.09	49	1003.09	-	-	-	-	975.26	975.26		
38	761.23	41	958.11	-	-	-	-	733.05	899.41		
7	87.98	8	197.98	-	-	-	-	87.98	99.00		
28	310.38	32	2149.07	-	-	-	-	272.83	2106.67		
5	58.00	5	58.00	-	-	-	-	57.65	57.65		
72	716.51	73	861.51	-	-	-	-	689.73	831.90		
1	3.16	1	3.16	-	-	-	-	3.16	3.16		
26	466.10	36	760.63	-	-	-	-	462.64	757.16		
4	33.88	4	33.88	-	-	-	-	16.36	16.36		
41	533.77	43	623.77	-	-	-	-	491.88	581.87		
3	7.00	3	7.00	-	-	-	-	7.00	7.00		
12	89.90	12	89.90	-	-	-	-	85.02	85.02		
38	1181.12	39	1211.12	-	-	-	-	1116.86	1146.85		
22	571.99	22	571.99	-	-	-	-	515.55	515.55		
-	-	96	246.62	-	-	-	-	-	245.24		
1	8.20	1	8.20	-	-	-	-	8.20	8.20		
<b>449</b>	<b>7584.84</b>	<b>581</b>	<b>11575.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7168.03</b>	<b>10800.62</b>		

## AREA WISE DISTRIBUTION OF TERM LOANS (SANCTIONED AND DISBURSED)

Name of the District	Sanctions (effective)								
	Small Scale								
	2014-15		2015-16		Total(Live Cases)		2014-15		
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	
<b>I. Backward Districts</b>									
1	Bilaspur	-	-	-	-	10	144.32	-	-
2	Chamba	-	-	-	-	3	20.07	-	-
3	Hamirpur	-	-	-	-	7	97.82	-	-
4	Kangra	-	-	-	-	49	506.85	-	-
5	Kinnaur	-	-	-	-	4	27.29	-	-
6	Kullu	-	-	-	-	6	382.28	-	-
7	Lahaul-Spiti	-	-	-	-	-	-	-	-
8	Mandi	-	-	-	-	16	286.12	-	-
9	Shimla	-	-	-	-	46	193.25	-	-
10	Sirmaur	-	-	-	-	80	1421.56	-	-
11	Solan	-	-	-	-	164	3887.23	-	-
12	Una	-	-	-	-	64	618.05	-	-
<b>TOTAL</b>		-	-	-	-	<b>449</b>	<b>7584.84</b>	-	-

## (ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

(Rs. In lakh)

Disbursements									
SRTOs				Small-Scale			SRTOs Total		
2015-16		Total(Live Cases)		2014-15	2015-16	Total(Live Cases)	2014-15	2015-16	(Live Cases)
No.	Amt.	No.	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.
-	-	16	27.07	-	-	142.98	-	-	26.80
-	-	1	3.02	-	-	19.13	-	-	3.01
-	-	2	2.85	-	-	93.50	-	-	2.85
-	-	4	7.37	-	-	492.87	-	-	7.31
-	-	-	-	-	-	24.89	-	-	-
-	-	1	3.50	-	-	372.79	-	-	3.50
-	-	-	-	-	-	-	-	-	-
-	-	3	13.59	-	-	284.93	-	-	13.59
-	-	46	129.99	-	-	163.70	-	-	129.80
-	-	6	16.95	-	-	1282.65	-	-	16.92
-	-	15	33.52	-	-	3688.54	-	-	32.71
-	-	2	8.76	-	-	602.05	-	-	8.76
-	-	<b>96</b>	<b>246.62</b>	-	-	<b>7168.03</b>	-	-	<b>245.25</b>



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

Name of the District		Sanctions (effective)						Disbursements		
		2014-15		2015-16		Total (Live Cases)		2014-15	2015-16	Total (LiveCases)
		No.	Amt.	No.	Amt.	No.	Amt.	Amt.	Amt.	Amt.
<b>I. Backward Districts</b>										
1	Bilaspur	-	-	-	-	27	316.38	-	-	311.96
2	Chamba	-	-	-	-	4	23.09	-	-	22.14
3	Hamirpur	-	-	-	-	9	100.67	-	-	96.35
4	Kangra	-	-	-	-	55	574.20	-	-	560.18
5	Kinnaur	-	-	-	-	4	27.28	-	-	24.89
6	Kullu	-	-	-	-	9	542.59	-	-	502.58
7	Lahaul-Spiti	-	-	-	-	-	-	-	-	-
8	Mandi	-	-	-	-	20	309.76	-	-	308.58
9	Shimla	-	-	-	-	94	442.25	-	-	364.95
10	Sirmaur	-	-	-	-	90	1644.33	-	-	1456.36
11	Solan	-	-	-	-	201	6902.21	-	-	6475.82
12	Una	-	-	-	-	68	692.85	-	-	676.81
<b>TOTAL</b>		-	-	-	-	<b>581</b>	<b>11575.61</b>	<b>0.00</b>	-	<b>10800.62</b>

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

(Rs. In lakh)

Maturity Period	Sanctions						As on 31st March 2016		
	2013-14		2014-15		2015-16		[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	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>		-	-	-	-	-	-	<b>6352</b>	<b>71183.27</b>

**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 2016		
	2013-14		2014-15		2015-16		[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
<b>TOTAL</b>		-	-	-	-	-	-	<b>6352</b>	<b>71183.27</b>

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

	Sanctions (effective)						Disbursement		
	2014-15		2015-16		Total (Live Cases)		2014-15	2015-16	Total
	No.	Amt.	No.	Amt.	No.	Amt.	Amt.	Amt.	(Live Cases) Amt.
SRTO	-	-	-	-	96	246.62	-	-	245.24
Small Scale Sector									
(a) Tiny Sector (including composite loans)	-	-	-	-			-	-	
(b) Other SSI Units	-	-	-	-	449	7584.86	-	-	7168.04
Others	-	-	-	-	36	3744.13	-	-	3387.34
<b>TOTAL</b>	-	-	-	-	<b>581</b>	<b>11575.61</b>	-	-	<b>10800.62</b>

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

	Sanctions (effective)						Disbursement		
	2014-15		2015-16		Total (Live Cases)		2014-15	2015-16	Total
	No.	Amt.	No.	Amt.	No.	Amt.	Amt.	Amt.	(Live Cases) Amt.
Public Limited Companies	-	-	-	-	8	219.06	-	-	219.06
PVT. Ltd Companies	-	-	-	-	145	7955.14	-	-	7342.82
Co-operatives			-	-	1	50.00	-	-	46.00
Partnership Firms			-	-	101	1356.78	-	-	1308.40
Proprietorship concerns	-	-	-	-	326	1994.63	-	-	1884.34
Hindu Undivided Family Firms	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	<b>581</b>	<b>11575.61</b>	<b>0.00</b>	-	<b>10800.62</b>

## RECOVERY PERFORMANCE (ALL TYPES OF ACCOUNTS INCLUDING SOFT LOAN)

		2014-15			2015-16		
		Principal	Interest	Total	Principal	Interest	Total
<b>A.</b>	<b>Demand</b>						
	(i) Arrears at the beginning of the year.	6981.20	7884.23	14865.43	7092.87	8541.65	15634.52
	Less: Reschedulements etc.	9.45	86.02	95.47	25.28	65.88	91.16
		<u>6971.75</u>	<u>7798.21</u>	<u>14769.96</u>	<u>7067.59</u>	<u>8475.77</u>	<u>15543.36</u>
	(ii) Current demand less reschedulement	732.90	1182.33	1915.23	393.82	859.97	1253.79
	<b>Net Total Demand</b>	<b><u>7704.65</u></b>	<b><u>8980.54</u></b>	<b><u>16685.19</u></b>	<b><u>7461.41</u></b>	<b><u>9335.74</u></b>	<b><u>16797.15</u></b>
<b>B.</b>	<b>Recovery</b>						
	(iii) Out of arrears (Excluding net receipts from DICGC)	303.73	245.92	549.65	566.46	257.31	823.77
	(iv) Out of Current demand	308.05	192.97	501.02	236.15	136.05	372.2
	<b>Total</b>	<b><u>611.78</u></b>	<b><u>438.89</u></b>	<b><u>1050.67</u></b>	<b><u>802.61</u></b>	<b><u>393.36</u></b>	<b><u>1195.97</u></b>
<b>C.</b>	Arrears at the end of the year	7092.87	8541.65	15634.52	6658.80	8942.38	15601.18
	% of B (iv) to A(ii)	42.03	16.32	26.16	59.96	15.82	29.69
	% of B to A	7.94	4.89	6.30	10.76	4.21	7.12
	C as % of Loans Outstanding	42.16	50.77	92.93	40.61	54.54	95.15

**ARREARS POSITIONS AS ON 31ST MARCH , 2016**  
(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	0.00	
3	1-2 years	1	5.65	5.65	0.03	
4	2-3 years	1	0.46	0.46	0.00	
5	3-5 years	12	388.58	213.01	2.37	
6	5-7 years	15	2691.93	2373.43	16.42	
7	7-10 years	18	133.78	133.78	0.82	
8	Over 10 years	458	3932.47	3932.47	23.98	
Total		505	7152.87	6658.80	43.62	40.61

**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	1	5.65	0.42	6.07	5.65	0.42	6.07	0.04	
4	2-3 years	1	0.46	0.10	0.56	0.46	0.10	0.56	0.00	
5	3-5 years	12	388.58	10.25	398.83	213.01	10.25	223.26	2.43	
6	5-7 years	15	2691.93	1397.12	4089.05	2373.43	1397.12	3770.55	24.94	
7	7-10 years	18	133.78	61.93	195.71	133.78	61.93	195.71	1.19	
8	Over 10 years	508	3932.47	7472.56	11405.03	3932.47	7472.56	11405.03	69.56	
Total		555	7152.87	8942.38	16095.25	6658.80	8942.38	15601.18	98.16	95.15

**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	28	9.50	11.82	21.32
2	Rs. 0.50 lacs to Rs. 1.00 lacs	28	15.88	143.65	159.53
3	Rs. 1.00 lacs to Rs. 2.00 lacs	60	71.22	147.93	219.15
4	Rs. 2.00 lacs to Rs. 5.00 lacs	141	322.67	881.04	1203.71
5	Rs. 5.00 lacs to Rs. 10.00 lacs	103	521.58	996.77	1518.35
6	Rs. 10.00 lacs to Rs. 20.00 lacs	68	651.19	1137.63	1788.82
7	Rs. 20.00 lacs to Rs. 30.00 lacs	54	824.63	1296.53	2121.16
8	Rs. 30.00 lacs to Rs. 60.00 lacs	55	1410.69	2305.46	3716.15
9	Above 60.00 lacs	18	2831.44	2021.55	4852.99
Total		555	6658.80	8942.38	15601.18

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		
<b>I. Industry-wise Break-up</b>							
1 Cement	7	316.82	111.42	197.94	309.36	1.93	1.89
2 Chemicals	48	2116.69	1041.91	1038.52	2080.43	12.91	12.69
3 Cold Storage & Ice Factory	4	67.96	41.16	22.44	63.60	0.41	0.39
4 Electrical Appliances/ Goods	28	998.55	348.86	636.38	985.24	6.09	6.01
5 Engineering Goods	21	531.96	155.25	367.19	522.44	3.24	3.19
6 Fertilizers	1	20.40	11.81	6.44	18.25	0.12	0.11
7 Food Manufacturing	47	1439.27	574.92	619.85	1194.77	8.78	7.29
8 Hotel & Restaurants	40	1568.17	377.38	1159.52	1536.90	9.56	9.37
9 Leather Products	8	259.33	143.39	103.04	246.43	1.58	1.50
10 Metal Products	30	3273.48	1758.15	1405.08	3163.23	19.96	19.29
11 Minerals	5	162.35	53.23	106.42	159.65	0.99	0.97
12 Miscellaneous	69	1304.81	528.78	743.69	1272.47	7.96	7.76
13 Petroleum & Coal	1	4.56	3.15	1.40	4.55	0.03	0.03
14 Paper Products	34	1102.36	386.72	682.53	1069.25	6.72	6.52
15 Printing Presses	4	42.01	10.15	30.23	40.38	0.26	0.25
16 Rubber & Plastics	41	770.80	350.22	394.47	744.69	4.70	4.54
17 Service Stations	3	13.38	6.89	6.30	13.19	0.08	0.08
18 Stone Crushers	12	279.42	79.38	197.86	277.24	1.70	1.69
19 Textiles	37	1018.36	482.16	369.99	852.15	6.21	5.20
20 Transport Equipments	20	222.48	60.35	159.53	219.88	1.36	1.34
21 Transport Operators	94	827.42	128.15	691.68	819.83	5.05	5.00
22 Watches & Parts	1	7.28	5.37	1.88	7.25	0.04	0.04
<b>TOTAL</b>	<b>555</b>	<b>16347.86</b>	<b>6658.80</b>	<b>8942.38</b>	<b>15601.18</b>	<b>99.70</b>	<b>95.15</b>

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
<b>II. District-wise Break-up</b>								
1	Bilaspur	27	556.38	263.80	277.39	541.19	3.39	3.30
2	Chamba	4	60.54	12.36	48.14	60.50	0.37	0.37
3	Hamirpur	9	153.70	86.52	62.47	148.99	0.94	0.91
4	Kangra	55	1260.30	399.00	839.77	1238.77	7.69	7.56
5	Kinnaur	4	30.90	22.20	8.63	30.83	0.19	0.19
6	Kullu	9	829.37	201.96	480.64	682.60	5.06	4.16
7	Lahaul-Spiti	0	0.00	0.00	0.00	0.00	0.00	0.00
8	Mandi	19	256.01	68.53	165.10	233.63	1.56	1.42
9	Shimla	89	1121.41	267.11	844.41	1111.52	6.84	6.78
10	Sirmaur	88	2361.65	855.87	1439.43	2295.30	14.40	14.00
11	Solan	187	8759.11	4048.44	4277.76	8326.20	53.42	50.78
12	Una	64	958.48	433.01	498.64	931.65	5.85	5.68
<b>Total</b>		<b>555</b>	<b>16347.85</b>	<b>6658.80</b>	<b>8942.38</b>	<b>15601.18</b>	<b>99.70</b>	<b>95.15</b>
<b>III. Sector-wise Break-up</b>								
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	146	10729.78	4693.70	5568.62	10262.32	65.44	62.59
4	Co-operative	1	72.15	46.00	26.10	72.10	0.44	0.44
5	Other	408	5545.92	1919.10	3347.66	5266.76	33.82	32.12
<b>Total</b>		<b>555</b>	<b>16347.85</b>	<b>6658.80</b>	<b>8942.38</b>	<b>15601.18</b>	<b>99.70</b>	<b>95.15</b>
<b>IV. Client-wise Break-up</b>								
1	Small	523	10960.04	4174.45	6186.13	10360.58	66.84	63.19
2	Others	32	5387.81	2484.35	2756.25	5240.60	32.86	31.96
<b>Total</b>		<b>555</b>	<b>16347.85</b>	<b>6658.80</b>	<b>8942.38</b>	<b>15601.18</b>	<b>99.70</b>	<b>95.15</b>

**NORMAL INTEREST RATE STRUCTURE AS ON 31.03.2016**

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**



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## Independent Auditors Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of Himachal Pradesh Financial Corporation, which comprise the Balance Sheet as at 31st March, 2016, and the Profit and Loss Account for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's 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.

### Auditor's Responsibility

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 31<sup>st</sup> March, 2016; 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) The Corporation has written off Loans & Advances amounting to Rs.25,27,805.00 declared as bad for recovery during the year. Further, Loans & Advances of Rs. 73.97 Crores are classified as Non-performing loans as on 31.03.2016. The Corporation has incurred losses of Rs.9.66 Crore during the year and accumulated losses stands at Rs.154.66 Crores as on 31.03.2016, which has resulted in the negative Net Worth of the Corporation. In our opinion, continuous monitoring for recovery of Loans & 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.71.94 crores.
- 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) 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.
- vi) As explained to us, the Internal Audit is covering part of activities. We suggest that all area of operation should be covered in the Internal Audit.
- vii) No provision has been made for Interest of Rs.20,14,874.00 (including that of 18,84,990.00 for the current year) on delayed payment to SIDBI, as per settlement agreement. Thus, the Loss for the year and Borrowings are understated by Rs. 20,14,874.00.
- viii) As required vide AS-22 the deferred tax has not been calculated / provided in view of continued losses.
- ix) 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.

### B. Subject to our comments in Para “A of Emphasis of 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 No. C-4 and C-5 regarding non-accounting of waiver of loan liability by SIDBI under One Time Settlement. Further, the interest on such borrowing has not been provided after 01.04.2011. The effect of such settlement could not be ascertained.
- iii) Note no. C- 8 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-9 regarding the default in repayment of State Government loan of Rs. 34.62 crore including interest of Rs. 6.91 Crore thereon.
- v) Note No. C-10 regarding non-receipt of the subvention claims against dividend amounting to Rs.1269.82 lacs for earlier years, pending with the State Government.
- vi) Note no. C-13 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, the above amount includes Rs. 21.00 crores for which the management has taken up the matter with government for specific direction and the response is still awaited from the Government.
- vii) Note No. C-14 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-15].
- ix) Note No. C-16 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 above paragraphs being considered, the loans and advances would have been Rs.25121569.00 net of provision for NPA as against the reported figures of Rs. 744504017.00. The loss of the corporation for the year would have been Rs. 98575753, Accumulated loss Rs. 1548650870 and Borrowings from SIDBI Rs. 307230924 against the reported loss for the year Rs. 96560879, Accumulated loss Rs. 1546635996 and Borrowings from SIDBI Rs.305216050 respectively.

### **Report on Other Legal and Regulatory Requirements**

We report that:

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Corporation so far as it appears from our examination of those books.
3. The Balance Sheet and Profit and Loss Account of the Company dealt with by this report are in agreement with books of accounts.
4. The going concern matter describe in sub-paragraph A(ix) and A(ii) under the Emphasis of matters paragraph above, in our opinion, may have an adverse effect on the functioning of the corporation.

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

Place: Shimla  
Dated: 30/06/2015

(CA Aman Singhi)  
Partner  
Membership No. 509257

## MANAGEMENT REPLY TO OBSERVATIONS OF STATUTORY AUDITORS

### Emphasis of Matters:

#### A

- (i) In the opinion of management, the value of loans and advances except loans classified as NPAs have the value at least equal to the amount at which they are stated in the Balance Sheet, if realized in the ordinary course of business. The valuation of primary and collateral securities of loan and advances as on the date of balance sheet has not been re-assessed. However, adequate provision against Non-Performing Assets (NPAs) has been made in the books of accounts as on 31.03.2016 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 31.03.2016 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 31.03.2016 to 99.52% where as the net NPA of 85.16%, almost entire loan portfolio of the Corporation in litigation resulting increase in accumulated losses and therefore the net worth of the Corporation has 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 31.03.2016 as per the provisioning norms of SIDBI.
- (v) The Corporation has its own Audit Manual and operational areas are also under purview of Internal Audit. The Corporation has, however stopped further lending.
- (vi) In view of one time settlement with SIDBI, the interest from 01.04.2011 on the loan has not been provided for. Further decision on interest on defaulted amount for the delayed period will be taken after the payment of entire OTS amount to SIDBI, the installments of the same are payable upto 01.06.2016.
- (vii) No provision for income tax has been made due to carry forwarded losses.
- (viii) 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  
BALANCE SHEET**

<b>CAPITAL AND LIABILITIES</b>	<b>AMOUNT</b>	<b>TOTAL</b>	<b>PREVIOUS YEAR</b>
<b>1 CAPITAL</b>			
<b>Authorised</b>			
15,000,000 Shares of Rs.100 each	1500000000		1500000000
<b>Issued,Subscribed and Paid-up</b>			
[i] 2,583,107 Shares of Rs.100 each fully paid up u/s 6(1) of SFCs (Amendment) Act,2000 (Previous Year - Same)	258310700		258310700
[ii] 2,74,000 Shares of Rs. 100 each fully paid-up (u/s 4A of SFCs Act,1951) (Previous Year - Same)	27400000	285710700	27400000
[iii] Share Application Money		710000000	710000000
<b>2 RESERVE FUND AND OTHER RESERVES</b>			
[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
<b>3 BONDS AND DEBENTURES</b>			
[Guaranteed by the State Govt. u/s-7]	241000000		
Add:- Interest accrued but not due	12620977	253620977	338891988
<b>4 BORRPWINGS U/S 7</b>			
[i] From SIDBI (in trust of securities offered by the Corporation's constituents against loans advanced to them by the Corporation)		305216050	395216050
[ii] From State Govt.	552850000		442400000
Add:- Interest Accrued	96317924	649167924	
[iii] From Kangra Central Cooperative Bank Ltd. (Project Based Term Loan)		11048139	15216694
<b>TOTAL CARRIED OVER</b>		<b>2264509748</b>	<b>2237181390</b>

**CORPORATION, SHIMLA**  
**AS AT 31st MARCH, 2016**

PROPERTY AND ASSETS	AMOUNT	TOTAL	Amount in Rupees PREVIOUS YEAR
<b>1 CASH AND BANK BALANCE</b>			
[a] Cash in hand	25426		22168
[b] Balance with Banks u/s 33 (2) of SFCs Act,1951			
[i] Reserve Bank of India	0		0
[ii] Scheduled Banks			
in Current Accounts	10639199		8739946
in Short Term Deposits	5040679		4629179
[c] CPF Deposits	80896454		80218622
[d] Postage Stamps in Hand	1822	96603580	626
<b>2 INVESTMENTS</b>			
<b>Government Securities</b>			
[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	71000000	710561000	710000000
<b>3 LOANS AND ADVANCES</b>			
[ As per Schedule "A"]			
[i] Direct Loans	730025333		812559583
[ii] Soft Loans from Special Share Capital	3956507		3956507
[iii] Seed Capital Loans under Semfex Scheme	679940		735750
[iv] National Equity Fund	9709328		9918268
	<u>744371108</u>		
[v] Add: Interest accrued but not due	132909	744504017	259444
<b>TOTAL CARRIED OVER</b>		<b>1551668597</b>	<b>1631601093</b>



**HIMACHAL PRADESH FINANCIAL  
BALANCE SHEET**

<b>CAPITAL AND LIABILITIES</b>	<b>AMOUNT</b>	<b>TOTAL</b>	<b>PREVIOUS YEAR</b>
<b>TOTAL BROUGHT OVER</b>		<b>2264509748</b>	<b>2237181390</b>
<b>5 GUARANTEES &amp; UNDERWRITING AGREEMENTS</b>			
[i] Guaranteed u/s 25 as per contra	0		0
[ii] Underwriting Agreements u/s 25 as per contra	0	0	0
<b>6 SUBVENTION PAID BY THE STATE GOVERNMENT ON ACCOUNT OF DIVIDEND (SEC 6 READ WITH SEC 35)</b>		<b>7876000</b>	<b>7876000</b>
<b>7 OTHER LIABILITIES</b>			
[i] Borrowers' Imprest	2076243		3594522
[ii ] Advance Processing Fee- Pending Adjustment	0		384852
[iii] Staff Provident Fund (Net)	82115402		83155409
[iv] Amount Realised from DICGC	1126403		1126403
[v] Earnest Money /Unknown Parties	20004937		19552922
[vi] Token Money for OTS - Pending Adjustment	7551681		7564362
[vii] Central Govt. Subsidy	5236479		5236479
[viii] State Govt. Interest Subsidy	256994		256994
[ix] Others Payable	39684		286534
[x] Bills Payable	5869635		4506727
[xi] Pension Payable	728338		1480051
[xii] TDS Payable	10311		19980
[xiii] Interest on Bonds Payable	625850		0
[xiv] Service Tax Payable	14662	125656619	
<b>TOTAL CARRIED OVER</b>		<b>2398042367</b>	<b>2372222625</b>

**CORPORATION, SHIMLA**  
**AS AT 31st MARCH, 2016**

PROPERTY AND ASSETS	AMOUNT	TOTAL	Amount in Rupees PREVIOUS YEAR
<b>TOTAL BROUGHT OVER</b>		<b>1551668597</b>	<b>1631601093</b>
<b>4 PREMISES, LAND AND BUILDING</b>			
<b>LEASE HOLD, RESIDENTIAL STAFF FLATS</b>			
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	5760526		
Add: Depreciation pertain to previous year	8033		
Add : Depeciation for the year	316195	6068688	6160519
			6468681
<b>5 MOTOR VEHICLE, FURNITURE AND FIXTURES ETC.</b>			
Cost upto last Balance Sheet	7838593		
Additions during the year	0		
	7838593		
Less: Sales/Adjustments during the year	2293854		
	5544739		
Less: Depreciation written off upto last Balance Sheet	7250533		
Less: Adjusted during the year	2177036		
Less: Depreciation pertain to previous year	15735		
Add : Depeciation for the year	129214	5186976	357763
			588060
<b>6 OTHER ASSETS</b>			
[i] Advances to Staff			
[a] House Building		145596	491976
[b] Accrued Interest on HBA		2647561	3475767
[c] Travelling		23226	21398
<b>TOTAL CARRIED OVER</b>	<b>2816383</b>	<b>1558186879</b>	<b>1642646975</b>

**HIMACHAL PRADESH FINANCIAL  
BALANCE SHEET**

<b>CAPITAL AND LIABILITIES</b>	<b>AMOUNT</b>	<b>TOTAL</b>	<b>PREVIOUS YEAR</b>
<b>TOTAL BROUGHT OVER</b>		<b>2398042367</b>	<b>2372222625</b>
<b>8 PROVISION FOR NON PERFORMING ADVANCES</b>			
Balance as per last Balance Sheet	<b>730289549</b>		
Less: Provision reversed during the year	<b>10915976</b>	<b>719373573</b>	<b>730289549</b>
<b>9 CONTINGENT PROVISION AGAINST STANDARD ASSETS</b>			
Balance as per last Balance Sheet	<b>27095</b>		
Less: Provision reversed during the year	<b>18220</b>	<b>8875</b>	<b>27095</b>
<b>GRAND TOTAL</b>		<b>3117424815</b>	<b>3102539269</b>

Accounting policies, notes on accounts: Schedule 'B'

PLACE: SHIMLA  
DATE: 29th June 2016

( Er. V.P.Singh)  
General Manager

( Dr.Arun Kumar Sharma)  
Managing Director

**CORPORATION, SHIMLA  
AS AT 31st MARCH, 2016**

PROPERTY AND ASSETS	AMOUNT	TOTAL	Amount in Rupees PREVIOUS YEAR
<b>TOTAL BROUGHT OVER</b>	<b>2816383</b>	<b>1558186879</b>	<b>1642646975</b>
[ii] Other Advances	29036		30148
[iii] Stationery in Hand	118551		151769
[iv] Pre-paid Expenses	53001		52383
[vi] Service Tax Recoverable	201731		201731
[vii] Security Deposits (Refundable)	1850		1850
[viii] LIC Premium Recoverable From Staff	0		178
[ix] Society Deduction Recoverable From Staff	2269		0
[x] Investment Deposit A/c with IDBI u/s 32AB of I.T. Act,1961 Add Accrued interest	7000 0	3229821	7000 0
<b>7 DIVIDEND DEFICIT ACCOUNT</b>		<b>7876000</b>	<b>7876000</b>
<b>8 ADVANCE INTEREST TAX</b>		<b>1496119</b>	<b>1496119</b>
<b>9 PROFIT AND LOSS ACCOUNT</b>			
Balance as per last Balance Sheet	1450075117		
Profit as per Profit and Loss Account	96560879	1546635996	1450075116
<b>GRAND TOTAL</b>		<b>3117424815</b>	<b>3102539269</b>

" In terms of our report of even date annexed".  
**for M/s A.Singhi & Associates,**  
Chartered Accountants

Director

(Aman Singhi)  
Partner  
Membership No.509257  
FRN 021593M

**HIMACHAL PRADESH FINANCIAL  
PROFIT AND LOSS ACCOUNT FOR THE YEAR**

<b>EXPENDITURE</b>	<b>AMOUNT</b>	<b>TOTAL</b>	<b>PREVIOUS YEAR</b>
<b>To Interest on Borrowing</b>			
(a) Interest on Deposits, Bonds, Debentures and Bank Borrowings	31870851		40278852
(b) Interest on State Govt. Loan	<u>96317924</u>	128188775	
<b>To Salaries and Allowances</b>			
(a) Managing Director (including Medical Re-imburement - Rs.10075/= , Previous year: Nil	1560048		
(b) Honorarium to Chairman	60000		
(c) Others (including Medical Re-imburement Rs.2,78,025/= Previous year: Rs.4,21,781/=)	<u>16577240</u>	18197288	20894320
<b>To Travelling &amp; Other Allowances</b>			
(a) Managing Director	100050		0
(b) Directors	0		10611
(c) Others	<u>12426</u>	112476	31762
To Contribution to Staff Provident Fund	1381594		1811707
To Rent, Rates, Taxes, Lighting and Insurance etc.	998660		1057377
To Postage,Telegram and Stamps etc.	51804		27029
To Telephones etc.	141225		120033
To Printing and Stationery	151781		133617
To Publicity and Advertisement	25523		10283
To Repairs and Renewals	64520		178929
To Bank Charges and Commission	5929		3524
To Audit Charges	54027		47529
To Depreciation	445409		579953
<b>TOTAL CARRIED OVER</b>	<b>3320472</b>	<b>146498539</b>	<b>65185526</b>

**CORPORATION, SHIMLA**  
**ENDED ON 31st MARCH, 2016**

<b>INCOME</b>	<b>AMOUNT</b>	<b>TOTAL</b>	<b>PREVIOUS YEAR</b>
<b>By Interest on</b>			
(a) Loans & Advances	39209785		43847173
(b) Investments & Deposits	6486892		8439562
(c) Advances to Staff	<u>27552</u>	45724229	56148
 <b>By Other Income</b>			
(a) Miscellaneous Income	167923		90990
(b) Sale of Application Forms	100		799880
(c) Dividend	<u>24000</u>	192023	200
			15000
By Excess Depreciation of earlier years written back		23768	
By Income pertains to earlier year		384852	
By Excess Provision of NPAs Written Back		10934196	3379667
 <b>By Net Loss for the Year</b>			
(a) Before Provisions for NPAs	107495075		
(b) Provision for NPAs	<u>-10934196</u>	96560879	10896617
 <b>TOTAL CARRIED OVER</b>			
		<b>153819947</b>	<b>67525237</b>

**HIMACHAL PRADESH FINANCIAL  
PROFIT AND LOSS ACCOUNT FOR THE YEAR**

<b>EXPENDITURE</b>	<b>AMOUNT</b>	<b>TOTAL</b>	<b>PREVIOUS YEAR</b>
<b>TOTAL BROUGHT OVER</b>	<b>3320472</b>	<b>146498539</b>	<b>65185526</b>
To Law & Professional Charges	58530		16203
To Previous Years' Expences	78566		6742
<b>To Other Expenses</b>			
(a) Books & Newspapers	6865		8982
(b) Entertainment	2450		1800
(c) Miscellaneous not Enumerated	45602		52291
(d) Loss on sale of Fixed Assets	65318		0
(e) Group Leave Encashment (LIC)	299269		0
(f) Vehical Running and Maintenance	503849		754099
(g) Staff Welfare	128468		209738
(h) Meeting Expenses	9141		15119
(j) Fees & Subscription	275073		165809
(j) Winter Heating	<u>0</u>	4793603	1356
To Bad Debts Written Off		2527805	1017473
To Service Tax Written Off		0	90099
<b>GRAND TOTAL</b>		<b>153819947</b>	<b>67525237</b>

Accounting policies, notes on accounts: Schedule 'B'

PLACE: SHIMLA  
DATE: 29th June 2016

(Er.V.P. Singh)  
General Manager

(DR. Arun Kumar Sharma)  
Managing Director

CORPORATION, SHIMLA  
ENDED ON 31st MARCH, 2016

<b>INCOME</b>	<b>AMOUNT</b>	<b>TOTAL</b>	<i>Amount in Rupees</i> <b>PREVIOUS YEAR</b>
<b>TOTAL BROUGHT OVER</b>		<b>153819947</b>	<b>67525237</b>

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**153819947**

**67525237**

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

for M/s A.Singhi & Associates,  
Chartered Accountants

Director

(Aman Singhi)  
Partner  
Membership No. 509257  
FRN-021593M



**SCHEDULE SHOWING PARTICULARS OF LOANS AND ADVANCES REFERRED TO**

	This year	Previous Year
<b>I. PARTICULARS OF LOANS AND ADVANCES</b>		
(a) Debts considered good in respect of which the Corporation is fully secured	499,888,769	539,329,370
(b) Debts previously fully secured but now secured to the extent of Rs.6,49,46,596/=	<u>1,139,757,587</u>	<u>1,143,043,155</u>
	1,639,646,356	1,682,372,525
Less: (i) Overdue interest as on 31.3.2016 (including suit filed cases)	894,237,974	854,165,143
(ii) Funded interest as on 31.3.2016	1,037,274	1,037,274
(iii) Advance payment	<u>0</u>	<u>0</u>
Balance as per Balance Sheet ( Including Other charges of Rs.2,55,33,687 debited to parties)	<u>744,371,108</u>	<u>827,170,108</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	273,961	164,548
(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)	338,119,719	340,331,162
(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	1,221,998,222	1,222,920,031
(f) Debts Guaranteed by the State Government & its undertakings & Scheduled Banks	-----	-----
(g) Debts due by the loanee concerns whose management has been taken over by the Corporation	-----	-----

	This year	Previous Year
<b>II. CLASSIFICATION OF LOANS &amp; ADVANCES</b>		
<b>ACCORDING TO THE SIZE OF INDUSTRIAL UNITS</b>		
(i) Debts due from Small Industrial concerns	1,306,729,042	1,235,596,184
(ii) Debts due from concerns other than those included in (i) above	<u>332,917,314</u>	<u>446,776,341</u>
	1,639,646,356	1,682,372,525
Less: (i) Over due interest as on 31.3.2016 (including Suit Filed Cases)	894,237,974	854,165,143
(ii) Funded Interest as on 31.3.2016	103,274	1,037,274
(iii) Advance payment		<u>0</u>
Balance as per Balance Sheet	<u>745,305,108</u>	<u>827,170,108</u>

**III. ACCORDING TO THE CONSTITUTION OF THE INDUSTRIAL UNITS**

(a) Proprietary	371,605,322	362,689,809
(b) Partnership	183,075,629	182,955,803
(c) Hindu Un-divided Family	0	0
(d) Co-operative Societies	7,215,343	7,215,343
(e) Private Limited Companies	1,046,981,461	1,089,932,857
(f) Public Limited Companies	<u>30,768,600</u>	<u>39,578,713</u>
	1,639,646,355	1,682,372,525
Less: (i) Over due interest as on 31.3.2016 (including Suit Filed Cases)	894,237,974	0
(ii) Funded Interest as on 31.3.2016	103,274	0
(iii) Advance Payment	0	0
Balance as per Balance Sheet	<u>745,305,107</u>	<u>1,682,372,525</u>

**IV. ACCORDING TO HEALTH OF INDUSTRIAL UNITS**

(a) Standard Accounts	4,587,274	11,876,332
(b) Sub-Standard Accounts	0	47,972
(c) Doubtful Accounts	668,666,416	705,090,328
(d) Loss Assets Accounts	<u>966,392,666</u>	<u>965,357,893</u>
	1,639,646,356	1,682,372,525
Less: (i) Over due interest as on 31.3.2016 (including Suit Filed Cases)	894,237,974	0
(ii) Funded Interest as on 31.3.2016	103,274	0
Balance as per Balance Sheet	<u>745,305,108</u>	<u>1,682,372,525</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

[Er. V.P.Singh]  
General Manager

[DR. Arun Kumar Sharma]  
Managing Director

[Aman Singhi]  
Partner

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

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

**B. CONTINGENT LIABILITIES NOT PROVIDED FOR**

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

**C. NOTES**

1. Provision for Loans and Advances  
Loan assets are classified based on record of recovery as Standard, Sub-standard, Doubtful and Loss. Provision has been made as per guidelines received from SIDBI vide letter No. SIDBI No. 6190/IFV/SFCs/Policy dated 13<sup>th</sup> 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 31<sup>st</sup> March 2016, five 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. The Corporation has arrived at conditional one time settlement with SIDBI for the outstanding loan amounting to Rs.6715 lac. As per terms of OTS, the same will be applicable only when the entire settled amount is paid to SIDBI. In view of the above, the adjustment of waiver of liability will be made at the time of final payment.
5. In view of one time settlement with SIDBI the interest from 01.04.2011 on the loan has not been provided for. Further decision on charging interest on defaulted amount for the delayed period will be taken after the payment of entire OTS amount to SIDBI.

6. No provision has been made for Group Gratuity Policy of LIC since the LIC has raised nil demand against this policy for the current financial year.
7. 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.
8. The Income Tax Authority has raised a demand of Rs. 20,92,244/- for assessment year 2013-14. No provision has been made for the same as the Corporation has preferred an appeal before the Appellate Authority against the said demand.
9. The Corporation has accounted for interest of Rs. 9,63,17,924/- (including that of Rs. 5,36,57,263/- relating to the period 23.10.2012 to 31.03.2015 ) on State Government loans at simple rate of interest @ 8.50% in view of the directions from the Government. The repayment up to 31.03.2016 is due on account of principal and interest on this account.
10. 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.
11. The Corporation is maintaining CPF Trust and has provided interest @8.70% for the period 01.04.2015 to 31.03.2016.
12. No provision for income tax has been made due to carry forward losses.
13. The Corporation has received Rs.7100.00 lakh during the year 2008-09 as share capital as pass through vehicle (cash neutral support) with the specific directions that these funds are to be invested in Himachal Road Transport Corporation (HRTC). These funds include Rs. 2100.00 lakh 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 this, the entire amount of Rs. 7100.00 lakh has been treated as Investment in HRTC and the matter has been taken with the State Government to decide on the issue and to advise the Managing Director, HRTC to issue share certificate or some other instrument of Rs.7100.00 lakh in favour of HPFC. The share certificate / other instrument for confirmation of such investment have not been received from the HRTC.
14. The balances of debit and credit on account of amounts recoverable and payable including Loans and Advances under different heads are subject to confirmation.
15. 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.
16. 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.
17. 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.
18. The mandated lending activity of the Corporation has been stopped which has resulted in to gross NPA as on 31.03.2016 to 99.52 % where as the net NPA of 85.16%, low asset base, almost entire loan portfolio of the corporation is in litigation and therefore the net worth of the Corporation has become negative.
19. Disclosures in compliance with SIDBI's guidelines.

**(A.) CAPITAL**

- (a) Core Capital Risk Weighted Adequacy Ratio (CRAR):(-) 33.80%  
 (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 Govt	9135.79*	162.00	9297.79*	93.38
2	SIDBI	542.89	112.00	654.89	6.58
3.	Banks & FIs/	3.24	-	3.24	0.03
4.	Private share holders	1.19	-	1.19	0.01
	Total	9683.11	274.00	9957.11	100.00

\*including share application money of Rs 7100 lakh.

**(B.) ASSET QUALITY AND CREDIT CONCENTRATION**

- (a) Percentage of NPAs to Loans & Advances Gross 99.52%  
 Net 85.16%

- (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	35.50	0.48	0.09	35.41	14.84
Sub-standard	6.10	0.08	0.92	5.19	2.17
Doubtful*	3702.33	49.81	3504.30	198.03	82.99
Loss Assets	3688.52	49.63	3688.51	0.00	0.00
Total	7432.45	100.00	7193.82	238.63	100.00

\*Note: After adjustment of claims of Rs. 11.26 lakhs received from DICGC

- (c) Amount of provision made during the year

*(Rupees in lakh)*

S. No.	Assets & other	Provisions
1	Loans & Advances	-109.34
1.1	Standard Assets	-0.18
1.2	Sub-Standard Assets	0.86
1.3	Doubtful Assets	2.51
1.4.	Loss Assets	-112.53
2	Income tax	Nil
3	Investments	Nil

Note: The above figures do not include loan of Rs.25.28 lakh directly written off to Profit &amp; Loss Account during the year against which provisions of NPAs were made in the earlier year(s).

**(d) Movements in net NPAs**

- (i.) Sub Standard = Rs 4.79 lakh (1197% increase)  
(ii.) Doubtful = Rs 650.74 lakh (76.67% decrease)

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

Particulars	Capital funds	Total Assets
a) the largest single borrower	Rs.1188 lakh (5.39%)	15.96%
b) the largest borrower group	Rs.1669 lakh (7.58%)	22.42%
c) 10 largest single borrowers	Rs.3187.06 lakh (14.47%)	44.81%
d) all borrower groups (1)	Rs.1669 lakh (7.58%)	22.42%

**(C.) 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	71.20	2.76	0.48	-	-	-	74.44
Foreign currency	-	-	-	-	-	-	-
Total assets	71.20	2.76	0.48	-	-	-	74.44
Rupee liabilities*	11.31	9.14	7.00	0.00	0.00	0.00	27.45
Foreign currency	-	-	-	-	-	-	-
Total liabilities*	11.31	9.14	7.00	0.00	0.00	0.00	27.45

*\*The liabilities of SIDBI on account of refinance & LOC have been taken at Rs 2.25 crore as per Approved OTS.*

**(D.) OPERATING RESULTS**

- (e) Interest income as percentage to average working funds = 2.08%  
(f) Non-interest income as percentage to average working funds = 0.03%  
(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

20. Schedule No A & B forming integral part of the Balance Sheet have been duly authenticated.

21. 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 Accountant

(V.P. Singh)  
General Manager

( Dr. Arun Kumar Sharma)  
Managing Director

(Aman Singhi)  
Partner