

NEDFi, plastics body plan joint drive to boost use

ANNUAL REPORT 2009-10



NEDFi
ISO 9001:2008 Company

North Eastern Development Finance Corporation Limited

social responsibility policy
NEDFi extends outreach activities to Mawlynnong



Since its inception in August 1995, North East Development Finance Corporation Limited (NEDFi) has been playing a crucial role in catalyzing the development of the North East economy. NEDFi is a development bank of the North East and for the North East with a mandate to be a pacesetter in the economic development of the region. Over the past 15 years, NEDFi has been instrumental in the growth of industries, infrastructure, agri-horticulture and allied sectors, small enterprises and micro finance to the needy at the grassroots in the region.

NEDFi's bottom up approach towards framing its policies has reaped huge dividends for the economies and consequently the people of the eight states of the region.

The cover celebrates the journey of NEDFi since 1995. Over the last 15 years, it has achieved exponential growth – having sanctioned more than 2000 projects with an exposure of Rs. 1627 crores. The decade and a half has seen the corporation cross milestone after milestone, as it makes its way into the heart of the people. Its achievements have endeared NEDFi to the people of the region. It is justifiably a cause for celebration, a reason to feel proud.

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Mission Statement

NEDFi aims to be a dynamic and responsive organization to catalyse economic development of the North East by identifying, financing and nurturing eco-friendly and commercially viable industrial, infrastructure and agro-horticultural projects in the region.

Quality Policy

“We are committed to enhance customer satisfaction by providing timely and effective financial solutions including promotional, development and support services to entrepreneurs by continuously improving the effectiveness of the Quality Management System and employee development”.



From the desk of the Chairman and Managing Director

The year 2009-10 has been a year of revival and renewal of confidence in the Indian economy. The strength and rapidity of India's recovery from the adverse impact of the global financial and economic turmoil, reiterates the overall potential for sustained high economic growth in India. The high growth rates of the economy during the last decade have increased the resources earmarked by the central government to the North Eastern (NE) region. The Central Ministries/Departments have been mandated to allocate at least 10% of their plan funds for the development of NE region and any shortfall in the actual expenditure is transferred to the Non Lapsable Central Pool of Resources (NLCPR) which is again used for funding specific programmes for economic and social upliftment of the NE states. Accordingly, the central government investments in the region have increased substantially particularly on infrastructure like road, railways, civil aviation, inland waterways, power and telecommunication, etc.



Also, the policy initiatives on development of industries by the Central and the State Governments, and in particular the subsidies and fiscal incentives under the NEIIPP 2007, coupled with an improving law and order position in most part of the region, have attracted sizable investments from private investors in sectors like cements, power, steel, infrastructure, healthcare, higher and technical education, tourism and hospitality, etc. Increased spending by the centre and the state governments has created substantial space for private investments.

During the year 2009-10, our sanctions registered an increase of 25% to Rs. 333.41 crore while disbursements increased by 13% to Rs.208.08

The Corporation's credit portfolios are well diversified with a view to spread the credit risk over various sectors and industries. An effective Credit Monitoring System has been put in place to identify and track stressed accounts early and initiate corrective steps as required. The gross Non Performing Assets (NPA) of the Corporation as a per cent of gross Loans & Advance reduced to 14.01% during the year from 17.42% during the previous year while the net NPA to net Loans & Advances reduced to 2.47% from 3.73%. The Corporation's focus on vigorous follow up, cash recoveries through recovery drives, settlement through One Time Settlement (OTS), recoveries proceeding through Lok Adalats and early resolution of disputes through Debt Recovery

During the year 2009-10, our sanctions registered an increase of 25% to Rs. 333.41 crore while disbursements increased by 13% to Rs.208.08 crore. Our net profit has also increased by 12 % to Rs 33.25 crore while our asset size grew by 24% to Rs. 526.37 crore. Looking back with pride on our stellar growth from a humble beginning, we note that while it took us ten years to reach a disbursement figure of Rs.100 crore in a year, we have taken only four years to surpass the yearly disbursement of Rs. 200 crore.

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Tribunal (DRT) have resulted in reduction of both gross and net NPAs.

Financial Inclusion is an integral part of our corporate strategy. Our model for financial inclusion involves channelizing of micro-credit through utilization of local resources to reach the grassroots. As the skewed geography and difficult terrain make most parts of the Region inaccessible, we have evolved innovative strategies for channelizing our micro credit through traditional and community level organizations. This has proved to be a great vehicle to reach the masses. To make further

inroads, considerable leverage has been accorded to introduction of eco friendly livelihood possibilities via training and technical inputs along with credit in a systematic manner. Under our Microfinance scheme, the total number of beneficiaries has crossed one lakh (108,169), out of which around three-fourth (76%) are women.

The demand for services like Consultancy & Advisory is growing in the Region, especially from the Central & State Governments, who are increasingly looking to set up projects in the Public Private Partnership (PPP) model. The Central and State Governments are also looking for Third Party Monitoring for their infrastructure projects like roads & bridges. Our Consultancy and Advisory Division, in a short span of time, has been awarded several prestigious assignments. It has been awarded Third Party Monitoring of projects under Special Plan Assistance and Border Area Development Program in the state of Arunachal Pradesh. More assignments are expected from other states. It has won a prestigious PPP project for creating the first IT Park of the NER at Guwahati. NEDFi is empanelled with Asian Development Bank for providing consultancy services and has bid for two ADB assisted projects in Shillong and Agartala. The demand for Corporate Advisory services such as loan syndication, evaluation of joint ventures, debt restructuring etc. is also growing with the increase in the level of industrialization. NEDFi expects its Consultancy and Advisory Services to be a major growth area in the coming years.

We try to create national and international linkages to unleash productive synergy for catalyzing and supporting economic growth in the Region. At the national level, a series of business to business investment meets will be held at various cities in the country to create

awareness about the Region and its inherent investment potential. We have also taken various steps to promote North East and its potential across the borders to encourage private and foreign investment, technology transfer, etc in the Region.

It will be worthwhile to mention here that we have taken up the challenge to carry the mission envisaged in the 'Vision 2020' document for the Financial Services group in the North Eastern Region. The main objective is to bring together all Banks, financial institutions, the government and the intelligentsia to chalk out workable strategies for development in key sectors in the states. With our initiatives, the process has already begun in Mizoram and Sikkim and it will subsequently be taken up in all the eight states of the Region.

As the premier development financial institution in the North Eastern region, we have a presence in all spectrums of the industrial landscape viz., Micro Finance, Micro Small and Medium Enterprise (MSME), Infrastructure, Agri-Horticulture and Service sectors. We have initiated various support and extension services including business development programmes for promotion of entrepreneurship and credit absorption capacity in the region. At NEDFi, we judge ourselves not just by the levels of our sanctions and disbursements but by the investment catalyzed, by the creation and development of entrepreneurship, by increasing effectiveness of government schemes like NEIIPP, by image building of NE region, by improving efficiency of project implementation through proper monitoring, etc.

In the last two years, we have increased our geographical coverage considerably by opening eight new branches/ Representative Offices in Assam, Tripura and Meghalaya. Our primary

focus has been on future expansion of our network and on strengthening our branches and empowering them to reduce turn around time in decision making by rationalizing processes and procedures.

We have constantly tried to strengthen our organizational structure to handle the business and regulatory demands of the changing and competitive environment. Our growing business along with expanding activities propel us to take a relook at our manpower planning and accordingly we have initiated the process of expanding our manpower base to create a competent pool to respond to the emerging needs. Towards this end, we have engaged a Hyderabad based Consultancy Firm, 'CORD - M', to develop a complete HR Policy for the organization.

We understand the need to build managerial capabilities and skills to enable us to tap unutilized potential, assist new ventures both at the macro and micro levels, build business confidence and usher in investment and support developmental activities. In our drive to fulfill our objectives, we have not lost sight of the fact that we were set up to be a catalyst in industrial development of the Region; to provide the links amongst institutions and organizations in the development chain in the North Eastern Region.

As our business has increased and is expected to increase manifold in the emerging market scenario, it is now imperative on the Corporation to explore new options to augment future capital and funding requirements.

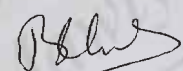
The present economic and industrial climate is buoyant with supportive government policies and incentives and promises good business opportunity for the Corporation. With the infrastructure development proposed by the

central government, there is high potential for undertaking contract finance. Plastic industry could also witness a boom with the coming up of the Assam Gas Cracker project in the North Eastern Region. North East has unexplored potential in the tourism sector in the form of adventure, cultural and business tourism. Other growth areas are hotels, power generation, infrastructure, real estate, service sectors, educational institutions, agri-horticulture, construction equipment, transport, knowledge based industries, etc. With such opportunities, there is great expectation that NEDFi will undertake the exciting challenge to fulfill its mandate of being a pacesetter in the economic development of the Region.

The coming decade is a decade of unprecedented opportunities for the NE region and its people. We, at NEDFi are focused on capitalizing on the immense industrial and infrastructural growth opportunities in the region. We have a young and inspired team that is committed to develop the economy of the Region. Our people are the best asset that we possess. We are also fortunate to have an eminent and professional Board that takes the lead in guiding and directing the strategies. The state governments and the ministries at the Centre have also been supportive in our endeavour.

Together, I look forward to maintaining the momentum and taking NEDFi to greater heights.

Warm Regards,

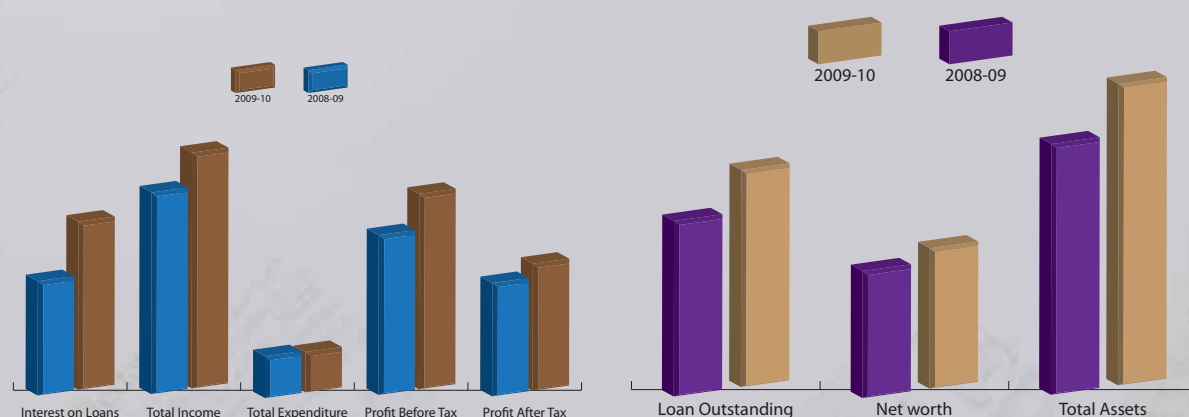


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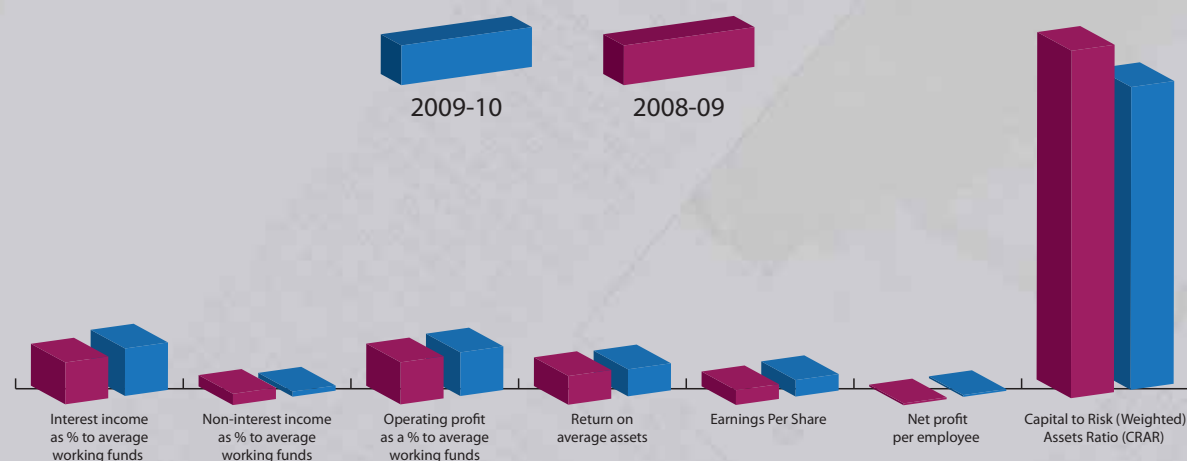
Financial Highlights

(Rs. Crore)

Financial Year	2008-09	2009-10	% Change
Loan Outstanding	425.71	526.37	23.6
Interest on Loans	29.95	44.06	47.1
Total Income	52.83	61.76	16.9
Total Expenditure	10.96	10.56	-3.7
Profit Before Tax	41.87	51.20	22.3
Profit After Tax	29.68	33.25	12.0
Net worth	308.08	340.46	10.5
Total Assets	608.12	731.09	20.2



Operating Result		2008-09	2009-10
Interest income as percentage to average working funds	(%)	8.43	9.56
Non-interest income as percentage to average working funds	(%)	2.27	1.03
Operating profit as a percentage to average working funds	(%)	8.48	8.79
Return on average assets	(%)	5.78	5.44
Earnings Per Share	(in Rs.)	2.97	3.32
Net profit per employee	(In Rs. Crore)	0.38	0.37
Capital to Risk (Weighted) Assets Ratio (CRAR)	(%)	70	61



Performance Highlights

SANCTIONS

Total Sanctions, Disbursements and Number of Projects Sanctioned (As on March 31, 2010)

STATE-WISE AMOUNT SANCTIONED (Rs. in lakh)															
State	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	Grand Total
Arunachal Pradesh	0	518	235	38	418	291	136	942	762	1593	780	1230	1254	4750	12947
Assam	682	1164	2198	1725	3945	3166	3401	2639	4084	7053	8545	16588	21351	22370	98911
Manipur	0	66	49	263	350	80	59	76	65	50	109	519	540	308	2534
Meghalaya	0	0	173	772	2659	2582	2114	4607	3458	2874	3122	8510	1994	2143	35008
Mizoram	0	25	51	208	156	45	114	152	40	102	362	350	88	68	1761
Nagaland	0	110	34	234	490	124	80	102	63	167	258	195	432	943	3232
Sikkim	0	0	0	0	0	0	0	97	358	75	389	159	713	191	1982
Tripura	0	40	58	255	306	16	460	355	102	1218	307	394	318	2569	6398
Total	682	1923	2798	3495	8324	6304	6364	8970	8932	13132	13872	27945	26689	33341	162771

DISBURSEMENTS

STATE-WISE AMOUNT DISBURSED (Rs. in lakh)															
State	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	Grand Total
Arunachal Pradesh	0	9	24	150	206	397	246	341	778	610	725	118	415	3881	7900
Assam	615	227	1062	932	3360	2472	2170	2964	2285	5342	6680	8872	13071	13512	63564
Manipur	0	39	31	153	285	152	68	70	105	50	69	106	498	508	2134
Meghalaya	0	-	4	62	618	1467	2404	1349	1542	3199	1320	1405	3833	2365	19568
Mizoram	0	-	25	30	60	192	87	96	85	70	115	539	42	22	1363
Nagaland	0	80	34	41	323	259	97	175	152	32	105	252	321	230	2101
Sikkim	0	-	-	-	-	-	-	14	88	128	355	103	76	78	842
Tripura	0	0	37	95	194	140	38	200	200	1000	55	249	153	212	2573
Total	615	355	1217	1463	5046	5079	5110	5209	5235	10431	9424	11644	18409	20808	100045

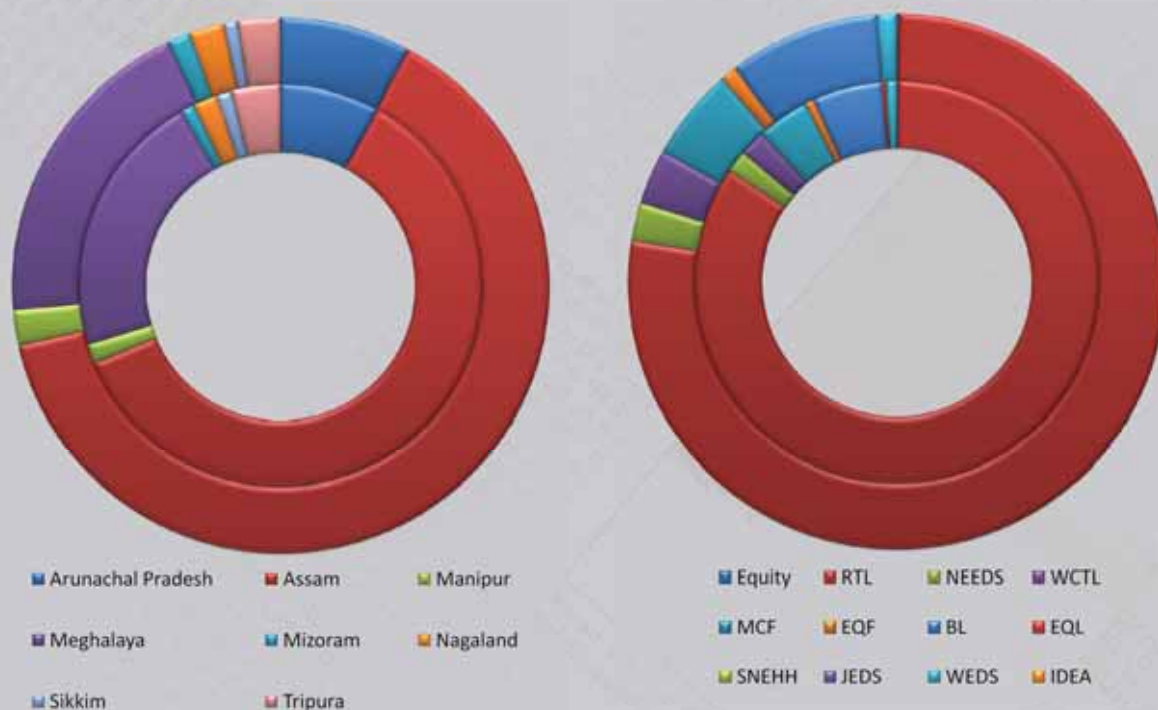
PROJECTS

STATE-WISE NUMBER OF PROJECTS SANCTIONED															
State	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	Grand Total
Arunachal Pradesh	0	2	2	1	4	4	10	11	21	37	55	16	17	17	197
Assam	2	12	13	25	37	49	69	91	129	110	98	66	73	72	846
Manipur	0	2	4	12	20	7	9	8	10	8	15	18	28	25	166
Meghalaya	0	0	2	3	7	12	20	19	19	16	14	10	9	22	153
Mizoram	0	1	3	5	12	3	7	48	5	45	17	1	18	16	181
Nagaland	0	1	3	12	19	9	11	8	9	8	19	20	7	16	142
Sikkim	0	0	0	0	0	0	0	12	36	23	27	18	9	17	142
Tripura	0	1	1	2	2	2	5	7	9	38	55	20	12	26	180
Total	2	19	28	60	101	86	131	204	238	285	300	169	173	211	2007

Year-wise Amount Sanctioned, Disbursed & Projects Sanctioned



Cumulative State-wise and Scheme-wise sanctions and disbursements (as on March 31, 2010)



NEDFi Offers

Our charter mandates that we, as a corporation, extend financial services with a focus on industrial projects, infrastructure, agri-horticulture and allied industries and small enterprises. With our operational area consisting of the 8 states of India's North East, we have devised our products which are tailor made for the region. This is primarily because, we know that smaller and start-up businesses need more than just finance at lower interest rates – they need a partner to help them sustain throughout the initial period.

Our **Project Term Loan** provides long term finance for establishing new industrial units and infrastructure projects and also expansion, diversification and modernization of existing units. Our **Equipment Finance** helps in the acquisition of equipment by financing as much as 70% of the cost. We assist units facing problems due to lack of working capital with our **Working Capital Finance** schemes. Under our **North East Entrepreneurs Development Scheme (NEEDS)** we help new projects, especially first generation entrepreneurs in the tiny and SSI sectors. Our recent **Initiative for Development of Entrepreneurs in Agriculture (IDEA)** encourages agriculture based entrepreneurs with timely, adequate finance at reasonable interest rates. Our **Microfinance Scheme** develops and supports NGOs, JLGs, CBOs and MFIs and also builds capacity through training, workshops and exposure visits. On the same line as NEEDS, are our special need based schemes: **Women Entrepreneur Development Scheme (WEDS)** to help women entrepreneurs, **Jute Enterprise Development Scheme (JEDS)** to assist tiny new and existing units in the jute sector and **Scheme for North East Handloom & Handicrafts (SNEHH)** to help designers, manufacturer and exporters in the handloom and handicrafts sector.

We also go beyond finance. To facilitate the tapping of the huge potential of medicinal & aromatic plants, we have set up a **Research and Development Centre** at Khetri. We disseminate economic information on various sectors through our **NE Databank** and the published **NEDFi Databank Quarterly**. Our **Techno-Economic Development Fund (TEDF)** finances the feasibility studies for industry and infrastructure projects suitable for the North East. We conduct **design and skill upgradation programmes** to provide new designs, product diversification avenues, training artisans, introducing better production techniques and providing linkages. Our special **Business Facilitation Programme** boosts the SME sector by targeting the first generation entrepreneurs. To promote the products of the region, we have set up **NEDFi Haat** and also facilitate the participation of the region's units in various national and international trade fairs and exhibitions. In addition, we provide fee-based **Advisory and Consultation Services** and function as a nodal agency to disburse **Central Government Subsidies**.

Catalyzing Growth...

NEDFi always strives to make a difference in the lives of the people of the North East. It is a philosophy that has prompted the corporation to pick up projects that have a direct impact on the lives of the people connected – and also an indirect impact in enhancing the economic scenario of the region. The following pages present some of the successful enterprises that have benefitted from NEDFi's assistance and have become self-sustaining in their own right.

Hotel Rendezvous, Gangtok, Sikkim

A paradise for tourists, Gangtok, has seen a rising demand for the hospitality sector in the recent years. Hotel Rendezvous located in Gangtok, Sikkim is a spacious centrally located hotel offering facilities like indoor parking, banquet hall and a host of comfortable deluxe rooms with a homely touch. NEDFi assisted the company in its expansion and up gradation with a rupee term loan of Rs. 122 lakhs. Another rupee term loan of Rs. 60 lakhs was provided for the takeover of a loan from the state bank of India which was taken for its first expansion. The hotel has since upgraded by adding eight suite rooms, two presidential suites and renovated the existing forty five deluxe rooms, besides undertaking a new construction that will house a restaurant, coffee shop and bakery.



BISCON, Amingaon, Assam

M/s Brahmaputra Iron & Steel Co. Pvt. Ltd., popularly known as BISCON (by its brand name), is an associate concern of C K Jaiswal group. The Company has been in the



business of manufacturing bars and rods for more than 20 years. The Company also undertakes job work of conversion of billet into TMT bars for Steel Authority of India Ltd (SAIL). The company has an installed Capacity of - 30000 MT of TMT and has availed a Term loan of Rs. 1000 lakhs under NEDFi's Corporate Loan Scheme.

Regional Institute Of Science & Technology (RIST), Meghalaya

With the growing demand for good technical institutes in the region, ERD foundation (Education Research & Development Foundation), a trust with years of dedicated service



in the field of professional education, has established an Engineering College under the name of “REGIONAL INSTITUTE OF SCIENCE & TECHNOLOGY (RIST)” at Baridua, Raid Marwet, Killing Road, 9th Mile, Meghalaya, about 5 km away from Ganeshguri point on the GS Road, Guwahati. The College imparts education in several branches of engineering, Management, MCA & vocational training in various fields. The intake capacity is 60 seats for each branch of engineering and the total intake capacity per annum will be 480 seats. NEDFi has sanctioned a term loan of Rs. 1000 lakh towards setting up this centre of excellence in the field of education in this region.

Nam Nang Commercial Complex, Gangtok

Promoted by The Royal Orchid Pvt. Ltd., Nam Nang Commercial Complex is a project for construction of a hotel and multipurpose commercial building measuring 27,720 square feet on a land of 2.39 acres. Located below Chintan Bhawan at Namnang Road in Gangtok, Sikkim, the project was later modified to be a commercial building only at the end of MG



Road in Gangtok. NEDFi provided financial assistance of Rs. 1.95 crores and the project is nearing completion. With leased agreements completed with Pantaloon Retail India Ltd. to establish a “Big Bazaar”, the complex, already housing the ICFAI University, it is slated to be the first of its kind in Sikkim.

Assam Air Products Pvt. Ltd., Bongaigaon, Assam

The company has set up an oxygen gas bottling unit of 7,20,000 cum capacity at New Bongaigaon Industrial Estate, Bongaigaon at an estimated project cost of Rs 499 lakh. It has been assisted to the tune of Rs 300 lakh under the term loan scheme of NEDFi. Assam Air Products Pvt. Ltd. has been engaged in the area of bottling of Industrial and medical gases like Oxygen and Nitrogen. This unit is the fourth such unit under the company across the state of Assam and all the previous units were successfully established with assistance from NEDFi. The main application of the products being in the core sector oil



industries for crude oil production, industrial and medical users, research laboratories and State Vety. Department, commercial establishments etc., it has been a necessity in the region.

Residency Tourist Resort, Guwahati, Assam

A proprietorship firm of Mrs. Aditi Dass, having its establishment at Dispur, Guwahati, has been sanctioned an amount of Rs. 50 lakh to set up this high end guest house having a total installed capacity of eight Guest rooms, one Suite and one Restaurant. Guwahati, being the hub of the Northeast and a Centre point for inflow of people from the other states of the region for various reasons like education, transit, medical care, etc, the need for guest houses providing adequate care and comfort has increased. This Guest House which is ideally located in the heart of Guwahati is functioning well and provides all the facilities required for a high end guest house in the city.



Joypur Mechanized Bricks (P) Ltd. Sibsagar, Assam

The mechanized bricks industry in the Northeastern region holds good potential due to the commencement of several large central and state governmental developmental activities and private sector construction works. Mechanized bricks have significant quality advantages over conventional bricks in terms of finish, size, consistency and



strength which makes them the first choice for construction use. Promoted by Shri Prameer Gogoi, a young entrepreneur of Sibsagar, M/s. Joypur Mechanized Bricks Pvt. Ltd. was sanctioned a term loan of Rs.190 lakhs for setting up a mechanized bricks manufacturing unit with an installed capacity of 144 lakh bricks per annum at Rajmai near Demow in Sibsagar district of Assam.

Sarda Plywood Industries Ltd., Tinsukia, Assam



Sarda Plywood Industries Ltd., promoted by Chitlangia group, a well established group from Kolkata with existence for last five decades was sanctioned a term loan of Rs.630 lakhs for setting up a plywood manufacturing unit at Jeypore, Dist. Tinsukia, Assam. The main business of the Company is manufacturing of plywood and allied products. Pursuant to an order of the Hon'ble Supreme Court of India in the year 1996 banning felling and cutting of trees in the North-Eastern region and operation of wood based industries, the company was forced to stop operations. However, since the last few years, the Government of India has allowed controlled felling of trees with proper replanting plan and therefore has started giving licenses to companies involved in manufacturing wood based products. With this development, the industry is on a path of revival.

Hotel Cimorb, Kohima, Nagaland

Hotel Cimorb, a 3 star category hotel located at Old Minister Hill, Kohima is promoted by Mr. Curzo Tunyi, an upcoming businessman from Kohima. The hotel has 37 rooms consisting of deluxe Rooms, super deluxe rooms and royal Suites, in addition to a



restaurant, party hall and conference hall. Tour Guidance and separate Gents and Ladies Beauty Parlours are also available for guests. NEDFi assisted the project with a term loan of Rs. 50 lakhs against the total project cost of Rs. 681 lakhs.

The hotel is on of the premier hotels in Kohima with modern facilities and ambience. It also provides a direct employment to about 37 persons.

Winmark Diagnostic Services, Agartala, Tripura

M/s Winmark Diagnostic Services, a partnership firm located at Agartala Govt. Medical College and GBP Hospital was financed by NEDFi under its Equipment Finance Scheme



for Rs. 119.00 lakh. The firm is running a MRI unit at Agartala Govt. Medical College and Hospital now under the PPP Model. Running successfully and rendering yeoman service to society, the Govt. of Tripura recently awarded this firm for setting up a CT scan unit at AGMC & GBP Hospital, Agartala.

Protech View, Guwahati, Assam

The city of Guwahati is presently witnessing an increasing demand for residential flats/units. NEDFi has forayed into financing this sector. Protech Realtors Pvt. Ltd. is a private limited Company which has started construction of a residential complex viz. Protech View at an ideal location at Hengrabari, in the heart of the city with NEDFi's assistance of Rs. 250.00 lakh. It consists of 18 simplex and duplex flats with a total built-up area of 31924.92 sq ft.



Nurturing Entrepreneurship...

D.D. Readymade Garments, Itanagar, Arunachal Pradesh

Encouraging women entrepreneurs to be self sufficient has been an effort of NEDFi and an example of this is this unit of readymade garments set up in Itanagar, Arunachal Pradesh. The promoter Ms. Cheng Lhamu Phillely had been running a readymade garment unit for the last 4 years on a small scale. She had an inherent desire to expand her unit keeping different branded clothes and accessories to meet the tastes of customers. She approached NEDFi for financial help and was granted an assistance of Rs. 4.25 lakhs under the



WEDS scheme.

T.B. Citronella Oil Industry, Assam



T.B. Citronella Oil Industry is a proprietorship unit of Sri Churamoni Sarmah dealing with cultivation and processing of Citronella and other medicinal and aromatic crops at Kamargaon, Burigang in district Sonitpur, Assam. The unit is processing Citronella oil and marketing it through their existing network.

Highly experienced in this field, the firm was assisted with a term loan of Rs. 7.25 lakh and NEEF soft loan of Rs. 3.75 lakh by NEDFi to part finance the project of cultivating 10 hectare citronella crop and setting up a distillation unit of 7 quintal capacity of fresh herb per batch. The project is located at Nizbaghmari and is being set up in an economically backward area to harness the potential and rich natural resources. The unit has enriched the local farmers as there is a sizeable demand of citronella from both the local and export markets and it has also created rural employment.



Bholagiry Industry, North Tripura



Located at Kailashahar in North Tripura, Bholagiry Industry is promoted by Prasenjit Debnath, a young local entrepreneur. The unit manufactures checker tiles and water filters which have a good demand in the local and surrounding markets. Financed by NEDFi under its NEEDS Scheme with an amount of Rs. 4.25 lakhs, the firm today supplies its finished goods not only to the local market but also to the State Government's departments. A highly successful unit which is growing day by day, it also provides direct employment to many local workers who have become skilled in this trade.

Zoram Handloom Weaving Industry, Mizoram

This unit is located at Bawngkawn, Aizawl. The promoter was assisted with Rs. 4.25 lakh under NEEDS by NEDFi for a handloom unit. The unit has been able to purchase the essential handloom machineries with the finance and has since then been able to produce various designs of Mizo 'Puan' for sale in the local market. The repayment from the unit is regular and it has been able to service the local demand.



Rupalim Traders, Sonapur, Assam

Set up with an assistance of Rs.21.84 lakhs under the IDEA scheme of the Corporation, this unit is located in Barni, Sonapur Mouza, Assam. The loan was for setting up a poultry farm with captive feed mill. The unit is spread on an area of 5 bighas land.

Jyoti Industries, Dergaon, Assam



M/s Jyoti Industries set up in Dergaon, Golaghat District of Assam is a bamboo sticks manufacturing unit (used in Agarbathi manufacturing industries) having an installed capacity of Round stick 72 TPA. The promoter was assisted by NEDFi in this venture through a Term Loan of Rs.6.00 lakh and NEEF Soft Loan of Rs. 3.75 lakh to part finance the project. The unit is progressing well as the resource is readily available and the workers are skilled in this trade.

Home Grown, Meghalaya

M/s Home Grown is involved in making Handloom & Handicraft items from naturally available materials such as Cane, Bamboo and traditionally designed textiles. Raw materials are procured locally from villagers and some of her products include Body Loofahs, Multipurpose Baskets, Wine Bottle Holders, Magazine Rack, Trays,



Runners for Tables and Beds and Placemats for Tables, curtains etc. Besides supplying the products to major departmental stores in and around Shillong, the promoter, Smt A. Mynsong also participates in trade fairs and exhibitions all over the country. She has a thorough knowledge and experience about the business and marketing of products. With her immediate plans of producing contemporary products for the export market, she has been assisted in her endeavour with a loan of 4.25 lakh under the WEDS scheme of the corporation.

Naturally Northeast, Meghalaya



This unit located in Shillong is being run by Smt Saihun Phanbuh, and is in the business of grinding spices, packaging and marketing them in Shillong, Guwahati, New Delhi and Bangalore. Understanding the potential of handicrafts and gift items, the promoter decided to expand her business to include products made of broomgrass, Christmas decorations etc. The unit participated at the NEDFi-EPCH program on design and product development and has participated in exhibitions and trade fairs at NEDFi Haat, IITF etc. This flourishing venture was assisted with an amount of Rs.2.27 lakh under the WEDS scheme.

Akshay Urja Shop, Mizoram



The unit located at Zarkawl, Aizawl is unique in the sense that it deals in trading of solar equipments in the local market and in repairing of these equipments and is the first of its kind in the state. The promoter had approached NEDFi for financial assistance and was granted an amount of Rs. 4.25 lakh under NEEDS for its Urja shop. The unit is functioning well and is also engaged in distributing its products in the rural markets through its retail networking.

Towards Inclusive Growth – Micro Finance

The poor are credit worthy – with this firm belief, NEDFi has forayed into the micro finance sector trying to reach the un-reached in every corner of the North East. Having a rich experience of 11 years from 1999 when NEDFi first started providing micro credit, the corporation presently is also involved in capacity building of the NGOs and VOs through which it lends to the SHGs, JLGs, individuals, etc for the purpose of better credit delivery and wider outreach. As on 31st March, 2010, it has sanctioned about Rs.68 crore under this scheme covering more than 1,00,000 people, out of which 76% are women.

Among its numerous success stories across the North East, **Women's Voluntary Organisation** from Manipur and **The Women's Group & Handicraft Multipurpose Co-operative Society Limited** from Meghalaya are standing examples.

The Women's Voluntary Organisation



Registered in 1992 the Women's voluntary Organization (WVO) in West Manipur is a non-profit, non-governmental, non-sectarian and non-political organization devoted to working with the vulnerable sections, advocating social commitment through people oriented planning and action. During the past 15 years, WVO has taken up measures to strengthen Community Based Organizations (CBOs), re-formation of women organizations, formation of

credit groups, credit support to the groups, etc.

The Women's Voluntary Organization undertakes its microfinance programme in villages, rural, semi urban and urban areas in the state of Manipur. They work in areas where there is a concentration of unemployed and a large demand for microfinance services. Their methodology has been to first mobilize and sensitize the masses and then provide financial assistance to individuals of the SHG groups, based on the strength of the group's assurance. Along with this, inculcating strong savings behaviour, providing technical assistance for capacity building of potential clients in resource-poor areas, introduction of beneficiaries to formal or semiformal market-oriented industrial environment and creating forward & backward linkages have been their forte.

To lend support to their endeavour, the organization has been ably assisted by NEDFi several times (five loans), the first in 2001 for an amount of Rs.3 lakhs only. Because of their excellent track record of utilization and timely repayment, they are presently servicing their 4th and the 5th loans for Rs.20 lakh and Rs.48 lakh respectively given for various income generating activities.

M/s Women's Group & Handicraft Multipurpose Co-operative Society Limited



The Women's Group & Handicraft Multipurpose Co-operative Society Limited having its registered office at Madankynsaw, Mawkyndeng, Jaintia Hills District, Meghalaya was set up with the main objective of uplifting the economic activities of the rural women, helping them to become independent by earning a living for themselves. The society was sanctioned the first financial assistance of Rs.1.50 lakhs from NEDFi in May 2004 for various income generating activities under the micro finance scheme.

The society was given a second round of assistance for a Common Facility Centre (CFC) for installation of machinery for the use of local artisans and for purchase of raw materials in the year 2009. The Society is one of the leading groups in Meghalaya who has organised themselves into SHG's and clusters to produce

handicraft items, which are made from locally available raw materials like cane, bamboo, wild flowers etc under the leadership of Smt. Isabella Pakma, Secretary of the society. They have been actively participating in various State, Regional, National and International exhibitions through NEDFi and other government agencies to promote the sale of their items and



over the years have established themselves as one of the groups that has the capacity to take large orders and execute them successfully.

Having earned a good reputation for their dedicated service for the welfare of the masses, the society has been able to implement a number of development projects with help from Government agencies, like KVIC, Industries Department, Agriculture Department, SIDBI, NABARD, NRHM, DRDA etc. The society has achieved recognition for their efforts in the form of: a) State Award of recognition, b) North Eastern Excellence personality Award and Gold Medal form Friendship Forum of India, c) Great Indian Achiever Award and d) Vocational Award from Rotary Club.

Giving Life to Ideas...

Steps Forward

There is an old proverb which says, "Give a man a fish and you feed him for a day; teach him to fish and you feed him for life." At NEDFi we believe that the best way to catalyze socio-economic development is to help people help themselves. That is why we have taken and continue to take initiatives that expose, train and upgrade the skills of the people in different areas of economic productivity. A number of such steps taken by NEDFi have borne fruit – new entrepreneurs have entered the sectors, productivity has increased from the existing units and they have been able to market their products more effectively. We recount some of the initiatives taken during the year 2009-10.

Designer lamps

With an intention to focus on new areas, the art of making Designer Candles was popularized among the hill states of the North East. While the general candles have an existing market, designer candles too have great market potential in the region



especially during the festive seasons of Christmas, Diwali, Easter etc. It can also be marketed as corporate gifts and birthday & anniversary gifts. With four refineries in the region, good quality of raw material is always available. NEDFi organized capacity building programmes on Designer Candles at Aizawl in Mizoram, Shillong, Jowai and Tura in Meghalaya, Jorhat and Margherita in Assam, Khonsa and Itanagar in Arunachal Pradesh, Kohima and Dimapur in Nagaland and Imphal in Manipur. Over 200 artisans were trained, while some of them were also extended credit facilities to establish their own units. To create market linkage for the artisans, a Catalogue on Designer Candles has been published.

Magic of Banana Bark

To promote eco-friendly handicraft products, NEDFi took up a project to promote products made from Banana Bark. An Integrated Design and Skill Development Programme on producing handicraft items from Banana Bark was initiated at Kathalcherra in Dhalai District of Tripura from 1st to 16th August 2009. 20 participants participated in the programme and learned the techniques



of processing banana bark and using it for making products like mats, gift boxes, bags, baskets, etc. from a five member team from Industree Crafts, Bangalore. The integrated course also included techniques of using a variety of tools like metal frames, ratt machine, loom and crotchet. The products were launched during the North East Handloom and Handicraft Fair 2009 held at NEDFi Haat from 20th to 27th August 2009.

From social frustration to productivity

Gramya Vikash Mancha (GVM), Nalbari, a NEDFi assisted NGO had prepared a Participatory Vulnerability Analysis Report in village Chatra under Barigog Banbhag block of Nalbari District. The study revealed that among the Socially Vulnerable group of the Bodo women living in the village, the key issues which affected their lives were high level of social violence, conflict among communities, production and sale of country liquor which was the main source of income for most of the families, low level of education among the women, feeling of alienation amongst the villagers and an absence of infrastructure for any alternative source of livelihood. On analysis of the issues and after discussion



with the stakeholders, it was decided to initiate an approach to enhance capacity and need based skill for alternative sustainable livelihood, provide support to establish infrastructure for alternative source of livelihood and organize the women on a common platform to raise their voices, share experiences and fulfill their dreams.

About 30 Bodo women from the village were imparted a month's training on Design Development on Weaving at ITI, Nalbari under the Centre for Practical Livelihood Training (CPLT) initiative. As a follow-up of the programme, an exposure visit was arranged to Bongaigaon and Kokrajhar, where they could meet similar women groups working in an organized manner in the handloom sector. The group started their work with 2 handlooms and they formed the Bagurumba Weaving Society. NEDFi provided 10 looms, warping drum and other accessories including working capital support for 3 months so that the project could become self sustaining. GVM with the help of NEDFi constructed a temporary shed for the Common Facility Centre and to further strengthen their capability, NEDFi trained some of the women from the group on the use of indigenous varieties of natural dyes at the Corporation's R&D Centre, Khetri. Today, the Society uses natural dye for their handloom products which are being exported to Bhutan.

One Village One Product – Lemon

The "One Village One Product" Movement was advocated by Dr. Morihiko Hiramatsu, in 1979 in Japan. The success of the OVOP model in countries like Japan, Thailand and Malawi has encouraged us at NEDFi to concentrate on a single product from a single village. The village of Arara was a prime location for NEDFi to adopt the model. Gramya Vikash Mancha (GVM), a NEDFi assisted NGO took the initiative to organize the farmers into the "Rangman Farmers Club" and introduced them to lemon cultivation in their surplus lands. The willingness of the farmers to grow more lemon plants



and availability of the surplus land particularly in their backyard gardens provided an opportunity for NEDFi to show the way for the farmers to earn some additional income from their fallow lands. NEDFi provided 10000 saplings to the 425 farmers along with accessories like pruning knife and sprayers and also facilitated a one-time funding for the initial requirement of manure & insecticide. Engaging a technical adviser as Mentor to the project, two local youths of the village were also sent to a progressive nursery to facilitate on-the-job training. The NEDFi R&D Centre, Khetri will take-up capacity building programmes, from time to time, for the farmers to update them with the latest

techniques for cultivation practices. The Rangman Farmers Club now proposes to set-up their own nursery for lemon saplings, so that they can meet their own demand for expansion and also can supply to nearby villages.

NEDFi believes that such efforts can be replicated in other parts of the North East with active participation of the stakeholders.

Creating linkages overseas

During the North East Business Summit held at Guwahati on 15th & 16th September 2008, a delegation from the Bhutan Chamber of Commerce & Industry (BCCI) interacted with officials from NEDFi and the idea of linkage for mutual co-operation was conceived. To develop the linkage, NEDFi facilitated the participation of entrepreneurs for the North East in the exhibitions organized by BCCI.



The co-operation built-up between BCCI and NEDFi has resulted in the invitation of the Bhutanese business delegation to the North East from 22nd to 26th March 2010.

When offered the opportunity from the Ministry of DoNER for extending an invitation to a foreign business delegation, Bhutan was the first choice, not only because it shares common boundary but also because of the linkage developed between NEDFi and BCCI over the years. Recognizing tourism, education and health as major sectors for mutual business relationship, a series of meetings were



held in which the delegation interacted with representatives from the tourism sector and medical institutions. A wrap up meeting with NEDFi chalked out the priority areas and follow-up action plan which formed the guidelines for future initiatives of bilateral co-operation.

And more steps to facilitate our entrepreneurs in the marketing of their exquisite products



NORTH EASTERN DEVELOPMENT FINANCE CORP. LTD



NER Vision 2020

– The Way Forward

Recognizing the need for new industrial opportunities, the Ministry of DoNER and NEC have prepared the NER Vision 2020 document in consultation with all state governments, with the purpose to take the North East to a position of economic reckoning, to spread development to the grassroots and to ensure that the region plays a prominent role in the country's Look East Policy. Among the various thematic groups formed by the Ministry of DoNER, one group is on Financial Services (Banking, Public Finance & Private Investment), where the Ministry of Finance, Govt. of India, is the Convener and NEDFi is the Co-convener. In pursuance of the mission envisaged in the 'Vision 2020' document, NEDFi took the initiative and organized the first consultative workshop on "NER Vision 2020 – The Way Forward" in Aizawl, Mizoram on the 19th of January, 2010. Inaugurated by Chief Minister of Mizoram, Mr. Lal Thanhawla, the workshop was attended by Minister of Industries Mr. S Haito, Minister of Trade & Commerce Mr. Lalrinliana Sailo, Member NEC Mr. P P Srivastava and a host of dignitaries from various departments of the state government, banks & financial institutions, NGOs, entrepreneurs and intellectuals.



Specific action points on strategies adopted for meeting the targets for the State by 2020, constraints faced and interventions required emerged from the discussion.



Sri B. Paul Muktieh

Mr. B. Paul Muktieh, Chairman & Managing Director of NEDFi has 24 years of rich commercial and development banking experience in diverse and varied areas of Financial system. Prior to joining NEDFi, Mr. Muktieh was heading the Small and Medium Enterprises Division of IDBI Bank as its Chief General Manager at its Corporate office in Mumbai. He has also had the opportunity to serve in the North East Region for a period of about seven years during his tenure with the Bank. A B.Tech (Electrical & Electronics) with a management degree from IIM, Ahmedabad, he has also been trained overseas in the Bank of America in Hongkong, the Industrial Finance Corporation of Thailand, the Bangkok Bank and on SME financing in Tokyo, Japan.

Besides serving as member on the Board of Directors of NEDFi from 2006 to 2008, Mr. Muktieh was also on the Board of Directors of West Bengal Financial Corporation, West Bengal Consultancy Organization, Rashtriya Gramin Vikash Nidhi and many large Industrial Corporates.

Sri R. K. Garg

The CGM of SBI, NE Circle, joined as a Probationary Officer in 1975, and has held, with distinction, a variety of critical and challenging assignments in the Bank. He is a Management Graduate from BHU. Prior to this assignment, he was Chief General Manager (Corporate Strategy & New Businesses) at SBI Corporate Office, Mumbai.



Sri P. K. Biswas

He is the Regional Head, Agri-Business Group, IDBI Bank Ltd., East & North East Circle, Kolkata. Prior to this, he was the General Manager, North East Zonal Office, Guwahati.



Sri R. R. Dash

The Zonal Manager, Life Insurance Corporation of India, Kolkata. Prior to this posting, he was Executive Director (Inspection) at the Central Office, Mumbai.



Dr. D. N. Borthakur

An eminent agricultural scientist of national repute and retired as the Vice Chancellor of the Assam Agricultural University. Dr. Borthakur is well-known for his outstanding contribution in research & development in the field of agriculture.

Sri Lalithara, IAS

The Chief Secretary, Government of Nagaland who belongs to the Indian Administrative Service (1975 Batch - Nagaland Cadre). Earlier he was Additional Chief Secretary to the Government of Nagaland.



Sri Surender Kumar, IAS

He is the Director, Ministry of Development of North Eastern Region (DoNER), New Delhi. He belongs to Indian Forest Service (1985 Batch). Earlier he served as Chief Conservator of Forests, Government of Tripura.



Sri U K Sangma, IAS

He is the Secretary, North Eastern Council. He belongs to the Indian Administrative Service (1978 Batch). Prior to joining this assignment, he was Principal Secretary, Social Welfare Department, Government of Jharkhand.

Sri V K Dey, IAS

The Development Commissioner (Finance), Government of Arunachal Pradesh who belongs to Indian Administrative Service (1987 Batch).



Dr. R.K. Baisya

He is an eminent academician and Professor in the Department of Management Studies at Indian Institute of Technology (IIT), Delhi. He is also the Director, of Booker India Pvt. Ltd. (subsidiaries of Booker Group Plc., UK).



Dr. R.B. Barman

He is an eminent economist and banker of national repute and retired as the Executive Director of the Reserve Bank of India. Dr. Barman is well-known for his outstanding contribution in research & development in the field of banking.



directors' Report

The Directors of your Company have pleasure in presenting their Annual Report and Accounts for the year ended 31st March, 2010.

FINANCIAL REVIEWS

The financial results of the year are highlighted below:

Working Results	(Rs. Crore)	
	2008-09	2009-10
Financial Year	2008-09	2009-10
Gross Income	52.83	61.76
Expenditure	8.81	7.78
Provisioning	2.15	2.78
Profit Before Tax	41.87	51.20
Profit After Tax	29.68	33.25
Earnings Per Share (in Rs.)	2.97	3.32
Dividend	3.00	3.00
Interest income as percentage to average working funds (%)	8.43	9.56
Non-interest income as percentage to average working funds (%)	2.27	1.03
Operating profit as a percentage to average working funds (%)	8.48	8.79
Return on average assets (%)	5.78	5.44
Net profit per employee	0.38	0.37
Capital to Risk (Weighted) Assets Ratio (CRAR) (%)	70	61
Financial Position		
Authorised Capital	500.00	500.00
Paid up Capital	100.00	100.00
General Reserve	16.00	15.00
Net worth	308.08	340.46
Total Assets	608.12	731.09
Sanctions	266.89	333.41
Disbursements	184.09	208.08
Loan Outstanding	425.71	526.37
Recovery (%)	73.80	73.64

SURGING AHEAD

Over the past fifteen years, the Corporation has established itself as the premier development financial institution of the North-East and with its limited outreach and manpower has made significant progress and growth in a region with difficult topography and vast diversity. With cumulative loan sanctions of Rs. 1627.72 crore as

at the end of March 2010, the Corporation has surged ahead, gathering momentum year after year, and has made a significant contribution to the economy of the NE Region.

During the year, the Corporation has reached new heights in key parameters such as gross income, profits, sanctions, disbursements and outstanding. Steady and healthy growth in sanctions and disbursements in the past few years are translating into rising revenue and higher earnings. To view this growth in the right perspective, it is necessary to observe the sanctions and disbursements during the past five years along with cumulative performance as on 31st March, 2010:

(Rs. Crore)

Year	Sanctions	Disbursements
2005-06	131.31	104.31
2006-07	138.72	94.24
2007-08	279.45	116.44
2008-09	266.89	184.09
2009-10	331.41	208.08

(Rs. Crore)

Cumulative		
Year	As on 31.03.2009	As on 31.03.2010
Sanctions	1294.31	1627.72
Disbursements	792.37	1000.45
No. of Projects	1796	2007
Capital Investment Facilitated in NER	4576	6129
No. of Employment Generated	58445	60098

The operating efficiency of the Corporation has also been improving from year to year. For the year 2009-10, operating profit as a percentage to average working funds was 8.79% as compared to 8.48% in the previous year. Return on average assets was 5.44% in the year under review as compared to 5.78% in 2008-09. Net profit was Rs. 33.25 crore as against Rs. 29.68 crore in 2008-09, an improvement of 12% over the previous year. Capital Adequacy Ratio is 61% as against last year's 70%.

During the current financial year Rs 15 crore was transferred to General Reserve of the company, Rs 1 crore to Reserve for Market & Entrepreneurial Development, Rs 6.65 crore to Statutory Reserve under RBI Act, 1934 and Rs 7.26 crore to Special Reserve u/s 36(1) (viii) of I.T Act, 1961.

The Board of Directors of the Corporation has recommended a dividend of Rs. 0.30 per share for the financial year 2009-10. The payout ratio is 7.6% of the net profit and total outgo on account of dividend and tax thereon is Rs. 350.99 lakh.

REVIEW OF OPERATIONS

During the year under review-

- The Corporation had cumulative book size i.e., net portfolio of loans and other credit facilities aggregating Rs. 526.37 crore. This is 24% higher as compared to Rs. 425.71 crore as at 31st March, 2009. Credit exposure to five emerging sectors - contract finance, cement, iron & steel, power generation and micro finance - constituted around Rs. 270 crore which is 51.3% of the loan book.
- An amount of Rs. 333.41 crore was sanctioned to 211 new and viable projects and disbursement was 13% higher at 208.08 crore. More significantly, overdues were reduced, and the recoveries totalled Rs. 148.98 crore (an increase of over 24%).
- The recovery of loans at 74% was almost same with the year-end figure of 74% in the last fiscal.
- Out of the 38 sectors financed by the Corporation, the maximum recovery has been from the industries engaged in beverages, cement, ferro-alloy and industrial gases, all at 100%, followed by educational & training institute (99.36%), drug & pharmaceuticals (97.59%), power (97.23%), iron & steel (97.13%), jute based industries (96.24%), real estate industry (95.21%), equipment finance (94.95%) and contract finance (91.75%).
- Lowest recovery has been in sectors such as textiles & yarns (4.79%), agri & allied (23.45%), rubber based industries (25.98%), handloom & handicraft (28.56%), capital goods (31.27%), bamboo & wood based industries (33.93%), tea processing (34.52%), medical equipments & diagnostic (37.97%), petroleum products (38.18%) and paper & paper products (38.48%).
- Net NPAs to net loans & advances stood at 2.47% as at 31st March 2010 and gross NPA stood at 14.01%, much lower than 3.73% and 17.42% respectively as at 31st March, 2009.
- The reduction in gross NPA was facilitated by the Corporation's focus on cash recoveries through consistent recovery drives, settlements under OTS and early resolution of disputes through DRT.
- Recovery proceedings through Lok Adalats have proved to be an effective instrument for smaller loans of below Rs. 10 lakh. Further, the Corporation has made provision on NPAs of Rs. 278.28 lakh as mandated under the prudential norms of the Reserve Bank of India.

The Corporation has also taken due consideration of the genuine needs of the entrepreneurs for restructuring/ reschedulement of loans whenever necessary, to ensure continued viability of the assisted projects for maintenance of the growth momentum.

Micro Finance

The *Micro Finance Scheme*, an effective instrument for financial inclusion, was launched to meet the needs of smaller entrepreneurs in the interior areas of the Region. Through this Scheme, NEDFi supports Non Government Organisations (NGOs) for on-lending to their beneficiaries (preferably Self-Help Group or individuals) for taking up productive activities. During the financial year, loans sanctioned under the scheme aggregated Rs. 17.12 crore covering 28 projects and 24802 beneficiaries. Till the FY 2009-10, cumulative sanctions and disbursements were Rs. 67.84 crore and Rs. 55.60 crore respectively to 401 NGOs/MFIs/CBOs from 8 North Eastern States, to reach out to 108169 beneficiaries, of which 76% are women.

(Rs. Crore)

Micro Finance	2008-09	2009-10
Sanctions	15.10	17.12
Disbursements	12.29	16.96
No. of Projects	20	28
No. of SHGs/ JLGs Groups assisted	3147	3904
No. of beneficiaries	23638	24802
No. of women beneficiaries	21253	22370

Notable activities of the Corporation under Microfinance Scheme:

- 4 Workshops cum Training Programs on “Managing Micro Finance” were conducted in Tura and Shillong in Meghalaya, Dharmanagar in Tripura and Guwahati. Under these programmes, a total number of 71 participants from 39 NGOs were imparted training.
- Awareness seminars on micro finance were conducted in areas where people were unaware of micro finance and its significance. NEDFi conducted two such programmes, one in Gangtok and another in Tinsukia. The response was overwhelming with a total number of 76 participants from 44 organizations.
- An improvised module of the awareness seminars was developed where, in addition to theoretical discourse on micro credit, the participants were made to work together and interact by sharing their experiences and need for interventions. One such awareness generation seminar cum workshop was initiated in Gangtok in which 34 participants from 25 organizations attended.

Enabling environment

The present industrial climate is buoyant with supportive government policies and incentives. The Minister for DoNER has periodically reviewed the progress made in streamlining mandatory allocation/spending by Central Ministries in the North Eastern Region (NER). The Ministry’s initiative to promote tourism in the North East through several relaxations has led to the rapid development of tourism infrastructure. One of the main constraints for preparation of infrastructure development plans in the region is lack of adequate data. In this regard, the Ministry has taken up steps for computing district level infrastructure indices for the North Eastern States. The States have been requested to provide district-wise data on 16 broad indicators relating to infrastructure.

The Ministry is also making efforts to capitalize on the advantages offered by the strategic location of the North-East Region as a bridgehead to the countries of South and Southeast Asia for the Region’s own economic development as well as that of the rest of the country. It has also taken measures to finalize new guidelines for NLCPR, enhancing connectivity in the NER and translating NER Vision 2020 into reality.

After the announcement of North Eastern Industrial and Investment Promotion Policy (NEIIPP), 2007 which created an enabling climate for investments and the large allocations under the 11th Plan Period to the infrastructure and other sectors in the Region, the Corporation has tried to focus on the comparative advantage in each state. The Corporation has been continuing its efforts in promoting the NEIIPP’ 2007 by printing and circulating updated book on NEIIPP’ 2007 along with latest guidelines, conducting various consultative workshops to disseminate the benefits under it and keeping close liaison within the Industries Departments of the States. Since the inception of NEIIPP’ 2007 till March 2010, the DIPP has received enquiries based on IEM & LOI for 210 projects for the Region with an aggregate investment outlay of Rs. 22766 crore.

BUSINESS DEVELOPMENT INITIATIVES

To fulfill its mandate to promote entrepreneurship in a region where development of infrastructure and industrial growth within the region is uneven and the capacity for absorption of credit is at different stages of maturity in the states, the Corporation has initiated various business development programmes, promotional activities, research & development programmes and promotional and other socially relevant activities. Some of them are mentioned below:

- During the North East Business Summit held at Guwahati from 15th to 16th September, 2008, a delegation of Bhutan Chamber of Commerce & Industry (BCCI) interacted with the Officials of NEDFi and the linkage for mutual co-operation was conceived. As a follow up of that collaboration, during FY 2009-10 NEDFi facilitated the participation of entrepreneurs of NER in the following exhibitions organized by BCCI:
 - SAARC FAIR, Thimphu from 11th to 14th September, 2009.
 - Bhutan India Regional Friendship Trade Fair, Gelephu, Bhutan during 8th to 12th January, 2010.
- CMD, NEDFi gave a presentation on the possible linkage that can be developed between North East & Bhutan at a Seminar held during the SAARC Fair. This facilitated the identification of potential areas of partnership between Bhutan & North Eastern Region.
- To bolster the friendship and co-operation, NEDFi invited the Bhutanese Business Delegate as well as the Exhibitors to NER. With the financial assistance from the Ministry of DoNER, NEDFi facilitated the visit of 30 member delegations (19 Business delegates and 11 Exhibitors) led by Mr. Chen Chen Dorji, Vice President, BCCI from 22nd to 26th March, 2010.
- The Delegation attended a Seminar at Guwahati on 23rd March and another Seminar at Shillong on 24th March, 2010. Apart from the seminars, they met Hon'ble Minister of DoNER, Govt. of India and the Hon'ble Minister of Industries & Commerce, Govt. of Assam and held a series of meetings with various entrepreneurs. A wrap-up meeting was held on 26th March, 2010 with NEDFi to work out the priority areas and follow-up action plan, which will work as the guidelines for future initiatives of bilateral co-operation. It was observed that Tourism, Education and Health are the major sectors that can be immediately taken up for mutual business relationship. The Corporation is in the process of preparing a directory of the major educational institutes and health care facilities available in Shillong, Guwahati and in and around areas adjoining the border areas of Bhutan.
- Bhutan Trade Show was also organized at NEDFi Haat from 23rd to 25th March, 2010 where 8 units displayed their products including Bhutan Board Products Ltd, Bio Bhutan, Army Welfare Project, Bhutan Steel Pvt. Ltd., Bhutan agro Industries Ltd. etc.
- NEDFi, being the Co-Convener of the Financial

Services group formed to expedite the progress of the Region as envisaged in the 'NER Vision 2020' Document, has organized one day Workshop on "NER Vision 2020 - The Way Forward" at Aizawl (Mizoram) on 19th January, 2010 and planning to organize the same by September 2010 in the remaining states of NER. The basic objective of organizing this Workshop is to bring together all stakeholders, concerned institutions and organizations of the each State on a common platform to chalk out the workable strategies for all states for achieving the task outlined in the Vision Document.

TEDF STUDIES

The Corporation conducts various techno economic studies on the request of the Governments of the North Eastern States. Over the years NEDFi has completed 62 studies. Some of the important studies which have been completed during the year 2009-10 are:

1. Feasibility Study for setting up of Banana & Pineapple Fibre based units in Tripura.
2. Preparation of DPRs for assessment of Soil Erosion, its Nature and Extent and Suitable Control Measures for 7 districts of Assam viz. Dhemaji, Dibrugarh, Goalpara, Jorhat, Kamrup, Nalbari and Sonitpur.
3. Study on River Erosion Controlling by Use of Bio System in River Dikrong, Lakhimpur Dist.

Ongoing Studies:

1. Feasibility Study for involvement of the local community in the Kaziranga National Park
2. Feasibility Study on Mechanized Process of Manufacturing Muga Silk Fabric
3. Study and Action Plan on Post Bird Flu Scenario of Poultry Sector in Assam
4. Study to Assess and Evaluate the Impact of NEIIPP 2007- with support from the North Eastern Council.

NEDFi has also initiated a Study and action plan for Promoting Fruit and Vegetable Processing Industries in the State of Arunachal Pradesh on request from the Govt. of Arunachal Pradesh.

The Study and Action Plan prepared by NEDFi on the Assam Gas Cracker Project has been accepted by the Govt. of Assam and various steps including skill building of workforce, setting up of Plastic parks, planning for plastic machinery fair have been initiated. As a follow-up of the study NEDFi brought out a compendium of 27 project profiles which can guide first generation entrepreneurs for taking up of the project. These

project profiles dealing with downstream products of the gas cracker unit have generated a lot of interest among entrepreneurs in the plastic sector.

ALTERNATIVE LIVELIHOODS INITIATIVE

Initiative on a readily available resource: Banana Bark

To promote eco-friendly handicraft products, NEDFi took up a project to promote products made from Banana Bark. An Integrated Design and Skill Development Programme on producing handicraft items from Banana Bark was initiated at Kathalcherra in Dhalai District of Tripura from 1st to 16th August, 2009. 20 participants attended the programme and learned the techniques of processing banana bark and using it for making products like mats, gift boxes, bags, basket etc. The integrated course included techniques of using varieties of tools like metal frames, ratt machine, loom and crotchet. A five member team of Industree Crafts, Bangalore was engaged to provide the training to the artisans. The products were launched during the North East Handloom and Handicraft Fair 2009 held at NEDFi Haat from 20th to 27th August, 2009.

Capacity Building of Artisan: Water Hyacinth Craft

NEDFi started promotion of making handicraft products from water hyacinth in August 2008 in a small way. Over the period NEDFi experimented with different product techniques and have also helped in skill building capacity of over 130 artisans. During the period, unique **Open Workshops** were conducted at NEDFi Haat from 16th to 19th November, 2009 and 18th to 22nd January, 2010 to popularize the crafts among the masses and to create awareness about it among the common people. NEDFi has now taken-up a project for next three years with the financial assistance from North Eastern Council, Shillong to build capacity of 1000 artisans in Water Hyacinth Craft.

Initiative to improve income level of marginal and small farmers: One Village One Product (OVOP) model

The success of OVOP model in countries like Japan, Thailand, Malawi, etc. has encouraged NEDFi to take the initiative to reciprocate the model in Assam. NEDFi has carried out the experiment in the agrarian village of Arara with the help of its assisted NGO, Gramya Vikas Manch (GVM) for cultivation of lemon fruit. The NEDFi R&D Centre, Khetri has taken up capacity building programmes for the farmers to update them with the latest techniques for cultivation practices. The farmers have been grouped into a society "The Rangman Krishak Gosthi" which now proposes to set-up their own nursery for lemon saplings, so that they

can meet their own demand for expansion and also can supply to nearby villages.

Special Initiative: Empowering women through value addition to a natural skill

NEDFi has set up a Common Facility Centre (CFC) at Chatra Village, Nalbari for 30 Bodo women (formed into a society, 'Bagurumba Weaving Society') who were imparted training on design development in weaving through the Centre for practical livelihood training. *The community development approach was based on the following:*

- Enhancing capacity and need based skill for alternative sustainable livelihood
- Providing support to establish infrastructure for alternative source of livelihood
- Organizing women in a common platform to raise their voices, sharing experience and fulfill their dreams

NEDFi's support through the CFC includes 10 nos. of looms, Warping Drum, and other accessories including a working capital support of 3 months so that the project can run by itself. The CFC was inaugurated on 3rd November, 2009.

Focus on new areas: Designer Candle

With an aim to focus on new areas, the art of making Designer Candles was popularized among the Hill states of the North Eastern Region. The designer candles have great market potential in the Region especially during the festive seasons of Christmas, Diwali, Easter, etc. Capacity building programmes on Designer Candles were held at Aizawl (Mizoram), Shillong, Jowai and Tura (Meghalaya), Jorhat and Margherita (Assam), Khonsa and Itanagar (Arunachal Pradesh), Kohima and Dimapur (Nagaland), Imphal (Manipur). More than 200 artisans were trained during the programmes. Apart from publishing a Catalogue on Designer Candles and circulating among the artisans, NEDFi has also extended credit facilities to some of the artisans to establish their own unit.

Aggressive International Marketing Programme (AIMP)

Workshop on Export Procedure & Documentation:

In the year 2009-10, altogether 4 programmes were conducted in the states of Mizoram, Nagaland, Arunachal Pradesh and Manipur where 163 participants attended the programmes. During the one-day event, the entrepreneurs were imparted knowledge on the various issues related to export oriented documentations.

Providing Marketing Linkages

During the year 2009-10, twenty six fairs were organized at the NEDFi Haat at Ambari and facilitated sale of products worth Rs. 2.50 crore. NEDFi Haat mostly provides support to the unorganised sector of the industry. Artisans from the rural areas are provided with a platform to market their traditional and indigenous products during the various fairs organized at the NEDFi Haat.

NEDFi Haat celebrated the organizing of the 200th Fair on 19th December, 2009 with the inauguration of Gramya Mela co-organised by DRDA Morigaon and DRDA Udalguri.

NEDFi participated in the India International Trade Fair (IITF) 2009 organized at Pragati Maidan, New Delhi from 14th to 27th November, 2009. All together 36 units from the eight North Eastern States participated in the event. Sale of Rs. 65 lakh was recorded from the NEDFi Pavilion apart from other business tie-ups and linkages. This annual affair has become a much awaited marketing event among the unorganized sectors who want to promote the rural products at a national level.

NEDFi have been providing assistance to the artisans of Handloom and Handicraft Industry in the Region in terms of design and sourcing markets for the products. Accordingly, selected entrepreneurs from the region are given a chance to participate in Indian Handicraft and Gift Fair (IHGF) held at India Expo Mart, Greater Noida twice a year. More than 5000 buyers representing various buying houses of national and international repute visited the fair. 24 entrepreneurs from the Region participated in the 28th IHGF-Autum 2009 held from 10th to 13th October, 2009 and made a business of around Rs. 60 lakh. Products made from Water Hyacinth and Banana Bark was introduced for the 1st time during the fair and received a great response. During the 29th edition of IHGF-Spring 2010 held from 20th to 23rd February, 2010 NEDFi participated with 24 entrepreneurs from the region and generated a business of about Rs. 1.50 crore.

The SAARC FAIR was held at Thimphu, Bhutan from 11th to 14th September, 2009 and NEDFi facilitated participation of 7 units.

NEDFi also facilitated 12 units from the North East to participate in Bhutan India Regional Friendship Trade Fair which was held at Gelephu, Bhutan during 8th to 12th January, 2010

Skill Upgradation

Skill Development Programme: A total of 4 programmes were conducted during the year in the states of Tripura, Assam, Meghalaya and Mizoram.

Entrepreneurs from all the 8 North Eastern States participated in these programmes.

Specific Product Design Programme: A total of 18 specific product design programmes were also organized during the year. Product and design upgradation training for Banana Bark, Water Hyacinth, Kauna Craft and Candles were organized under this project.

Entrepreneurs selected from the programmes are facilitated by providing marketing linkage through participation in the Indian Handicraft and Gift Fair held twice a year at the Indian Exposition Mart at Greater Noida.

During the year, NEDFi organized 17 Awareness Programmes on System of Rice Intensification (SRI) at various locations of the Region. NEDFi also organized exposure visits of the farmers. More than 1000 farmers were imparted training on the important features of SRI.

CENTRE FOR PRACTICAL LIVELIHOOD TRAINING

Centre for Practical Livelihood Training (CPLT) Nalbari (Assam), a RUDSETI type institute, which was set up by the Corporation to directly help rural unemployed youth to get trained, to avail bank finance and eventually become self-employed, conducted twelve training programmes during the year in trades like welding, LMV driving, steel fabrication, plumbing, two wheeler repairing, motor mechanic and beautician programme, where 221 rural youth were trained. Till date, CPLT has conducted 19 training programmes where 357 rural youth were imparted training. The institute has tied-up with local NGOs to facilitate the forward and backward linkages.

R & D CENTRE ACTIVITIES

The centre is running 3 research projects sponsored by the Dept. of Bio-Technology (DBT), Dept. of Science & Technology (DST) and **National Medicinal Plants Board (NMPB)**, viz.

- (i) Multi-location field trial of high yielding cultivar of Patchouli in N.E. India,
- (ii) Replication of bio-fuel plants developed at JJS Academy of Technical Education, Bangalore and
- (iii) Network project on RET medicinal plants conservation and sustainable utilization in South and N.E. India.

The centre is also a partner for National Agricultural Innovative project (NAIP), under ICAR, operated by Assam Agricultural University for micro-financing the beneficiaries of the scheme.

Training

During the period under report the NEDFi R & D Centre undertook 44 training programmes both on-campus and off-campus for officers of the government departments, entrepreneurs, farmers and NGOs. The centre has organized two National seminars, two EDP programmes, one buyers seller meet and took part in 10 numbers of exhibitions in and outside the state.

Research activities

Research activities of the centre have been concentrated on agro- technologies, comparative productivity trails of medicinal and aromatic plants, studies on systematic development of agro-technology, intercropping trials, studies on organic manures on yield performance of MAPs, etc.

Extension activities

More than 5 lakh seedlings of MAPs were supplied to the farmers, besides offering technical guidance to the entrepreneurs, farmers and other stakeholders. Field visits and advisory systems were also carried out side by side as extension activities.

R & D publications

- Hand Book on Medicinal & aromatic plants (Package of practices)
- Investment opportunities in Medicinal & Aromatic Plant species
- Medicinal plants of North East India (Ed.)
- Promotion of selected RET Medicinal Plants for Ex-situ conservation in field Gene Bank
- Leaflets on Jatropha and Patchouli cultivation.

Activities to be undertaken

- Setting up of Bio-control laboratory for commercial production of bio- fungicides and pesticides.
- A pilot scale Fractional column for isolation of derivatives of essential oils.
- Trial and demonstration of high demand temperate MAP like Chirata, Kutki, Costus, Jatamansi, Paris and Daruhaldu and subtropical crop -sukchini/ dupchini.
- Screening of elite variety of Pongamia from wild source.

Main activities of R & D centre, Nagichera, Agartala, Tripura

1. Herbal Health camp was conducted at R&D Centre by the Doctor's of AYUSH department on 4th, 9th,

18th October & 1st November, 2009 for creating awareness on MAP.

2. Two days Training Programme on Cultivation of Patchouli & other Aromatic crops was organized at R&D Centre on 7-8 November. 32 numbers of farmers attended the training programme, which was inaugurated by the Director of Horticulture, Govt. of Tripura.
3. R&D Centre was invited as resource centre for a Workshop on Tribal medicines and its practices organized by the Tribal Welfare Department.
4. The Project-in-charge visited the South Tripura District on 14th December along with Deputy Member Secretary of Dept. of Biotechnology for the proposed project on "Nutritional & Medicinal crops in Rural Tripura" for selection of site and beneficiaries.
5. R&D Centre participated in Five days State Level Science Fair organized by Govt. of Tripura from 26th to 30th December, 2009 at Agartala.
6. R&D Centre was attended the ATMA fair organized by the Dept. of Agriculture, Govt. of Tripura at Khowai Subdivision of West Tripura, where the activities of the centre was displayed for common people.

CORPORATE SOCIAL RESPONSIBILITY

NEDFi's mission to create an enabling climate for community development and its commitment for socio economic development in the region is reflected in its CSR activities. The social support fund created under CSR has been rendering yeoman service in areas which need focus and up-liftment, earning goodwill and establishing the essence of good corporate governance. During the year under review, a few initiatives under CSR are listed below:

The Corporate has made contributions to the following institutions

- Pratishruti Foundation to promote the traditional art of Satriya Dance in the United Kingdom.
- Rotary Club, Guwahati West, for training of its members for Community development.
- Don Bosco Past Pupil Association to organize Assam Ranking Table Tennis Championship among the youth of Assam.
- Indian Council for Child Welfare for welfare of orphanage and street children on children's day
- Tezpur University for promoting the Shakardeva Lecture

- Vaani - Deaf Children Foundation
- Assistance for AAROHAN - NEDFi provided Financial support of Rs. 2 lakh to Dr Bhabendra Nath Saikia Children Welfare Trust which is exclusively engaged for giving quality learning to the children in the filed of co-curricular activities, through free training in drawing and painting, dance, drama, tabla and computer to children belonging to below poverty line families.

CSR activities organized during NEDFi's Incorporation Month of August at Head office and at Branches

- Head Office: Free Pediatric check up for orphanage Sishu Griha and Kalyani Shelter Home for Girl Child, eye check up for old age home "Amar Ghar" and free magic show and lunch for Jalukbari Sishu Kalyan Sadan (Orphanage).
- Shillong Branch: Assistance for furniture for Mentally Challenged and Cerebral Palsy school Students.
- Gangtok Branch: Donation of old computers and purchase of books, dictionaries, maps etc.
- Agartala Branch: Donation of gas stove and two ceiling fans to orphanages.
- Aizawl Branch: Organized one day entrepreneurship training with Mizoram Entrepreneur Network.
- Tinsukia Branch: Donated 10 nos. of steel bed with mattress, bed sheet, pillow & cover for blind girl child in blind school, Moran.

NODAL AGENCY ROLE

The Central Government in the Budget of 1998-99 appointed NEDFi as the nodal agency for disbursement of **Central Government subsidies** under its Industrial Policies for the North Eastern Region. Cumulative disbursement of the subsidies as on 31st March, 2010 stood at Rs.1429.70 crore.

(Amount in Rs. Crore) (As on March 31, 2010)

Subsidy	No. of Claims	Amount disbursed
Central Transport Subsidy (CTS)	7086	1209.49
Central Investment Subsidy (CCIS)	1040	125.03
Central Interest Subsidy (CIS)	1169	89.06
Central Comprehensive Insurance Subsidy	463	6.12
Total	9758	1429.70

ISO 9001:2008 CERTIFICATION TO NEDFi

NEDFi has obtained ISO 9001:2008 Certification for its operations and services with effect from 2nd April, 2009 by Det Norske Veritas AS (DNV), Netherlands.

The Corporation's Quality Policy says:

"We are committed to enhance customer satisfaction by providing timely and effective financial solutions including promotional, developmental and support services to entrepreneurs by continuously improving the effectiveness of the Quality Management System and employee development."

Earlier NEDFi was certified as ISO 9001:2000 for its Project Finance, HRD & Admin and Finance & Accounts Dept. only. Now, NEDFi has extended its scope for ISO Certification to include Micro Finance Dept. and R&D Centre, Khetri besides Project Finance, HRD & Admin and Finance & Accounts Dept. With the implementation of the new standards of ISO 9001:2008, NEDFi expects to further improve the satisfaction levels of its customers.

CONSULTANCY AND ADVISORY SERVICES

Fee-based services form a significant proportion of the business income of a present-day Financial Institution. The plan is to make stable non-interest income to form a major part of NEDFi's operating income. The demand for fee-based services like Consultancy & Advisory is growing especially from the Central & State Governments who are increasingly looking to set up projects in the Public Private Partnership (PPP) model. Corporate Advisory services such as loan syndication, evaluation of joint ventures, debt restructuring etc. can assume importance in the North East, provided the level of industrialization goes up significantly. Central and State Governments are also looking at Third Party Monitoring for their infrastructure projects like roads & bridges.

In view of the above, NEDFi has started a Consultancy and Advisory Division which has been awarded several prestigious assignments. **Assignments which have been completed successfully so far are:**

1. NCEUS (National Commission for Enterprises in the Unorganised Sector) - completed two studies for Meghalaya and Manipur;
2. "Asset Valuation of GMC" - jointly with SREI;
3. DPR for NECTAR with Construction Industry Development Council;
4. Cashew Processing Unit at Mankachar - Consultancy

- Project for NERAMAC;
5. Ginger Processing Unit at Byrniehat - Consultancy Project for NERAMAC;
 6. Structuring of proposal to takeover Modern Food Industries unit at Silchar - Consultancy Project for NERAMAC;
 7. Bid process management for a Solid Waste Management Project for Guwahati Municipal Corporation;
 8. Rural Development Plan of Assam for UNICEF & Govt. of Assam;
 9. Status of Self Help Groups in Assam for UNICEF & Govt. of Assam.

Some of the on-going assignments are

“Financial Restructuring of Guwahati Municipal Corporation” - jointly with SREI;

“Pre Investment Feasibility Report for developing three tourism properties” for Govt. of Meghalaya;

IT Park at Guwahati in association with SREI;

Third Party Monitoring of infrastructure projects for Govt. of Arunachal Pradesh.

More projects are expected from other States and NEC. NEDFi is empanelled with Asian Development bank for providing consultancy services and has bid for two ADB assisted projects in Shillong and Agartala. NEDFi expects many more consultancy assignments to be awarded to it in the near future as it gains experience and starts qualifying to bid for projects on its own.

HRD INITIATIVES

People in an organisation are its greatest asset. For long term growth and stability of the Corporation, NEDFi recognizes the need to periodically review and refine its HR Policy, and attune it to current requirements. It tries to build capacities and strengthen its organizational structure to handle the administrative and regulatory demands of the changing and competitive environment. On the basis of on-going manpower planning exercise, the under-mentioned recruitment programmes have been initiated during the year:

- As part of the recruitment plan, 8 Management Trainees were recruited from various NE universities.
- CORD - M, the Hyderabad based Consultancy Firm that was hired to develop a complete HR Policy for NEDFi including R & D Centre at Khetri submitted their report and the organization is in the process of implementing the changes and adopting various

new systems recommended in the report.

- Promotion Scheme for Service Staff framed and their service conditions and leave rules applicable to them were reviewed and a better package was worked out for them.
- The last pay revision in NEDFi came into effect from 2006 and as such the next pay revision is likely to be due in 2011. Accordingly work related to pay revision has been initiated.
- Training need of the officers have been identified and based on it the training plan has been prepared.
- Industrial Dearness Allowance (IDA) was introduced and is being paid to regular employees on the Basic Pay w.e.f. 1st April 2010.

As on 31st March, 2010, the Corporation had 87 staff members on its roll. Employees from all the North Eastern states make NEDFi a mini North East where the people from remotest corner of the Region feel at home.

In order to improve the capability of the organisation in the face of its specialized developmental role and competitive business atmosphere, and to keep its employees abreast of the latest developments, the staff at all levels are sent for training programs, conferences, seminars and workshops conducted at various centers in the country covering all related fields of activity. It is to be noted that 27 employees were nominated for 17 numbers of training programmes, workshops, seminars & conferences conducted in reputed institutions like IIMs, EDI, ASCI, NPC, etc. The team at NEDFi forms a cohesive group and has made remarkable efforts to carry the organization to high levels of performance. They remain the core strength of the Corporation.

Shri K.N. Hazarika Chairman & Managing Director of the Corporation received during the year remuneration in excess of limit prescribed under Section 217 (2A) of the Companies Act, 1956.

NEDFi's permanent office

NEDFi has shifted to its permanent office building, 'NEDFi House', located at G.S.Road, Dispur, Guwahati and has started its operations from the new building w.e.f. 26th July 2010. The new premises not only provides office space to meet NEDFi's own growing needs, but also provides a centre for hosting industry and commerce related activities such as exhibitions, trade shows, seminars and conferences, as well as state-of-art office space for corporate and industrial houses.

New Thrust Areas

Capital Augmentation: In our priorities list, the capital augmentation of the Corporation occupies the top most priority. After the announcement of North Eastern Industrial and Investment Promotion Policy (NEIIPP), 2007, and the large allocations under the 11th Plan Period to the infrastructure and other sectors in the Region, the Corporation needs to augment its resource base substantially by tapping market resources to make the most of these opportunities. The Corporation is exploring various avenues for raising its resources.

Network expansion and branch strengthening is our another priority areas. We have increased our geographical coverage considerably by opening eight new branches/ Representative Offices in Assam, Tripura and Meghalaya, during last two years. We are focusing further expansion of our network and on strengthening our Branches further and empowering them to reduce turn around time in decision making by rationalizing processes and procedures.

Business Networking: We believe that the national and international linkages to the Region will provide the necessary impetus in harnessing its untapped potential. In this connection, at national level, a series of business investment meets at various cities in the country is planned, starting with Ahmedabad, to create awareness about the Region's inherent investment potential. Like previous years, we also plan to create linkages with our neighbouring countries to promote the North East and its potential across the border to encourage private and foreign investment, technology transfer, etc.

Food Processing Sector: NEDFi has identified the food processing sector (which is presently facing the twin constraints of inadequate credit flow and lack of awareness among entrepreneurs) as a thrust area for economic development of this agro-horticultural rich region. It has organized business facilitation programmes in all the States for creating awareness about the food processing industry as a viable economic activity and is eager to extend financial support to entrepreneurs for setting up new food processing units.

Rehabilitation of Sick Units: In its attempt to revive potential business ventures, the corporation has also taken the initiative to implement the principles applicable for rehabilitation of sick units. It is a very important measure for securing up-gradation and recovery of an impaired asset without calling up the loan specially in cases where -

a) the loan has become an NPA due to factors

other than lack of integrity of promoter and deliberate default

b) there is prima facie scope of restoring the viability of the business to generate adequate surplus for repayment of the unit's dues to banks/FI.

Initiative under "Vision 2020": NEDFi has taken the initiative as the co-convenor of the Thematic Group on Financial Services to organise the consultative workshops on the same in all the North Eastern states. The challenges are enormous as the vision document envisages the execution of a six pronged strategy for fulfillment of the vision; inclusive governance, creation of development opportunities, developing sectors with comparative advantage, capacity development of people and institutions, creating a hospitable investment climate and ensuring public and private investment. Therefore to achieve these objectives, the corporation has made a humble effort to bring together all the stake holders, to make the goals under the vision more focused and actionable and to supplement the state government's efforts towards achieving the vision for the people of each state.

IT Road Map: The Corporation is in the process on preparing IT Road Map with the help of a reputed consultant, Price Waterhouse and Coopers (PwC) based on its future requirements. NEDFi is working on to make the existing MIS more efficient and at the same time also exploring the possibility of installing new and more suitable MIS for the Corporation.

Board of Directors

NEDFi's Board has 11 (eleven) Directors of which all except one are Non-Executive Director. In the last Annual General Meeting held on 15th September 2009. Sri U.K. Sangma and Dr. D.N. Borthakur retired as Director by rotation and were re-appointed at the same meeting. In the same meeting Sarbasri P.K. Biswas, A.K. Deb and Surender Kumar were appointed. Sri A.K. Deb and Sri K.N. Hazarika relinquished their office as Director and Chairman & Managing Director with effect from 26th June 2010 and 1st July 2010 respectively.

Dr. R.B. Barman, Former Executive Director, Reserve Bank of India, has been appointed as Director of the Company with effect from 28th March 2010 and will hold office up to the date of ensuing Annual General Meeting of the Company. In the meantime, the Company has received a notice from IDBI Bank Ltd. (member) signifying its intention to propose the candidature of Dr. R.B. Barman for the office of Director. Necessary resolution in this regard has been incorporated in the notice for the Fifteenth Annual

General Meeting.

Dr. R.K. Baisya, Department of Management Studies, IIT Delhi, has been appointed as Director of the Company with effect from 28th March 2010 and will hold office up to the date of ensuing Annual General Meeting of the Company. In the meantime, the Company has received a notice from IDBI Bank Ltd. (member) signifying its intention to propose the candidature of Dr. R.K. Baisya for the office of Director. Necessary resolution in this regard has been incorporated in the notice for the Fifteenth Annual General Meeting.

Sri R.K. Garg, Chief General Manager, State Bank of India, Local Head Office, NE Circle, Guwahati has been appointed as Director of the Company with effect from 26th June 2010 and will hold office up to the date of ensuing Annual General Meeting of the Company. In the meantime, the Company received a notice from SBI (member) signifying its intention to propose the candidature of Sri R.K. Garg for the office of Director. Necessary resolution in this regard has been incorporated in the notice for the Twelfth Annual General Meeting.

Sri B.P. Muktieh was appointed as Chairman and Managing Director of the Company with effect from 1st July 2010 subject to approval of shareholders in General Meeting. Necessary resolution in this regard has been incorporated in the notice for Fifteenth Annual General Meeting.

As per provisions of Section 256 of the Companies Act, 1956, Sarbasri Lalthara, IAS, and V.K. Dev, IAS, will retire by rotation at the ensuing Annual General Meeting.

Audit Committee

An Audit Committee comprising of non-executive Directors of the Company provides direction to the audit and risk management function of the Corporation. The responsibilities of the Audit Committee comprises, among others, overseeing the Company's financial reporting process to ensure proper disclosure of financial statements, reviewing financial statements before submission to the Board, reviewing adequacy and compliance of internal control systems, reviewing findings of the internal investigation and discussions with external auditors. Four Audit Committee Meetings were held during the year.

Directors' Committee

The sanction and approval of loan proposals in excess of specific limits are vested with Directors' Committee. All the credit proposals having loan component above Rs. 2 crore are placed before the Directors' Committee for approval. During the year

under review, six Directors' Committee Meetings were held.

Corporate Credit Committee

In conformity with the principle of delegation of financial and administrative powers, the Corporate Credit Committee (I) and Corporate Credit Committee (II) have been constituted for speedy disposal of proposals. Credit Proposals having loan component upto (i) Rs.2 crore and (ii) Rs.25 Lakh are placed before Corporate Credit Committee (I) and Corporate Credit Committee (II) respectively. Eight Corporate Credit Committee (I) meetings and eleven Corporate Credit Committee (II) meetings were held during the year.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations furnished to them, your Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956.

- a. That in the preparation of the Balance Sheet and Profit & Loss Account for the year ended 31st March, 2010, the applicable Accounting Standards issued by the Institute of Chartered Accountants of India have been followed;
- b. That appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable have been made so as to give a true and fair view of the state of affairs and of the profit of the Company as at the end of the financial year;
- c. That proper and sufficient care has been taken for the maintenance of accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. To ensure this, the Company has established internal control systems, consistent with its size and nature of operations, subject to the inherent limitations that should be recognized in weighing the assurance provided by any such system of internal controls. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance of these systems;
- d. That the annual accounts for the year ended 31st March, 2010 have been prepared on a going concern basis.

Auditors

On the advice of the Comptroller and Auditor General of India, Messrs O. P. Bhansali & Co., Chartered Accountants, Guwahati, were appointed by the Department of Companies Affairs, Ministry of Law, Justice and Company Affairs, GOI as Auditors for the year 2009-2010 under Section 619(2) of the Companies Act, 1956. They hold office till the end of the ensuing Annual General Meeting.

Conservation of energy, technology absorption, foreign exchange income and outgo

Being a financial institution, energy consumption at NEDFi is negligible. The organization, meanwhile, has been in the process of adopting the latest information technology to provide the best facilities to its customers. There has been no foreign exchange income and outgo during the year.

Guwahati

Appreciation

NEDFi is grateful to its promoters, IDBI, SBI, SIDBI, IFCI, ICICI, Administrator of specified undertaking of Unit Trust of India, LIC, GIC and its subsidiaries for the support and encouragement extended by them since its inception. The Corporation is also indebted to the office of His Excellency the President of India, Prime Minister's Office, Ministry of Development of North Eastern Region, Government of India, the Banking Division, Department of Economic Affairs, Ministry of Finance, Ministries of Industry, Commerce, Ministry of MSME, and other departments of Central Government, the State Governments and all India institutions, Reserve Bank of India, commercial banks etc. for the magnanimous support it has received from all of them. NEDFi has considerably benefited from their support, cooperation and guidance for its sustainable economic growth.

By order of the Board



(B P Muktieh)

Chairman and Managing Director

auditors' Report

The Members of the Company,


**North Eastern Development Finance Corporation Limited,
Guwahati**

1. We have audited the attached Balance Sheet of **NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED, GUWAHATI** as at 31st March, 2010, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order, 2003, issued by the Central Govt. of India in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable to the company.
4. Further to our comments in the Annexure referred to in paragraph 3 above we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion , proper books of account as

required by law have been kept by the company so far as appears from our examination of the books.

- c) the Balance Sheet , Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) in our opinion & according to the information and explanations given to us and subject to significant accounting policies disclosed in the notes on accounts, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956;
- e) according to the information and explanations given to us and on the basis of written representations received from the directors and taken on record by the Board of directors, none of the directors is disqualified as on 31st March, 2010 from being appointed as director in terms of section 274(1) (g) of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the accounting policies and notes appearing in the schedule annexed thereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) in the case of the Balance Sheet , of the state of affairs of the company as at 31st March, 2010;
 - ii) in the case of the Profit & Loss Account, of the PROFIT of the company for the year ended on that date.
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date

For **O.P. BHANSALI & CO.**
Chartered Accountants


(O.P. BHANSALI)
Partner
M. No. 51532
FRN. 314051E

GUWAHATI
28th June 2010

Annexure to Audit Report

(Referred To In Paragraph 3 of Our Report of Even Date)

1. In respect of its fixed assets:

- a) The Company has maintained proper record showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us the fixed assets of the Company have been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the company and nature of its assets. According to the information and explanations given to us by the management, no material discrepancies were noticed on such physical verification.
- c) In our opinion the company has not disposed off substantial part of fixed assets during the year and the going concern status of the company is not affected.

2. Since the company does not carry any inventory, clause 4(ii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company

3. a) The company have not granted or taken loan to/ from Companies, firms or other parties covered in the register maintained under Sec. 301 of the Companies Act 1956.
- b) The company has given loans to other parties in the normal course of business of lending.
- c) The company has taken a loan of Rs.60.00 crore from Government of India during the year which is interest free and its terms & conditions are not prima facie prejudicial to the interest of the company and repayments of loans taken has not fallen due yet.

4. a) In our opinion and according to the explanations and information given to us, there are reasonable internal control system commensurate with the size of the company and the nature of its business with regard to the purchase of fixed assets and with regard to the sale of services.

5. In respect of transactions covered under Sec. 301 of the Companies Act 1956:

According to the information & explanations given to us there are no contracts or arrangements particulars of which need to be entered into the register maintained under Sec.301 of the Companies Act 1956. Consequently the requirement of clause (V)(b) of paragraph 4 of the order is not applicable.

6. The company has not accepted any deposit from the public.

7. The Company has an internal audit system which broadly commensurate with the size of the company and the nature of its business. However no system information audit was conducted during the year.

8. As informed to us the Central Government has not prescribed maintenance of Cost record U/s 209 (i) (d) of the Companies Act 1956.

9. In respect of statutory dues:

- a) as per the information and explanation given to us by the management and according to the record of the company, undisputed statutory dues including Provident Fund, Investors education and protection fund, employees state insurance, Income Tax, Sale tax, Wealth Tax, service tax, Custom Duty and excise duty, cess, and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the explanations and information given to us no undisputed amount payable in respect of aforesaid dues were outstanding, as at :: 31-03-2010 for a period of more than 6 months from the date they become payable.

- b) According to the record of the Company and as per the information and explanation given to us , no disputed amount payable in respect of the dues of Sale Tax / Custom duty / Wealth Tax / Service Tax / Excise Duty / Cess were outstanding as at 31.03.2010, except a sum of Rs. 10,503,099/- in respect of Income Tax for the Financial Year 2007 – 08 under the Income Tax Act, 1961 against which an appeal is pending before the Commissioner of Income Tax (Appeals), Guwahati.

10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.


11. Based on our audit procedures and according to the information and explanation given to us the Company has no dues to financial institutions, banks or debenture holders.

12. According to the information and explanation given to us no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. According to the information and explanation given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
14. According to the information and explanation given to us, the company does not deal or trade in shares, debentures, Securities & Other investments .The share, debentures and other investments have been held by the company under investment portfolio and are in its own name.
15. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The company has raised interest free term loan from Central Government. The term loan has been applied for the purpose of which it was raised. Pending utilizations the funds were temporarily invested in short term investments and placed as fixed deposits with banks. The term loans outstanding at the beginning of the year and those raised during the year were applied for the purpose for which they were raised.
17. According to the information & explanation given to us and on an overall examination of the Balance Sheet of the company, we report that there are no funds raised on short term basis that have been used for long term investment.
18. According to the information & explanations given to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. As informed to us, the company has not raised any debentures.
20. As informed to us, the company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the year.

GUWAHATI
28th June 2010

For **O.P. BHANSALI & CO.**
Chartered Accountants


(O.P. BHANSALI)
Partner
M. No. 51532

Comments of the Comptroller and Auditor General of India under section 619 (4) of the Companies Act, 1956 on the Accounts of North Eastern Development Finance Corporation Limited, Guwahati for the year ended 31 March 2010.

The preparation of financial statements of North Eastern Development Finance Corporation Limited, Guwahati for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, The Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 28 June 2010.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of North Eastern Development Finance Corporation Limited, Guwahati for the year ended 31 March 2010. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619 (4) of the Companies Act, 1956.

For and on behalf of the
Comptroller & Auditor General of India

Place : Kolkata
Date : 29 July 2010

N. Munshi

(Nandana Munshi)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-I, Kolkata

BALANCE SHEET AS AT 31st MARCH 2010

Sch.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SOURCES OF FUND		
Shareholders' Fund		
a) Share Capital	A 1,000,000,070	1,000,000,070
b) Reserve & Surplus	B 2,404,600,107	2,080,833,778
c) Techno Economic Development Fund	C 266,878,495	3,342,960,565
	3,671,478,672	262,126,717
Loan Funds		
Interest Free Unsecured Loan from Govt. of India	2,891,100,000	2,291,100,000
Deferred Tax Liability	39,661,062	15,084,864
TOTAL	6,602,239,734	5,649,145,429
APPLICATION OF FUND		
Fixed Assets		
a) Gross Block	D 69,312,877	64,723,501
b) Less : Depreciation	36,533,382	33,572,992
c) Net Block	32,779,495	31,150,509
d) Capital Work in Progress	232,961,615	123,980,020
	265,741,110	155,130,529
Investment	E 414,995,907	479,032,405
Loans and Other Credit Facilities	F 4,640,871,508	3,651,900,830
Current Assets, Loans & Advances		
a) Cash and Bank Balances	G 1,631,027,434	1,446,851,822
b) Other Current Assets	138,905,914	131,696,323
c) Loans & Advances	220,388,837	216,565,447
TOTAL	1,990,322,185	1,795,113,592
Less : Current Liabilities and Provisions		
a) Liabilities	H 474,187,015	248,156,249
b) Provisions	235,503,961	183,875,678
	709,690,976	432,031,927
NET CURRENT ASSETS	1,280,631,209	1,363,081,665
TOTAL	6,602,239,734	5,649,145,429
Significant Accounting policies and notes to the Accounts	K 0	
Schedules annexed hereto form part of the Accounts.		

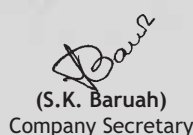
For and on behalf of the Board of Directors



(K.N. Hazarika)
Chairman cum Managing Director

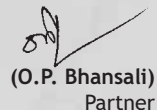


(D.N. Barthakur)
Director



(S.K. Baruah)
Company Secretary

In terms of our Audit Report of even date
For O.P. Bhansali & Co
Chartered Accountants



(O.P. Bhansali)
Partner

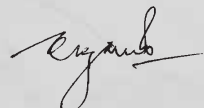
Guwahati
the 28th day of June, 2010

M. No, 51532
FRN. 314051E

Profit & Loss Account For The Year Ended 31st March 2010

	Sch No.	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
INCOME			
Income from sale of Investment (Other than Trade Investments)		32,797,639	96,826,589
Interest on loans		440,607,564	299,488,917
Interest on Fixed Deposits and Bonds		117,070,537	116,652,042
Upfront Fees		14,051,814	10,316,130
Rental Income		2,144,016	1,971,554
Miscellaneous Receipts		9,920,931	1,976,907
Consultancy charges received		407,978	756,498
Dividend		600,000	300,000
	TOTAL	617,600,479	528,288,637
EXPENDITURE			
Establishment expenses	I	42,351,489	39,756,292
Administrative expenses	J	28,529,782	24,074,543
Depreciation		2,960,388	2,859,072
Loans written off		2,794,040	20,871,027
Consultancy charges paid		393,189	492,996
Provision on Loans, credit facilities and Advances & Investments		27,827,689	1,495,640
Floating Provision		0	20,000,000
	TOTAL	104,856,577	109,549,570
PROFIT BEFORE TAXATION		512,743,902	418,739,067
Prior Period Adjustment		744,626	244,683
Fringe Benefit Tax of Earlier Year		(72,730)	3,020
Income Tax of Earlier Year		3,320,436	807,304
Provision for Taxation :			
Deferred Tax Liability		24,576,198	13,987,861
Provision for Income Tax		151,681,838	105,900,996
Provision for Fringe Benefit Tax		0	1,014,218
PROFIT AFTER TAXATION		332,493,534	296,780,985
Balance brought from previous year		4,513,564	6,050,425
Profit available for Appropriations		337,007,098	302,831,410
Appropriations			
General Reserve		150,000,000	160,000,000
Statutory Reserve under RBI Act, 1934		66,498,707	59,356,197
Special Reserve U/s 36 (1)(viii) of the Income Tax Act, 1961		72,578,473	43,863,148
Proposed Dividend		30,000,000	30,000,000
Additional Tax On Dividend		4,982,625	5,098,500
Reserve for Market & Entrepreneurial Development		10,000,000	0
Social Support Fund		0	0
Balance Carried Forward		2,947,294	4,513,564
Significant Accounting policies and notes to the Accounts Schedules annexed hereto form part of the Accounts.	K		

For and on behalf of the Board of Directors



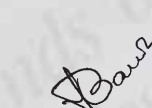
(K.N. Hazarika)
Chairman cum Managing Director

Guwahati
the 28th day of June, 2010

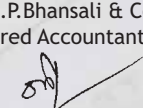


(D.N. Barthakur)
Director

In terms of our Audit Report of even date
For O.P. Bhansali & Co
Chartered Accountants



(S.K. Baruah)
Company Secretary



(O.P. Bhansali)
Partner

M. No. 51532
FRN. 314051E

Cash Flow Statement for the year ended 31.03.2010

	As at 31.03.2010 (Rs. in .000)	As at 31.03.2009 (Rs. in .000)
Cash flows from Operating activities		
Net profit before income tax	511,999	418,494
Adjustment for:		
Depreciation charge for the year	2,960	2,859
Loans written off	2,794	20,871
Provision for unrealised rent	244	244
Loan loss provisions	27,584	21,496
Dividend received	(600)	(300)
Provision for Gratuity and Leave Encashment	(532)	5,149
Net income/(expenditure) of Social Support Fund	793	(437)
Operating profit before working capital changes	545,243	468,376
Adjustments for:		
(Increase) / Decrease in Advances	(1,009,630)	(978,215)
(Increase) / Decrease in Other Current Assets & Advances	(26,906)	(42,953)
Increase / (Decrease) in Other liabilities and Provisions	20,620	(1,320)
Cash Flow from operations	(470,673)	(554,112)
Direct Taxes paid (net of refund received)	(94,290)	(126,938)
Net cash flow / (used in) from operating activities	(564,963)	(681,050)
Cash flows from Investing activities		
(Increase) / Decrease in Investment	264,263	180,737
Increase in Capital Work in Progress	(88,421)	(28,440)
Purchase of fixed assets	(4,589)	(1,643)
Dividend Received	600	300
Net cash flow / (used in) from Investing activities	171,852	150,954
Cash flows from Financing activities		
Dividend and Dividend Tax paid	(35,099)	(35,099)
Increase / (Decrease) in Borrowings	600,000	600,000
Net cash flow / (used in) from financing activities	564,902	564,902
Net increase in cash and cash equivalents from Operating, Investing and Financing Activities	171,791	34,806
Cash flows from Nodal Agency and Implementing Agency Activities		
Net Income / (Expenditure) of TEDF	4,752	11,194
Increase / (Decrease) in Growth Centre, Central Subsidy and other Central Funds	207,859	194,407
Net Increase in cash & cash equivalent from Nodal Agency activities	212,611	205,601
Net increase in cash and cash equivalents	384,402	240,407
Cash and cash equivalents at beginning of period		
- Own funds	1,063,377	1,026,900
- Nodal Agency and Implement Agency funds	480,744	276,815
Cash and cash equivalents at end of period		
- Own funds	1,250,412	1,063,377
- Nodal Agency and Implement Agency funds	678,111	480,744

	As at 31.03.2010 (Rs. in .000)	As at 31.03.2009 (Rs. in .000)
Note 1 Cash and cash equivalents consist of cash in hand and balances with banks, and investments in mutual funds. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Units of mutual funds	297,496	97,270
Cash and bank balances		
Cash in hand	158	11
Balance at Bank		
With Scheduled Bank		
(i) In Current Account	381,026	132,805
(ii) In Fixed Deposits	1,110,000	1,181,615
Balance at Bank (TEDF)		
With Scheduled Bank		
(i) In Current Account	9,843	2,420
(ii) In Fixed Deposits	130,000	130,000
	1,928,523	1,544,122

For and on behalf of the Board of Directors



(K.N. Hazarika)
Chairman cum Managing Director

Guwahati
the 28th day of June, 2010



(D.N. Barthakur)
Director



(S.K. Baruah)
Company Secretary



(O.P. Bhansali)
Partner

M. No. 51532
FRN. 314051E

In terms of our Audit Report of even date
For O.P. Bhansali & Co
Chartered Accountants

Schedules Annexed to and forming part of the Annual Accounts for the year ended 31-03-2010.

	As at 31.03.2010 Rs.		As at 31.03.2009 Rs.	
SCHEDULE A: SHARE CAPITAL				
Authorised Capital				
(500000000 Nos of Equity Shares of Rs. 10/- each)	5,000,000,000		5,000,000,000	
Issued,Subscribed,Called up & Paid up capital				
(100000007 Nos of Equity Shares of Rs. 10/- each,fully paid up)	1,000,000,070		1,000,000,070	
SCHEDULE B : RESERVES & SURPLUS				
General Reserve:				
Balance brought forward from previous year	1,684,130,768		1,524,130,768	
Add : Transferred from Profit and Loss Account	150,000,000		160,000,000	
	1,834,130,768		1,684,130,768	
Reserve for Market & Entrepreneurial Development				
Balance brought forward from previous year	11,927,914		11,927,914	
Add : Transferred from Profit & Loss Account	10,000,000		0	
Less : Utilised During the Year	1,475,574	20,452,340	0	11,927,914
Social Support Fund				
Balance brought forward from previous year	30,229,640		30,666,421	
Add : Transferred from Profit & Loss Account	0		0	
Add : Income	1,244,330		1,016,674	
	31,473,970		31,683,095	
Less : Utilised During the Year	451,044	31,022,926	1,453,455	30,229,640
North East Equity Fund				
Balance brought forward from previous year (total fund)	79,870,500		79,870,500	
Less : Provisions against Soft Loans under NEEDS	34,910,021	44,960,479	37,363,729	42,506,771
NHB-Strengthening R & D and Training Facility				
	1,262,000		178,000	
India Exposition Mart Stalls Reserve				
	23,400,000		-	
Statutory Reserve under RBI Act, 1934				
Balance brought forward from previous year	193,483,973		134,127,776	
Add: Transferred from Profit & Loss Account	66,498,707	259,982,680	59,356,197	193,483,973
Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961				
Balance brought forward from previous year	43,863,148		0	
Add: Transferred from Profit & Loss Account	72,578,473	116,441,621	43,863,148	43,863,148
Venture Capital Fund				
Balance brought forward from previous year	70,000,000		70,000,000	
Profit & Loss Account				
	2,947,294		4,513,564	
	2,404,600,107		2,080,833,778	
SCHEDULE C :				
TECHNO ECONOMIC DEVELOPMENT FUND				
Balance brought forward	262,126,717		250,933,155	
Add: Receipts and income from investments during the year	24,256,378		21,756,600	
	286,383,095		272,689,755	
Less : Utilised during the year	19,504,599		10,563,038	
	266,878,495		262,126,717	

SCHEDULE D: FIXED ASSETS

Rs.

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK			
	Opening Balance	Additions During the period	Sale/disposal During the period	As at 31.03.2010	Depreciation up to 31.03.2009	Set on/off During the period	Depreciation During the period	Adjusted on Sale/disposal 31.03.2010	Total as at 31.03.2010	As At 31.03.2010	As At 31.03.2009
Interior Furnishing & Fittings	6,390,312	2,132,516	0	8,522,828	4,722,320	0	448,524	0	5,170,844	3,351,984	1,667,992
Computers	9,612,842	1,370,732	0	10,983,574	8,446,901	0	699,122	0	9,146,023	1,837,551	1,165,941
Electrical Installation	5,125,729	0	0	5,125,729	3,247,711	0	261,232	0	3,508,943	1,616,786	1,878,018
Furniture & Fixture	9,060,295	258,564	0	9,318,859	6,347,880	0	530,006	0	6,877,886	2,440,974	2,712,417
Freehold Land	16,969,592	0	0	16,969,592	0	0	0	0	0	16,969,592	16,969,592
Machineries	12,034,746	371,522	0	12,406,268	7,494,595	0	667,230	0	8,161,825	4,244,443	4,540,151
Office Equipments	4,900,042	456,041	0	5,356,083	2,806,240	0	322,534	0	3,128,774	2,227,309	2,093,802
Vehicle	629,944		0	629,944	507,347	0	31,740	0	539,087	90,857	122,597
Total:	64,723,502	4,589,375	0	69,312,877	33,572,994	0	2,960,388	0	36,533,382	32,779,495	31,150,509
Figures for the previous year	63,080,446	1,643,056	0	64,723,502	30,713,920	0	2,859,072	0	33,572,992	31,150,509	32,366,525

Schedules to the Accounts (Contd.)

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE E: INVESTMENTS		
Other Investments		
A. In Fully Paid up Shares-Non Trade		
Quoted		
Premier Cryogenics Ltd.		
Quoted at Cost'		
(Fair value Rs.70,78,000/- Not traded -2009-10)		
(2,00,000 shares of Rs. 10/- each)	2,000,000	2,000,000
Unquoted		
Gauhati Neurological Research Centre Ltd.	2,500,000	2,500,000
(Unquoted at cost 250000 shares @ 10/- per share, fair value Rs.44,92,500/-)		
Konoklota Mahila Urban Co-Op Bank Ltd.	500,000	500,000
(Unquoted at cost 5000 shares @ 100/- per share, fair value Rs.774,900/-)		
Exotic Juices Ltd.		
(Formerly: Good Samaritan Social Service Association)	1,000,000	1,000,000
(Unquoted at cost 100000 shares @ 10/- per share Less: Provision for diminution in value of investments	1,000,000	0
		1,000,000
		0
DSS eContact Ltd.		
(Unquoted 6,60,000 Equity Shares of Rs.10/- each)	6,600,000	6,600,000
Less : Provision for diminution in value of investments	6,600,000	0
		6,600,000
		0
B. In units of Bonds		
IDBI Omni Bonds (TEDF)	100,000,000	100,000,000
(100 bonds @ Rs.10.00.000/- per bond, FY 2009-10 Not traded)		
IDBI Omni Bonds 2005A	0	50,000,000
(50 bonds @ Rs.10,00,000/- per bond, FY 2009-10 Not traded)		
C. In units of Mutual Funds		
UTI -Treasury Advantage Fund	64,488,551	0
(53287.6870 units, Value as on 31.03.2010 Rs.65,910,933/-)		
UTI -Treasury Advantage Fund (Others)	7,636,605	224,262,574
(6393.0270 units, Value as on 31.03.2010 Rs.7,907,462/-)		
UTI -Floating Rate Fund (Others)	120,000,000	0
(117172.1555 units, Value as on 31.03.2010 Rs.121,237,725/-)		
SBIMF - Capital Protection Oriented Fund	2,500,000	2,500,000
(250000 units, Value as on 31.03.2010 Rs.2,631,200/-)		
UTI Mutual Fund - Bond Fund (TEDF)	5,242,106	5,242,106
(289283.4832 units, Value as on 31.03.2010 Rs.7,690,428/-)		
UTI Mutual Fund - Fixed Maturity Plan (TEDF)	10,000,000	0
(1000000 units, Value as on 31.03.2010 Rs10,040,700/-)		
UTI Mutual Fund - Capital Protection Fund (TEDF)	0	5,000,000
(500000 units, Value as on 31.03.2009 Rs.5,501,900/-)		
Reliance Mutual Fund - Money Manager Fund	31,444,447	0
(25613.1436 units, Value as on 31.03.2010 Rs.32,141,414/-)		
Reliance Mutual Fund - Money Manager Fund (Others)	68,684,198	87,027,725
(55529.2744 units, Value as on 31.03.2010 Rs.69,682,753/-)		
	414,995,907	479,032,405

Schedules to the Accounts (Contd.)

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE F: LOANS AND OTHER CREDIT FACILITIES		
Term Loans	5,205,552,234	4,197,422,097
Soft Loan under NEEDS	58,182,356	59,720,428
	5,263,734,590	4,257,142,525
Less :Provision	622,863,082	605,241,695
	4,640,871,508	3,651,900,830
SCHEDULE G: CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS		
a. Cash and Bank Balances		
Cash in hand	157,862	11,029
Balance at Bank		
-With Scheduled Bank		
(i) In Current Account	381,025,965	132,805,281
(ii) In Fixed Deposits	1,110,000,100	1,181,615,394
	1,491,026,065	1,314,420,675
Balance at Bank (TEDF)		
-With Scheduled Bank		
(i) In Current Account	9,843,506	2,420,018
(ii) In Fixed Deposits	130,000,000	130,000,100
	139,843,506	132,420,118
Total (a)	1,631,027,434	1,446,851,822
b. Other Current Assets		
Interest Receivable (Loan) accrued and due	39,482,650	32,897,984
Interest Receivable (Loan) accrued and not due	0	0
	39,482,650	32,897,984
Interest Receivable on Fixed Deposits	84,606,677	79,100,628
Interest Receivable on Fixed Deposits(TEDF)	8,940,333	15,763,704
Interest Receivable (Staff)	2,790,757	1,968,407
Interest Receivable (Social Support fund))	3,085,497	1,965,600
Total (b)	138,905,914	131,696,323
c. Loans and Advances		
(Recoverable in cash or in kind or for value to be received -unsecured but considered good)		
Advance to others	11,719,030	3,282,552
Advance to staff	536,671	654,226
Advance Income Tax	128,000,000	106,000,000
Advance Fringe Benefit Tax	0	506,610
Security Deposit	180,856	36,635
Loan to staff	25,686,043	16,862,956
TDS Receivable	16,756,559	29,362,492
Income Tax Refundable	32,736,123	57,496,506
Other Receivables	1,144,262	528,432

SCHEDULE G: (Contd.)

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
UNDP A/c	186,714	186,714
	216,946,258	214,917,123
Rent / Electricity charges receivable (Recoverable in cash or in kind or for value to be received -considered good/doubtful)	8,077,182	6,039,399
Less : Provision	4,634,603	4,391,075
	3,442,579	1,648,324
Total (c)	220,388,837	216,565,447
TOTAL (a+b+c)	1,990,322,185	1,795,113,592

SCHEDULE H: CURRENT LIABILITIES & PROVISIONS
A. CURRENT LIABILITIES

Sundry creditors (for expenses)	2,119,190	3,090,353
Sundry creditors (for capital expenditure)	20,604,416	0
Other liabilities	19,338,953	24,445,882
NE Trade Expo Fund	43,768	43,768
Security Deposit	3,584,372	330,528
MEFC- R & D Training Fund	1,628,187	1,628,187
Central Subsidies	426,868,129	218,617,530
TOTAL (A)	474,187,015	248,156,249

B. PROVISIONS

Provision for Leave Encashment	10,135,431	10,111,732
Provision for Gratuity	600,257	1,155,485
Provision for Standard Assets	18,103,811	10,594,747
Floating Provision against advances	20,000,000	20,000,000
Provision for Income Tax	151,681,838	105,900,996
Provision for Fringe Benefit Tax	0	1,014,218
Proposed Dividend	30,000,000	30,000,000
Additional Tax On Dividend	4,982,625	5,098,500
TOTAL (B)	235,503,961	183,875,678
TOTAL (A+B)	709,690,976	432,031,927

Schedules to the Accounts (Contd.)

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE I: ESTABLISHMENT EXPENSES		
Salaries (Director)	3,635,974	1,298,329
Salaries(Others)	25,677,916	23,634,626
Employer's Provident Fund	2,363,173	1,843,738
Medical Reimbursement	1,642,488	1,080,461
Recruitment expenses	494,033	451,665
Local Conveyance	424,847	395,078
Vehicle Maintenance Reimbursement	2,141,438	1,652,735
Leave Travel Allowance	2,267,407	1,805,530
House Rent	(117,300)	(93,400)
Leave Encashment	1,108,754	4,380,815
Gratuity	287,217	1,629,149
Staff welfare	2,425,542	1,677,566
Total	42,351,489	39,756,292
SCHEDULE J: ADMINISTRATIVE EXPENSES		
Advertisement & Publicity	1,702,397	1,040,263
Audit Expenses	298,595	330,612
Bank charges	156,621	150,941
BOD Meeting expenses	654,459	336,347
Books & Periodicals	233,519	191,074
Business Promotion	1,148,508	1,833,417
Car hire expenses	2,932,595	2,175,601
Conveyance	62,735	68,563
Databank Expenses	125,465	0
Donations	0	1,000
Electricity Charges & Electrical Expenses	1,107,797	775,613
Filing Fees	1,000	0
Honararium	20,000	2,500
India Exposition Mart Expenses	(29,675)	0
Insurance charges	126,799	289,513
Legal & professional fees	2,979,947	1,654,587
Licence & Registration fees	2,000	0
Misc expenses	74,836	207,549
Printing & Stationery	1,688,842	1,707,672

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
Rent (Premises)	3,686,677	3,232,030
Repairs & Maintenance (Machine)	1,271,415	1,153,099
Repairs & Maintenance (Security Service Charges & Others)	2,631,261	1,671,119
Seminar & Conference expenses	707,032	418,492
Software Maintenance Charges	314,844	313,412
Service Tax Paid	11,769	12,000
Telephone charges & Postage	1,573,399	1,533,556
Training expenses	916,497	1,109,869
Travelling expenses(Director)	456,523	723,946
Travelling expenses(Others)	3,514,657	2,998,380
Internal Audit fees	82,060	66,180
Auditors' Remuneration:		
Tax Audit Fees	11,030	11,030
Statutory Audit Fees	66,180	66,180
Total	28,529,782	24,074,543

Schedule-K: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. Significant Accounting Policies

Basis of Preparation

The financial statements are prepared on the historical cost convention, on the accrual basis of accounting and conform to statutory provisions and practices prevailing in India and in accordance with the generally accepted accounting principles.

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities as on the date of financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision in the accounting estimates is recognized prospectively in the current and future period.

Revenue Recognition:

- i) Interest income and charges on loan and other assistance portfolio is accounted for on accrual basis except where interest and/or instalment of principal is due for more than 90 days as on the date of Balance Sheet, as per RBI Prudential norms for income recognition applicable to banks / financial institutions. Interest income and other charges in respect of such loans is taken credit on actual receipt basis.
- ii) Upfront Fees, Loan Syndication Charges, Appraisal Fees, Dividend, and other miscellaneous receipts are accounted for on cash basis.
- iii) All other incomes and expenses except, interest on refund of tax or on demand tax, rates, taxes & insurance, are accounted for on accrual basis.
- iv) The income from Techno Economic Development Fund and Social Support Fund are accounted on cash basis except interest on fixed deposit and appropriated to that account resulting in appreciation of fund.

Advances and Provisions thereof

As per prudential norms for advances issued by RBI from time to time, assets representing loans and other assistance portfolios are classified based on record of recovery as standard, sub standard, doubtful and loss assets and provision is made for assets as per the said guidelines as applicable to banks / financial institutions.

A general provision of 0.40% is made against Standard Assets.

Advances are stated net of provisions made for non performing assets except general provisions for standard advances and floating provisions. Interest on non performing advances is netted off and not recognized in the profit & loss account until actually received. Provision for standard assets and floating provisions is included under "Other Liabilities". Creation of floating provisions are considered by the Corporation as approved by the Board of Directors. Floating provisions are not reversed by credit to Profit & Loss Account and can be used only for contingencies under extra ordinary circumstances for making specific provisions in impaired accounts after obtaining Board approval.

Prior Period Adjustments

Prior period items have been accounted for separately as per accounting norms.

Investments

Investments are valued at lower of the cost or quoted / fair value on an individual investment basis. Provision for permanent diminution in the value of investments is accounted in the year of such diminution. Fair Value is computed in accordance with AS 13 issued by the ICAI. Cost includes brokerage, fees and duties, if paid, on acquisition of such investments.

Fixed Assets and Depreciation

Fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

Depreciation on Fixed Assets is provided on Written Down Value Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Depreciation on the fixed assets added / disposed off during the year is provided on pro rata basis with reference to the date of addition / disposal.

Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Retirement Benefits

Retirement benefit in the form of Provident Fund is charged to the Profit and Loss Account on accrual basis. Gratuity liability is covered by a scheme with Life Insurance Corporation of India. The Corporation's annual contribution under the said scheme is based on LIC's actuarial valuation. Leave Encashment is provided on the basis of actuarial valuation at the year-end.

Segment Reporting

The Corporation operates in two segments of business: "Lending and Financing Activities" and "Management of Surplus Funds".

The segments have been identified and reported taking into account the nature, returns and risks involved. The organization structure and internal reporting structure are taken into account for the purpose of determining segment results.

The revenues reported under "Lending and Financing Activities" segment include interest income and other charges on lending. The said segment being the major segment of business of the Corporation, all expenses of the Corporation are classified as expenses against the aforesaid segment.

The revenues reported under "Management of Surplus Funds" segment consist of interest income and profit / (Loss) on sale of investments of surplus funds.

Government Grants

Government grants are recognized as and when it is actually received. Revenue grants are recognized in the Profit and Loss Account. Other grants are credited to the fund accounts to which it pertains against which expenses and provisions & losses for diminution in value of assets representing the fund is charged.

Taxation

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from “timing differences” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax assets is recognized and carried forward to the extent that there is a virtual certainty that the assets will be realized in future.

Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

B. Notes on Accounts forming part of the accounts for the year ended 31st March 2010

1. In compliance with the Accounting Standard relating to ‘Accounting for Taxes on Income’ (AS-22) issued by the ICAI, the major components of Deferred Tax Liability are:

Particulars	31.03.2010	31.03.2009
Depreciation	70,911	171,394
Special Reserve u/s 36(1)(viii) of the I.T. Act, 1961	39,590,151	14,913,470
Total	39,661,062	15,084,864

2. Total amount of Directors' remuneration charged in the accounts is set out below:

	31.03.2010	31.03.2009
Whole time Director:		
Salary	3,089,053	1,298,329
Contribution to PF & other perquisites	306,060	195,791
Other Retirement benefits	190,487	79,463
Total	3,585,600	1,573,583

There was a revision in salary during the year to Whole time Director w.e.f. 01/01/2007. The above salary includes a sum of Rs.1,063,131/- in respect thereof.

3. Payment to Auditors

	31.03.2010	31.03.2009
Statutory Audit fees	66,180	66,180
Tax Audit fees	11,030	11,030
Total	77,210	77,210

4. Loan due from Directors Rs. NIL and the maximum outstanding thereof at any time during the year was Rs.Nil (Previous Year: Rs.2.00 Lacs). The maximum amount outstanding at any time during the year for loans to staff was Rs.257.02 Lacs (Previous Year: Rs. 173.70 Lacs).
5. The estimated amount of contracts remaining to be executed on capital account and not provided for is Rs .761 Lacs during the year (Previous Year Rs.891 Lacs).
6. The breakup of Capital Work in progress is as under:

Particulars	31.03.2010	31.03.2009
Construction of Office Building & Civil Works at Guwahati	212,284,599	123,863,384
Industrial Park at Guwahati	116,636	116,636
Stalls at India Exposition Mart, Noida	20,560,380	-
Total	232,961,615	123,980,020

7. In respect of shares / scrips / bonds quoted in recognized stock exchange, latest quotation nearest to the balance sheet date is taken to ascertain the market value. Where the scrip is not trade during the year or no quotation is available, fair value is ascertained in respect of shares and cost is taken for debt instruments as fair value. In respect of unquoted shares / scrips / bonds, fair value is ascertained by dividing the net worth with the number of shares. In case of investment in mutual funds, fair value is taken as the declared NAV of the said scheme / fund, nearest to the balance sheet date.
8. The Corporation is a nodal disbursing agency for Growth Centre funds and Central Subsidies, and the fund received from Govt. of India is shown in the Current Liabilities to the extent of undisbursed amount.
9. The Corporation does not have any related parties, save and except Sri Kashinath Hazarika, Chairman and Managing Director, as key managerial personnel to whom a total sum of Rs.3,585,600/- was paid as remuneration.
10. The Corporation reports basic earnings per equity shares, which is computed by dividing net income by the weighted average number of equity shares outstanding for the period, in accordance with AS 20 issued by the ICAI.
11. Special Reserve has been created and maintained in terms of section 36 (1) (viii) of the Income Tax Act, 1961.
12. Summary of the investment of the Corporation:

(Rs. in Crores)

	31.03.2010	31.03.2009
Gross value of Investment	42.26	48.66
Less: Provision for diminution in value	0.76	0.76
Net book value	41.50	47.90

13. The Income Tax assessments of the Corporation have been completed up to Assessment Year 2008 - 09. The disputed demand outstanding up to the said Assessment Year is Rs.10,503,099/-. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Corporation has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.
14. Previous year figures have been regrouped / rearranged / reclassified, wherever necessary.
15. As required under AS 17, the segment reporting is as under:

(Rs. in Crores)

	2009 - 10	2008 - 09
1. Segment Revenue		
Lending and Financing Activities	45.46	30.98
Management of Surplus Funds	15.05	21.38
Total	60.51	52.36
2. Segments Results		
Lending and Financing Activities	35.01	20.07
Management of Surplus Funds	15.05	21.38
Total	50.06	41.45
Unallocated Income	1.25	0.47
Unallocated Expenses	0.11	0.07
3. Operating Profit	51.20	41.85
Income Tax	17.95	12.17

4.	Net Profit	33.25	29.68
5.	Other Information		
	Segment Assets		
	Lending and Financing Activities	490.25	429.07
	Management of Surplus Funds	171.57	131.32
	Total	661.82	560.39
	Unallocated Assets	69.27	47.73
	Total	731.09	608.12
	Segment Liabilities		
	Lending and Financing Activities	321.26	237.76
	Management of Surplus Funds	0	0
	Unallocated Liabilities	83.97	65.30
	Total	405.23	303.06
	Net Capital Employed	325.86	305.06

16. Additional information is disclosed in terms of RBI guidelines vide DBS. FID No.c-18/01.02.2000-01 issued on 23.03.2001.

Rs. In Crores

A. Capital			
a) CRAR CORE CRAR & Supplementary CRAR	61.08%		
b) The amount of subordinated debt raised and outstanding as TIER -II capital	Nil		
c) Risk weighted assets -separately for on-and-off balance sheet items.	On the Balance Sheet: Rs. 526.11 Off the Balance Sheet: Nil		
d) The Shareholding pattern as on 31.03.2010	Equity shares:		
	No of Shares	%	
	FI's	55,000,004	55
	Bank	15,000,001	15
	Insurance Co.	20,000,001	20
	Mutual Fund	10,000,001	10
	Total	10,000,007	100
B. Asset quality and credit concentration			
e) Percentage of net NPA's to net loans & advances, (floating provisions of Rs.2 Crore has not been netted from Gross NPA to arrive at net NPA)	2.47%		
f) Amount and percentage of net NPA's to net advances under the prescribed asset classification categories	Category	%	
	Sub Standard Assets	6.63	1.46
	Doubtful debts	4.85	1.07
	Loss assets	Nil	
g) Amount of provisions made during the year towards standard assets, NPA's Loans & investments (other than those in the nature of an advance), in income tax	Standard Assets	0.75	
	NPA Loans incl.	2.01	
	Soft loan Assistance	(-)0.25	
	Investments	Nil	
	Income Tax	15.17	

h) i) Movement in NPAs (Gross) of loans including soft loans	Opening Balance	74.15	
	Deletions incl. upgradation	7.75	
	Additions during the year	7.36	
	Closing Balance	73.76	
ii) Movement of Provisions for NPAs against loans including soft loan assistance	Opening Balance	60.52	
	Less: write off/waiver/ Write back	5.10	
	Additions during the year	6.87	
	Closing Balance	62.29	
iii) Movement of Provisions for Investments	Opening Balance	0.76	
	Additions during the year	0.00	
	Closing Balance	0.76	
i) Restructured Accounts Total amount of standard assets which have been subjected to restructuring / rescheduling Total sub standard assets which have been subjected to restructuring / rescheduling Total		57.43	
		0.71	
		58.08	
j) Credit exposure as percentage to capital funds and as percentage to total assets, in respect of:	% to Capital Funds % to Total Assets		
	The largest single borrower	13.90	6.16
	The largest borrower group	13.90	6.16
	The 10 largest single borrowers		
	No.1	13.90	6.16
	No.2	6.76	2.99
	No.3	6.18	2.74
	No.4	5.09	2.25
	No.5	4.31	1.91
	No.6	4.22	1.87
	No.7	3.00	1.33
	No.8	2.98	1.32
	No.9	2.60	1.15
	No.10	2.36	1.05
	The 10 largest borrower groups		
	No.1	13.90	6.16
	No.2	6.77	3.00
	No.3	6.18	2.74
	No.4	5.09	2.25
	No.5	4.93	2.18
	No.6	4.31	1.91
No.7	4.29	1.90	
No.8	4.22	1.87	
No.9	3.76	1.66	
No.10	2.36	1.05	

k) Credit exposure to the five largest industrial sectors (if applicable) as percentage to total loan assets	1. Contract Finance	14.76
	2. Cement	13.25
	3. Iron & steel	8.70
	4. Power Generation	7.91
	5. Micro Finance	6.65

C. Liquidity

l) Maturity pattern of Rupee assets & liabilities w.r.t. investments incl. Fixed Deposits (in Crores)

Items	Less than or equal to 1 year	More than 1 year up to 3 years	More than 3 years up to 5 years	More than 5 years up to 7 years
Rupees Asset	117.59	0.00	0.25	Nil
Total Assets	117.59	0.00	0.25	Nil
Total Liabilities	Nil	Nil	Nil	Nil

m) Maturity pattern of foreign currency assets & liabilities Nil

D Operating results

n) Interest income as percentage to average working funds	9.56%
o) Non-interest income as a percentage to average working funds	1.03%
p) Operating profit as a percentage to average working funds	8.79%
q) Return on average assets	5.44%
r) Net profit per employee (Rs. In Crores)	0.37

17. Additional information as required in terms of paragraph 13 of Non Banking Financial (Non Deposit accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(Rs. in lakhs)

Particulars		
Liabilities side:		
1. Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
(a) Debentures: Secured		
: Unsecured		
(other than falling within the meaning of public deposit*)	NIL	NIL
(b) Deferred Credits		
(c) Term Loans		
(d) Inter-corporate loans and borrowing	NIL	NIL
(e) Commercial Paper		
(f) Other Loans (specify nature) - GOI Loan	28911	NIL

* Please see Note 1 below

6. Investor group-wise classification of all investments in shares and securities (both quoted and unquoted): Please see note 3 below

Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties**	NIL	NIL
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties	111	50
Total	111	50

**As per Accounting Standard of ICAI

7. Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	—
(b) Other than related parties	7376
(ii) Net Non-Performing Assets	
(a) Related parties	—
(b) Other than related parties	1148
(iii) Assets acquired in satisfaction of debt	—

8. Exposure to Real Estate Sector

(Rs. in Crores)

Items	March 31, 2010	March 31, 2009
a) Direct Exposure		
(i) Residential Mortgages [all individual housing loans upto Rs.15 Lacs]	2.14	1.28
(ii) Commercial Real Estate	71.42	59.46
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized Exposures:		
a) Residential	NIL	NIL
b) Commercial	NIL	NIL
b) Indirect Exposure Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	NIL	NIL
Total Real Estate Exposure	73.56	60.74

18. Information pursuant to Part IV of Schedule VI to the Companies Act, 1956:

a. Registration Details

Registration No. 4 5 2 9 Date of Registration 0 9 0 8 9 5
 State Code 0 2 Balance Sheet Date 31st March, 2010

b. Capital Raised during the year

Public Issue NIL Right Issue NIL
 Bond Issue NIL Private Placement NIL

c. Position of Mobilization and Deployment of Funds (Amount in thousands).

Total Liabilities	7 3 1 0 9 3 1	Total Assets	7 3 1 0 9 3 1
Sources of funds:		Application of funds:	
Paid -Up capital	1 0 0 0 0 0 0	Net Fixed Assets	0 2 6 5 7 4 1
Reserves and surplus, others	2 6 7 1 4 7 9	Loans & Investments	5 0 5 5 8 6 8
Secured Loans	NIL	Net Current Assets & Advances	1 2 8 0 6 3 1
Unsecured Loans	2 9 3 0 7 6 1	Misc Expenditure	NIL

d. Performance of Company (Amount in Rs. thousand)

Turnover	6 1 7 6 0 0	Total Expenditure	1 0 5 6 0 1	Profit Before Tax	5 1 1 9 9 9	Profit After Tax	3 3 2 4 9 4
Earnings per share (Rs)	3 . 3 2	Dividend Rate [%]	3 . 0 0				

e. Generic Names of three Principal Products/Services of the Company

Item Code (ITC Code)	Not Applicable
Product Description	Project Financing
Product Description	Financial Advisory and Consultancy Services.

Schedules annexed hereto form part of the Accounts

For and on behalf of the Board of Directors

In terms of our Audit Report of even date
 For O.P.Bhansali & Co
 Chartered Accountants



(K.N. Hazarika)
 Chairman cum Managing Director



(D.N. Barthakur)
 Director



(S.K. Baruah)
 Company Secretary



(O.P. Bhansali)
 Partner

Guwahati
 the 28th day of June, 2010

M. No. 51532
 FRN. 314051E

Our Branches in action...



A Seminar on Enhancing Trade Relation Between Bhutan & North East India with special focus on Tourism was organized by Branch Office, Shillong at The Shillong Club, on the 24th March, 2010



A training programme organized by Agartala Branch was conducted on Banana Bark at Nepalitilla, a remote place in Tripura in August 2009



Programme on designer candle making organized by Branch Office, Dimapur in February 2010 at Nagaland



An 1 day awareness camp on "hand-holding assistance to entrepreneurs" was organized by Branch Office, Mizoram to commemorate NEDFi incorporation day.



An awareness Seminar cum Workshop on Micro Finance for NGOs of Sikkim was organized by Gangtok Branch on 23rd March 2010 at Hotel Chumbi Residency, Gangtok

A Glimpse of few facilities at NEDFi House



Auditorium Hall - Capacity 180 seats



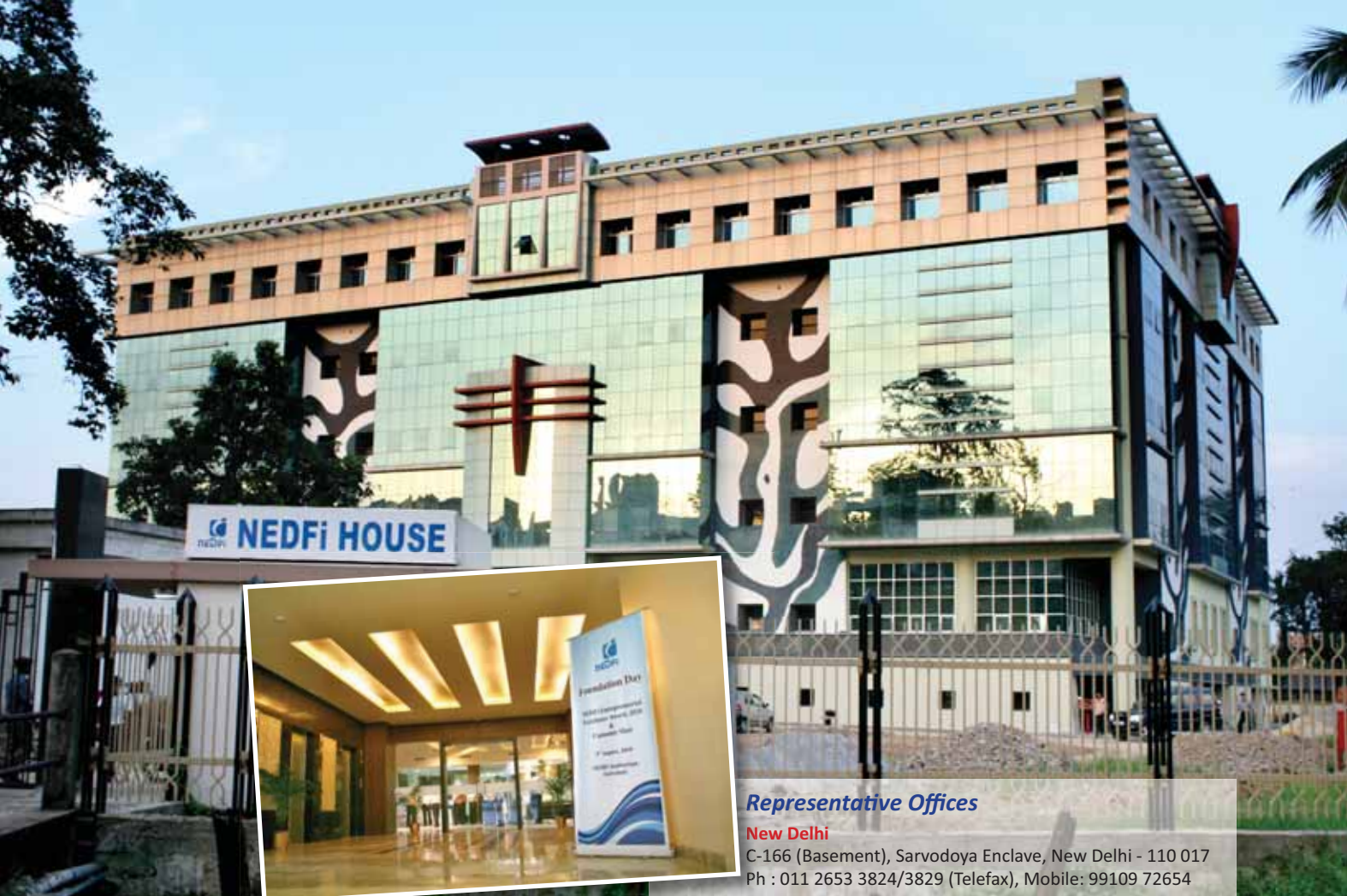
Two Board Meeting Rooms - 11 seats in each



Conference Hall - 70 seats



Seminar Hall - 50 seats



Representative Offices

New Delhi

C-166 (Basement), Sarvodaya Enclave, New Delhi - 110 017
Ph : 011 2653 3824/3829 (Telefax), Mobile: 99109 72654

Branch Offices

Agartala

Palace Compound, B. K. Road, Opp. Women's College
Agartala-799001, Tripura, Telefax : 0381 2216848

Aizawl

1st Floor, A-59, Zarkawt, Aizawl-796001, Mizoram
Ph : 0389 2347782, Fax : 91-389 2347783

Dimpaur

2nd Floor, "Kuknalim", Circular Road
Dimapur-797112, Nagaland, Telefax : 03862 235030

Imphal

Babupara, Opp. Telephone Bhawan, Imphal-795001, Manipur
Ph : 0385 2443385, Telefax : 0385 2445927

Itanagar

NH-52A, Main Road, E-Sector
Itanagar-791 111, Arunachal Pradesh, Telefax : 0360 2217694

Shillong

Cresens Buildings, 1st Floor, Opp. Main Secretariat,
M. G. Road Shillong-793001, Meghalaya
Ph : 0364 2504815/2504814 (Telefax)

Gangtok

Near Super Market Complex, Development Area
Gangtok-737101, Sikkim Telefax : 03592 208269

Tinsukia

Makum Road, Udyog Nagar, Tinsukia - 786 125, Assam,
Ph : 0374 235 2115, Mobile: 9854057430

Silchar

Silchar Cachar Market, 3rd floor, Netaji Subhas Avenue,
P. S. Rangirkhari, Silchar-788005, Telefax : 03842-226707

Kokrajhar

C/o Discovery Club, Agriculture Campus, Jwhlwalo Dwimalu Road,
P.O. & Dist. Kokrajhar BTC, Assam-783 370, Ph : 91-3661 276 191
Mobile : 96787 78412/96785 40590

Dharmanagar

M. B. Unit Complex, Rajbari, Dharmanagar,
North Tripura-799250, Mobile: 096121 55421

Udaipur

Dhajanagar Industrial Estate, Udaipur,
South Tripura-799 114
Mobile : 98560 34157

Kohima

Nagaland Voluntary Health Association, 2nd Floor, NST Building,
Midland, Kohima, Nagaland - 797 001
Ph : 0370 229 1378, Mobile: 094360 05654

Sivasagar

MMS Consultancy Association Pvt. Ltd., Near K. P. M. Hall,
A. T. Road, Sivasagar, Assam-785640
Ph: 03772 224688, 222 451, Mobile: 94350 57549

Dergaon

North East Centre for Rural Livelihood Research (NECR),
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NEDFi, plastics body plan joint drive to boost use

NEDFi registers 31 crore profit

AGARTALA, JUN 12: North East Development Finance (NEDFi) has notched up Rs 31 crore net profit during the past fiscal against a cumulative sanction of Rs 94 Crore. NEDFi officials here today said that the company had been profitable in more than 20 years paying dividend to shareholders last financial year. NEDFi was to contribute Rs 10 crore in taxes and Rs 10 crore in taxes to the public.



ISO 9001:2008 Company

North Eastern Development Finance Corporation Limited

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NEDFi HOUSE

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