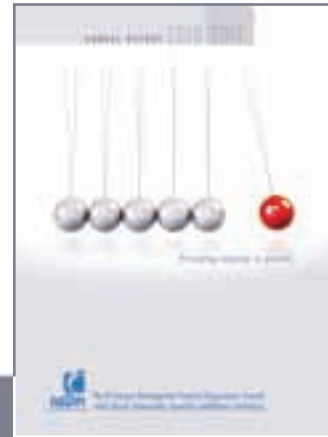


Providing impetus to growth



North Eastern Development Finance Corporation Limited
नॉर्थ ईस्टर्न डेवलपमेंट फायनेंस कॉर्पोरेशन लिमिटेड



A note on the cover

Any economic venture, every business project, starts out as an idea in the promoter's mind. As the idea takes a more definite shape, the promoter arranges the different factors, drawing out a business model. Finally, the commencement of the project requires an initial spark – the first impetus that puts the venture into motion, making the business start its operations.

The North Eastern Development Finance Corporation Ltd. (NEDFi) offers the promoter not just the finance required to turn the business idea into reality, but utilizing the corporation's huge storehouse of knowledge, experience and research, also acts as a consultant at various phases of the venture. In effect NEDFi acts as the provider for the first impetus to the business project to start its operations.

The cover depicts this facet of NEDFi through a visual of the Newton's Cradle. Once one of the balls is pulled away and let to fall, the device takes in the energy of the impact and continues to swing back and forth. In an ideal world, the symmetrical motion continues perpetually. This concept symbolically represents NEDFi's pivotal role in making business ventures possible, more so for small and marginal entrepreneurs who are in need of the resources the corporation provides. From a macro perspective, the cover also depicts NEDFi's role in the larger economic scenario – as an impetus provider to the economic advancement of the people.

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".

Inside



From the desk of the CMD	4
CMD की कलम से	6
Financial Highlights	8
Performance Highlights	9
Providing impetus to growth	11
Reaching out to the Grassroots	21
Venturing into new areas	23
NEDFi is not only a lending institution	24
Board of Directors	27
Directors' Report	28
Auditors' Report	41
Financial Accounts	45

From the desk of the Chairman and Managing Director



The economies of all the eight North Eastern states have seen welcome rising trend in growth rates during the last decade though it is still below the national average. New manufacturing capacities have been created and investors are eyeing attractive business opportunities in this vibrant region.

The Central as also the respective State Governments' policy initiatives coupled with an improving law and order situation in most parts of the region have attracted sizable investments from private investors in sectors like cement, power, steel, infrastructure, housing, healthcare, higher and technical education, tourism and hospitality, etc. The Corporation is adequately geared to meet these challenges/opportunities and it has already identified the above sectors as growth areas and has taken judicious and timely exposure in them.

During the year 2010-11, the Corporation sanctioned loans to 198 projects aggregating to ₹ 421.39 crores. This amount was higher than the previous year's sanctions by 27%. The disbursements during the year touched ₹ 281.38 crores, an increase of 35%. The assets size grew by 27% to ₹ 668.07 crores. Another significant development is that the gross Non Performing Assets (NPA) of the Corporation as a percent of gross Loans & Advances reduced substantially to 7.89% during the year, from

14.01 % as at the end of the previous year. The net NPA reduced to 1.85% from 2.47%. This substantial reduction in NPAs was facilitated by the Corporation's sustained focus on recoveries through intensive follow-ups, proceedings at Lok Adalats and DRTs and settlements under OTS and SARFAESI. The spurt in business and better health of the loan portfolio were the key drivers that contributed to a 37.29% growth in our net profit, boosting it to a robust ₹ 45.65 crores.

The performance indicators of the Corporation show a healthy trend. Nevertheless, there is a need for a more equitable distribution of our loan portfolio with regard to the needs of various States in the region for balanced growth. With this in view, the Corporation has initiated the process of setting up new Branches and Representative Offices. A new branch in Namchi (Sikkim) has recently been opened and there are plans to open two more branches in Tripura and one each in Mizoram, Nagaland and Arunachal Pradesh in the current financial year. To reach out to the under-served areas through the business facilitator model, two new Representative Offices have been opened in Tura (Meghalaya) and Churachandpur (Manipur).

The Micro Finance initiatives of the Corporation have been playing a significant role in bringing

micro credit to the grass root level in the rural areas. The Corporation is in the process of developing and supporting a number of NGOs across all the NE states for capacity building and micro finance operations, up-scaling of potential NGOs into full fledged MFIs and technology tie ups for IT & ICT enabled services for smooth functioning of assisted NGOs.

While the various policy initiatives and improving law and order environment, have attracted sizeable investments in the medium and large-scale industries, the MSE sector will continue to impact and play a pivotal role in economic development and employment generation in the region. Over the years, NEDFi has been providing commendable handholding support to the entrepreneurs in this segment through its skill upgradation and business facilitation initiatives in all the states of the North East. In the coming years, as we spread our reach across all the states, our efforts to nurture entrepreneurship in the MSE sector will be further intensified with the setting up of counseling cells at various centres.

To augment its earnings from its core activities, the Corporation has forayed into areas like Consultancy and Advisory Services, to generate fee-based income. There is growing demand from both the Central and the State Governments for consultancy services for setting up projects in the Public Private Partnership (PPP) model and for Third Party Monitoring of their infrastructure projects like roads & bridges in the region. NEDFi has been able to capitalize on such demand and in a short span of time, it has bagged many prestigious assignments from the Governments of Arunachal Pradesh, Tripura, Assam and Manipur. In the years to come, fee-based income from Consultancy services is expected to contribute significantly to the Corporation's earnings.

As the Corporation's business and developmental activities steadily expand, there is an imperative need to adequately equip our employees and upgrade internal operating structures. NEDFi has initiated several steps to build on its internal strength through effective capacity building programmes for its employees in both soft as well as technical skills. The existing branches are also being strengthened with more manpower, enhanced technology and infrastructure facilities. Higher discretionary powers and responsibilities have been delegated to Branch Offices and Representative Offices. These proactive measures by rationalizing processes and procedures should substantially reduce turn around time in decision-making.

The Corporation has charted an ambitious growth path for the next five years. Availability of funds will be critical to maintain the growth momentum. The Corporation proposes to adopt both short-term and medium-term measures to mobilize resources to meet the shortfall in lendable funds from 2011-12 onwards. The measures would include rigorous follow up on recovery of existing loans and settlement of stressed assets, loan/ capital augmentation from Government of India, refinance/ line of credit from Banks/ Financial Institutions/ Other Development Agencies etc.

In its laudable mission of being a pacesetter in the economic development of the North Eastern Region, NEDFi is grateful to the unstinted support extended by the Ministry of DoNER, other Central Ministries and the State Governments. With the vibrant energy of a young, professional and enthusiastic team and able guidance and direction of the Board of Directors, I am confident that NEDFi will continue to provide the all-important thrust to maintain the growth momentum for the economic development of the North East.

Warm Regards,



B Paul Muktieh



अध्यक्ष एवं महाप्रबंधक की कलम से



पिछले दशक में पूर्वोत्तर भारत के आठों राज्यों की अर्थव्यवस्था ने विकास दर की बढ़त को देखा है, यद्यपि यह विकास दर राष्ट्रीय विकास दर की औसत से अभी भी कम है। निर्माण की नवीन क्षमताएँ विकसित की गई हैं और अब निवेशक इस क्षेत्र में आकर्षक व्यवसायिक अवसरों की ओर देख रहे हैं।

केंद्र सरकार व संबंधित राज्य सरकारों की नीतियों तथा इस क्षेत्र के अधिकांश भागों में कानून एवं व्यवस्था की लगातार सुधरती हुई स्थिति ने निजी निवेशकों की ओर से एक अच्छा-खासा निवेश सीमेंट, इस्पात, विद्युत, इंफ्रास्ट्रक्चर, हाऊसिंग, स्वास्थ्य, उच्च व तकनीकी शिक्षा, पर्यटन व आतिथ्य आदि क्षेत्रों में आकर्षित किया है। हमारा निगम नेडफी भी इन चुनौतियों व अवसरों का सामना करने के लिए पर्याप्त रूप से तैयार है तथा हमने पहले ही उपरोक्त क्षेत्रों की पहचान उभरते हुए क्षेत्रों के रूप में कर ली थी तथा इन क्षेत्रों में अपनी समय पर एवं समुचित उपस्थिति दर्ज करा ली है।

वर्ष 2010-11 के दौरान, हमारे निगम ने 198 परियोजनाओं के लिए कुल 421.39 करोड़ रुपए ऋण के रूप में स्वीकृत किए। पिछले वर्ष की तुलना में यह राशि 27 प्रतिशत अधिक है। इस वर्ष के दौरान 281.38 करोड़ रुपए का ऋण-भुगतान किया गया जो पिछले वर्ष से 35 प्रतिशत अधिक है। निगम की कुल परिसंपत्ति 27 प्रतिशत बढ़कर 668.07 करोड़ रुपए हो गई है। हमारे निगम के लिए एक और उल्लेखनीय प्रगति यह रही है कि निगम का सकल एन.पी.ए. दिए गए कुल ऋण व अग्रिम भुगतान के

प्रतिशत के रूप में घटकर 7.89 प्रतिशत रह गया जबकि यह पिछले वित्त वर्ष की समाप्ति पर 14.01 प्रतिशत था। शुद्ध एन.पी.ए. 2.47 प्रतिशत से घटकर 1.85 प्रतिशत रह गया है। निगम द्वारा वसूली के निरंतर तेज प्रयासों द्वारा, लोक अदालतों एवं डी.आर.टी के माध्यम से की गई कार्यवाहियों तथा ओ.टी.एस. व सरफेसी के तहत मामलों के निराकरण से एन.पी.ए. में यह उल्लेखनीय गिरावट संभव हो सकी है। व्यवसाय के लिए पूरी क्षमता से प्रयास व बेहतर लोन पोर्टफोलियो किसी भी वित्तीय व्यवसाय की कुंजी होती है, हमने इन्हीं के बूते अपने कुल लाभ में 37.29 प्रतिशत की बढ़त दर्ज की है जो कि कुल 45.65 करोड़ रुपए है।

निगम का कार्य-निष्पादन-सूचक एक स्वस्थ व सुदृढ़ ट्रेंड को दिखाता है तथापि इस क्षेत्र के विभिन्न राज्यों के संतुलित विकास की जरूरतों के अनुसार हमारे ऋण के और भी समान रूप से वितरण की आवश्यकता है। इस तथ्य को ध्यान में रखते हुए ही निगम ने नए शाखा कार्यालय व प्रतिनिधि कार्यालयों को स्थापित करने की प्रक्रिया आरंभ कर दी है। अभी हाल ही में हमने सिक्किम राज्य के नामची में अपना एक शाखा कार्यालय खोला है तथा इस वित्त वर्ष के दौरान दो शाखा कार्यालय त्रिपुरा एवं एक-एक शाखा कार्यालय मिजोरम, नागालैंड और अरुणाचल प्रदेश में खोलने की योजना है। दूर दराज के क्षेत्रों में अपनी पहुँच बनाने के लिए हमने बिजनेस फेसिलिटेटर मॉडल के माध्यम से दो प्रतिनिधि कार्यालय तुरा (मेघालय) व चुराचांदपुर (मणिपुर) में खोले हैं।

हमारी माइक्रो फायनेंस योजना, ग्रामीण इलाकों के निचले तबकों को सूक्ष्म ऋण उपलब्ध कराने में उल्लेखनीय भूमिका का निर्वहन कर रही है। क्षमता निर्माण, माइक्रो फायनेंस गतिविधियों के संचालन, क्षमतावान गैर सरकारी संगठनों को पूर्ण रूप से माइक्रो फायनेंस इंस्टीट्यूट में तब्दील करने तथा नेडफी से सहायता प्राप्त एन. जी. ओ. के निर्विघ्न संचालन के लिए आई. टी. व आई. सी. टी. वाली सेवाओं हेतु तकनीकी सहयोग पर समझौता करने के लिए हमारा निगम पूरे पूर्वोत्तर क्षेत्र के गैर सरकारी संगठनों को विकसित करने व उनको सहयोग प्रदान करने की प्रक्रिया में है।

हलांकि विभिन्न नीतिगत शुरुआतों एवं कानून एवं व्यवस्था की लगातार सुधरती हुई स्थिति के चलते इस क्षेत्र में मध्यम व वृहत उद्योगों ने एक अच्छा-खासा निवेश आकर्षित किया है फिर भी सूक्ष्म एवं लघु उद्योग पहले की तरह ही क्षेत्र के आर्थिक विकास व रोजगार पैदा करने में महत्वपूर्ण भूमिका निभाते रहेंगे। कई वर्षों से नेडफी इस क्षेत्र में पूर्वोत्तर के उद्यमियों को क्षमता संवर्धन व व्यवसाय को सुगम बनाने वाले प्रयासों के माध्यम से उन्हें निरंतर सहयोग करता आ रहा है। आने वाले वर्षों में, जब हम अपनी पहुँच पूर्वोत्तर के सभी राज्यों में बढ़ा लेंगे, हम विभिन्न केंद्रों में काउंसिलिंग सेल स्थापित कर सूक्ष्म एवं लघु उद्यम क्षेत्र में उद्यमिता को विकसित करने हेतु अपने प्रयासों में और तेजी लाएँगे।

अपनी प्रमुख गतिविधियों के द्वारा आय बढ़ाने के लिए निगम ने शुल्क आधारित आय पैदा करने के लिए कंसल्टेंसी एवं एडवायजरी सेवा के क्षेत्र में कदम रखा है। पूर्वोत्तर राज्यों में इंफ्रास्ट्रक्चर परियोजनाओं जैसे सड़क, पुल आदि के लिए पब्लिक प्रायवेट पार्टनरशिप मॉडल व थर्ड पार्टी मॉनीटरिंग के तहत परियोजनाओं को स्थापित करने के लिए केन्द्र व राज्य सरकारों की ओर से लगातार कंसल्टेंसी सेवाओं की मांग बढ़ रही है। नेडफी इस प्रकार की माँगों को पूरा करने में सक्षम सिद्ध हुआ है और कुछ ही समय के भीतर अरुणाचल प्रदेश, त्रिपुरा, असम व मणिपुर की सरकारों की विभिन्न प्रतिष्ठित परियोजनाओं को अपने हाथों में लिया है। आने वाले वर्षों में यह शुल्क आधारित कंसल्टेंसी सेवा निगम की आय बढ़ाने में महत्वपूर्ण योगदान करेगी ऐसी आशा है।

निगम का व्यवसाय और विकासात्मक गतिविधियाँ जब धीरे-धीरे और फैल रही हैं तब हमें अपने कर्मचारियों को पूर्ण रूप से सज्जित करने व अपने संचालन के भीतरी ढाँचे के स्तर को और बढ़ाने की आवश्यकता है। नेडफी ने अपनी भीतरी ताकत को और मजबूत बनाने के लिए अपने कर्मचारियों की सॉफ्ट एवं तकनीकी दोनों प्रकार की क्षमता को बढ़ाने के लिए क्षमता निर्माण कार्यक्रमों के माध्यम से कई कदम उठाए हैं। वर्तमान में काम कर रही सभी शाखाओं में और कर्मचारियों की नियुक्ति कर, तकनीकी संवर्धन और ढाँचागत सुविधाओं को बढ़ाकर उन्हें मजबूत किया जा रहा है। शाखा कार्यालयों एवं प्रतिनिधि कार्यालयों को और अधिक अधिकार एवं जिम्मेदारियाँ दी गई हैं। एक तर्क-सम्मत प्रक्रिया एवं पद्धति के तहत उठाए गए इस सकारात्मक कदम से निर्णय लेने के समय में महत्वपूर्ण कमी आनी चाहिए।

निगम ने आगामी पाँच वर्षों के लिए एक महत्वाकांक्षी प्रगति पथ का निर्धारण अपने लिए किया है। धन की उपलब्धता विकास की गति को बनाये रखने में महत्वपूर्ण कारक होगी। निगम ने वर्ष 2011-12 से संसाधनों को संचालित रखने के लिए तथा ऋण देने हेतु धन की कमी को पूरा करने के लिए अल्प अवधि एवं मध्यम अवधि के कुछ कदम प्रस्तावित किए हैं। इन कदमों के तहत निगम द्वारा पूरी शक्ति के साथ वर्तमान ऋण की वसूली, स्ट्रेस्ड परिसंपत्तियों का निराकरण, भारत सरकार से ऋण व पूँजी संवर्धन, बैंकों, वित्तीय संस्थाओं एवं अन्य विकास संस्थाओं से रिफायनेंस या ऋण की व्यवस्था आदि शामिल हैं।

पूर्वोत्तर क्षेत्र के आर्थिक विकास में नेडफी एक गति निर्धारक के रूप में अपने आपको स्थापित करने के लक्ष्य को पाने हेतु भारत सरकार के उत्तर - पूर्व विकास मंत्रालय (डोनर मंत्रालय) अन्य केंद्रीय मंत्रालयों व राज्य सरकारों द्वारा दिए जा रहे निर्बाध सहयोग के लिए कृतज्ञ है। ऊर्जा से भरपूर पेशेवर युवाओं, उत्साही टीम एवं निदेशक मंडल के योग्य मार्गदर्शन एवं दिशा-निर्देशन के साथ काम करते हुए मुझे पूरा विश्वास है कि नेडफी, पूर्वोत्तर भारत के आर्थिक विकास की गति को बनाए रखने के लिए महत्वपूर्ण सहयोग प्रदान करता रहेगा।

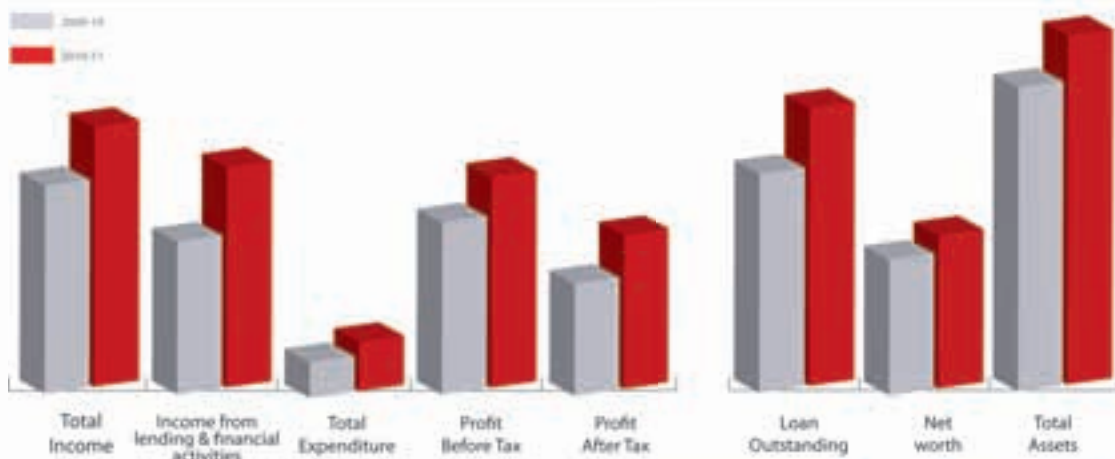
भवदीय

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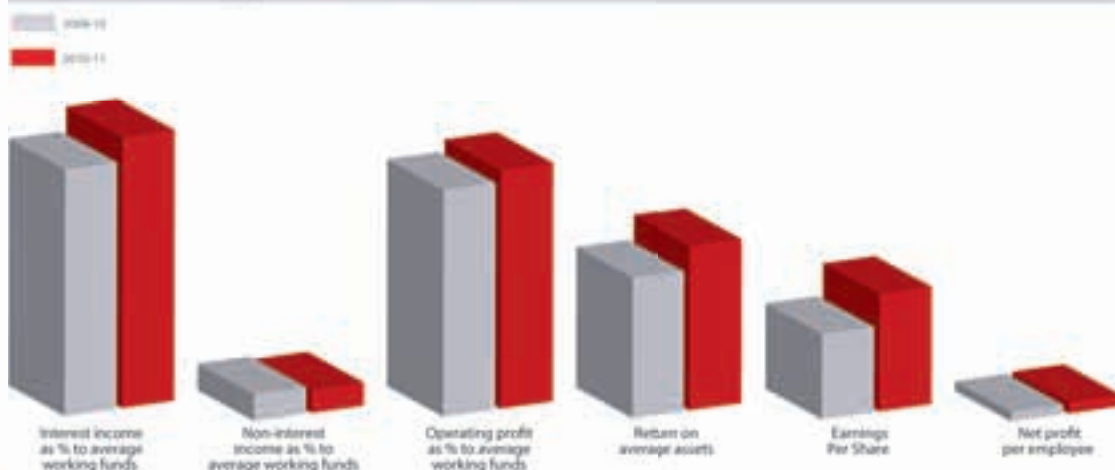
Financial Highlights

(₹ Crore)

Financial Year	2009-10	2010-11	% Change
Loan Outstanding	526.37	668.07	26.9
Total Income	61.76	77.15	24.9
Income from Lending & financial activities	45.46	65.46	44.0
Total Expenditure	10.56	14.51	37.4
Profit Before Tax	51.2	62.64	22.3
Profit After Tax	33.25	45.65	37.3
Net worth	326.5	367.64	12.6
Total Assets	731.09	839.74	14.9



Operating Result		2009-10	2010-11
Interest income as percentage to average working funds	(%)	9.56	10.49
Non-interest income as percentage to average working funds	(%)	1.03	0.89
Operating profit as a percentage to average working funds	(%)	8.79	9.24
Return on average assets	(%)	5.44	6.38
Earnings Per Share	(₹)	3.32	4.56
Net profit per employee	(₹ Crore)	0.37	0.43
Capital to Risk (Weighted) Assets Ratio (CRAR)	(%)	61.08	54.57



Performance Highlights

Total Sanctions, Disbursements and Number of Projects Sanctioned (As on March 31, 2011)

SANCTIONS

STATE-WISE AMOUNT SANCTIONED (₹ 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	10-11	Grand Total
Arunachal Pradesh	0	518	235	38	418	291	136	942	762	1593	780	1230	1254	4750	3776	16723
Assam	682	1164	2198	1725	3945	3166	3401	2639	4084	7053	8545	16588	21351	22370	33135	132046
Manipur	0	66	49	263	350	80	59	76	65	50	109	519	540	308	273	2807
Meghalaya	0	0	173	772	2659	2582	2114	4607	3458	2874	3122	8510	1994	2143	2874	37882
Mizoram	0	25	51	208	156	45	114	152	40	102	362	350	88	68	284	2045
Nagaland	0	110	34	234	490	124	80	102	63	167	258	195	432	943	345	3577
Sikkim	0	0	0	0	0	0	0	97	358	75	389	159	713	191	580	2562
Tripura	0	40	58	255	306	16	460	355	102	1218	307	394	318	2569	871	7269
Total	682	1923	2798	3495	8324	6304	6364	8970	8932	13132	13872	27945	26689	33341	42139	204910

DISBURSEMENTS

STATE-WISE AMOUNT DISBURSED (₹ in lakh)																
	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	10-11	Grand Total
Arunachal Pradesh	0	9	24	150	206	397	246	341	778	610	725	118	415	3881	2999	10899
Assam	615	227	1062	932	3360	2472	2170	2964	2285	5342	6680	8872	13071	13512	19963	83527
Manipur	0	39	31	153	285	152	68	70	105	50	69	106	498	508	460	2594
Meghalaya	0	0	4	62	618	1467	2404	1349	1542	3199	1320	1405	3833	2365	3372	22940
Mizoram	0	0	25	30	60	192	87	96	85	70	115	539	42	22	61	1424
Nagaland	0	80	34	41	323	259	97	175	152	32	105	252	321	230	499	2600
Sikkim	0	0	0	0	0	0	0	14	88	128	355	103	76	78	283	1125
Tripura	0	0	37	95	194	140	38	200	200	1000	55	249	153	212	501	3074
Total	615	355	1217	1463	5046	5079	5110	5209	5235	10431	9424	11644	18409	20808	28138	128183

PROJECTS

STATE-WISE NO. OF PROJECT SANCTIONED																
	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	10-11	Grand Total
Arunachal Pradesh	0	2	2	1	4	4	10	11	21	37	55	16	17	17	32	229
Assam	2	12	13	25	37	49	69	91	129	110	98	66	73	72	70	916
Manipur	0	2	4	12	20	7	9	8	10	8	15	18	28	25	5	171
Meghalaya	0	0	2	3	7	12	20	19	19	16	14	10	9	22	17	170
Mizoram	0	1	3	5	12	3	7	48	5	45	17	1	18	16	10	191
Nagaland	0	1	3	12	19	9	11	8	9	8	19	20	7	16	14	156
Sikkim	0	0	0	0	0	0	0	12	36	23	27	18	9	17	17	159
Tripura	0	1	1	2	2	2	5	7	9	38	55	20	12	26	33	213
Total	2	19	28	60	101	86	131	204	238	285	300	169	173	211	198	2205

Providing impetus to **growth**



Abotani Bell Metal Industry

Smt. Tame Mangche started Abotani Bell Metal Industry and has been in the business for the last 9 years. After clearance of her first loan under WEDS, she was sanctioned a second loan of ₹ 4.25 lakh for the expansion of her unit at the Industrial Estate,

Chandra Nagar in Itanagar. With the second loan, the promoter procured new machines which helped the unit to introduce new designs to traditional bell/brass metal ornaments and increase its production capacity and undertake bulk orders.

Anderson Biotech Pvt. Ltd.

Anderson Biotech, established in the year 2000, manufactures bio organic fertilizers primarily used in gardening and agriculture as a soil amendment and also commercially for landscaping and nurseries. With a capacity of 100 TPD,



the project was initially setup under the initiative of Shillong Municipal Board for treatment and disposal of solid waste of Shillong city to improve its environment, sanitation and hygienic conditions. NEDFi assisted the company in its capacity expansion from the existing 100 TPD to 200 TPD with a term loan of ₹ 50 lakhs.



Apiarian Sikkim Khadi



As a beehive boxes and accessories manufacturing unit, Apiarian Sikkim Khadi has been assisted with ₹ 3.40 lakh under the NEEDS scheme of NEDFi. A dynamic and zealous 38 year old entrepreneur, Dinesh Gurung has been running his unit successfully in Gangtok, the capital of Sikkim. His unit has been providing services and much needed support to the various bee keepers of the state and has earned much acclaim for his products.

Bake House

To cater to the growing demand for bakery and confectionary items in Aizawl, the promoters of Bake House approached NEDFi to expand its existing modern bakery unit at Tuikhuathlang. With the NEDFi's financial assistance of ₹ 17.50 lakh, the unit has acquired high capacity rotary rack oven, dough kneader, dough divider, auto-flow shifter with elevator, high speed mixer, etc for enhancing its production capacity.



The unit has been giving stiff competition to its competitors and has been running successfully.

Bomphyll General Store

Bomphyll General Store has been in existence for the last 8 years. It is located in Upper Shillong



and was promoted by Smt. Indayatipshai Gyndiang, a young local entrepreneur. The store caters to people in and around Bomphyll and also supplies goods to the quarters of the Indian Meteorology Department. The unit availed the first loan of ₹ 3 lakh in the year 2009 and the second loan of ₹ 4 lakh under WEDS from NEDFi for capacity expansion.

C. S. Ice Factory

Located at Dawrpui Vengthat in Aizawl, C.S. Ice Factory manufactures ice creams for local markets. In a bid to expand their business and their product portfolio, the unit approached NEDFi and was assisted with an amount of ₹ 4.25 lakh to procure machinery and equipment to produce more varieties of ice creams. The unit has been able to successfully market its products, garnering not only goodwill, but also a respectable income stream.



Golden Crown Restaurant

Golden Crown Restaurant is promoted by Ms. Jasvinder Kaur Monpa – an enterprising woman. With wide experience in the catering business, she approached NEDFi for financial assistance under WEDS. She was sanctioned a loan amount of ₹ 4.25 lakh for the expansion of her restaurant business at Legi Complex, Itanagar. Today, the restaurant enjoys

the status of one of the best restaurants in and around Itanagar, because of its good quality food and great ambience.

Hotel Lake Shilloi

Hotel Lake Shilloi, a proprietorship firm of Ms. Neipele Kezo is setting up a 3 star hotel (with approval from India Tourism) cum Commercial Complex at Dimapur, Nagaland having a total installed capacity of 34 rooms (comprising executive and deluxe) and providing various other facilities. Out of the total project cost of ₹ 1012 lakh, NEDFi has sanctioned ₹ 570 lakh. The commercial complex portion has already been completed and leased by Vishal Retail.



IPA Loyalakpa Brick Field

Started as a proprietorship concern by Shri Konthoujam Chaoba Singh originally as a manual brick making unit, IPA Loyalakpa Brick Field situated in Imphal West District upgraded to a semi-mechanized brick manufacturing unit with financial assistance of ₹ 87 lakh from NEDFi. Recently, it has acquired a local made brick extrusion machine and a fly-ash & clay brick making machine for enhancing the production of semi-mechanized bricks to 60 lakh bricks per annum.



Jharna Enterprise



Jharna Enterprise, promoted by Mrs. Deepamoni Gogoi in Tinsukia is a proprietorship unit making dry flower and small handicraft items. Mrs. Gogoi has more than 3 yrs experience in this field with skill development trainings and participation in various fairs and exhibitions in and outside the region. NEDFi has financed the unit with an amount of ₹ 1.53 lakh under WEDS. The unit's products find markets in various parts of the country like Goa, Mumbai and Ludhiana.

JSB Drums

With the sanction of new national highways and intra city roads, the demand for bitumen has increased tremendously in recent times. Bitumen is packed in metal drums and presently metal drums are being purchased from Kolkata. Metal drums are also required for storing rubber latex, recycled lubricant and for storage of POL products. Anticipating rise in local demand of metal drums,



the promoters of JSB drums have taken the initiative to start a metal drums production unit at Jorabat, Assam. The unit manufactures metal drums of 200 litre capacity and is the pioneer in this Region. NEDFi extended financial assistance to the tune of ₹ 4.55 crores towards the project.

Kakoti Engineering Works

Kakoti Engineering Works is a partnership firm based at Sivasagar, Assam, and is engaged in contractual business mainly of oil-based companies like OIL and ONGC. The firm is primarily engaged in repair works of Oil field equipments, Tea processing machineries, transportation services, procuring and running Mobile Cranes, Mobile Pumping Units, Workover Oil Rigs, Gas Gensets, etc. The firm has



been repeatedly assisted by NEDFi since 2004 in its endeavours like procuring Mobile Cranes and Mobile Pumping Units under ONGC contracts. The latest assistance availed by the firm is ₹ 1100.00 lakhs to procure and operate Gas Gensets under ONGC Contract for an initial period of 3 years.

Kedar Dhar Industry



Cane and bamboo are two indispensable part of the people's lives in Tripura. Mr. Kallol Dhar, proprietor of M/s Kedar Dhar Industry located at Dharmanagar, Tripura has earned reputation as an innovative artisan, designing and manufacturing a wide variety of handicrafts items using bamboo and cane. The promoter has been participating in various handicraft & handloom fairs and his unique

product designs have enabled him to export his products outside India too. The unit was financed by NEDFi with an amount of ₹ 4.25 lakh under its SNEHH scheme. The unit has been going from strength to strength and provides employment to around 50 local artisans.



Lalpuii

Lalpuii is a candle making unit located in ITI Veng, Aizawl. The promoter was assisted with an amount of ₹ 1.27 lakh by NEDFi. The unit produces attractive candles of various styles and designs for sale in the local market. The promoter had also undergone a one week training programme of designer candle making sponsored by NEDFi in June 2009.



Livemaster

Mr. K Tony Asumi, a Bachelor of Theology started 'Livemaster' – an audio & video recording studio at Dimapur. Out of the total project cost of ₹ 5 lakh, NEDFi sanctioned ₹ 4.25 lakh under NEEDS. The studio is doing well and is filling up an important gap for local musicians and artistes who presently do not have to travel all the way to Guwahati to record and edit their music and videos.

Mami Poultry Farm

With the increase in the number of hotels, restaurants, pharmaceutical companies and colleges at Ranipool and an increase in the consumption of poultry products in the area, the promoter of Mami Poultry Farm, 34 year old Privendra Pradhan set up a poultry farm unit at Ranipool in East Sikkim. Assisted by NEDFi with ₹ 3.06 lakh, the farm has been catering to the growing demands of poultry products at Ranipool.



Mapuii's Hair & Beauty Studio



Mapuii's Hair & Beauty Studio is promoted by Smt. Lalhimpuii Hmar, who was trained as a hair dresser at Alan International, London. After completing her training, she worked in various beauty salons in Amsterdam and Dublin for 3 years before returning to India to set up her own beauty studio at Laitumkhrah, Shillong. At present, she is employing 10 trained beauticians at her Beauty Parlour, which is one of the most popular parlours in Shillong. NEDFi

has sanctioned ₹ 4 lakh for expansion of her beauty studio, to include a spa.

Monorama Lodge

Agia, a small town in Goalpara district of Assam, is slowly becoming a hub for rubber trade as the adjoining areas abound with rubber cultivation. It is also emerging as a transit point for passenger vehicles which travel to West Bengal and Meghalaya. A local entrepreneur, Sri. Mukut Das, with the help of NEDFi's assistance of ₹ 18.75 lakhs under its NEEDS scheme, is in the process of setting up a nine room Lodge, which is the first of its kind in the area and will be able to meet the demand of the people visiting Agia and its surrounding areas for business and other work.



Nortech Power Projects (P) Ltd.

The state of Arunachal Pradesh has huge potential for hydro based power projects. To harness this potential, the Nortech Power Projects (P) Ltd. has been awarded contracts for setting up small hydro based power projects in various locations of the state by the state government. The company is an EPC contractor and has successfully set up various mini, micro & small



hydel power units in very remote places of the state. NEDFi extended financial assistance to the tune of ₹ 20 crores to the company for successful completion of further similar projects awarded to them by Government of Arunachal Pradesh.

Platinum Alloys (P) Ltd.

Platinum Alloys (P) Ltd. is engaged in manufacturing of ferro silicon which is used in steel making units and foundries. Since steel plays a significant role in industrial development, therefore ferro alloys are equally important and directly connected with the demand for steel. Taking advantage of the availability of raw material and low power cost in Arunachal Pradesh, the company has set up this unit at Tippi, Bhalukpong. NEDFi extended financial assistance to the tune of ₹ 11.70 crores to fund the project.



Sargam Academy



Ms. Tsering Choden Khochilo felt the need for a dancing institute and fitness centre which taught different dance forms of both Indian and Western genre to cater to the growing demand of a fitness centre in Arunachal Pradesh. NEDFi sanctioned an amount of ₹ 4 lakh under WEDS in 2011 with which she started 'Sargam Academy' in Itanagar. The enrolment rate has

been encouraging and the academy has a tie-up with a Mumbai based professional choreographer, who makes regular visits to teach and enhance the skills of the trainer and the students.

Shintha Handloom and Handicrafts

In Manipur, the traditional skill of handloom weaving is an indispensable aspect of the socio-economic life. The handloom products of Manipur have a very good demand in the local, national and international markets. With this in mind, Shintha Handloom and Handicrafts was set up at Thongju in Imphal East. With assistance of ₹ 4.25 lakh under WEDS by NEDFi for expansion of the unit, it has been able to



purchase the essential handloom machinery which has facilitated the production of a variety of exotic Manipuri traditional clothes.

Topcem India

Government's focus on improvement in basic infrastructure has ushered in a rise in the demand of cement consumption in the North East.



Topcem India is being promoted by the Meghalaya Cement Ltd. With a proposed capacity of 0.66 MTPA, the TOPCEM brand is well positioned to be a leading player in the market of the North Eastern region.

NEDFi has financed Topcem India with ₹ 23 crores under its project finance scheme in consortium with SBI & PNB. The project has been granted mega project status by Government of Assam and therefore it enjoys the associated benefits as well.

Unii Packagers

Most items at the supermarkets, stores or shopping malls are safely delivered in boxes made of corrugated cardboard, demand for which is steadily growing. NEDFi assisted M/s Unii Packagers for setting up a full fledged corrugated box manufacturing unit having a capacity of 1800 MTPA at Gotlong, Tezpur, Assam with a rupee term loan of ₹ 70.00 lakhs and working capital term loan of ₹ 20.00 lakhs.



Winmark Diagnostic Services



With a mission to provide sophisticated medical diagnostic services in North Tripura District, the Winmark Diagnostic Services has set up a CT Scan machine in the Dharmanagar Sub-Division Hospital under the PPP model with the Government of Tripura. With this, Dharmanagar becomes the second town after Agartala where these kind of essential services are available at a low cost. The unit was

financed by NEDFi with ₹ 114 lakh under the Equipment Finance Scheme.

Zodi Weaving & Handloom Industry

Zodi Weaving & Handloom Industry is located at Chanmari West, Aizawl. The unit was assisted by NEDFi with a loan of ₹ 3.69 lakh to acquire handloom machineries and has since then been able to produce various designs of Mizo Puan, curtains, bed sheets etc. for sale in the local market.



Reaching out to the Grassroots

NEDFi's Micro finance has been successful in reaching out to 1.6 lakh beneficiaries across the North East

Adarsha Sangha



Adarsha Sangha located at Dharmanagar, North Tripura District, a leading NGO of Tripura working for the unemployed and other vulnerable sections of the society, undertakes microfinance programmes in rural, semi urban and urban areas of the Dharmanagar subdivision, working in areas where there is a large demand for the same. Till date, Adarsha Sangha has facilitated the creation of 56 self help groups. Apart from microfinance, the organisation is also engaged in various social activities, viz; education, health, environment etc. The organization was assisted by NEDFi under its Microfinance Scheme twice – first with ₹ 3 lakh in 2008 which was liquidated before due time and a second for ₹ 12 lakh in 2010 which is being repaid regularly. Today, Adarsha Sangha is one of the growing MFIs of Tripura, providing credit to the needy for various income generating activities, enhancing livelihoods and improving economic conditions.

Mahila Vikas Kendra

The Mahila Vikas Kendra, with its head office in Imphal East District, Manipur is an NGO which started Micro Finance activities in the year 2008. Its activities mainly centre on awareness and vocational trainings for the welfare of the community and microcredit programme in Imphal women market, villages, rural, semi urban and urban areas of Manipur. It works in areas where there is a large concentration of unemployed and demand for microfinance services. The Kendra concentrates on mobilizing and sensitizing the masses and then providing financial assistance to individuals



of the SHGs, based on the strength of the group assurance. Along with this, inculcating strong savings behaviour, providing technical assistance for capacity building of potential clients in resource-poor areas, creating market-orientation and forward & backward linkages have received major focus. To lend support to these efforts, the organization has been assisted by NEDFi for an amount of ₹ 8 lakh. Because of their excellent track record of effective utilization and timely repayment, the NGO has also received support from other financial institutions.

North East India Committee on Relief & Development (NEICORD)

NEICORD is a nonprofit Christian organization based at Shillong, Meghalaya. The organization has been involved in relief and development work in the north eastern states for the past



28 years responding to the needs of the poor and underprivileged. Their main area of activities are micro-enterprise development, health, HIV & AIDS, integrated development and community capacity building. NEDFi had sanctioned an amount of ₹ 25 lakh to the society under its Micro Finance Scheme for on lending to their SHGs for agriculture and allied activities.

Youth Volunteers' Union (YVU)

Youth Volunteers' Union – YVU is a well recognized voluntary organization from Manipur. It started its operations in 1970 and for a decade, its activities were limited to sports, cultural and social work, adult literacy, etc. In 1974, it started a crusade against immoral trafficking and prohibition in the valleys of Manipur and had to face numerous hurdles during the campaign. But YVU never turned back and stood steadfast in this endeavour. The first financial support received by YVU was

in 1981 from EZE, Germany. Till date, YVU has been supported by 15 international and national development agencies in its struggle against hunger and poverty. Its developmental activities have expanded and are spread over 6 Districts of Manipur, covering 432 villages and about 3.50 lakh people. YVU, was awarded National Youth Award in 1986-87. Besides various social and developmental activities for the downtrodden and empowerment of women, it has identified credit as an important tool for improving the economic condition and self sustenance of the needy. Hence, YVU started its microfinance activities in 1996. As on 31st March, 2011, its microfinance operation has an outstanding of ₹ 112.4 million with 25,084 members. The total number of active clients as on 31st March, 2011 is 12,273. It has a total of 9 branch offices, 7 branches in Manipur, one branch each in Guwahati and Delhi. YVU's interest rate is one of the lowest in the microfinance sector and it develops its loan product base on the need of the clients. It adopts both JLG and individual lending models.



NEDFi has been associated with YVU since 2009. In response to their first loan proposal, the corporation extended an assistance of ₹ 100 lakhs. NEDFi has also nominated one of its officers to the Governing Body of YVU to help and guide them in microfinance lendings and in the proper rules and procedures for better management. The Corporation has also provided handholding and training in the areas of group formation, loan appraisal, monitoring and NPA management.

Venturing into new areas: Consultancy & Advisory



3rd Party Monitoring of Township Road constructed under Special Plan Assistance (SPA) 2009-10

The North East of India is today witness to some of the largest civil construction programmes and infrastructure projects ever undertaken. There are large road projects underway, gauge conversion and new lines under railways, hydel and thermal power projects, oil and natural gas projects like the Assam Gas Cracker, riverways and multi-modal transport projects like the Kaladan and proposed construction of green field airports.

With Govt. of India rededicating itself

to improving the infrastructure of North East India, there is a pressing need to exponentially increase the absorptive capacity of the States of the Northeast region to ensure implementation of these ambitious construction projects.

NEDFi is playing a constructive role in the creation of the infrastructure in the region initially through Project Evaluation and Monitoring and thereafter through Project Management Consultancy. It has been awarded and is presently executing several Project Evaluation and Monitoring assignments in the region.



3rd Party Monitoring of RCC Bridge constructed under Rural Infrastructure Development Fund (RIDF)



Performance Evaluation of Flood Management Programme (FMP) of Water Resources Department, Govt. of Assam



3rd Party Monitoring of Hume Pipe Irrigation Conveyance System constructed under SPA 2009-10



NEDFi is not only a lending institution



Brainstorming Seminar on the Development of Manufacturing & Services Sectors in NER at Hotel Denzong Regency, Gangtok, Sikkim on September 9, 2010



Opportunity North East

- An Investment Meet in Gujarat

Second state level consultative workshop on 'NER Vision 2020 - The Way Forward (Thematic Group on Financial Services)' for the state of Sikkim at Gangtok, Sikkim on 4th of May 2010



Celebrating the Spirit of Entrepreneurship



NEDFi has instituted the "NEDFi Entrepreneurship Excellence Award 2010" to felicitate its front-ranking clients and entrepreneurs across the region. This is a pioneering effort by a Financial Institution/Bank in the North East to recognise entrepreneurial achievements. The Award will inspire and encourage current and prospective entrepreneurs in the North East

Enhancing livelihoods: capacity building and skill development training



1. Artisans learning loom techniques from NID faculty
2. Artisans at strategic design intervention training on water Hyacinth Craft at NID, Ahmedabad.
3. A village boy learning the process of collection of raw materials at Tezu (AP)





CMD takes a close look at designer candles at the Advanced Candle Making programme



Members of Mahila Imdad Committee at the NEDFi sponsored Designer and Skill Upgradation Programme



Showcasing of products for a better market.





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 S.K. Roy

The Zonal Manager, Life Insurance Corporation of India, Eastern Zonal Office, Kolkata. Prior to this posting, he was Zonal Manager, North Central Zone, Kanpur.



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 S.K. Panda, IAS

The Chief Secretary, Government of Tripura who belongs to the Indian Administrative Service (1980 Batch). Earlier he was Secretary, AYUSH, under the Ministry of Health & Social Welfare, N.Delhi.



Sri Rohtash Singh

He is the Director, Ministry of Development of North Eastern Region (DoNER), New Delhi. He belongs to the Central Secretariat Service and has the experience of working in various capacities in key Ministries of Central Government.



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 Karma Gyatso, IAS

The Chief Secretary, Government of Sikkim who belongs to the Indian Administrative Service (1977 Batch). Earlier he was Additional Chief Secretary & Finance Commissioner for the Govt. of Sikkim.

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, 2011.

Financial Reviews

The financial results of the year are highlighted below:

Working Results	(₹ Crore)	
Financial Year	2009-10	2010-11
Gross Income	61.76	77.15
Expenditure	7.42	14.09
Provisioning	3.06	0.42
Profit Before Tax	51.20	62.64
Profit After Tax	33.25	45.65
Earnings Per Share (in ₹)	3.32	4.56
Dividend	3.00	4.00
Interest income as percentage to average working funds (%)	9.56	10.49
Non-interest income as percentage to average working funds (%)	1.03	0.89
Operating profit as a percentage to average working funds (%)	8.79	9.24
Return on average assets (%)	5.44	6.38
Net profit per employee	0.37	0.43
Capital to Risk (Weighted) Assets Ratio (CRAR) (%)	61	54.57
Financial Position		
Authorised Capital	500.00	500.00
Paid up Capital	100.00	100.00
General Reserve	183.41	209.41
Net worth	326.50	367.64
Total Assets	731.09	839.74
Sanctions	333.41	421.39
Disbursements	208.08	281.38
Loan Outstanding	526.37	668.07
Recovery (%)	73.64	80.05

Providing momentum to economic growth

Over the past sixteen years, growth momentum of the Corporation has accelerated and with cumulative loan sanctions of ₹ 2049.11 crore at the end of March 2011, it has been able to make a noticeable mark, synchronizing development across all the North East states.

During the year, the Corporation has reached new heights in key parameters such as gross income, profits, sanctions, disbursements and loan 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, 2011:

(₹ Crore)

Year	Sanctions	Disbursements
2006-07	138.72	94.24
2007-08	279.45	116.44
2008-09	266.89	184.09
2009-10	331.41	208.08
2010-11	421.39	281.38

(₹ Crore)

Cumulative		
Year	As on 31.3.2010	As on 31.03.11
Sanctions	1627.72	2049.11
Disbursements	1000.45	1281.82
No. of Projects	2007	2205
Capital Investment Facilitated in NER	6129	8280
No. of Employment Generated	60098	61709

The operating efficiency of the Corporation has also been improving from year to year. For the year 2010-11, operating profit as a percentage to average working funds was 9.24% as compared to 8.79% in the previous year. Return on average assets was 6.38% in the year under review as compared to 5.44% in 2009-10. Net profit was ₹ 45.65 crore as against ₹ 33.25 crore in 2009-10, an improvement of 37% over the previous year. Capital Adequacy Ratio is 55% as against last year's 61%.

During the current financial year ₹ 26 crore was transferred to General Reserve of the company, ₹ 9.13 crore to Statutory Reserve under RBI Act, 1934 and ₹ 5.19 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 ₹ 0.40 per share for the financial year 2010-11. The payout ratio is 10.2% of the net profit and total outgo on account of dividend and tax thereon is ₹ 466.44 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 ₹ 668.07 crore. This is 27% higher as compared to ₹ 526.37 crore as at 31st March, 2010. Credit exposure to five emerging sectors – infrastructure finance, cement, iron & steel, micro finance and real estate – constituted around ₹ 362 crore which is 54.14% of the loan book.
- An amount of ₹ 421.39 crore was sanctioned to 198 new and viable projects and disbursement was 35.2% higher at 281.38 crore. More significantly, overdues were reduced, and the recoveries totalled ₹ 171.01 crore (an increase of over 15%).
- The recovery of loans at 80.05% was significantly higher than the year-end figure of 74% in the last fiscal.

- Out of the 38 sectors financed by the Corporation, the best recovery at 100%, has been from the industries engaged in cement, ferro-alloy and industrial gases, followed by educational & training institute (99.57%), bamboo & wood based industries (99.16%), iron & steel (97.39%), textiles & yarns (98.71%), equipment (95.73%), contract finance (95.19%), jute based industries (95%).
- Lowest recovery has been in sectors such as capital goods (7.02%), rubber based industries (9.06%), agri & allied activities (22.79%), medicinal & aromatics plant (24.16%) and tea (28.33%).
- Net NPAs to net loans & advances stood at 1.85% as on 31st March 2011 and gross NPA stood at 7.89%, much lower than 2.47% and 14.01% respectively as on 31st March, 2010.
- Recovery proceedings through Lok Adalats have proved to be an effective instrument for smaller loans below ₹ 10 lakh. Further, the Corporation has been making provision on NPAs regularly as mandated under the prudential norms issued by the Reserve Bank of India from time to time.
- With higher business volume and better loan and interest recovery, the gross earnings of the Corporation increased by 25% to ₹ 77.15 cr.

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 remote areas of the Region. During the financial year, loans sanctioned under the scheme aggregated ₹ 33.35 Cr. covering 21 projects and 51304 beneficiaries. Till the FY 2010-11, cumulative sanctions and disbursements were ₹ 101.19 crore and ₹ 95.45 crore respectively to 422 NGOs/MFIs/CBOs from 8 North Eastern States, to reach out to 159983 beneficiaries, of which 83% are women.

(₹ Crore)

Micro Finance	2009-10	2010-11
Sanctions	17.12	33.35
Disbursements	16.96	39.85
No. of Projects	28	21
No. of SHGs/ JLGs Groups assisted	3904	9838
No. of beneficiaries	24802	51304
No. of women beneficiaries	22370	50293

Notable activities of the Corporation under Microfinance Scheme:

NEDFi, through its micro finance initiatives, provided training to the NGOs at Udaipur and Dharmanagar districts in Tripura and Khetri (Kamrup Dist) in Assam. A three day residential Workshop cum Training Program on "Micro Finance for Beginners" starting from 30th August to 1st September'10 was also organized at Kailashar, North Tripura,. The training was attended by 45 participants from 25 NGOs. They were given basic training on Micro Finance. Similar training is being organized in other states also. Under these programmes, about 88 participants from 37 NGOs were given training about the meaning of Micro Finance, its benefits to society and the requirements for doing micro finance activities.

Business Development Initiatives

As a development finance institution of the North East for the North East, NEDFi sees itself not as a mere project financing institution but also as a facilitator for promoting private investment in the emerging sectors and development of entrepreneurship in the Region. The Corporation has initiated various business development programmes, promotional activities, research & development programmes and other socially relevant activities. Some of them are mentioned below:

- NEDFi with the support of the Ministry of Development of North Eastern Region (DoNER) organized an Investment meet entitled Opportunity North East at Ahmedabad, Gujarat on 13th January 2011. The programme was organized in line with the Vibrant Gujarat event. Investors from different sectors and officials from all the states of the NER participated in the event.
- NEDFi organized a Seminar on Development of Manufacturing & services Sector in the NER at Gangtok in the month of September 2010. The Seminar was attended by the Hon'ble Union Minister of Mines & DoNER, Shri B. K Handique as Chief Guest, as well as by Sri. Pawan Chamling, Hon'ble Chief Minister of Sikkim, Dr. J P Sharma, Jt. Secretary, Ministry of DoNER, Chief Secretary & Addl Chief Secretary of Sikkim and other senior government officials.
- On request from the Govt. of Manipur, NEDFi arranged a training programme on the "NEIIPP 2007" for their senior officials from the Dept. of Industries at the NEDFi conference hall on 11th and 12th November, 2010. The training programme dealt with all the aspects of the policy.

NEDFi has taken initiatives to reach out to the young generation by organizing business/ entrepreneur meets, with the objective of helping and encouraging entrepreneurs of the Region. These business meets are organized to educate people about the corporation, its role and functions and the different schemes provided by the Corporation under which entrepreneurs can receive financial assistance. As a part of this initiative, the corporation, organised ten such business meets in the Region- three in Assam (Kokrajhar, Goalpara and Silchar), four in Tripura (Agartala, Kumarghat, Kailashar, Udaipur), one each in Sikkim (Gangtok), Shillong (Meghalaya) and Itanagar (Arunachal Pradesh).

A. Techno Economic Feasibility 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 2010-11 are:

Completed (during the year):

Sl. No.	Name of the Study	Name of the Consultant
1	Feasibility Study of Involving Local Community in Tourism Related Activities in Kaziranga National Park	Department of Business Administration, Tezpur University
2	Study And Action Plan On Post Bird Flu Scenario Of Poultry Sector In Assam	Fellowship for Agri-Resource Management and Entrepreneurship Research (FARMER), Guwahati
3	Interim Study to Assess and Evaluate the Impact of The North East Industrial and Investment Promotion Policy (NEIIPP) 2007 in the NER (an NEC Funded Study)	M/S Mott Mac Donald Pvt. Ltd, Noida
4	Compilation of data for preparation of directory on Educational Institutes available in Guwahati and Shillong.	Assam Institute of Management, Guwahati

Sl. No.	Name of the Study	Name of the Consultant
5	Compilation of data for preparation of directory on Medical Establishments available in Shillong, Guwahati and adjoining areas of Bhutan in Assam	Assam Institute of Management, Guwahati
6	Quick Market Survey for setting up of Hotel in and around Tezpur	Dept. of Business Administration, Tezpur University

Ongoing:

Sl. No	Name of the Study	Name of the Consultant	Status
1	Study & Action Plan for promoting Fruits & Vegetables Processing industries in the state of Arunachal Pradesh	M/S Infrastructure Leasing & Financial Services Limited.	Inception Report submitted. Timeline extended on request from the Consultants and as recommended by the Dept. of Industry, Govt. of Arunachal Pradesh
2	Impact Assessment Study of NEDFi's Micro Finance scheme in the state of Assam & Manipur	Centre for Humanistic Development, Guwahati	Final Report since Submitted
3	Quick Market Survey for setting up of Hotel in and around Guwahati	Dept. of Business Administration, Gauhati University	Final Report since received

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, holding plastic machinery fair have been initiated.

B. Focus on Training and skill Development for sustaining livelihoods

Capacity Building of Artisans: 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 and production techniques and have also helped in skill building capacity of artisans in the North East. NEDFi with the support of the North Eastern Council has taken up the initiative to develop water hyacinth based craft in the North Eastern Region. In this regard, the following trainings were organized during the period from April 2010 to March 2011:

- **Skill Development programmes** at Tezu in Arunachal Pradesh, Agia, Goalpara district, Hussain Chuburi & Barpathar in Darrang district and Dhubri in Assam, Dharmanagar in Tripura, Tikrikilla, West Garo Hills in Meghalaya.
- A team of 25 artisans participated in an advance training on strategic design intervention at National Institute of Design, Ahmedabad, Gujarat from 2nd December 2010 to 22nd December 2010. The 3 weeks long programme focused on introduction of new, innovative, contemporary and market relevance designs, both for mass usage as well as for niche market.
- An interactive training programme was organized at NEDFi Haat, Ambari from 31.01.2011 to 09.02.2011 as a follow up of the training programme held at NID, Ahmedabad.

- NEDFi in association with the NID conducted a Design Awareness Seminar at Bharaltola, Nalbari, Assam on 25th February 2011. The programme was organized under the Design Clinic Scheme of the Ministry of MSME for the water hyacinth craft cluster.
- Another training programme on water hyacinth based craft was organized at Dibrugarh, Assam with the support of the DRDA, Dibrugarh from 16th November to 25th November 2010. Twenty artisans from the district underwent the training programme.
- **Inauguration of Water Hyacinth Craft Gallery cum Demonstration Centre:** A water hyacinth craft gallery cum demonstration unit on the 1st Floor of NEDFi Haat, Ambari, Guwahati was inaugurated on 7th March 2011 by Shri U.K. Sangma, IAS, Secretary, NEC, in the presence of Shri B.P. Muktieh, CMD, NEDFi, Shri Jagdish Borah, MD, North Eastern Handicrafts & Handlooms Development Corporation Ltd. (NEHHDC) among others. The gallery would facilitate the artisans involved in the craft to display and sell their products.
- NEDFi facilitated Sri Amarendra Das to develop tricho-cards which has helped in controlling stem borer attack in brinjal and peddy. This will also reduce use of insecticides.

NEDFi's Initiative on Designer Candles

While initiative on Water Hyacinth craft was taken up for the plain belts of the North Eastern Region a parallel programme on making of Designer Candles was initiated with an intention to benefit the hilly parts of the North Eastern States. This initiative was taken up as candles have significant importance in the social events such as birthdays, anniversaries, funerals etc.; religious events such as Christmas, Easter, Deepawali, Chhat Puja etc. Candles have its aesthetic value and are used in Resort, Spa, Hotels, etc. General Candles have its own demand in the region. Also, it was observed that the initial investment required for taking up the profession was very less.

During the year 2010-11, NEDFi conducted three training programmes on Designer Candle Making at Haflong in Assam; Namchi and Gangtok in Sikkim taking the total numbers of training conducted to fifteen (15). An exhibition was organized at NEDFi Haat, Guwahati from 1st to 4th November 2010, wherein, designer candles made by these artisans were displayed. The fair was organized as a Pre-Dipawali Fair-2010. Thereafter, a 3-days advance training programme on designer candle making was organized at NEDFi R&D Centre, Khetri from 23rd to 25th November 2010. Twenty entrepreneurs from the region participated in the training programme.

Exposure Visit to Munnar: A team of nine entrepreneurs from the North Eastern Region were selected and sent to Athulya, Munnar, Kerala for an exposure visit on Handmade Paper Industries. The training was held from 7th to 9th February 2011. The programme was a joint initiative of NEDFi and Tata Tea.

C. Providing Marketing Linkages:

NEDFi Haat

Year	No of Fairs held	Sales (in lakhs)	Participants					
			NGO	SSI	Co-Operatives	SHG	Others	Women
2010-11	37	469.26	80	158	12	81	677	785
Cumulative Total	246	2151.51	661	1474	283	1943	1548	4746

During the year, NEDFi organized a number of fairs like the Pre-Rongali, Pre-Diwali, Pre-Bhogali melas, water hyacinth craft exhibition, handloom & handicraft fair, etc at NEDFi Haat. The Pre-

Dipawali Mela at NEDFi haat facilitated the participation of nine entrepreneurs involved in designer candle making, The fair also gave an opportunity to the artisans of Rangthali Village in Nagaon District of Assam to showcase their art of age old customary traditional jewelry making. Three prominent NGOs of Guwahati also participated by showcasing varieties of products made by the differently abled children.

Marketing Support through facilitating participation of entrepreneurs in different Exhibitions:

SN	Type of Fair	Date	Particulars
1	N.E. Expo 2010, Itanagar	29 th Sept. to 1 st October 2010	NEDFi facilitated the participation of 3 NGOs from the State of Arunachal Pradesh to participate in the fair.
2	Indian Handicraft and Gift Fair- Autumn 2010	17 th to 20 th October 2010	NEDFi facilitated the participation of 29 entrepreneurs of the region to the IHGF Autumn 2010 at Greater Noida.
3	21 st Industry & Commerce Fair, Agartala	28 th Jan to 8 th February 2011	NEDFi participated in the event by facilitating 8 (eight) units from the region apart from participants from the State of Tripura. NEDFi also presented 2 trophies for the best display in different categories.
4	Indian Handicraft and Gift Fair-Spring 2011	19 th to 22 nd February 2011	NEDFi facilitated the participation of 28 entrepreneurs of the region to the IHGF Spring 2011 at Greater Noida.

Centre for Practical Livelihood Training

Centre for Practical Livelihood Training (CPLT), a RUDSETI type institute at Nalbari (Assam) was set up by the Corporation to directly help rural unemployed youth to get trained, to avail bank finance and eventually become self-employed. Till date, CPLT has conducted 21 training programmes where 397 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 NEDFi R & D Centre for Medicinal and Aromatic Plants at Khetri is presently running 3 research projects and various extension and training activities. During the period under report, this centre undertook 8 training programmes both on-campus and off-campus for officers of various Govt. departments, Entrepreneurs, Farmers and NGOs. More than 3 lakh seedlings of MAPs were supplied to the farmers, besides offering technical guidance to the entrepreneurs, farmers and other stakeholders.

The R & D Centre at Naglichera, Tripura has also undertaken various awareness and training programmes under MAP.

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 upliftment, earning goodwill and establishing the essence of good corporate governance. During the year under review, a few initiatives under CSR are listed below:

- To promote young talent in Assamese culture, sponsored Prize Money awards for two up-coming professionals in the field of Assamese theatre at Rabindra Bhavan on 6th June, 2010.

- Donated computers to two needy educational institutes, viz; Chandranath Bezbaruah College, Bokakhat and Bhaskar Bidyapith Higher Secondary school, Guwahati. Also initiated a project “Wall painting in the prominent locations of the city by school children”.
- To mark the 15th Incorporation Day of NEDFi on 9th Aug, 2010, the corporation acknowledged the valuable contribution of its customers and associates whose contribution has helped NEDFi fulfill its mandate to be a pacesetter in the economic development of the North East. To felicitate its front-ranking clients and entrepreneurs across the region, NEDFi instituted the “NEDFi Entrepreneurship Excellence Award 2010” and the award was presented to 21 entrepreneurs of the eight NE States on the occasion. At the Branch Offices, Debate and Business Quiz competitions were organized in association with prominent educational institutions of the states targeting the young generation of the state.
- A Diwali fair was organized at NEDFi Haat in which differently abled children of organizations like ‘Sishu Sarothi’, ‘Assam Autism Foundation’ and ‘Ashadeep’ were given a platform to display and sell their handmade products.
- NEDFi extended monetary support to ‘Deepshika’, a cancer care foundation for a fund raising event for the cancer patients in NE and also to Armed Forces Flag Day Fund.
- As a CSR gesture, NEDFi decided to acquaint orphanage kids from Jalukbari Sishu Kalyan Sadan and school students from Meghalaya with the specially designed train ‘Science Express’, to give them an exposure in the field of Science & Technology.

The Corporation is in the process of fine tuning its CSR schemes in order to include the developmental and other activities in its ambit.

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, 2011 stood at ₹ 1997.43 crore. The Corporation is a nodal agency for disbursement of Central Subsidies under NEIP 1997 & NEIIPP 2007, which is administered by the Deptt of Industrial Policy & Promotion, Ministry of Commerce, GOI. The Corporation is thus facilitating disbursement of subsidies under the Central Transport Subsidy Scheme, Central Capital Investment Subsidy Scheme, Central Interest Subsidy Scheme & Central Insurance Subsidy Scheme to all the 8 NER States. The detail of disbursement under various schemes, during this financial year is given below:-

(Amount in ₹ Crore) (As on Mar 31, 2011)

Subsidy	No. of Claims	Amount disbursed
Central Transport Subsidy (CTS)	8266	1678.18
Central Investment Subsidy (CCIS)	1177	201.30
Central Interest Subsidy (CIS)	1432	110.51
Central Comprehensive Insurance Subsidy	585	7.44

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

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. During the period April, 2010 to March, 2011 the following assignments have been awarded to NEDFi and the status of the same is as under:

Sl. No.	Name of Assignment	Total Contracted Value of Fees (₹ in lakh)	Status
1	Asset Valuation and Financial Restructuring of Guwahati Municipal Corporation Ltd.	35.00	Completed
2	Consultancy Services for setting up of IT Park at Guwahati with SREI	10.45	On going
3	Bid process management of "North East Wave'- Composite Cultural Show sponsored by Min of DoNER through NEC.	1.50	Completed
4	Evaluation of National Centre for Design and Product Development (NCDPD) Training at BCDI, Agartala	1.00	Completed
5	Evaluation of National Centre for Design and Product Development (NCDPD) Training at Assam, Arunachal Pradesh and Nagaland by NCDPD	2.75	Completed
6	Evaluation and Monitoring of projects under EDF – NER - Zopar Exports Pvt. Ltd., Mizoram	3.16	Completed
7	Project Evaluation & Monitoring of SPA(2008-09) Projects in A.P	11.81	On going
8	Project Evaluation & Monitoring of SPA(2009-10), RIDF-X(2004-05) to RIDF-XV (2009-10)	194.00	On going
9	Project Evaluation & Monitoring of BADP (2009-10) projects under PM package for APEDA.	5.73	On going
10	Project Monitoring of micro & mini hydel projects under PM package for APEDA	30.74	On going
11	Impact Assessment Study on BVIP through SHSs under P.M. Package for APEDA	11.73	On going
	Total	307.87	

HRD Initiatives

In recent years NEDFi as an organization has been growing in size and its activities have also increased manifold. Additional areas that the organisation is taking up include advisory & consultancy services. To keep up the pace of growth in the present scenario and to create competitive advantage for the

organization recruitment of manpower is an essential building block. In order to give a thrust to the core function of the organization and to strengthen the existing branches, the manpower strength was increased through fresh recruitment of officers whose skill, experience and personal attributes are suited to our business needs and goals.

- As part of the recruitment plan, the following officers were recruited from various states of the North East: Manager-2, Assistant Manager-6 and Management Trainee-10.
- Internal promotion policy of an organisation is a powerful tool as it can generate loyalty through recognition of individual merit and improved morale by fulfilling employees' need for increased status that involve increasing responsibility levels. NEDFi has always encouraged the advancement of its employees and enhanced the upward mobility of the officers and towards that end has brought a change in the promotion policy in the grades of Executive Assistant, Executive Secretary & Management Executive.
- The last pay revision in NEDFi came into effect from 2006 and as such the next pay revision is due in 2011. Accordingly work related to pay revision is under process.

As on 31st March, 2011, the Corporation had 85 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 37 employees were nominated for 13 numbers of training programmes, workshops, seminars & conferences conducted in reputed institutions like IDRBT, NITIE, Ni-msme etc.

A 2 (two) day internal training programme on presentation skills covering the various aspects of presentation was organized with the help of "Prime Online" a Kolkata based Consultancy for officers in the grade of Assistant Managers & Management Trainees to help them overcome the initial fear of facing people confidently and to perform to their potential.

NEDFi's permanent office and Convention Centre

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.

The first floor premises of NEDFi House which has been named as NEDFi Convention Centre is doing reasonable business and getting very good response from public. The first event had taken place on 29th Aug, 2010 and since then a total of 39 events has been held as on 31st March, 2011. The Convention centre is equipped with state-of-art and modern facilities like embedded PA Systems, highly sophisticated projection systems and other facilities for Seminars, Meetings, Conferences and Exhibitions. Organizations like TERI, British High Commission, UNICEF, SBI, RGVN, NRL, HDFC Standard Life, Dy. Commissioner's office and various deptts of the Govt. of Assam, Indian Oil, Silk Mark Organization, etc have availed the premises for hosting various important events.



NER Databank

The North Eastern Region of India is known for its vast natural resources and is a cauldron of different people and cultures. Information about this Region, though available from various sources, is scattered. To mitigate this disadvantage, NEDFi is maintaining a web based portal called “NER Databank” with a view to provide information about North East India at a single source. Data on various sectors are being updated regularly. The details can be browsed at <http://db.nedfi.com/>.

NEDFi Databank Quarterly Journal

The Corporation publishes “NEDFi Databank Quarterly Journal” - an economic journal on the North Eastern region on various sectors. NEDFi Databank Quarterly is an effort to attract investments and business to the region as well as be of use for research/study for students, policy makers and business persons. Sectors covered so far are (1) Power (2) Agriculture (3) State Finances (4) SME sector (5) Healthcare (6) Tea sector (7) Banking Sector (8) Education (9) IT Sector (10) Microfinance (11) Medicinal and Aromatic Plants (12) Handloom & Handicraft (13) Border Trade (14) Horticulture (15) Sericulture (16) Animal Husbandry (17) Fisheries (18) Tourism (19) Bamboo (20) MSME (21) Power (22) Medicinal and Aromatic Plants (under print).

Board of Directors

NEDFi's Board has 11 (eleven) Directors of which all except one are Non-Executive Directors. In the last Annual General Meeting held on 27th September 2010, Sri R.K. Garg, Dr. R.K. Baisya and Dr. R.B. Barman were appointed. Sri B.P. Muktieh was appointed as Chairman and Managing Director with effect from 1st July, 2010.

During the year Sarbasree V.K. Dev, Lalthara, A.K. Deb, T.T. Dorjee, Surender Kumar, R.R. Dash and N.D. Chingapa relinquished their office as Directors. The Board has placed on record its appreciation of the services rendered by Sarbasree V.K. Dev, Lalthara, A.K. Deb, T.T. Dorjee, Surender Kumar, R.R. Dash and N.D. Chingapa during their respective tenure at NEDFi.

Dr. S.K. Panda, IAS, Chief Secretary, Tripura, has been appointed as Director on the Board of Director of NEDFi with effect from 23rd December 2010. Dr. Panda will hold office as Director of NEDFi upto the ensuing Annual General Meeting. The Company has received a notice from IDBI Bank Ltd. (member) signifying its intention to propose the candidature of Dr. S.K. Panda for the office of Director. Necessary resolution in this regard has been incorporated in the notice for Sixteenth Annual General Meeting.

Sri Karma Gyatso, IAS, Chief Secretary, Sikkim, has been appointed as Director on the Board of Director of NEDFi with effect from 8th August 2011 in place of Sri N.D. Chingapa, Ex-Chief Secretary, Sikkim on his relinquishment as Director of NEDFi. Sri Karma Gyatso will hold office as Director of NEDFi upto the ensuing Annual General Meeting. The Company has received a notice from IDBI Bank Ltd. (member) signifying its intention to propose the candidature of Sri Karma Gyatso for the office of Director. Necessary resolution in this regard has been incorporated in the notice for Sixteenth Annual General Meeting.

Sri S.K. Roy, Zonal Manager, Life Insurance Corporation of India, Eastern Zonal Office, Kolkata has been appointed as Director of the Company with effect from 18th June 2011 and will hold office up to the date of the ensuing Annual General Meeting of the Company. In the meantime, the Company has received a notice from Life Insurance Corporation of India (member) signifying its intention to propose the candidature of Sri S.K. Roy for the office of Director. Necessary resolution in this regard has been incorporated in the notice for the Sixteenth Annual General Meeting.

Sri Rohtash Singh, Director, Ministry of Development of North Eastern Region, New Delhi, was appointed as Director on the Board of NEDFi with effect from 18th June 2011 and will hold office upto the date of the ensuing Annual General Meeting of the Company. The Company has received a notice from IDBI Bank Ltd. (member) signifying its intention to propose the candidature of Sri Rohtash Singh for the office of Director. Necessary resolution in this regard has been incorporated in the notice for Sixteenth Annual General Meeting.

As per the provisions of Section 256 of the Companies Act 1956, Dr. D.N. Borthakur and Sri U.K. Sangma will retire by rotation at the ensuring Annual General Meeting and are eligible for reappointment as Directors in the said 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 ₹ 2 crore are placed before the Directors' Committee for approval. During the year under review, four 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) ₹ 2 crore and (ii) ₹25 Lakh are placed before Corporate Credit Committee (I) and Corporate Credit Committee (II) respectively. Five Corporate Credit Committee (I) meetings and eighteen 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, 2011, 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, 2011 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 2010-2011 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 minimal. However, NEDFi is in the process of installing solar energy panels to minimize power consumption. The organization has adopted the latest information technology to fully automate its operations and enhance customer satisfaction. There has been no foreign exchange income and outgo during the year.

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 unstinted 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)

Guwahati

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, 2011, 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, 2011 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, 2011;
 - 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
9th August 2011

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 ₹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, Sales 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 :: 31-03-2011 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 Sales Tax / Custom duty / Wealth Tax / Service Tax / Excise Duty / Cess were outstanding as at 31.03.2011, except a sum of ₹ 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. and ₹ 2,032,677/- in respect of Service Tax against which an appeal is pending before the Addl. Commissioner of Service Tax.
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
9th August 2011

For O.P. BHANSALI & CO.
Chartered Accountants



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



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 2011 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 9 August 2011.

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 2011. 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 : 6 September 2011



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

BALANCE SHEET AS AT 31st MARCH 2011

Sch.		As at 31.03.2011 ₹	As at 31.03.2010 ₹
SOURCES OF FUND			
Shareholders' Fund			
a)	Share Capital	A 1,000,000,070	1,000,000,070
b)	Reserve & Surplus	B 2,798,415,012	2,381,200,107
c)	Techno Economic Development Fund	C 282,440,080	4,080,855,162
			266,878,495
			3,648,078,672
Deferred Grants			
a) India Exposition Mart Stalls			
	Balance brought forward from previous year	23,400,000	23,400,000
	Less: Depreciation on Mart tfd to Profit & Loss Account	994,835	22,405,165
			23,400,000
Loan Funds			
	Interest Free Unsecured Loan from Govt. of India	3,491,100,000	2,891,100,000
Deferred Tax Liability		59,766,658	39,661,062
TOTAL :		7,654,126,985	6,602,239,734
APPLICATION OF FUND			
Fixed Assets			
D			
a)	Gross Block	370,311,487	69,312,877
b)	Less : Depreciation	46,903,489	36,533,382
c)	Net Block	323,407,998	32,779,495
d)	Capital Work in Progress	3,628,000	232,961,615
		327,035,998	265,741,110
Investment			
E			
		149,084,630	414,995,907
Loans and Other Credit Facilities			
F			
		6,269,554,960	4,640,871,508
Current Assets, Loans & Advances			
G			
a)	Cash and Bank Balances	1,301,010,043	1,631,027,434
b)	Other Current Assets	99,315,781	138,905,914
c)	Loans & Advances	251,398,488	220,388,837
TOTAL :		1,651,724,313	1,990,322,185
Less : Current Liabilities and Provisions			
H			
a)	Liabilities	471,312,369	474,187,015
b)	Provisions	271,960,548	235,503,961
		743,272,917	709,690,976
NET CURRENT ASSETS		908,451,396	1,280,631,209
TOTAL :		7,654,126,985	6,602,239,734
Significant Accounting policies and notes to the Accounts			
K			
Schedules annexed hereto form part of the Accounts.			

For and on behalf of the Board of Directors


(B.P. Muktieh)
Chairman cum Managing Director

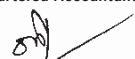
Guwahati
the 8th day of August, 2011


(D.N. Barthakur)
Director

M. No. 51532
FRN. 314051E


(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



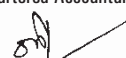
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

	Sch No.	Year ended 31.03.2011 ₹	Year ended 31.03.2010 ₹
INCOME			
Income from sale of Investment (Other than Trade Investments)		20,783,711	32,797,639
Interest on loans		631,529,496	440,607,564
Interest on Fixed Deposits and Bonds		79,668,311	117,070,537
Upfront Fees		23,065,918	14,051,814
Rental Income		795,564	2,144,016
Hall Charges		692,300	-
Miscellaneous Receipts		2,116,755	9,920,931
Consultancy charges received		12,347,103	407,978
Prepayment Charges		30,000	-
Dividend		540,000	600,000
TOTAL:		771,569,158	617,600,479
EXPENDITURE			
Establishment expenses	I	73,601,492	42,351,489
Administrative expenses	J	40,641,631	28,529,782
Depreciation	23,454,723		2,960,388
Less: Depreciation recouped from Grant	994,835	22,459,888	-
Loss on sale / disposal of assets		3,879,074	-
Provisions and Write offs (net of write back)		4,162,223	30,621,729
Consultancy charges paid		392,849	393,189
TOTAL:		145,137,157	104,856,577
PROFIT BEFORE TAXATION		626,432,001	512,743,902
Prior Period Adjustment		2,138,629	744,626
Fringe Benefit Tax of Earlier Year		-	(72,730)
Income Tax of Earlier Year		181,148	3,320,436
Provision for Taxation :			
Deferred Tax Liability		20,105,596	24,576,198
Provision for Income Tax		147,500,000	151,681,838
PROFIT AFTER TAXATION		456,506,629	332,493,534
Balance brought from previous year		2,947,294	4,513,564
Profit available for Appropriations		459,453,923	337,007,098
Appropriations			
General Reserve		260,000,000	150,000,000
Statutory Reserve under RBI Act, 1934		91,301,326	66,498,707
Special Reserve U/s 36 (1)(viii) of the Income Tax Act, 1961		51,870,492	72,578,473
Proposed Dividend		40,000,000	30,000,000
Additional Tax On Dividend		6,643,500	4,982,625
Reserve for Market & Entrepreneurial Development		-	10,000,000
Balance Carried Forward		9,638,605	2,947,294
Earnings Per Share (Basic)		4.56	3.32
Earnings Per Share (Diluted)		4.56	3.32
Significant Accounting policies and notes to the Accounts	K		
Schedules annexed hereto form part of the Accounts.			

For and on behalf of the Board of Directors


(B.P. Muktieh)
Chairman cum Managing DirectorGuwahati
the 8th day of August, 2011

(D.N. Barthakur)
DirectorM. No. 51532
FRN. 314051E

(S.K. Baruah)
Company SecretaryIn terms of our Audit Report of even date
For O.P. Bhansali & Co
Chartered Accountants

(O.P. Bhansali)
Partner

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

	(₹ in '000) 2010 - 11	(₹ in '000) 2009 - 10
Cash flows from Operating activities		
Net profit before income tax	624,293	511,999
Adjustment for:		
Depreciation charge for the year	22,460	2,960
Loans Provisions & Write offs	2,997	30,378
Provision / write off for unrealised rent and electric charges	1,165	244
Fixed Assets written off	3,879	-
Dividend received	(540)	(600)
Expenses of Reserve for Market & Entrepreneurial Dev.	(1,090)	
Provision for Gratuity and Leave Encashment	17,012	(532)
Net income/(expenditure) of Social Support Fund	2,639	793
Operating profit before working capital changes	672,816	545,243
Adjustments for:		
(Increase) / Decrease in Advances	(1,614,976)	(1,009,630)
(Increase) / Decrease in Other Current Assets & Advances	40,992	(26,906)
Increase / (Decrease) in Other liabilities and Provisions	(22,084)	20,620
Cash Flow from operations	(923,253)	(470,673)
Direct Taxes paid (net of refund received)	(175,380)	(94,290)
Net cash flow / (used in) from operating activities	(1,098,633)	(564,963)
Cash flows from Investing activities		
(Increase) / Decrease in Investment	-	264,263
Increase in Capital Work in Progress	(3,511)	(88,421)
Purchase of fixed assets (net of sales)	(55,322)	(4,589)
Dividend Received	540	600
Net cash flow / (used in) from Investing activities	(58,294)	171,852
Cash flows from Financing activities		
Dividend and Dividend Tax paid	(34,983)	(35,099)
Increase / (Decrease) in Borrowings	600,000	600,000
Net cash flow / (used in) from financing activities	565,017	564,902
Net increase in cash and cash equivalents from		
Operating, Investing and Financing Activities	(591,909)	171,791
Cash flows from Nodal Agency and Implementing Agency Activities		
Net Income / (Expenditure) of TEDF	15,562	4,752
Increase in Investments	(15,000)	
Increase in Current Assets	(8,995)	
Increase / (Decrease) in Growth Centre, Central Subsidy and other Central Funds	(10,585)	207,859
Net Increase in cash & cash equivalent from Nodal Agency activity	(19,018)	212,611
Net increase in cash and cash equivalents	(610,928)	384,402
Cash and cash equivalents at beginning of period		
- Own funds	1,250,412	1,063,377
- Nodal Agency and Implement Agency funds	678,111	480,744
Cash and cash equivalents at end of period		
- Own funds	1,165,749	1,250,412
- Nodal Agency and Implement Agency funds	151,846	678,111

	(₹ in '000) 2010 - 11	(₹ in '000) 2009 - 10
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	16,584	297,496
Cash and bank balances		
Cash in hand	199	158
Balance at Bank		
-With Scheduled Bank		
(i) In Current Account	605,450	381,026
(ii) In Fixed Deposits	560,100	1,110,000
Balance at Bank (TEDF)		
-With Scheduled Bank		
(i) In Current Account	5,262	9,843
(ii) In Fixed Deposits	130,000	130,000
	1,317,595	1,928,523

For and on behalf of the Board of Directors



(B.P. Muktieh)
Chairman cum Managing Director

Guwahati
the 8th day of August, 2011



(D.N. Barthakur)
Director

M. No, 51532
FRN. 314051E



(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

SCHEDULES ANNEXED TO AND FORMING PART OF THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE A: SHARE CAPITAL		
Authorised Capital		
(500000000 Nos of Equity Shares of ₹ 10/- each)	5,000,000,000	5,000,000,000
Issued,Subscribed,Called up & Paid up capital		
(100000007 Nos of Equity Shares (Previous Year 100000007 nos. of shares) of ₹ 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	1,834,130,768	1,684,130,768
Add : Transferred from Profit and Loss Account	260,000,000	150,000,000
	2,094,130,768	1,834,130,768
Reserve for Market & Entrepreneurial Development		
Balance brought forward from previous year	20,452,340	11,927,914
Add : Transferred from Profit & Loss Account	-	10,000,000
Less : Utilised During the Year	1,090,162	1,475,574
	19,362,178	20,452,340
Social Support Fund		
Balance brought forward from previous year	31,022,926	30,229,640
Add : Transferred from Profit & Loss Account	-	-
Add : Income	2,805,436	1,244,330
	33,828,362	31,473,970
Less : Utilised During the Year	166,145	451,044
	33,662,217	31,022,926
North East Equity Fund:		
Balance brought forward from previous year (total fund)	79,870,500	79,870,500
Less : Bad Loans Written Off	3,879,398	
Less : Provisions against Soft Loans under NEEDS	25,227,976	50,763,126
	50,763,126	34,910,021
		44,960,479
NHB-Strengthening R & D and Training Facility		
	1,262,000	1,262,000
Statutory Reserve under RBI Act, 1934		
Balance brought forward from previous year	259,982,680	193,483,973
Add: Transferred from Profit & Loss Account	91,301,326	351,284,005
	351,284,005	66,498,707
		259,982,680
Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961		
Balance brought forward from previous year	116,441,621	43,863,148
Add: Transferred from Profit & Loss Account	51,870,492	168,312,113
	168,312,113	72,578,473
		116,441,621
Venture Capital Fund:		
Balance brought forward from previous year	70,000,000	70,000,000
Profit & Loss Account		
	9,638,605	2,947,294
	2,798,415,012	2,381,200,107
SCHEDULE C : TECHNO ECONOMIC DEVELOPMENT FUND		
Balance brought forward	266,878,496	262,126,717
Add: Receipts and income from investments during the year	18,984,493	24,256,378
	285,862,989	286,383,095
Less : Utilised during the year	3,422,909	19,504,599
	282,440,080	266,878,496

SCHEDULE D: FIXED ASSETS AS AT 31 March 2011

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Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK			
	Opening Balance	Additions During the period	Sale/disposal during the period	As at 3/31/2011	Depreciation up to 3/31/2010	Set on/off During the period	Depreciation During the period	Adjusted on Sale/disposal	Total as at 3/31/2011	As At 3/31/2011	As At 31.03.2010
Air Conditioning System	0	28,998,067	0	28,998,067	0	0	2,696,454	0	2,696,454	26,301,613	0
Building	0	178,188,101	0	178,188,101	0	0	6,283,844	0	6,283,844	171,904,257	0
Computers	10,983,574	1,980,808	78,650	12,885,732	9,146,023	0	906,701	68,803	9,983,921	2,901,811	1,837,551
Electrical Installation	5,125,729	25,255,267	4,632,866	25,748,130	3,508,943	0	2,555,327	3,376,688	2,687,582	23,060,548	1,616,786
Fire Alarm System	0	3,673,341	0	3,673,341	0	0	341,574	0	341,574	3,331,767	0
Furniture & Fixture	9,318,859	392,732	844,849	8,866,742	6,877,886	0	455,071	652,392	6,680,565	2,186,178	2,440,974
Freehold Land	16,969,592	0	0	16,969,592	0	0	0	0	0	16,969,592	16,969,592
Interior Furnishing & Fittings	8,522,828	64,942,340	6,865,311	66,599,857	5,170,844	0	8,183,296	5,102,260	8,251,880	58,347,977	3,351,984
Lift	0	7,956,378	0	7,956,378	0	0	739,843	0	739,843	7,216,535	0
Machineries	12,406,268	312,274	2,840,945	9,877,597	8,161,825	0	589,515	2,030,912	6,720,428	3,157,169	4,244,443
Office Equipments	5,356,083	1,094,830	2,651,751	3,799,162	3,128,774	0	373,347	1,853,561	1,648,560	2,150,602	2,227,309
RCC Bridge	0	1,578,377	0	1,578,377	0	0	52,757	0	52,757	1,525,620	0
UPS System	0	1,490,229	0	1,490,229	0	0	101,658	0	101,658	1,388,571	0
Vehicle	629,944	1,462,224	0	2,092,168	539,087	0	27,671	0	566,758	1,525,410	90,857
Water Installation System	0	1,588,014	0	1,588,014	0	0	147,665	0	147,665	1,440,349	0
Total:	69,312,877	318,912,982	17,914,372	370,311,487	36,533,382	0	23,454,723	13,084,616	46,903,489	323,407,998	32,779,495
Figures for the previous year	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

Schedules to the Accounts (Contd.)

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE E: INVESTMENTS		
Other Investments		
A. In Fully Paid up Shares-Non Trade		
Quoted		
Premier Cryogenics Ltd.		
Quoted at Cost (Fair value ₹ 78,44,000/- - Not traded -2010-11) (2,00,000 shares of ₹ 10/- each)	2,000,000	2,000,000
Unquoted		
Gauhati Neurological Research Centre Ltd. (Unquoted at cost 250000 shares @ 10/- per share, fair value ₹ 51,07,500/-)	2,500,000	2,500,000
Konoklota Mahila Urban Co-Op Bank Ltd. (Unquoted at cost 5000 shares @ 100/- per share, fair value ₹ 796,450/-)	500,000	500,000
Exotic Juices Ltd. (Formerly: Good Samaritan Social Service Association) (Unquoted at cost 100000 shares @ 10/- per share)	1,000,000	1,000,000
Less: Provision for diminution in value of investments	1,000,000	1,000,000
DSS eContact Ltd. (Unquoted 6,60,000 Equity Shares of ₹ 10/- each)	6,600,000	6,600,000
Less : Provision for diminution in value of investments	6,600,000	6,600,000
B. In units of Bonds		
IDBI Omni Bonds (TEDF) (100 bonds @ ₹ 10.00.000/- per bond, FY 2010-11 Not traded)	100,000,000	100,000,000
C. In units of Mutual Funds		
UTI -Treasury Advantage Fund (53287.6870 units, Value as on 31.03.2010 ₹ 65,910,933/-)	-	64,488,551
UTI -Treasury Advantage Fund (Others) (6393.0270 units, Value as on 31.03.2010 ₹ 7,907,462/-)	-	7,636,605
UTI -Floating Rate Fund (Others) (10523.6016 units, Value as on 31.03.2011 ₹ 11,640,594/-)	11,342,524	120,000,000
SBIMF - Capital Protection Oriented Fund (250000 units, Value as on 31.03.2011 ₹ 2,742,025/-)	2,500,000	2,500,000
UTI Mutual Fund - Bond Fund (TEDF) (289283.4832 units, Value as on 31.03.2011 ₹ 8,129,647/-)	5,242,106	5,242,106
UTI Mutual Fund - Fixed Maturity Plan (TEDF) (1000000 units, Value as on 31.03.2011 ₹ 10,765,700/-)	10,000,000	10,000,000
UTI Mutual Fund - Fixed Maturity Plan (TEDF) (1000000 units, Value as on 31.03.2011 ₹ 15,525,600/-)	15,000,000	-
Reliance Mutual Fund - Money Manager Fund (25613.1436 units, Value as on 31.03.2010 ₹ 32,141,414/-)	-	31,444,447
Reliance Mutual Fund - Money Manager Fund (Others) (55529.2744 units, Value as on 31.03.2010 ₹ 69,682,753/-)	-	68,684,198
	149,084,630	414,995,907



Schedules to the Accounts (Contd.)

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE F: LOANS AND OTHER CREDIT FACILITIES (fully secured)		
Term Loans	6,631,608,302	5,205,552,234
Soft Loan under NEEDS	49,075,756	58,182,356
	6,680,684,058	5,263,734,590
Less :Provision	411,129,098	622,863,082
	6,269,554,960	4,640,871,508

SCHEDULE G: CURRENT ASSETS, LOANS & ADVANCES

A. CURRENT ASSETS		
a) Cash and Bank Balances		
Cash in hand	198,549	157,862
Balance at Bank		
-With Scheduled Bank		
(i) In Current Account	605,449,668	381,025,965
(ii) In Fixed Deposits	560,100,000	1,110,000,100
	1,165,549,668	1,491,026,065
Balance at Bank (TEDF)		
-With Scheduled Bank		
(i) In Current Account	5,261,827	9,843,506
(ii) In Fixed Deposits	130,000,000	130,000,000
	135,261,827	139,843,506
Total (a)	1,301,010,043	1,631,027,434
b) Other Current Assets		
Interest Receivable (Loan)	51,734,068	39,482,650
Interest Receivable on Fixed Deposits	20,029,304	84,606,677
Interest Receivable on Fixed Deposits(TEDF)	17,934,856	8,940,333
Interest Receivable (Staff)	4,007,163	2,790,757
Interest Receivable (social Support fund)	5,610,390	3,085,497
Total (b)	99,315,781	138,905,914
c) Loans and Advances		
(Recoverable in cash or in kind or for value to be received -unsecured but considered good)		
Advance to others	443,096	11,719,030
Advance to staff	407,202	536,671
Advance Income Tax	157,500,000	128,000,000
Security Deposit	815,829	180,856
Loan to staff	47,371,454	25,686,043
TDS Receivable	10,773,888	16,756,559
Income Tax Refundable	32,736,123	32,736,123
Other Receivables	341,897	1,144,262
UNDP A/c	186,714	186,714
	250,576,202	216,946,258
Rent / Electricity charges receivable (Recoverable in cash or in kind or for value to be received -considered good/doubtful)	5,558,359	8,077,182
Less : Provision	4,736,073	4,634,603
	822,286	3,442,579
Total (c)	251,398,488	220,388,837
TOTAL (a + b + c)	1,651,724,313	1,990,322,185

Schedules to the Accounts (Contd.)

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
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SCHEDULE H: CURRENT LIABILITIES & PROVISIONS

A. CURRENT LIABILITIES		
Sundry creditors (for expenses)	2,274,061	2,119,190
Sundry creditors (for capital expenditure)	29,794,839	20,604,416
Other liabilities	14,030,077	19,338,953
NE Trade Expo Fund	43,768	43,768
Security Deposit	7,258,629	3584372
MEFC- R & D Training Fund	1,628,187	1,628,187
Central Subsidies	416,282,808	426,868,129
TOTAL (A)	471,312,369	474,187,015
B. PROVISIONS		
Provision for Leave Encashment	19,596,346	10,135,431
Provision for Gratuity	8,151,496	600,257
Provision for Standard Assets	30,069,206	18,103,811
Floating Provision against advances	20,000,000	20,000,000
Provision for Income Tax	147,500,000	151,681,838
Proposed Dividend	40,000,000	30,000,000
Additional Tax On Dividend	6,643,500	4,982,625
TOTAL (B)	271,960,548	235,503,962
TOTAL (A + B)	743,272,917	709,690,976

SCHEDULE I: ESTABLISHMENT EXPENSES

Salaries (Director)	1,850,640	3,635,974
Salaries(Others)	39,275,938	25,677,916
Employer's Provident Fund	2,009,017	2,363,173
Medical Reimbursement	2,356,275	1,642,488
Recruitment expenses	435,445	494,033
Conveyance Allowance	627,002	424,847
Vehicle Maintenance Reimbursement	2,553,239	2,141,438
Leave Travel Allowance	2,066,998	2,267,407
House Rent	(25,500)	(117,300)
Leave Encashment	10,489,665	1,108,754
Gratuity	8,526,026	287,217
Staff welfare	3,436,747	2,425,542
Total	73,601,492	42,351,489

Schedules to the Accounts (Contd.)

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE J: ADMINISTRATIVE EXPENSES		
Advertisement & Publicity	817,018	1,702,397
Audit Expenses	268,858	298,595
Bank charges	237,687	156,621
BOD Meeting expenses	940,955	654,459
Books & Periodicals	240,967	233,519
Business Promotion	1,481,137	1,148,508
Car hire expenses	3,691,008	2,932,595
Conveyance	155,665	62,735
Databank Expenses	313,079	125,465
Electricity Charges & Electrical Expenses	4,061,650	1,107,797
Filing Fees	27,625	1,000
Honararium	15,000	20,000
India Exposition Mart Expenses	598,588	(29,675)
Insurance charges	203,859	126,799
Legal & professional fees	2,288,611	2,979,947
Licence & Registration fees	725,242	2,000
Misc expenses	219,732	74,836
Printing & Stationery	1,930,941	1,688,842
Rent (Premises)	3,949,934	3,686,677
Repairs & Maintenance (Machine)	1,360,228	1,271,415
Repairs & Maintenance (Security Service Charges & Others)	8,554,223	2,631,261
R & D Expenses	722,949	-
Seminar & Conference expenses	1,313,244	707,032
Software Maintenance Charges	14,073	314,844
Service Tax Paid	19,564	11,769
Telephone charges & Postage	1,878,074	1,573,399
Training expenses	629,792	916,497
Travelling expenses(Director)	466,870	456,523
Travelling expenses(Others)	3,349,607	3,514,657
Internal Audit fees	88,240	82,060
Auditors' Remuneration:		
Tax Audit Fees	11,030	11,030
Statutory Audit Fees	66,180	66,180
Total	40,641,631	28,529,782

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.

In the case of loan accounts classified as NPAs, an account may be reclassified as a performing account if it conforms to the guidelines prescribed by the regulators.

A general provision of 0.40% is made against Standard Assets, except in case of Commercial Real Estate, where the provision is made @ 1%.

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.

Amounts recovered against debts written off in earlier years are recognized as revenue.

Prior Period Adjustments

Prior period items are accounted for and disclosed separately as per generally accepted accounting principles.

Investments

Classification and valuation of investments are made in accordance with the prudential norms prescribed by RBI. The entire investment portfolio is classified into three categories viz. Held to Maturity, Available for Sale and Held for Trading in line with the guidelines / directions of RBI. Disclosure of the investments under the three categories mentioned above is made as under:

- i. Government Securities
- ii. Other approved securities
- iii. Shares
- iv. Debentures
- v. Subsidiaries / Joint Ventures
- vi. Others

Investments held by the company are under the category "Held to Maturity". The same is valued at lower of the cost or quoted / fair value on an individual scrip 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.

Investments are classified as Performing and Non performing, based on the guidelines issued by the RBI.

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.

Employee Benefits

The undiscounted amount of short – term employee benefits, such as medical benefits, casual leave, etc. which are expected to be paid in exchange for the services rendered by employees are recognized during the period when the employee renders the services

Retirement benefit in the form of Provident Fund is charged to the Profit and Loss Account as an expense in the year to which it relates. The company provides gratuity and leave encashment to all eligible employees, which are defined benefit plans. The Corporation partially makes annual contribution to LIC for gratuity against gratuity policy taken and balance of gratuity amount and full of leave encashment amount is provided based on an independent actuarial valuation carried out annually.

The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Actuarial gain / losses are immediately recognized in the statement of profit & loss account and are not deferred.

Segment Reporting

The Corporation operates in three segments of business:

1. Lending and Financing Activities
2. Management of Surplus Funds
3. Others

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.

The revenues reported under “Others” segment consists of segments not classified above.

Government Grants

In terms of AS 12 issued by the ICAI, 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 / carried over as Deferred Grant against which expenses and provisions & losses for diminution in value of assets representing the fund / depreciation on assets created out of the grant is charged / recouped.

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.

Earnings per Share

The company reports basic and diluted earnings per share in accordance with AS 20 – ‘Earnings per Share’ issued by the ICAI. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.



Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

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 2011

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	31.03.2011	31.03.2010
Depreciation	2,540,539	70,911
Special Reserve u/s 36(1)(viii) of the I.T. Act, 1961	57,226,118	39,590,151
Total	59,766,658	39,661,062

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

	31.03.2011	31.03.2010
Whole time Director:		
Salary	1,821,200	3,089,053
Contribution to PF & other perquisites	549,231	306,060
Other Retirement benefits	705,865	190,487
Total	3,076,296	3,585,600

3. Payment to Auditors:

	31.03.2011	31.03.2010
Statutory Audit fees	66,180	66,180
Tax Audit fees	11,030	11,030
Total	77,210	77,210

4. Loan due from directors and officers ₹ 17.53 Lacs (Previous Year: ₹ 8.45 Lacs) and the maximum outstanding thereof at any time during the year was ₹ 18.44 (Previous Year: 9.00 Lacs). The maximum amount outstanding at any time during the year for loans to staff was ₹ 475.73 Lacs (Previous Year: ₹ 257.02 Lacs).
5. The estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 64 Lacs during the year (Previous Year ₹ 761 Lacs).
6. The breakup of Capital Work in progress is as under:

Particulars	31-03/2011	31-03-2010
Construction of Office Building & Civil Works at Guwahati	-	212,284,599
Landscaping works at Office Building	2,911,364	-
Industrial Park at Guwahati	116,636	116,636
Interior Works / Stalls at India Exposition Mart, Noida	600,000	20,560,380
Total	3,628,000	232,961,615

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 (retired on 01/07/2010) and Sri Bulu Paul Muktieh (01/07/2010 onwards), Chairman and Managing Directors, as key managerial personnel to whom a total sum of ₹ 1,691,211/- and ₹ 1,385,085/- respectively, were paid as remuneration.
10. Special Reserve has been created and maintained in terms of section 36 (1) (viii) of the Income Tax Act, 1961.
11. i. 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 ₹ 10,503,099/-. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Corporation has been advised that the demand is likely to be deleted and accordingly no provision has been made.
- ii. The Service Tax authorities have raised a demand of ₹ 2,032,677/- towards alleged short payment of Service Tax, alleged excess credit of cenvat, penalties / Interest thereon, etc. The Corporation has already filed its reply to the Show Cause Notice issued and it is in the hearing stage. After interpretation of the relevant Act and rules thereon, the Corporation is of the view that the demand is based on wrong facts and figures and is likely to be deleted, and accordingly no provision has been made.
- iii. Claims against the Corporation not acknowledged as debt since the Corporation does not expect the outcome of the claims to have material adverse effect:
 - a. ₹ 17 Lac by contractor for deductions made against disputed contract work and
 - b. ₹ 6 Lac by third party as refund of fees and compensation.
 - c) The Corporation has been made a party in claims made by third parties relating to Government subsidies of which the Corporation is a disbursing agency on behalf of the Government. Hence, even if any liability arises, the same will be met from the Government funds and will not have any impact on the accounts of the Corporation.

12. Summary of the investment of the Corporation:

(₹ in Crores)

	31.03.2011	31.03.2010
Gross value of Investment	15.67	42.26
Less: Provision for diminution in value	0.76	0.76
Net book value	14.91	41.50

13. Previous year figures have been regrouped / rearranged / reclassified, wherever necessary.

14. The following table sets out the status of the defined benefit Gratuity and Leave Encashment Plan as required under AS 15:

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current year	Previous Year
<i>Change in the present value of the defined benefit obligation</i>				
Opening benefit obligation	4,675,534	4,498,922	10,135,431	10,111,732
Current Interest Cost	378,718	341,918	820,970	768,492
Past Service Cost	6,437,394		250,838	
Current Service Cost	2,229,255	691,902	2,966,139	1,454,185
Benefit Paid	-584,089	-428,943	-1,098,146	-1,153,943
Actuarial (Gain) / Loss	-141,265	-428,265	6,521,114	-1,045,035
Closing benefit obligation	12,995,547	4,675,534	19,596,346	10,135,431
<i>Change in Plan Assets</i>				
Opening Fair Value of Plan Assets	4,075,278	3,343,437	-	-
Expected Return on Plan Assets	394,558	329,810	-	-
Contribution	374,216	402,031	-	-
Benefit paid	-	-	-	-
Actuarial Gain / (Loss)	-	-	-	-
Closing Fair Value of Plan Assets	4,844,052	4,075,278	-	-
<i>Reconciliation of present value of obligation and fair value of plan assets</i>				
Closing present value of obligation	12,995,547	4,675,534	19,596,346	10,135,431
Closing fair value of plan assets	4,844,052	4,075,278	-	-
Deficit / (surplus)	-8,151,495	-600,256	-19,596,346	-10,135,431
Net Liability / (Asset)	8,151,495	600,256	19,596,346	10,135,431
Net Liability recognised in Balance Sheet	8,151,495	600,256	19,596,346	10,135,431
<i>Net Cost recognized in Profit & Loss Account</i>				
Current Service cost	2,229,255	691,902	2,966,139	1,454,185
Past Service cost	6,437,394	-	250,838	-
Interest Cost	378,718	341,918	820,970	768,492
Expected return on plan assets	-394,558	-329,810	-	-
Net Actuarial (Gain) / Loss recognized	-141,265	-428,265	6,521,114	-1,045,035
Expenses recognized in Profit & Loss Account	8,509,544	275,745	10,559,061	1,177,642
<i>Reconciliation of opening and closing net liability recognized in Balance Sheet</i>				
Opening Net Liability	600,256	1,155,485	10,135,431	10,111,732
Expenses recognized in Profit & Loss Account	8,509,544	275,745	10,559,061	1,177,642
Benefit paid by Corporation	-584,089	-428,943	-1,098,146	-1,153,943
Contribution paid	-374,216	-402,031	-	-
Closing Net Liability	8,151,495	600,256	19,596,346	10,135,431

Investments under Plan Assets of Gratuity and Leave Encashment as on 31st March, 2011 are as under:

Category of Plan Assets	Gratuity % of Plan Assets	Leave Encashment % of Plan Assets
Funds managed by LIC	100%	-

Principal actuarial assumptions:

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current year	Previous Year
Discount Rate	8.20%	8.10%	8.20%	8.10%
Rate of increase in compensation levels	15.00%	10.00%	15.00%	10.00%
Rate of return on Plan Assets	9.15%	9.15%	-	-

15. As required under AS 17, the segment reporting is as under:

(₹ in Crores)

1.	Segment Revenue	2010 – 11	2009 – 10
	Lending and Financing Activities	65.46	45.46
	Management of Surplus Funds	10.10	15.05
	Others	1.23	0.04
	Total	76.79	60.55
2.	Segments Results		
	Lending and Financing Activities	50.99	35.01
	Management of Surplus Funds	10.10	15.05
	Others	1.19	0.00
	Total	62.28	50.06
	Unallocated Income	0.42	1.21
	Unallocated Expenses	0.25	0.07
3.	Operating Profit	62.43	51.20
	Income Tax	16.78	17.95
4.	Net Profit	45.65	33.25
5.	Other Information		
	Segment Assets		
	Lending and Financing Activities	620.50	490.25
	Others	0.00	0.00
	Management of Surplus Funds	149.37	171.57
	Total	769.87	661.82
	Unallocated Assets	69.87	69.27
	Total	839.74	731.09
	Segment Liabilities		
	Lending and Financing Activities	354.19	321.26
	Management of Surplus Funds	0.00	0.00
	Others	0.00	0.00
	Unallocated Liabilities	123.22	83.97
	Total	477.41	405.23
	Net Capital Employed	362.33	325.86

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.

₹ In Crores

A Capital			
a)	CRAR CORE CRAR & Supplementary CRAR	54.57%	
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: ₹ 663.97	
		Off the Balance Sheet: Nil	
d)	The Shareholding pattern as on 31.03.2011	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 ₹ 2 Crore has not been netted from Gross NPA to arrive at net NPA	1.85%	
f)	Amount and percentage of net NPA's to net advances under the prescribed asset classification categories,	Category	%
		Sub Standard Assets:	9.23 1.50
		Doubtful debts	2.35 0.38
g)	Amount of provisions made during the year towards standard assets, NPA's loans and investments (other than those in the nature of an advance), in income tax	Loss assets	NIL
		Standard Assets	1.20
		NPA Loans	5.86
		Soft loan Assistance	(-0.97)
h)	i) Movement in NPAs (Gross) of loans including soft loans	Investments	NIL
		Income Tax	16.78
		Opening Balance:	73.76
		Deletions incl. upgradation	31.33
		Additions during the year	10.26
ii) Movement of Provisions for NPAs against loans including soft loan assistance	Closing Balance	52.69	
	Opening Balance		
	Less: write off / waiver/	62.29	
	Write back	26.89	
	Additions during the year	5.71	
ii) Movement of Provisions for Investments	Closing Balance	41.11	
	Opening Balance:	0.76	
	Additions during the year	0.00	
i)	Restructured Accounts	Closing Balance	0.76
		Total amount of standard assets which have been subjected to restructuring / rescheduling	152.06
		Total sub standard assets which have been subjected to restructuring / rescheduling	7.82
		Total doubtful assets which have been subjected to restructuring / rescheduling	5.02
	Total	164.90	

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	11.71	5.08			
	The largest borrower group	11.71	5.08			
	The 10 largest single borrowers					
	No.1	11.71	5.08			
	No.2	6.44	2.80			
	No.3	6.33	2.75			
	No.4	6.00	2.61			
	No.5	5.35	2.32			
	No.6	5.22	2.27			
	No.7	4.66	2.02			
	No.8	3.21	1.39			
	No.9	3.16	1.37			
	No.10	2.86	1.24			
	The 10 largest borrower groups					
	No.1	11.71	5.08			
	No.2	11.35	4.93			
	No.3	9.19	3.99			
	No.4	8.42	3.66			
	No.5	6.33	2.75			
	No.6	5.22	2.27			
	No.7	5.06	2.20			
	No.8	3.16	1.37			
	No.9	2.86	1.24			
	No.10	2.74	1.19			
	k)	Credit exposure to the five largest industrial sectors (if applicable) as percentage to total loan assets	1. Contract Finance	14.85		
			2. Cement	11.33		
3. Iron & Steel			10.48			
4. Micro Finance			9.03			
5. Real Estate			8.45			
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 year	More than 3 years up to 5 years	More than 5 years up to 7 years
		Rupees Asset	53.01	0.25	0.00	NIL
		Total Assets	53.01	0.25	0.00	NIL
		Total Liabilities	Nil	NIL	NIL	15.40
m)	Maturity pattern of foreign currency assets & liabilities				Nil	
D Operating results						
n)	Interest income as percentage to average working funds				10.49%	
o)	Non-interest income as a percentage to average working funds				0.89%	
p)	Operating profit as a percentage to average working funds				9.24%	
q)	Return on average assets				6.38%	
r)	Net profit per employee (₹ In Crores)				0.43	

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

(₹ 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	34911	
* Please see Note 1 below		
Assets side:		Amount outstanding
2. Break-up to Loans and Advances including bills receivable other than those included in (4) below] :		
a) Secured		62695
b) Unsecured		
3. Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
i) Lease assets incl. lease rentals under sundry debtors:		
a) Financial lease		NIL
b) Operating lease		
ii) Stock on hire including hire charges under sundry debtors		
a) Assets on hire		NIL
b) Repossessed Assets		
iii) Other loans counting towards AFC activities		
a) Loans where assets have been repossessed		
b) Loans other than (a) above		
4. Break-up of Investments:		
1. Quoted:		
i) Shares : (a) Equity		20
(b) Preference		
ii) Debentures and Bonds		1000
iii) Units of mutual funds		441
iv) Government Securities		
v) Others (please specify)		
2. Unquoted:		
i) Shares : (a) Equity		30
(b) Preference		
ii) Debentures and Bonds		
iii) Units of mutual funds		
iv) Government Securities		
v) Others (please specify)		
		1491

5. Borrower group-wise classification of assets financed as in (2) and (3) above:

Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries			
(b) Companies in the same group			
(c) Other related parties			
2. Other than related parties	62695	-	62695
Total	62695	-	62695

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	137	50
Total	137	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	5269
(ii) Net Non-Performing Assets	
(a) Related parties	
(b) Other than related parties	1158
(iii) Assets acquired in satisfaction of debt	

8. Exposure to Real Estate Sector

(₹ in Crores)

Items	March 31, 2011	March 31, 2010
a) Direct Exposure		
(i) Residential Mortgages [all individual housing loans upto ₹15 Lacs]	2.79	2.14
(ii) Commercial Real Estate	131.41	71.42
(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	134.20	73.56

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

a. Registration Details

Registration No. Date of Registration
 State Code Balance Sheet Date 31st March, 2011

b. Capital Raised during the year

Public Issue Right Issue
 Bond Issue Private Placement

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

Total Liabilities	<input type="text" value="8397400"/>	Total Assets	<input type="text" value="8397400"/>
Sources of funds:		Application of funds:	
Paid-Up capital	<input type="text" value="1000000"/>	Net Fixed Assets	<input type="text" value="0327036"/>
Reserves and surplus, others	<input type="text" value="3103260"/>	Loans & Investments	<input type="text" value="6418640"/>
Secured Loans	<input type="text" value="NIL"/>	Net Current Assets & Advances	<input type="text" value="0908451"/>
Unsecured Loans	<input type="text" value="3550867"/>	Misc Expenditure	<input type="text" value="NIL"/>

d. Performance of Company (Amount in ₹ thousand)

Turnover	<input type="text" value="771569"/>	Total Expenditure	<input type="text" value="147276"/>	Profit Before Tax	<input type="text" value="624293"/>	Profit After Tax	<input type="text" value="456507"/>
Earnings per share (₹)	<input type="text" value="4.56"/>	Dividend Rate [%]	<input type="text" value="4.00"/>				

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.

For and on behalf of the Board of Directors



(B.P. Muktieh)
Chairman cum Managing Director

Guwahati
the 8th day of August, 2011



(D.N. Barthakur)
Director

M. No, 51532
FRN. 314051E



(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



Branch Offices

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Agia

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Churachandpur

Rural Aid Services (RAS), Happy Valley, Tuibuong, Opposite oil pump, Near KBC Church, Churachandpur District, Manipur-795128, Phone no: 9862000469





ISO 9001:2008 Company

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Registered Office

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