

वार्षिक प्रतिवेदन
ANNUAL REPORT
2011-2012

Giving wings to dreams



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



A Note on the Cover

Every enterprise starts as a dream. It germinates as an idea in the entrepreneur's mind which slowly crystallizes, gradually coming into sharper focus - waiting to spread its wings and take flight into the world of reality. Yet, many a time, such dreams never materialize into real projects. Many entrepreneurs either lack the self belief to make the dream real; or if the dream takes the first small flight into reality, it is forced to crash-land for want of resources – both in terms of finance and in terms of the know-how. In between the dream and transition into a reality lies NEDFi's role.

NEDFi has helped dreams to become realities by providing nourishment in the form of finance. But NEDFi goes beyond mere financing. It encourages entrepreneurs to dream, promotes innovative ideas, provides knowledge and skills input and acts as a mentor for the entrepreneur, becoming a guiding beacon as the entrepreneur moves ahead in making the project a reality and helping the entrepreneur establish market linkages. With NEDFi on their side, dreams that would have died in the face of harsh reality are now able to spread their wings and take flight.

The cover of this year's Annual Report is an artistic rendition of the final outcome of NEDFi's role in an entrepreneurial dream – depicted here as a colourful wing spread out in full, ready to take to the skies.

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".



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From the desk of the Chairman and Managing Director

The year 2011-12 has been a particularly difficult period for the global economy due to the turmoil in the euro zone and concerns about the fading prospects for the U.S. economy. Hit hard by global woes and domestic concerns, India's economic growth rate slowed to a nine-year low of 5.3% for the fourth quarter of 2011 while the GDP growth in 2012 is estimated at a moderate rate of 6.5%. The decline in growth was witnessed in almost all segments of the economy including agriculture, mining, manufacturing and construction. The manufacturing output slowed to 2.5%, from 7.6% in the previous fiscal year. Investment, which was the main driver of growth before the global financial crisis, has been steadily slowing down since then due to a variety of macroeconomic and structural reasons. Headline inflation measured in terms of wholesale price index averaged around 8.8% during FY12. While monetary policy was steadily tightened, the fiscal deficit remained quite high at 5.9% of GDP.

The slowdown in the national economy coupled with the still strained law and order situation in many of the North Eastern states had an even more adverse impact on the economic activities in the Region leading to dampening of the investment atmosphere as evidenced by fewer number of IEMs filed during FY 12 viz, 59 projects worth ₹ 4492 crores in FY12 compared to 67 projects worth ₹ 11631 crores in FY11.

Notwithstanding the strained economic conditions prevailing in FY12, it was a challenge which the Corporation faced confidently, aligning its strategies with the states' thrust areas to record improvement in key financial

parameters. During the year 2011-12, the Corporation's sanctions registered an increase of 3% to ₹ 432 crores while disbursements increased by 19% to ₹ 335 crores. Although the increase in new sanctions has been moderate, the Corporation's loan portfolio grew by 26% from ₹ 668 crores to ₹ 841 crores. The Corporation's Net Profit in FY12 grew by 21% (y-o-y) to ₹ 55.20 crore, while the Operating Profit at ₹ 80.53 crore in FY12 was up by 29% (y-o-y) reflecting the Corporation's strong operating efficiency. By reducing NPAs through better recovery and prudent management of liabilities, the Corporation achieved 35.6% growth in Net Interest Income (NII) during FY12.

Although macro forces badly impacted the financial sector's asset quality during FY12, the Corporation managed to reduce its Gross NPA further to 5.30% and Net NPA to 1.39%, thanks to its systems of credit monitoring and efficient processes of asset recovery. The rigorous follow up of all NPA accounts, one time settlements (OTS), recovery proceedings through Lok Adalats and early settlement of disputes through Debt Recovery Tribunal (DRT) have paid rich dividends. Net Worth too grew by 13.9% (y-o-y) to ₹ 414.54 crore indicating sound financial management of business. Return on Average Assets remained at the healthy level of 6.49%.

Strategic Initiatives: Thrust on the MSME Segment

The Micro, Small and Medium Enterprises (MSME) segment is a key source of economic growth and capital formation. The pace of industrial development in the north eastern region, particularly in the Micro and Small Enterprises (MSE) sector is slow despite abundant natural resources and supportive

government policies and incentives. One of the major factors for the slow industrial development is lack of entrepreneurship in the Region. Apart from extending financial assistance to entrepreneurs in the MSE sector, NEDFi has been providing hand holding support to those entrepreneurs by arranging for capacity building training, and marketing linkages. During the year under review, the Corporation took a major initiative in setting up Business Facilitation Centres in the NE states to assist, guide and mentor potential entrepreneurs of North East.

To promote this sector and maintain the balance in economic growth in the Region, the Corporation has adopted the following strategies viz;

- Enhancing the limit of the project size to be handled by the MSE department to put more emphasis on the sector.
- Updating and improvising its various loan products to cater the specific needs of the sector.
- Conducting various Business/ Entrepreneurs Meets, Workshops and Entrepreneurship Development Programmes (EDPs) all over North-Eastern Region for dissemination of information on schemes and programmes of the Corporation.
- Effective utilization of the services of Business Facilitation Centres and Representative Offices to encourage large number of entrepreneurs to take up income generating activities.
- Encouraging local entrepreneurship through promotion of eco-friendly products like water hyacinth, banana bark, designer candles, etc. in the Region.
- Facilitating market linkages by organizing fairs, exposures & participation in National & International Trade fairs.

The MSME sector will continue to be the major focus area. On larger projects especially in the Infrastructure sector, the Corporation will continue its role as a catalyst for investment in the region by participating in the consortium lending. The Corporation will focus on its microfinance initiatives to contribute towards the objectives of financial inclusion.

The branches will focus primarily on the micro and small sectors and in the focus areas identified by their respective state governments. The branches will target more number of projects especially from first generation entrepreneurs to spread the entrepreneurship spirit in the Region. To provide further fillip to the growth of the MSE sector, the Corporation, during the FY 12, has signed MOUs with the Small Industries Development Bank of India (SIDBI) and the National Backward Classes Finance & Development Corporation (NBCFDC) for fund assistance as well as for joint initiative for generating awareness among entrepreneurs in the Region.

Corporate Social Responsibility (CSR) Initiatives

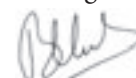
The corporation has devised a sound CSR policy to empower the community through socio-economic development of the underprivileged and weaker sections. In its continued efforts to make a difference to the society at large, NEDFi intensified its efforts further in this direction by imparting capacity building and skill training to artisans and craftsmen to help them improve their economic status and also provide a boost to the regional economy.

Acknowledgement

I would like to take this opportunity to thank the Members of the Board for their valuable guidance, support and prudent counsel. I would like to place on record our appreciation for continued support and guidance received from the Ministry of DoNER, the state governments of the Region, various banks and financial institutions like IDBI, SBI, LIC, SIDBI and other organizations in the North East. We also place on record our appreciation for the unstinted trust and support of our shareholders.

I am confident that driven by the dedication and commitment of a young, enthusiastic and professionally qualified team of officers and employees, NEDFi will live up to the expectations of the stakeholders and entrepreneurs of the North Eastern States to fulfill the catalytic role in economic development of the Region.

Warm Regards,



B Paul Muktieh





अध्यक्ष एवं प्रबंध निदेशक की कलम से

अमेरिकी अर्थव्यवस्था की घटती संभावनाओं के बारे में चिंताओं और यूरो जोन में आर्थिक उठापटक की वजह से विश्व अर्थव्यवस्था के लिए वर्ष 2011-12 विशेष रूप से एक कठिन समय रहा है। विश्व आर्थिक संकट और घरेलू आर्थिक चिंताओं के चलते, 2011 की चौथी तिमाही के लिए भारत की आर्थिक वृद्धि दर घटकर पिछले नौ वर्षों के सबसे निम्नतम स्तर 5.3% पर आ गई, जबकि 2012 में सकल घरेलू उत्पाद (जीडीपी) विकास दर 6.5% होने का अनुमान लगाया गया है। कृषि, खनन, विनिर्माण और निर्माण सहित अर्थव्यवस्था के लगभग सभी क्षेत्रों में विकास दर में गिरावट देखी गई थी। पिछले वित्त वर्ष में विनिर्माण उत्पादन 7.6% से घटकर 2.5% हो गया। निवेश, जो विश्व वित्तीय संकट से पहले विकास का मुख्य चालक था, वह भी तब से व्यापक आर्थिक और संरचनात्मक कारणों की वजह से लगातार घटता जा रहा है। थोक मूल्य सूचकांक के संदर्भ में मापी गई शीर्ष मुद्रास्फीति वित्त वर्ष 2012 के दौरान औसतन 8.8% के आसपास रही है। जबकि मौद्रिक नीति को तेजी से कड़ा किया गया था, तब भी राजकोषीय घाटा काफी अधिक बना रहा जो सकल घरेलू उत्पाद (जीडीपी) का 5.9% रहा।

राष्ट्रीय अर्थव्यवस्था में मंदी व पूर्वोत्तर के कई राज्यों में अभी भी कानून और व्यवस्था की तनावपूर्ण स्थिति ने साथ मिलकर क्षेत्र की आर्थिक गतिविधियों पर प्रतिकूल प्रभाव डाला जिसने निवेश के माहौल को भी निरुत्साहित किया, प्रमाण रूप में वित्त वर्ष 2011-12 के दौरान IEMs की दर्ज संख्या में आई कमी को देखा जा सकता है। वित्त वर्ष 2010-11 में 67 परियोजनाओं के लिए 11631 करोड़ रुपए के IEMs दर्ज किए गए जो वित्त वर्ष 2011-12 में घटकर 59 परियोजनाओं के लिए 4492 करोड़ रुपए ही रह गया।

वित्त वर्ष 2011-12 की तनावपूर्ण आर्थिक स्थितियों के बावजूद भी निगम ने प्रमुख वित्तीय मानकों में सुधार को रिकॉर्ड करने के लिए राज्य सरकारों द्वारा विशेष जोर दिए

जाने वाले क्षेत्रों के अनुरूप अपनी रणनीति तैयार की और उन चुनौतियों का पूरे आत्मविश्वास के साथ सामना किया। वर्ष 2011-12 के दौरान निगम ने संस्वीकृत ऋण के आंकड़े को 3% बढ़त दर्ज करने के साथ 432 करोड़ रुपए तक पहुँचा दिया जबकि संवितरण 19% बढ़कर 335 करोड़ रुपए हो गया है। हालांकि नए संस्वीकृत ऋण में वृद्धि मध्यम रही है, फिर भी निगम का ऋण पोर्टफोलियो 668 करोड़ रुपए से 26% बढ़कर 841 करोड़ रुपए हो गया है। वित्त वर्ष 2011-12 में निगम का शुद्ध लाभ 21% (YoY) बढ़कर 55.20 करोड़ रुपए हो गया, जबकि कुल लाभ 29% (YoY) बढ़कर 80.53 करोड़ रुपए हो गया, जो निगम की मजबूत परिचालन क्षमता को दर्शाती है। बेहतर वसूली और देनदारियों के विवेकपूर्ण प्रबंधन के माध्यम से एनपीए को कम करते हुए निगम ने वित्त वर्ष 2011-12 में शुद्ध ब्याज आय (एनआईआई) में 35.6% की वृद्धि हासिल की।

हालांकि बड़ी ताकतों ने वित्त वर्ष 2012 के दौरान वित्तीय क्षेत्र की परिसंपत्ति की गुणवत्ता पर बुरी तरह से असर डाला है, फिर भी निगम अपने सकल एनपीए को 5.30% और शुद्ध एनपीए को 1.39% तक कम करने में सफल रहा है, इसका श्रेय निगम की ऋण निगरानी और परिसंपत्ति वसूली की कुशल प्रक्रियाओं के सिस्टम को जाता 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 शीघ्र निराकरण से निगम ने एक अच्छा-खासा लाभांश प्राप्त किया है। नेट वर्थ भी 13.9% (YoY) बढ़कर 414.54 करोड़ रुपए हो गई है जो व्यापार के मजबूत वित्तीय प्रबंधन का संकेत है। औसत परिसंपत्तियों पर लाभ भी 6.49% के मजबूत स्तर पर बना हुआ है।

रणनीतिक पहल : एमएसएमई अनुभाग पर जोर

सूक्ष्म, लघु और मध्यम उद्यम (एमएसएमई) अनुभाग, आर्थिक विकास और पूंजी निर्माण का एक महत्वपूर्ण स्रोत है। प्रचुर प्राकृतिक संसाधनों और सरकार की सहायक नीतियों और प्रोत्साहन के बावजूद उत्तर पूर्वी क्षेत्र में खासतौर से सूक्ष्म

और लघु उद्यमों (MSE) के क्षेत्र में औद्योगिक विकास की गति धीमी है। क्षेत्र में धीमी गति से औद्योगिक विकास के लिए जिम्मेदार प्रमुख कारकों में से एक कारक है क्षेत्र में उद्यमशीलता का अभाव। एमएसई क्षेत्र में उद्यमियों को वित्तीय सहायता देने के अलावा, नेडफी उन उद्यमियों के लिए दक्षता निर्माण प्रशिक्षण और विपणन संयोजन सुविधा प्रदान कर उनके हाथ से हाथ मिलाकर उन्हें समर्थन प्रदान करता आ रहा है। उत्तर पूर्व के संभावित उद्यमियों की सहायता, मार्गदर्शन व सलाह के लिए, आलोच्य वर्ष के दौरान निगम ने पूर्वोत्तर राज्यों में व्यापार सुविधा केंद्रों की स्थापना में एक बड़ी पहल की है।

एमएसई क्षेत्र को बढ़ावा देने के लिए और क्षेत्र में आर्थिक विकास में संतुलन बनाए रखने के लिए, निगम ने निम्नलिखित रणनीति को अपनाया है;

- इस क्षेत्र पर अधिक जोर देने के लिए एमएसई विभाग के द्वारा नियंत्रित की जाने वाली परियोजनाओं के आकार की सीमा को बढ़ाया गया है।
- इस क्षेत्र की विशिष्ट आवश्यकताओं को पूरा करने के लिए नेडफी अपने विभिन्न ऋण उत्पादों को तात्कालिक माँग के अनुरूप बनाने व उन्हें अद्यतन करने का काम कर रहा है।
- निगम की योजनाओं और कार्यक्रमों पर जानकारी का प्रचार-प्रसार करने के लिए पूरे पूर्वोत्तर क्षेत्र में विभिन्न व्यापार मिलन / उद्यमियों का मिलन, कार्यशालाएं, उद्यमिता विकास कार्यक्रम (ईडीपी) आदि का आयोजन निगम द्वारा किया जा रहा है।
- उद्यमियों को बड़ी संख्या में आय सृजन करने वाली गतिविधियों में आने हेतु प्रोत्साहित करने के लिए निगम के व्यापार सुविधा केंद्रों (बी. एफ. सी) और प्रतिनिधि कार्यालयों की सेवाओं का प्रभावी उपयोग किया जा रहा है।
- क्षेत्र में पर्यावरण के अनुकूल उत्पादों जैसे - जलकुंभी से बने उत्पाद, केले की छाल से बने उत्पाद, डिजाइनर मोमबत्ती आदि को बढ़ावा देने के माध्यम से स्थानीय उद्यमिता को प्रोत्साहित किया जा रहा है।
- मेलों, प्रदर्शनी तथा राष्ट्रीय व अंतर्राष्ट्रीय व्यापार मेलों में भागीदारी का आयोजन करके बाजार संयोजन सुविधा प्रदान की जा रही है।

एमएसएमई क्षेत्र हमारे लिए प्रमुख फोकस क्षेत्र बना रहेगा। बुनियादी ढांचा क्षेत्र में विशेष रूप से बड़ी परियोजनाओं पर निवेश के लिए संयुक्त रूप से ऋण देने के द्वारा निगम क्षेत्र में एक उत्प्रेरक के रूप में अपनी भूमिका जारी रखेगा। वित्तीय समावेश के उद्देश्यों की दिशा में योगदान करने के लिए निगम अपनी माइक्रोफाइनांस पहल पर ध्यान केंद्रित करेगा।

नेडफी के शाखा कार्यालय मुख्य रूप से सूक्ष्म और छोटे क्षेत्रों पर तथा उनकी संबंधित राज्य सरकारों द्वारा पहचान किए गए क्षेत्रों पर विशेष ध्यान देंगे। शाखा कार्यालय, क्षेत्र में उद्यमशीलता की भावना को प्रसारित करने के लिए विशेष रूप से पहली पीढ़ी के उद्यमियों की परियोजनाओं को अधिक संख्या में लक्षित करेंगे। एमएसई क्षेत्र के विकास को आगे बल प्रदान करने के लिए निगम ने वित्त वर्ष 2011-12 के दौरान, भारतीय लघु उद्योग विकास बैंक (सिडबी) तथा राष्ट्रीय पिछड़ा वर्ग वित्त एवं विकास निगम (एनबीसीएफडीसी) के साथ, निधि - सहायता और क्षेत्र में उद्यमियों के बीच जागरूकता पैदा करने के लिए संयुक्त पहल के लिए समझौता ज्ञापनों पर हस्ताक्षर किए हैं।

कॉर्पोरेट सामाजिक जिम्मेदारी की पहल

निगम ने एक सक्षम सीएसआर नीति, वंचितों और कमजोर वर्गों के सामाजिक - आर्थिक विकास के माध्यम से समुदाय को सशक्त करने के लिए तैयार की है। समाज में व्यापक रूप में परिवर्तन लाने के लिए नेडफी, अपने द्वारा किए जा रहे प्रयासों को और भी अधिक तेज करते हुए शिल्पकारों और कारीगरों के लिए क्षमता निर्माण और कौशल प्रशिक्षण प्रदान कर उन्हें अपनी आर्थिक स्थिति में सुधार लाने में सहयोग कर रहा है जिससे क्षेत्रीय अर्थव्यवस्था को और बल मिल सकेगा।

धन्यवाद ज्ञापन

मैं बोर्ड के सदस्यों का उनके बहुमूल्य मार्गदर्शन, समर्थन और विवेकपूर्ण सलाह के लिए शुक्रिया अदा करना चाहता हूँ। मैं पूर्वोत्तर क्षेत्र विकास मंत्रालय, इस क्षेत्र की राज्य सरकारों, विभिन्न बैंकों और वित्तीय संस्थाओं जैसे आईडीबीआई, एसबीआई, एलआईसीआई, सिडबी और उत्तर पूर्व के अन्य संगठनों से प्राप्त सतत मार्गदर्शन और समर्थन के लिए उनकी प्रशंसा करता हूँ। हम अपने शेयरधारकों द्वारा हम पर जताए गए अटूट विश्वास और समर्थन के लिए उनकी प्रशंसा करते हैं।

मुझे विश्वास है कि नेडफी अपने अधिकारियों और कर्मचारियों की एक युवा, उत्साही और योग्य पेशेवर टीम के समर्पण और प्रतिबद्धता की बदौलत अपने हितधारकों व उत्तर-पूर्वी राज्यों के उद्यमियों की उम्मीदों पर खरा उतरने के लिए क्षेत्र के आर्थिक विकास में उत्प्रेरक की भूमिका को पूरा कर पाएगा।

भवदीय

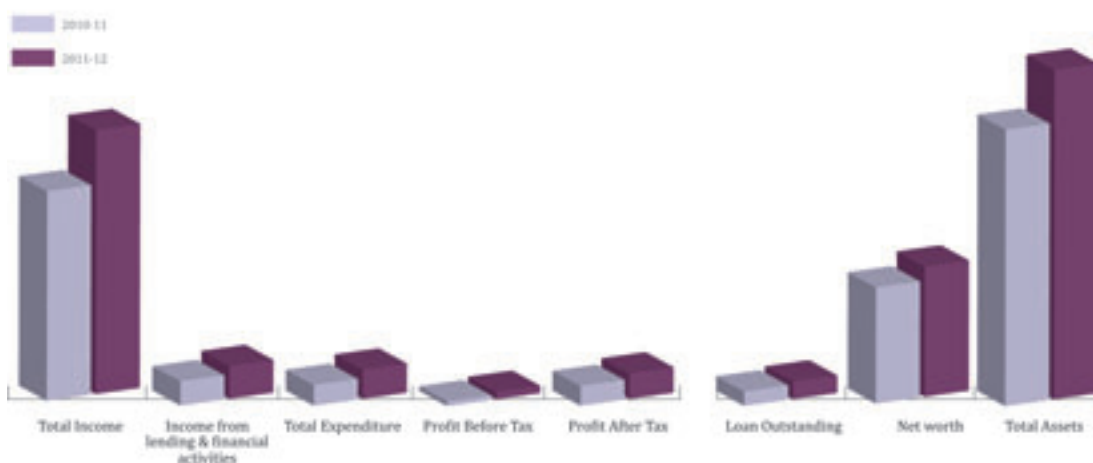
बी. पॉल

बी. पॉल मुक्ति

Financial Highlights

(₹ Crore)

Financial Year	2010-11	2011-12	% Change
Loan Outstanding	668.07	841.19	25.9
Total Income	77.16	103.31	33.9
Income from Lending & financial activities	65.46	92.41	41.2
Total Expenditure	14.51	22.76	56.9
Profit Before Tax	62.43	80.53	29.0
Profit After Tax	45.65	55.20	20.9
Net worth	370.01	414.54	12.0
Total Assets	881.33	1049.97	19.1



Operating Result		2010-11	2011-12
Interest income as percentage to average working funds	(%)	10.49	12.43
Non-interest income as percentage to average working funds	(%)	0.89	0.70
Operating profit as a percentage to average working funds	(%)	9.24	10.24
Return on average assets	(%)	6.38	6.49
Earnings Per Share	(₹)	4.56	5.20
Net profit per employee	(₹ Crore)	0.43	0.51
Capital to Risk (Weighted) Assets Ratio (CRAR)	(%)	54.57	49.17



Performance Highlights

Total Sanctions, Disbursements and Number of Projects Assisted (up to March 31, 2012)

SANCTIONS

STATE-WISE AMOUNT SANCTIONED (₹ in lakh)

	1996-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	Grand Total
Arunachal Pradesh	1500	136	942	762	1593	780	1230	1254	4750	3776	3500	20223
Assam	12880	3401	2639	4084	7053	8545	16588	21351	22370	33135	26544	158590
Manipur	808	59	76	65	50	109	519	540	308	273	1497	4304
Meghalaya	6186	2114	4607	3458	2874	3122	8510	1994	2143	2874	6656	44538
Mizoram	485	114	152	40	102	362	350	88	68	284	2578	4623
Nagaland	992	80	102	63	167	258	195	432	943	345	673	4250
Sikkim	0	0	97	358	75	389	159	713	191	580	357	2919
Tripura	675	460	355	102	1218	307	394	318	2569	871	1418	8687
Total	23526	6364	8970	8932	13132	13872	27945	26690	33342	42138	43223	248134

DISBURSEMENTS

STATE-WISE AMOUNT DISBURSED (₹ in lakh)

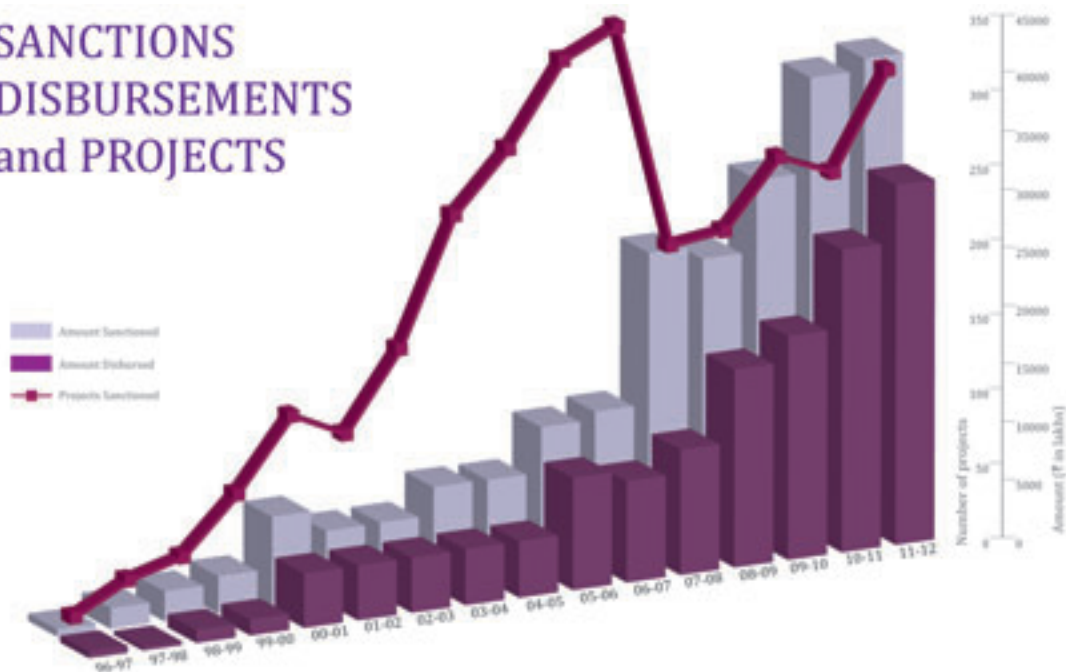
	1996-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	Grand Total
Arunachal Pradesh	786	246	341	778	610	725	118	415	3881	2999	1793	12692
Assam	8668	2170	2964	2285	5342	6680	8872	13071	13512	19963	23854	107381
Manipur	660	68	70	105	50	69	106	498	508	460	719	3313
Meghalaya	2151	2404	1349	1542	3199	1320	1405	3833	2365	3372	3907	26847
Mizoram	307	87	96	85	70	115	539	42	22	61	1797	3221
Nagaland	737	97	175	152	32	105	252	321	230	499	295	2895
Sikkim	0	0	14	88	128	355	103	76	78	283	468	1593
Tripura	466	38	200	200	1000	55	249	153	212	501	624	3698
Total	13775	5110	5209	5235	10431	9424	11644	18409	20808	28138	33457	161640

PROJECTS

STATE-WISE NO. OF PROJECT ASSISTED

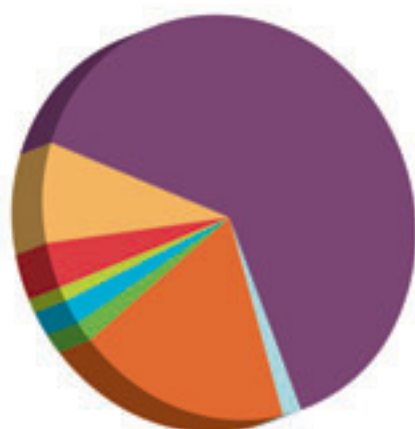
	1996-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	Grand Total
Arunachal Pradesh	13	10	11	21	37	55	16	17	17	32	10	239
Assam	138	69	91	129	110	98	66	73	72	70	95	1011
Manipur	45	9	8	10	8	15	18	28	25	5	19	190
Meghalaya	24	20	19	19	16	14	10	9	22	17	13	183
Mizoram	24	7	48	5	45	17	1	18	16	10	14	205
Nagaland	44	11	8	9	8	19	20	7	16	14	27	183
Sikkim	0	0	12	36	23	27	18	9	17	17	44	203
Tripura	8	5	7	9	38	55	20	12	26	33	31	244
Total	296	131	204	238	285	300	169	173	211	198	253	2458

SANCTIONS DISBURSEMENTS and PROJECTS

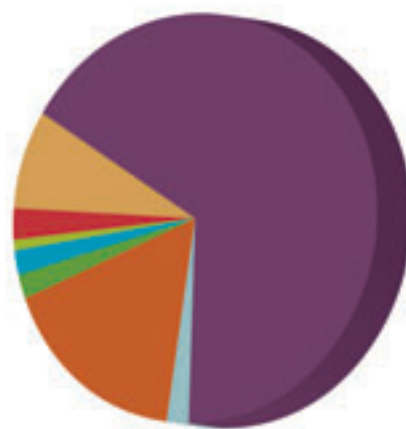


STATEWISE CUMULATIVE (as on 31 March 2012)

SANCTIONS



DISBURSEMENTS



Profiles of SUCCESS

What does it take for an entrepreneurial dream to become a tangible reality? It starts with a dream, followed by a commitment of the entrepreneur to succeed in the face of obstacles and hurdles that the market throws at him. This commitment urges him or her to research the market, look for opportunities, fine tune the offering and associate with a partner like NEDFi who can finance the dream and help it take flight. As a partner, NEDFi goes beyond finance – it provides consultancy to the entrepreneur and also helps him or her by providing the marketing platform and linkages, thereby increasing the chances of the project's success. Presented below are a few success stories that NEDFi has played a role in crafting – some of them big, while some of them small; some start-ups while others are expansion of existing units; some creating wealth and employment in a small way while some making appreciable impact; but all of them standing testimony to how the entrepreneurial spirit is provided with the wind beneath its wings.



Black & White

In a bid to exploit the craze among the youth for trendy garments in the state of Arunachal Pradesh, 'Black & White' was opened at Itanagar with a loan assistance of ₹ 4.25 lakh from NEDFi under the Women Enterprises Development Scheme (WEDS). Dealing in ready to wear apparels which are in tune with the latest fashion trends, Black & White has become a popular destination for the fashion conscious youth and enjoys an enviable clientele.



Quartz King Restaurant

Quartz King Restaurant, located in the E-Sector on NH-52 in Itanagar, Arunachal Pradesh is a popular eating place, both among locals as well as tourists. The promoter of the restaurant planned to invest in expanding and upgrading the facilities to cater to growing customer base. NEDFi came forward to assist her with a loan of ₹ 4 lakh under WEDS.

Hotel NEFA

Arunachal Pradesh sees a vast number of tourists every year, and to provide accommodation to the tourists at reasonable rates, Hotel NEFA was set up at Ganga Market in Itanagar. NEDFi sanctioned a loan of ₹ 33.60 lakh under its Rupee term loan scheme (RTL) to the promoter for expansion and renovation of the hotel, which is now ready to deliver a better service to its customers.



Sanatombi Dry Fish



Ms. Khangembam Sanatombi Devi belongs to a family who are in the business of dry fish fermentation. Fermented dry fish, locally known as 'Ngari', is an important part of the Manipuri cuisine. With more than 15 years experience in the dry fish trade, Khangembam Sanatombi Devi decided to plunge into the business and start her own unit. NEDFi came to her assistance with a loan of ₹ 1.27 lakh under WEDS. Today Sanatombi Dry Fish is an expanding business,

successful in building a popular brand and market goodwill.

PBSS Brick Farm

Coming from a humble background, Mr. Paonam Brojen Singh started as a trader of timber wood and later shifted his business to brick-making. He promoted PBSS Brick Farm which was sanctioned an RTL of ₹ 60 lakh by NEDFi in 2009 for upgradation to a semi-mechanized unit with a capacity of 60 lakh bricks per annum. An additional Term Loan of ₹ 9 lakh was also sanctioned to the unit to repair the damages suffered in a storm in 2010. Today, PBSS Brick farm is among the topmost brick making units in Manipur.



Kangla Food Products

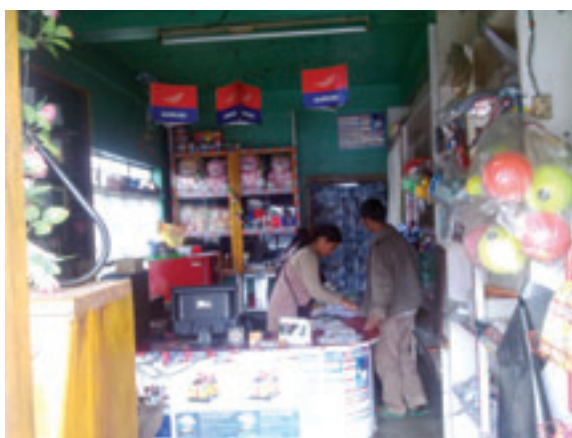


Akhom Birendra Singh hails from the remote village Nambol in Bishnupur District of Manipur. A graduate with training and working experience in food processing in Mumbai, Mr. Singh started Kangla Food Products in 2004 as a small 'namkeen' & wafers manufacturing unit. After running at low capacity for a few years he approached NEDFi for financial assistance for upgradation of the unit. The Corporation has disbursed a total of ₹ 281 lakh so far under RTL, enabling the unit's production volume to rise to 450 tonnes in 2011 from just 21.51 tonnes in 2004. Today, Kangla Food Products has established itself as a successful brand in North East India with 23 different varieties of ready-to-eat packaged food items.



Kell Zone

Kellzone is situated at Syllai-U-Lor Mylliem, which is about 16 kilometres from Shillong. The promoter, Ms. Badahun Langstien, is a young entrepreneur who has been successfully running the business for the last two years, dealing in mobile phone recharge vouchers as well as stationery and gift items and earning a lot of goodwill from the people of the locality. NEDFi assisted Kellzone with a loan of ₹ 4.25 lakh under WEDS for expansion in the year 2011.



Da-le-Mon-Ki



St. Paul's English School (Residential) is promoted by Da-le-Mon-ki, a partnership firm, set up to provide education and hostel facilities to the students hailing from remote corners of Jaintia Hills in Meghalaya. The school is set up at Mookaswan Village, Jaintia Hills District with financial assistance of ₹ 122.50 lakh provided by NEDFi in the year 2011. The School started its operations from March 2011 and has fully furnished classrooms, playground, hostel, staff quarters, etc, with ample space for future expansion.

Abbot Complex

Promoted by an established local entrepreneur, Smt. Sibora Khardewsaw, Abbot Complex is located at Demseiniong, in Laitumkrah locality of Shillong. It has been constructed for the purpose of renting out space to commercial establishments and shops – a new addition to the proliferating malls and shopping complexes in the hill city. NEDFi has sanctioned a term loan of ₹ 26.00 lakh to the promoter for the project.



Vakiria Handloom Industry



For the people of Mizoram, the traditional garment is the 'Puan' – a fabric which plays a important role during rites, rituals and other special occasions and thus enjoys perennial demand in Mizoram. To capitalize on the ever-present demand, Vakiria Handloom Industry was set up at Zuangtui in Aizawl with assistance of a loan of ₹ 4.25 lakh from NEDFi under SNEHH Scheme. Vakiria Handloom Industry has 18 handlooms and employs 15 people, producing various designs of Puan for sale in the local market.

Scissors Institute for Hair & Beauty

The young entrepreneur, Mayori Rumthao is a post graduate in Political Science. With training from Pivot Point India and L'oreal Colour Keyone, she took up a career as a beautician and gained an experience of 7 years. Realizing the vast potential of the beauty industry in her hometown of Dimapur, Nagaland and with the confidence given by her work experience, she set up 'Scissors Institute for Hair & Beauty' – a training institute and beauty parlour. Starting in a small way she approached NEDFi for financial assistance and was sanctioned a loan of ₹ 2.75 lakh under WEDS. The unit started operations in July 2011. Apart from offering quality service to its customers, the unit also trains students in the latest beauty techniques.





Akhrulu Piggery

Ms. Akhrulu Nuh, an enterprising lady from Toulazouma Villge, Dimapur, Nagaland sensed the huge demand for pork in her home state. Eager to start her own home based piggery unit, she approached NEDFi, and was assisted with a loan of ₹ 1.50 lakh under WEDS. Today, she owns and operates a decent scaled piggery unit, developing a respectable size of clientele.

Identity by Lata's

Ms. Yangchen Doma Lepcha, a young Graduate of Gangtok, Sikkim, is trained in Thai traditional massage and holds a diploma in hair dressing. Desiring to put her training to good use, in 2009, she started 'Identity by Lata's' – a beauty parlour that offers a basket of treatments and services related to skin and hair health, facial, aesthetic foot care, hair trichology and other services, in collaboration with well known brands such as L'Oreal, Schwarzkopf and Dermalogica. She approached NEDFi



with a proposal to expand her existing unit and set up a School of Beauty and Hair with latest equipments and trainers. NEDFi assisted with a term loan of ₹ 10.00 lakh (inclusive of soft loan component of ₹ 3.00 lakh) for the training centre.

Hotel Dew Pond



The Dew Pond hotel started its operations from the year 2000 and it is one of the best hotels in Gangtok. Fair tariffs, excellent location, high class services and facilities have been responsible for the soaring popularity of this hotel. To assist the promoter to expand, upgrade and renovate the hotel and procure miscellaneous fixed assets, NEDFi provided a term loan of ₹ 30 lakh against the total project cost of ₹ 50.00 lakh.



Sonam Cheaden Sherpa

Smt. Sonam Cheaden Sherpa was just a housewife but is now a successful entrepreneur through her Beauty Parlour at Central Park, Namchi, South Sikkim. Intending to upscale her business to include beauty products and a few machines, she approached NEDFi in 2011 for financial assistance and was sanctioned a loan of ₹ 2.55 lakh under WEDS. Smt. Sherpa has now vastly expanded her customer base.



Transcendent Dental Laboratory



To capitalize on the people's awareness about oral hygiene and dental health in Tripura, Dr. Sanjoy Kundu, a young and dynamic dentist thought about setting up his own dental clinic. On approaching NEDFi, he was assisted with a loan of ₹ 4.25 lakh under NEEDS to set up Transcendent Dental Clinic at H.G.B. Road, Agartala in West Tripura. The clinic has earned popularity and is catering to the growing needs of the customers.

Sonic X-ray Clinic

Sri Ajoy Chakraborty, a radiography technician and Smt Urmi Chakraborty decided to open an x-ray clinic in West Tripura and approached NEDFi for financial assistance. They were sanctioned a loan of ₹ 9.80 lakh under NEEDS for setting up Sonic X-ray Clinic at Chowmuhani in Agartala. In a short span of time, the unit has developed a good reputation for its quality among patients and the partners have established a good network with the leading doctors of Tripura ensuring steady business growth.



Matri Bahu



Shibani Ghose is a talented housewife from Mahashakti village in West Tripura, endowed with an uncanny ability to create beautiful artifacts from broken glass bangle pieces. Making a variety of wall hangings using broken bangles since 2010, she displayed her creations for the first time at the Tripura Industries and Commerce Fair in 2011. Encouraged by the response there, she

approached NEDFi for financial assistance. NEDFi extended a loan of ₹ 1.80 lakh under SNEHH and helped Mrs. Ghose in creating a market network and linkages with local emporiums. Shibani's hobbyhorse – Matri Bahu is still in its nascent stage, but growing steadily, with plans on training people, employing them and expanding the business.

Chitrapita Parivaar

Santa Debnath of West Noabadi District in Tripura is an artist who creates beautiful sculptures and art out of clay. Recognizing her talent, she was encouraged by a NEDFi official to transform this hobby into a commercial activity. Chitrapita Parivaar was born in 2010 with a capital of only ₹ 75000. Seeing an increase in demand for the products, she approached NEDFi to help her establish a bigger unit, and was provided with assistance of ₹ 4.25 lakh. Today, Chitrapita Parivaar



produces handicraft items like decorative pottery, sculpture, fiber cast products and terracotta plates, employing a number of people and earning wide reputation in the region.

TSCCF Shristi Infrastructure Development Ltd.



TSCCF Shristi Infrastructure Development Ltd. is a Special Purpose Vehicle (SPV) formed as the first Public-Private-Partnership (PPP) initiative in the commercial real estate sector between the Government of Tripura through the Tripura State Cooperative Consumers Federation Ltd. and Kolkata based Shristi Infrastructure Development Ltd. The SPV aims to capitalize on the demand for modern commercial space in the fast growing capital

city and commenced construction of a modern commercial complex at Shakuntala Road. The project has an estimated cost of ₹ 2210.00 lakh to finance which NEDFi has granted a term loan of ₹ 1105.00 lakh. The project is at implementation stage.

Super Techno Industries

Nagaland, along with rest of the North East, is witnessing a sharp increase in real estate and construction sector and the demand for construction bricks has also increased. Super Techno Industries, a registered partnership firm is setting up a mechanized brick manufacturing unit at a projected cost of ₹ 545.00 lakh in Xekiye Village, Dimapur with financial assistance of ₹ 327.00 lakh from NEDFi. The unit is currently under implementation and will have an installed capacity of 120 lakh bricks per annum.



Hotel Regency



To cater to the growing demand for modern accommodation from tourists and travelers to Aizawl in Mizoram, Hotel Regency was set up at the Zarkawt locality. It is the city's first three-star hotel boasting fifty well furnished and impeccably maintained rooms for lodging available at reasonable tariff. The project was set up with financial assistance of ₹ 250.00 lakh from NEDFi. Today, in addition to creating employment, Hotel Regency is one of the most sought after hotels in Aizawl.

North East Glass Industries

With a steady demand for glassware, the North East market presents an opportunity for entrepreneurs willing to set up glass manufacturing units. North East Glass Industries is the first of its kind to manufacture glass bottles, tumblers and lamp chimneys for the packing industries and household requirements. With a total capacity of 40TPD, the project is semi-automatic and is labour intensive which will give direct benefit for generating employment opportunity for more than 300 persons. NEDFi has financed the project with a term loan of ₹ 596.00 lakh under its project finance scheme.



Wonder Roof India



With the growth of the real estate sector in the region, the demand for various construction materials have also grown over the years and colour roofing is one such material that has experienced an increased demand and widespread acceptance due to its durability, aesthetic appeal, etc. To tap this market opportunity, Wonder Roof India has set up a colour coated roofing sheet unit at Dhirenpara, Guwahati at an estimated project cost of ₹ 592.00 lakh with a financial assistance of

₹ 296.00 lakh from NEDFi under its project finance scheme. The unit with an annual installed capacity of 8400 MT (product mix of 7560 MT of colour coated sheet and 840 MT of ridging) has commenced commercial operation from December 2011.



Assam Progressive Developers Ltd.

Silchar is fast growing as a commercial town of South Assam. To cater to the need of the local consumers for a one-stop shop, the Silchar Municipality Board in the year 2010 entered into an agreement with Assam progressive Developers Limited, a noted construction company to construct a shopping mall in the name of "Goldighi Shopping Mall" under PPP model. Once completed, it will be for the first time that the inhabitants of the Barak Valley region will enjoy the essence of a proper



indoor shopping arcade where almost every kind of product will be available under a single roof. NEDFi accepted the project proposal and extended term loan assistance to the tune of ₹ 800.00 lakh to fund the project.



Litson Coating Industries

The demand for paint and allied products is increasing everyday with the increase in construction activities in the entire north eastern region. To capitalize on this demand, Shri Ravi Khemka decided to set up a paints and allied products manufacturing unit by the name of Litson Coating Industries at Amingaon near Guwahati. NEDFi assisted the promoter by sanctioning a Rupee Term Loan of ₹ 180.00 lakh.

Bokahola Tea Company (P) Ltd.

Mr. Prabhat Kamal Bezboruah, a 4th generation businessman from Jorhat promoted the Bokahola Tea Company (P) Ltd. which owns tea plantations on around 220 hectares of land and has a capacity of processing 50 lakh kgs of black tea every year. The company was sanctioned a Rupee Term Loan of ₹ 500.00 lakh by NEDFi for upgrading their existing tea factory at Titabar near Jorhat. With the upgraded infrastructure, the company today is running successfully, making steady growth in terms of both turnover and profitability.



Udayak Agro Products Pvt. Ltd.



Udayak Agro Products Pvt. Ltd is the only franchisee of Parle Agro Products Pvt. Ltd in the North East which bottles Parle's popular packaged drinking water brand called 'Bailey' at their plant at Satgaon, Narengi, Guwahati. With the experience in the industry, the company launched its own packaged drinking water under the brand name 'Crystal' which,

over time, has become quite a popular among consumers. The company has been provided multiple assistance by NEDFi under RTL with a total amount of ₹ 378.00 lakh.

North East Mega Food Park Ltd.

The North East Mega Food Park, located at Tihu in Nalbari district, spread over 50 acres of land is a 3- tier infrastructure project as per the Mega Food Park Scheme of Ministry of Food Processing Industries (MoFPI), Govt. of India. Promoted under PPP model with Assam Industrial Development Corporation Ltd. as the public partner, it would provide state-of-the-art infrastructure for food processing on a pre-identified cluster basis. It would specially include developing infrastructure



to facilitate establishment of strong food processing industries backed by an efficient supply chain including collection centers, primary processing centers and cold chain infrastructure. NEDFi is playing its role in the project by extending a financial assistance of ₹ 900.00 lakh.

Micro waves to transform lives

Micro finance has been one of the focus areas of NEDFi touching lives of thousands

Ajagar Social Circle

Ajagar Social Circle started its journey by providing micro-loans to the financially deprived people of Goarpara district in Assam by mobilizing them into groups. Set up in 2001 at Agia, they reached the villages where the formal banking system was yet to step in



and not only brought financial services to the doorstep of the people but also educated them about the benefits of savings and credit. The Circle mostly targeted women and supported an array of different activities ranging from petty trade and weaving to agriculture & allied activities through microfinance. Associated with NEDFi as its Representative Office (RO) for the Goalpara region, Ajagar Social Circle has been assisted by NEDFi



under its Microfinance Scheme thrice with a total amount of ₹ 450 lakh. The Circle has a large base of clients and has provided microfinance to more than 4,400 people with a phenomenal recovery rate of 99.96%. Apart from microfinance, the Circle is also engaged in various social activities like education and vocational training, running an English medium school at Agia. Today Ajagar Social Circle covers the entire Goalpara district with three branches and has been able to make a mark of their own in the society. This has resulted in an increase in their outreach and business volume.

Community Development Foundation

Focused on creation of livelihood and income generation for the poor, Community



Development Foundation (CDF) was set up in 2003 as a non-profit organization with its operational headquarters based at Dimapur in Nagaland. In collaboration with resource institutions the organization went about meeting various development needs of the people. CDF started its microfinance operations in the year 2003 with an initial capital of ₹30,000 from its executive members. The organization has been working in three



districts of Nagaland – Kohima, Peren and Dimapur. Their initial success and systematic processes and procedures have brought in financial support from different local financial institutions including NEDFi. Initially NEDFi provided a loan of ₹ 5 lakh in the year 2009-10 and subsequently another loan of ₹ 10 lakh in the year 2011-12, which enabled CDF to achieve a cumulative disbursement of ₹ 80 lakh and cover more than 50 SHGs under its microfinance activities. Apart from microfinance, CDF has been providing various development services to the community such as arrangement of vocational training, training on live stock rearing and entrepreneurial technical guidance support. The organization also implements different livestock projects in piggery which has provided employment opportunities to a number of local youth.

Chanura Microfin Manipur



Chanura Microfin Manipur (CMM) is a well-managed NGO supported by NEDFi. Since its inception in 2007, the organization has been working relentlessly to reduce poverty and to bring about positive changes in the lives of the poor. It operates in four districts of Manipur – Imphal East, Imphal West, Thoubal and Bishnupur, with a network of 7 branches. CMM provides financial as well as non-financial services to its beneficiaries, all women, for undertaking various income-generating activities. In 2010, NEDFi provided an assistance of ₹ 80 lakh to the NGO



to help expand its reach. CMM has touched the lives of more than 10,000 women – a standing example being Smt. W. Memi Devi, from Imphal, who was honored with the 'Citi Micro entrepreneur Award 2011'. Hers is an inspiring story of determination and perseverance. After her husband lost his job, her family was struggling to make ends meet. One fine day, she struck upon an innovative idea to make useful items such as flower pots, buckets and water storage pots from discarded tyres. With microfinance assistance from CMM, she could purchase the required tools. Today her business is flourishing with an annual turnover of ₹ 4 lakh.

Offering Fee based Services: Consultancy & Advisory

Due to the increasing investment in the sectors of strategic importance, demand for fee-based services like Advisory & Consultancy is growing especially from the State Governments in the Region. All the State Governments are increasingly looking to set up projects in the PPP mode and to implement projects having sustainability and better coverage so that the benefits accrue to the target group.



Third Party Monitoring of Construction of permanent bridge over river Sisiri on Dambuk Paglam road (RIDF-XII)



Third Party Evaluation & Monitoring of Water Supply project in Churchandpur, Manipur under NLCPR funding

In view of this, NEDFi started the Advisory & Consultancy Division which has presently been awarded and is implementing several prestigious assignments. It has also signed an MoU with Accenture, a global management consulting company, to jointly work together to identify and offer select solutions to targeted clients in certain market segments in the North East of India by utilising the capabilities and assets of both parties.



Mentoring to develop Entrepreneurship: Business Facilitation Centre

As historically, there is an absence of entrepreneurial activities in the region, the new entrepreneurs are mostly first generation entrepreneurs who lack knowledge regarding setting up of the projects, technical know-how, preparation of Detailed Project Report (DPR), marketing of their products, etc. To fulfill its mandate of accelerating the pace of industrial development of the North Eastern Region, the Corporation has set up two Business Facilitation Centres in the Region during FY 2011-12, first at Aizawl and then at Gangtok to assist, guide and mentor potential entrepreneurs in the MSE sector. These Centres are manned by a Consultant in the Branch Offices for providing

project consultation and advisory services to Micro and Small Enterprises for a period of one year. The Corporation is in the process of opening more such centres in all the NE states.



Important Events

Tour Operators Meet



'Tour Operators Meet' on the theme "Spectacular North East: Explore, Experience, Exult" was organized by the Corporation with sponsorship from the Ministry of DoNER, on the 8th of July, 2011. While around 150 tour

operators and hospitality sector promoters of the N.E. States participated in the Meet, the Association of Domestic Tour Operators of India (ADTOI) brought in a team of 34 tour operators from various parts of the country.

The exclusive Business to Business Meet where tour operators/hoteliers of North East interacted with the ADTOI team provided ample opportunities to the tour operators of NE and their counterparts to build network among themselves. There was a great deal of interaction and interest taken on various tourist sites and facilities in the Region.



Signing of MoUs

NEDFi signed MoUs with SIDBI and NBCFDC during FY 2012 for fund assistance as well as for joint initiative for generating awareness among entrepreneurs in the region.



CMD SIDBI and CMD NEDFi signing an MoU at NEDFi House



Signing of MoU with NBCFDC



DoNER Minister visiting the Water Hyacinth gallery and green house in NEDFi House Campus



CMD flags off the truck carrying relief materials to Dhemaji



Marketing platform provided at NEDFi Haat for displaying products by artisans



Live Demonstration on Water Hyacinth Craft at India International Trade Fair 2011



Training Programme on Water Hyacinth Craft



Training Programme on Banana Bark in Mizoram



Sri B. Paul Muktieh

Shri B. Paul Muktieh, B. Tech (Electrical & Electronics), PGDM (IIM, Ahmedabad) is the Chairman & Managing Director of NEDFi and has over 26 years of development banking experience in diverse and varied areas of the financial systems. Prior to becoming the CMD of NEDFi, Shri Muktieh was the Chief General Manager, IDBI Bank and was handling the Small and Medium Enterprises Division of the bank. He had wide experience in the areas of Project Financing, Treasury Management, Forex and Trade Finance, etc. During his tenure in IDBI Bank he had served in the Eastern and North Eastern Region of India during the period 2001-2008 and was on the Board of NEDFi during the period of 2006-2008.

Sri Rajnish Kumar

Shri Rajnish Kumar is the Chief General Manager, State Bank of India, North East Circle. He has the distinction of holding a variety of challenging assignments both in India as well as overseas. Just prior to taking over as Chief General Manager of the Circle, he was posted as the Regional Head at SBI, London heading Bank's UK operations. He has vast experience in credit and has worked as Vice President (Credit) in SBI Toronto (Canada) Branch and in CAG, New Delhi and MCG, Mumbai etc.



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.

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 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 technology and payment system.



Directors' Report

The Directors of your Company have pleasure in presenting their Annual Report and Accounts for the year ended 31st March, 2012

Financial Reviews

The financial results of the year are highlighted below:

Working Results	(₹ Crore)	
	2010-11	2011-12
Gross Income	77.15	103.31
Gross Expenditure	14.51	22.76
Profit Before Tax	62.43	80.53
Profit After Tax	45.65	55.20
Earnings Per Share (in ₹)	4.56	5.52
Dividend	4.00	6.00
Interest income as percentage to average working funds (%)	10.49	12.43
Non-interest income as percentage to average working funds (%)	0.89	0.70
Operating profit as a percentage to average working funds (%)	9.24	10.24
Return on average assets (%)	6.38	6.49
Net profit per employee	0.43	0.51
Capital to Risk (Weighted) Assets Ratio (CRAR) (%)	54.57	48.79
Financial Position		
Authorised Capital	500.00	500.00
Paid up Capital	100.00	100.00
General Reserve	209.41	238.24
Net worth	370.01	414.54
Total Assets	881.33	1049.97
Sanctions	421.39	432.23
Disbursements	281.38	334.56
Loan Outstanding	668.07	841.19
Recovery (%)	80.05	85.81

Performance of the Corporation

During the year, the Corporation has made improvements in key parameters such as gross income, profits, sanctions, disbursements and loan outstanding. There has been steady and healthy growth in sanctions and disbursements in the past few years. To view this growth in the right perspective, we take a look at



the sanctions and disbursements during the last five years along with cumulative performance as on 31st March, 2012:

(₹ Crore)

Year	Sanctions	Disbursements
2007-08	279.45	116.44
2008-09	266.89	184.09
2009-10	331.41	208.08
2010-11	421.39	281.38
2011-12	432.23	334.56

(₹ Crore)

Cumulative		
Year	As on 31-03-11	As on 31-03-12
Sanctions	2049.11	2481.34
Disbursements	1281.82	1618.11
No. of Projects	2205.00	2458.00
Capital Investment Facilitated in NER	8280.24	9381.88
No. of Employment Generated	61709.00	63657.00

The operating efficiency of the Corporation has also been improving from year to year. For the year 2011-12, operating profit as a percentage to average working funds was 10.24% as compared to 9.24% in the previous year. Return on average assets was 6.49% in the year under review as compared to 6.38% in 2010-11. Net profit was ₹ 55.20 crore as against ₹ 45.65 crore in 2010-11, an improvement of 21% over the previous year. Capital Adequacy Ratio is 49% as against last year's 55%.

During the current financial year ₹ 27 crore was transferred to General Reserve of the company, ₹ 11.04 crore to Statutory Reserve under RBI Act, 1934 and ₹ 8.84 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 ₹ 0.60 per share for the financial year 2011-12. The payout ratio is 12.6% of the net profit and total outgo on account of dividend and tax thereon is ₹ 697.35 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 ₹ 841 crore. This is 26% higher as compared to ₹ 668 crore as at 31st March, 2011. Credit exposure to five emerging sectors – cement, infrastructure, iron & steel, real estate industry and micro finance – constituted around ₹ 516 crore which is 61.3% of the loan book.
- An amount of ₹ 432 crore was sanctioned to 253 new and viable projects and loan disbursement was 19% higher at ₹ 335 crore. More significantly, overdues were reduced, and the recoveries totalled ₹ 248.89 crore (an increase of over 45%).
- The recovery of loans at around 86% was much higher than the year-end figure of 80% in the last fiscal.
- While loan recovery was above 95% in sectors like textiles & yarns, power, cement, bamboo & wood based industries, Plastic & Plastic products, industrial gases, iron &

steel and Tea, recovery has been less than satisfactory in sectors such as medicinal and aromatic oil (3.40%), rubber based industries (9.28%), agri & allied (19.96%), handloom & handicrafts (25.65%), information technology (27.67%), petroleum products (34.44%), tiny services industry (39.72%), agro food processing (43.46%) and paper and paper products (46.23%).

- Net NPAs to net loans & advances stood at 1.39% as at 31st March 2012 and gross NPA stood at 5.30%, much lower than 1.85% and 7.89% respectively as at 31st March, 2011.
- The reduction in gross NPA was facilitated by the Corporation's focus on cash recoveries through consistent recovery drives, settlements under OTS, SARFAESI and early resolution of disputes through DRT.
- Recovery proceedings through Lok Adalats have proved to be an effective instrument for smaller loans of 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 34% to ₹ 103.31 crore.

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 reach out to the rural beneficiaries in the remote areas of the Region, through established and good NGO/MFIs of the region. The scheme has really helped the rural entrepreneurs/ borrowers to take up various income generating activities and in the process has brought them into the financial net. During FY 2011-12, ₹ 53.96 crores was disbursed under this scheme to 39 projects to reach out to 88801 beneficiaries, of which 99.63% are women and 7.11 % and 13.98% are members of SC and ST communities respectively. NEDFi is in the process of structuring new schemes with concessional rate of interest to reach out to the un-served and under-served areas of the region particularly the under-privileged section of the society.

Apart from debt and capacity building support, NEDFi has also extended equity support to a few MFIs in order to strengthen their bases. Till date, NEDFi has provided equity support to two of the prominent institutions of the Region viz. RGVN (North East) Microfinance Ltd, and Konoklota Mahila Urban Co-Operative Bank Ltd. to promote financial inclusion in the under-banked.

Tie up with other agencies

In order to cover more people at the grassroots and also to work for the more disadvantaged sections of the society, NEDFi has entered into an agreement with National Backward Classes Finance & Development Corporation (NBCFDC) to become a State Channelizing Agency (SCA). NBCFDC is a Govt. of India Undertaking under the aegis of Ministry of Social Justice and Empowerment for the development of the people belonging to Backward Classes in the country. As a SCA, NEDFi has been able to channelize funds to the members belonging to the backward classes at subsidized interest rate.



Business Development Initiatives

To fulfill its mandate to promote entrepreneurship, specially in the micro and small enterprise section, the Corporation has initiated various business development programmes, promotional activities, research & development programmes and other socially relevant activities. Some of them are mentioned below:

a) Promotion of Entrepreneurship :

Business Facilitation Centre (BFC) in the State of Mizoram and Sikkim

NEDFi had set up its first Business Facilitation Centre on November 1, 2011 at the premises of its Aizawl Branch Office. The 2nd BFC was set up at Gangtok, Sikkim on February 1, 2012. The BFCs are set up with an objective to provide advisory services and guidance to potential entrepreneurs with project cost upto ₹ 50 lakhs. NEDFi is working in association with SIDBI for setting up BFCs in North Eastern Region. Under the joint initiative of NEDFi and SIDBI to start Business Facilitation Centre in NER, the handbook on “How to start Business Enterprise” was prepared in both English and vernacular (Mizo) version and it was released in Aizawl on Jan 12, 2012 where the first BFC had started. A similar handbook for the state of Sikkim has been prepared and released.

BFC, Aizawl : Upto March, 2012, 31 nos of prospective entrepreneurs were nurtured and provided guidance including financial linkages.

BFC, Gangtok : Upto March, 2012, 7 nos of entrepreneurs were provided guidance at the BFC including financial linkages.

The Corporation is taking steps to set up BFCs in other states of the Region.

b) NEDFi's Participation in Seminar/ Business Meet/Workshop for development of MSME in the Region :

- Seminar cum Capacity Building Programme for Empowering Agri Process organized by NERMAC during May 2011
- “The North East Connect 2011” at the India Habit Centre, New Delhi on Investment Opportunities in North-East India in Agriculture and Allied Sectors organized by the North Eastern Regional Agricultural Marketing Corporation Limited (NERAMAC) with the support of National Skills Foundation of India (NSFI).
- Seminar on “Attracting Investments for Development of Power Sector in NER” organized at Guwahati on 15th Dec, 2011
- Seminar on “Role of Entrepreneurship & Bank Credit for Development of MSMEs” organized by Dun & Bradstreet & Central Bank of India during Dec. 2011.
- “Awareness Programme on BIOMASS power project in Assam” on 24th Jan, 2012 at Guwahati organized by COGEN India.
- Business meets were arranged in Assam, Tripura and Mizoram where NEDFi's role, various schemes, the process and documentation required to avail facilities under the schemes were explained. In addition to this, one-to-one counseling was provided to prospective entrepreneurs.
- NEDFi also participated in RBI Financial Outreach Camp in Nagaland, Arunachal Pradesh,

Mizoram, Meghalaya and Assam where NEDFi's role, various schemes, the process and documentation required to avail facilities under the schemes were explained for the benefit of the entrepreneurs. NEDFi also participated in a RBI Sensitization Programme in Sikkim.

- NEDFi participated in various seminars/workshops organized by industry associations like FINER, ICC, etc. and highlighted NEDFi Schemes for the benefit of participating entrepreneurs.

TEDF Studies

NEDFi conducts various techno economic feasibility studies for the North Eastern States. Over the years, NEDFi has already completed 63 studies. The ongoing study for the current year 2011-12 is:

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.	Consultant has been advised to collect data from all the districts (as suggested in the ToR) and to re-submit the Mid Term Report.

Request for new studies from different states has been received. These requests will be examined during the next Executive Committee Meeting of TEDF.

Centre for Practical Livelihood Training

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

Corporate Social Responsibility

The Corporation has adopted new CSR Policy at the meeting of the 82nd Board of Directors on 1st Dec, 11. The activities undertaken during the year 2011-12, as per the priority areas identified by the corporation are described below:

A. Initiative to promote sustainable Livelihood :

a) Promotion of Water hyacinth Craft :

NEDFi has been promoting Water hyacinth Craft as a viable means for sustainable livelihood in rural areas. The 3 year project which is a joint initiative of NEDFi & NEC commenced in April, 2010 and most of its development in terms of technology and Skill-upgradation took place during the year 2011-12. Some highlights of the initiatives are:

I. Basic Programme on Capacity Development

Type of programme	No. of Beneficiaries covered in FY 2011-12	Total no i.e. beneficiaries covered in FY 10-11 & FY11-12
Basic Programme on Capacity Development	1007	1294

State wise Break-up of Beneficiaries covered through Basic programme:-

Sl. No.	State	No. of Artisans
1	Arunachal Pradesh	57
2	Assam	1065
3	Manipur	82
4	Meghalaya	49
5	Tripura	41
	Total	1294
	Male	120 (9.27%)
	Female	1174 (90.73%)

In the last two years of the project, NEDFi has completed the capacity building of more than 1000 artisans. During execution of the project, thrust was on the continual improvement in the production process and in value addition to the products. Expertise from National Institute of Design, Ahmedabad and Department of Industrial Promotion, Royal Government of Thailand helped to achieve the desired result.

II. Advance Training Programmes for the Master Craftsmen:

Sl. No	Name of Programme	Place	No. of Participants	Period	
				From	To
1	Design Development Workshop for Water Hyacinth Products	National Institute of Design, Ahmedabad	25	3 rd Nov '11	16 th Nov'11
2	Mould Making Training Programme on Water Hyacinth Craft.	NEDFi R&D Centre, Khetri	12	27 th Oct'11	29 th Oct'11
3	10 days Product Development Workshop for the Master Artisans	NEDFi R&D Centre, Khetri	20	15 th Dec'11	24 th Dec'11
4	Advanced Training Programme for the Artisans of Manipur	NEDFi R&D Centre, Khetri	30	3 rd Jan'12	10 th Jan.'12
5	Advance Training on Water Hyacinth craft with Thai Technology	NEDFi R&D Centre, Khetri	31	4 th Mar'12	30 th Mar'12

III. Market Linkage :

The Market linkage to the artisans was provided through the following Channels :

- i) Sale of Products through the Water Hyacinth Craft Gallery at NEDFi Haat.
- ii) Participation in different national exhibitions including IITF-2011 held at Pragati Maidan, New Delhi, Surajkund Mela, IHGF etc.
- iii) Participation in local level exhibitions held at Sivasagar, Dhemaji, Diphu, Ledo, Guwahati

etc. and also at exhibitions such as Hornbill Festival in Kohima and Industrial fair at Agartala.

b) Promotion of Banana Bark based Craft :

NEDFi took up Banana Bark as the another media for producing handicraft products. An Integrated Design and Skill Development Programme on producing handicraft items from Banana Bark was initiated at Sesawng Village in Mizoram from 18th May to 1st June 2011. 24 trainees participated in the programme and learned the techniques of processing banana bark and using it for making products like mats, gift boxes, bags, basket etc. The integrated course included technique of using varieties of tools like Metal frames, Ratt machine, Loom and crochet.

B. Promotion of Handloom and Handicraft sector through skill up-gradation and market linkage.

In addition to the initiatives taken up under sustainable livelihood, following activities were taken up during the year 2011-12 for promotion of handloom and handicraft sector:-

a) Facilitating Skill Up-Gradation :

- Support to Mulberry, Sonapur, Kamrup, Assam, a NEDFi assisted NGO which is working in handloom sector was provided fund support which facilitated design intervention of reputed designers. This has helped the unit to bag orders from Fab India, a reputed retail chain known for its quality.
- A Training programme was conducted on preparation of Decorative Candle from 12th July 2011 to 16th July 2011 at Dimapur, Nagaland. This helped a group of 10 women to learn the trade and produce and market the same locally.

b) Facilitating Market Support :

The NEDFi Haat, a platform created by NEDFi for providing market linkage to the handloom and handicraft sector of the region, has successfully facilitated the support during the year 2011-12 also.

Year	No of Fairs held	Sales (in lakhs)	NGO	SSI	Co-op	SHG	Other	Total	Men	Women
2011-12	32	456.22	53	131	6	93	672	955	145	810
Cum Total	278	2607.73	714	1605	289	2036	2220	6864	1308	5556

Other exhibitions where the CSR Policy supported participation of units of NER for market linkage are:-

- Hornbill Festival, Kohima, Nagaland
- 9th North East Handloom and Handicraft Fair 2011, NEDFi Haat, Guwahati
- Indian Handicraft & Gift Fair-Autumn'11, IEML Greater Noida
- Indian Handicraft & Gift Fair-Spring'12, IEML, Greater Noida
- 22nd Industries & Commerce Fair, Agartala, Tripura
- 25 Years of Peace in Mizoram-cum-Exhibition & Sale, Aizawl, Mizoram
- Pre Rongali Fair & Pre Bhogali Mela, 2012 at NEDFi Haat, Guwahati

C. Promotion of entrepreneurship in Medicinal & Aromatic Plant Sector through the NEDFi R&D Centre for MAP :

In addition to carrying out the regular activities in the centre various extension work on lemongrass, Citronella and Agar plantation were taken up during the year 2011-12.



On-going project :

NMPB sponsored project on RET Medicinal plants of North East India:

- Identification of new species for Assam

One new accession of *Kaempferia parviflora* (syn. *Bausenbergia rotunda* and *Kaempferia pandurata* Roxb) collected from Khetri, Kamrup, Assam. The local Karbi people called the species as 'Durik ada'. The fleshy tuberous roots are used by them as spice. This species may be the new addition for Assam Flora.

-Confirmation of *Smilax china* Linn. : Regarding identity of *Smilax china* one accession (SC-02) collected from Paham, Ri-bhoi district Meghalaya confirmed as *Smilax china* after consulting the literature of Flora of China series. Recorded the detail morphology of the species.

Seminar, Workshop, Exhibition and Training:

- Two days National workshop for Medicinal Plants on 10-11th November, 2011 at NEDFi House, Guwahati, where total 75 numbers of scientists and other officials were present.
- One day Awareness Programme on Voluntary Certification Scheme for medicinal plant produces was conducted on 12th November, 2011 at Guwahati, which was sponsored by NMPB .129 participants participated in the programme
- Participated in North East Agri Fair 2012, organized by Assam Agriculture University, Dept. of Agriculture & Co-operation Govt. of India 10-12 Feb 2012, Khanapara , Guwahati.

D. Support to socially relevant causes

a) On NEDFi Foundation day 2011

1. **Head Office** An awareness camp on cleanliness with a cleaning drive in Ganeshguri area was organized on 9th Aug, 2011 where 14 dual dustbins and 7 Tri cycle carts were handed over for keeping the city garbage free. An Essay writing competition was also organized among students on the topic "Clean & Green Guwahati".

Branches : At the Branch level in all the NE States, "Wall painting Project" by school children on topics like global warming, environment protection, etc was carried out to make people aware about the dangers associated with the same.

b) Others

1. With the help of District Administration a Flood Relief Camp at Sisibargaon village of Dhemaji District was organized by NEDFi on 26th Aug, 2011 covering 400 people of the village in which essential items were distributed.
2. The first House Journal "Tista" was launched on 30th Sept, 2011 on the day of Annual General Meeting of the Corporation.

Important events/visits:

- A one day 'Tour Operators Meet' on the theme "Spectacular North East: Explore, Experience, Exult" was organized by NEDFi, with sponsorship from the Ministry of DoNER, on the 8th of July, 2011 at NEDFi House, Guwahati which brought together tour operators from the region and their all India counterparts on a common business to business platform for enhancing flow of domestic tourists to the North East. While around 150 tour operators and hospitality sector promoters of the N.E. States participated in the Meet, the Association of Domestic Tour Operators of India (ADTOI) brought in a team of 34 tour operators from various parts of the country.

- Sh. Paban Singh Ghatowar Hon'ble Minister of DoNER made a visit to NEDFi office and interacted with the employees on 3rd Sept, 2011. The Hon'ble Minister was apprised about NEDFi's schemes, various projects and achievements, including details of new initiatives NEDFi has taken for the development of North East. He appreciated NEDFi's efforts and requested all members to work for the growth of the region.
- Vigilance Awareness Week was observed in Head Office from 31st Oct to 5th Nov, 2011. On 3rd Nov, 11 Sh. Mridul Dutta SP, Dept of Vigilance and Anti Corruption Wing, Govt. of Assam delivered the key note address on "Vigilance Awareness" at a Meeting organized at Convention Centre for the employees.
- NEDFi has signed a memorandum of understanding (MoU) with Small Industries Development Bank of India (SIDBI) for credit disbursal to the Micro, Small, Medium Enterprises (MSME) sector in the North Eastern Region. The MoU between the two organizations plans out a future path in the area of credit dispensation by the SIDBI to the developmental projects identified by NEDFi. The event was organized at NEDFi Convention centre on 2nd March, 2012 followed by a Press Conference.



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 eight North Eastern States. 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 summary of disbursement under various schemes, during this financial year is given below :

(Amount in ₹ Crore)

Subsidy	No. of Claims (for the yr 2011-12)	No. of Claims (Cumm as on Mar 31, 2012)	Disb for the yr 2011-12	Cumm disb (As on Mar 31, 2012)
Central Transport Subsidy (CTS)	687	8953	342.26	2,020.28
Central Investment Subsidy (CCIS)	10	1187	0.62	201.85
Central Interest Subsidy (CIS)	105	1537	11.97	122.48
Central Comprehensive Insurance Subsidy	172	757	2.74	10.18

Consultancy And Advisory Services

Fee-based services form a significant proportion of the business income of a present-day Financial Institution. The plan is to make stable non-interest income to form a major part of NEDFi's operating income.

The demand for fee-based services like Advisory & Consultancy 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.

NEDFi has been awarded several prestigious assignments during the financial year 2011-12. The following assignments are as under:

- Project Evaluation and Monitoring of completed projects funded under SPA/NLCPR in Manipur
- Performance Evaluation of schemes in four districts of Assam under the Water Resources Department, Govt. of Assam
- Preparation of State Strategic Statistical Plan for Directorate of Economics & Statistics, Govt. of Arunachal Pradesh
- Evaluation of Capacity/Skill Development and Training Programme to the Artisans/Craftsmen/SHG/NGO at NER under HRD Scheme of O/o DC (Handicrafts), Govt. of India during 2011-12 (Dimapur, Guwahati, Aizwal, Imphal, Shillong, Pasighat, Ziro & Itanagar)
- Evaluation of Capacity/Skill Development and Training Programme to the Artisans/Craftsmen/SHG/NGO at NER under HRD Scheme of O/o DC (Handicrafts), Govt. of India during 2011-12 (BCDI - Agartala)
- Preparation of State Strategic Statistical Plan for Directorate of Economics & Statistics, Govt. of Meghalaya
- Preparation of Business Registers at the district level in Arunachal Pradesh

NEDFi has been empanelled as PPP Consultant with Government of Assam. NEDFi has made presentations to the Government of Meghalaya, Mizoram and Nagaland on Project Monitoring & Evaluation works. Assignments are expected from other State Governments of North East India.

NEDFi has entered into an MOU with Accenture, a global management consulting, technology services and outsourcing company on 12th September, 2011 to jointly work together to identify and offer select solutions to targeted clients in certain market segments in the North East of India by utilizing the capabilities and assets of both parties.

HRD Initiatives

In recent years NEDFi as an organization has been growing in size and performance and its activities have also extended to newer areas. To keep up the pace of growth in the present scenario and to maintain competitive advantage 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.

The total strength of employees in all categories as on date is 31st March, 2012 is 108 (hundred and eight). During the year, 19 officers have been recruited, out of which 10 are Management Trainees, 6 are Assistant Managers and 3 are Managers. The officers of the Corporation have been periodically sent for training programmes to upgrade their skills.

NEDFi's Convention Centre

'NEDFi House' 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. A total of 197 numbers of events had taken place in the Convention centre during the year with participation of organizations like P&D Govt. of Assam, SECON, SBI, Directorate of Industries, NCDPD, Indian Oil, Power Grid, RGVN, RACE etc.

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 useful for attracting investments to the region as well for research/study purposes. 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 (23) Food Processing.

Future strategies

- **Resource mobilization:** Capital augmentation of the Corporation has been accorded priority. The Corporation’s future projections for 12th Plan Period envisage growing requirement of fund to match the rapidly expanding credit demand from industrial units of the region. To make any significant contribution, NEDFi’s loan portfolio is aimed at an average annual growth rate of 30% over the period 2012-17. To meet the fund requirement during the Plan Period, the Corporation is exploring various avenues for raising its resources. As a result of its efforts, NEDFi has been sanctioned a refinance limit of ₹ 50 Crore by Small Industries Development Bank of India (SIDBI). The Corporation is also in the process of availing refinance limit from National Bank for Agriculture and Rural Development (NABARD). Moreover, the maximum borrowing limit of the Corporation has been enhanced to ₹ 1000 Crore from the earlier limit of ₹ 500 Crore.
- **Business facilitation:** NEDFi has also organized business facilitation programmes in all the States for creating awareness amongst the entrepreneurs for extending financial support to industry in the small and micro sector, especially in more challenging environments in some of the hill states. The new entrepreneurs are mostly first generation entrepreneurs and they lack knowledge regarding setting up of the projects, preparation of Detailed Project Report (DPR), marketing of their products, technical know-how of the project, etc. The Business Facilitation Centres have been set up to guide and mentor these potential entrepreneurs. The first Business Facilitation Centre has been set up in Aizawl followed by one in Gangtok, Sikkim. More such centres will be set up in the other states of the Region.
- **Network expansion and branch strengthening** is one of our priority areas. We have increased our geographical coverage considerably by opening two new branches in Mizoram and Nagaland bringing the total number to 12 branches in the last financial year. We are focusing on further expansion of our network, on strengthening our Branches and empowering them to reduce turnaround time in decision making by rationalizing processes and procedures.
- **Renewed focus on establishing Representative Offices (ROs)** in growth centres where opening Branch offices may not be immediately viable. One new Representative office has been opened in Churachandpur, Manipur during FY 2011-12.



Board of Directors

NEDFi's Board has 10 (Ten) Directors of which all except one are Non-Executive Directors. In the last Annual General Meeting held on 30th September 2011, Sri U.K. Sangma, IAS, Secretary, North Eastern Council (NEC) was reappointed.

During the year Dr. D. N. Borthakur, and Sri R.K. Garg, Ex Chief General Manager, State Bank of India, North East Circle relinquished their office as Directors. The Board has placed on record its appreciation of the services rendered by Sarbasree Dr D. N. Borthakur and R.K. Garg during their respective tenure at NEDFi.

Shri Rajnish Kumar, Chief General Manager, State Bank of India, North East Circle has been appointed as Director on the Board of Director of NEDFi with effect from 4th June, 2012. Shri Kumar will hold office as Director of NEDFi upto the ensuing Annual General Meeting. The Company has received a notice from State Bank of India (member) signifying its intention to propose the candidature of Shri Rajnish Kumar for the office of Director. Necessary resolution in this regard has been incorporated in the notice for Seventeenth Annual General Meeting.

As per the provisions of Section 256 of the Companies Act 1956, Dr. R.K. Baisya and Dr. R. B. Barman will retire by rotation at the ensuing Annual General Meeting. However, they 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, five Directors' Committee Meetings were held.

Corporate Credit Committees

In conformity with the principle of delegation of financial and administrative powers, the Corporate Credit Committee (I), Corporate Credit Committee (II) and Corporate Credit Committee (III) have been constituted for speedy disposal of proposals. Credit Proposals having loan component upto (i) ₹ 2 crore, (ii) ₹ 50 Lakh and (iii) ₹ 10 lakh are placed before Corporate Credit Committee (I), Corporate Credit Committee (II) and Corporate Credit Committee (III) respectively. Five Corporate Credit Committee (I) meetings, twenty six Corporate Credit Committee (II) meetings and eight Corporate Credit Committee (III) 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, 2012, 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, 2012 have been prepared on a going concern basis.



Auditors

On the advice of the Comptroller and Auditor General of India, Messrs Saraswati & 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 negligible. The organization, meanwhile, has been in the process of adopting the latest information technology to provide the best facilities to its customers. There has been no foreign exchange income and outgo during the year.

Appreciation

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

By order of the Board

(B P Muktieh)

Chairman and Managing Director

Guwahati

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, 2012, 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 concluded 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 misstatements. 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 statements 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 as far as appears from our examination of the books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statements dealt with by this report are in agreement with the books of account ;
 - d) In our opinion & according to the information and explanation given to us and subject to significant accounting policies annexed with Financial Statement, 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, 2012 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 significant accounting policies ,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 2012
 - ii. in the case of the profit and 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 **Saraswati & Co.,**
Chartered Accountants



(CA Ashok Kumar Agarwala)

Partner

M. No. 53233

FRN. 317097E

Place: Guwahati
Date : 04.08.2012

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 deposited 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 (Auditors 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 last year which is interest free and its term & 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, they are reasonable internal control system commensurate with the size of company and the nature of its business with regard to the purchase of the fixed assets and with regard to sale of services.
5. In respect of transactions covered under sec.301 of the companies act 1956:

According to the information and 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 the 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 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 the cost record 209(i) (d) of the companies Act 1956.
9. In the respect of the statutory dues:
 - a) as per the information and explanation given to us by the management and according to the record of company undisputed statutory dues including provident fund, investors education and protection fund, employees insurance, Income tax, sales tax, wealth tax, service tax, central duty and excise duty, cess and other material statutory dues have been generally regularly deposited with the appropriate authorities According to explanations and information given to us amount Payable in respect of aforesaid dues were outstanding as at 31.03.2012 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/Custom duty/ Cess were outstanding as at 31.3.2012, 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 ₹ 2032677/- 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) Hased 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 investment 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 10iln from Central Government. The term 10iln 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 and explanation 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 explanation given to us, no material fraud on or by the company has been noticed or reported during the year.

Place: Guwahati
Date : 04.08.2012

For **Saraswati & Co.**,
Chartered Accountants



CA Ashok Kumar Agarwala
Partner
M. No. 53233
FRN. 317097E

SARASWATI & CO.

CHARTERED ACCOUNTANTS

ASHOK KUMAR AGARWALA

B.Sc., LLB, F.C.A., A.C.S., DISA (ICAI)

B.C. Das Lane, F. A. Road,

Kumarpara, Guwahati – 781 001

Phone: 0361 – 2481196

Mobile: 9435047557 Fax: 2481196

E-Mail: jyotiashok@gmail.com

To,
North Eastern Development Finance Corporation Ltd.
Guwahati



In pursuance to paragraph 15 of Non- Banking Financial (Non – deposit Accepting on Holding Companies) Prudential Norms (Reserve Bank) Directions 2007, we do hereby certify that North Eastern Development Finance Corporation Ltd., Guwahati is engaged in the business of non banking financial institution as at 31/03/2012 requiring it to hold a certificate of Registration under sec45-1A of the RBI Act.

Further, the company is carrying on as its principal business of providing finance by making loans or advances and as at 31/03/2012 the net loans or advances (net of provisions made was ₹ 80183.73 lacs which is 76.36% of its total assets and the income from interest on loans for the financial year 2011- 12 was ₹9035.03 lacs which is 87.72%% of its total income.

Place: Guwahati
Date : 06.08.2012



For Saraswati & Co.
Chartered Accountants

(CA Ashok Kumar Agarwala)

(Partner)

M.No.53233

FRN – 317097E

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 2012.

The preparation of financial statements of North Eastern Development Finance Corporation Limited, Guwahati for the year ended 31 March 2012 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 4 August 2012.

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 2012. 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 : 21 August 2012


N. Munshi

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

Balance Sheet as at 31st March 2012

Particulars	Note No.	As at 31 March, 2012 (₹)	As at 31 March, 2011 (₹)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	1,000,000,070	1,000,000,070
(b) Reserves and surplus	2	3,611,054,121	3,103,260,246
(c) Money received against share warrants		-	-
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	3	4,447,925,860	3,491,100,000
(b) Deferred tax liabilities (net)	4	91,084,528	59,766,658
(c) Other long-term liabilities		-	-
(d) Long-term provisions	5	441,565,857	493,682,219
4 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	6	-	-
(c) Other current liabilities	7	610,361,629	471,312,369
(d) Short-term provisions	8	297,733,500	194,143,500
TOTAL		10,499,725,565	8,813,265,062
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	301,813,027	323,407,988
(ii) Intangible assets		-	-
(iii) Capital work-in-progress	10	-	3,628,000
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale		-	-
(b) Non-current investments	11	35,000,000	5,000,000
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	12	8,411,927,788	6,680,684,058
(e) Other non-current assets	13	815,829	815,829
2 Current assets			
(a) Current investments	14	52,075,515	144,084,630
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and Cash equivalents	15	1,231,011,787	1,301,010,043
(e) Short-term loans and advances	16	57,600,347	48,221,752
(f) Other current assets	17	409,481,272	306,412,762
TOTAL		10,499,725,565	8,813,265,062
Significant Accounting Policies and Notes on Financial Statements	1 to 31		-


In terms of our report of even date annexed
For Saraswati & Co.
Chartered Accountants

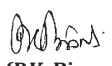

(CA Ashok Kumar Agarwala)
Partner

M.No. 53233
FRN 317097E

Place : Guwahati
Date : 4th August, 2012

For and on behalf of the Board of Directors


(B.P. Muktieh)
Chairman cum Managing Director


(P.K. Biswas)
Director

Place : Guwahati
Date : 3rd August, 2012


(S.K. Baruah)
Company Secretary



Statement of Profit & Loss for the year ended 31st March 2012

	Note No.	For the year ended 31 March, 2012 (₹)	For the year ended 31 March, 2011 (₹)
CONTINUING OPERATIONS			
Revenue from Operation	18	998,165,668	734,263,725
Other Income	19	34,900,965	37,305,433
Total Revenue		1,033,066,633	771,569,158
Expenses			
(a) Cost of materials consumed		-	-
(b) Purchases of stock-in-trade		-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		-	-
(d) Employee benefits expense	20	108,145,978	73,601,492
(e) Finance costs	22	3,504,826	-
(f) Depreciation and amortisation expense	9	30,340,671	22,459,887
(g) Other expenses	21	85,607,013	49,075,777
Total expenses		227,598,488	145,137,156
Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		805,468,145	626,432,002
Exceptional items		-	-
Profit / (Loss) before extraordinary items and tax		805,468,145	626,432,002
Extraordinary items		(139,582)	(2,138,629)
Profit / (Loss) before tax		805,328,563	624,293,373
Tax expense:			
(a) Current tax expense for current year		228,000,000	147,500,000
(b) (Less): MAT credit (where applicable)		-	-
(c) (Less): Current tax expense relating to prior years		6,008,676	181,148
(d) Net current tax expense		221,991,324	147,681,148
(e) Deferred tax		31,317,870	20,105,596
		253,309,194	167,786,744
Profit / (Loss) from continuing operations (A)		552,019,369	456,506,629
		552,019,369	456,506,629
DISCONTINUING OPERATIONS			
Profit / (Loss) from discontinuing operations (before tax)		-	-
Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
Add / (Less): Tax expense of discontinuing operations		-	-
(a) on ordinary activities attributable to the discontinuing operations		-	-
(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
Profit / (Loss) from discontinuing operations (B)		-	-
Profit / (Loss) for the year (A+B)		552,019,369	456,506,629

Statement of Profit & Loss for the year ended 31st March 2012 (contd.....)

	Note No.	For the year ended 31 March, 2012 (₹)	For the year ended 31 March, 2011 (₹)
Earnings per share (of ₹ 10/- each):	23		
Basic & Diluted			
(i) Continuing operations		5.52	4.56
(ii) Total operations		5.52	4.56
Earnings per share (excluding extraordinary items) (of ₹ 10/- each):			
Basic & Diluted			
(i) Continuing operations		5.52	4.56
(ii) Total operations		5.52	4.56
Significant Accounting Policies and Notes on Financial Statements	1 to 31		




In terms of our report of even date annexed
For Saraswati & Co.
Chartered Accountants



(CA Ashok Kumar Agarwala)
Partner

M.No. 53233
FRN 317097E

Place : Guwahati
Date : 4th August, 2012

For and on behalf of the Board of Directors


(B.P. Muktieh)
Chairman cum Managing Director


(P.K. Biswas)
Director

Place : Guwahati
Date : 3rd August, 2012


(S.K. Baruah)
Company Secretary

Cash Flow Statement for the year ended 31st March 2012

(₹ in '000)


	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Cash flows from Operating activities		
Net profit before income tax	805,329	624,293
Adjustment for:		
Depreciation charge for the year	30,341	22,460
Loans Provisions & Write offs	33,427	2,997
Provision / write off for unrealised rent and electric charges	-	1,165
Fixed Assets written off	611	3,879
Write off of CWIP and UNDP Account	303	
Dividend received	(500)	(540)
Expenses of Reserve for Market & Entrepreneurial Dev.	(70)	(1,090)
Provision for Gratuity and Leave Encashment	15,528	17,012
Net income/(expenditure) of Social Support Fund	103	2,639
Operating profit before working capital changes	885,072	672,816
Adjustments for:		
(Increase) / Decrease in Advances	(1,827,964)	(1,614,976)
(Increase) / Decrease in Other Current Assets & Advances	(50,659)	40,992
Increase / (Decrease) in Other liabilities and Provisions	20,199	(22,084)
Cash Flow from operations	(973,353)	(923,253)
Direct Taxes paid (net of refund received)	(202,495)	(175,380)
Net cash flow / (used in) from operating activities	(1,175,848)	(1,098,633)
Cash flows from Investing activities		
(Increase) / Decrease in Investment	(30,000)	-
Increase in Capital Work in Progress	-	(3,511)
Purchase of fixed assets (net of sales)	(34,748)	(55,322)
Dividend Received	500	540
Net cash flow / (used in) from Investing activities	(64,248)	(58,294)
Cash flows from Financing activities		
Dividend and Dividend Tax paid	(46,644)	(34,983)
Increase / (Decrease) in Borrowings	973,493	600,000
Net cash flow / (used in) from financing activities	926,849	565,017
Net increase in cash and cash equivalents from		
Operating, Investing and Financing Activities	(313,247)	(591,909)
Cash flows from Nodal Agency and Implementing Agency Activities		
Net Income / (Expenditure) of TEDF	22,072	15,562
(Increase)/Decrease in Investments	81,742	(15,000)
Increase in Current Assets	(970)	(8,995)
Increase / (Decrease) in Growth Centre, Central Subsidy and other Central Funds	130,138	(10,585)
Net Increase in cash & cash equivalent from Nodal Agency activity	232,982	(19,018)
Net increase in cash and cash equivalents	(80,265)	(610,928)

Cash Flow Statement (contd.....)

Cash and cash equivalents at beginning of period		
- Own funds	1,165,748	1,250,412
- Nodal Agency and Implement Agency funds	151,846	678,111
Cash and cash equivalents at end of period		
- Own funds	988,516	1,165,749
- Nodal Agency and Implement Agency funds	248,813	151,846
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	6,318	16,584
Cash and bank balances		
Cash in hand	490	199
Balance at Bank		
-With Scheduled Bank		
(i) In Current Account	637,025	605,450
(ii) In Fixed Deposits	345,000	560,100
Balance at Bank (TEDF)		
-With Scheduled Bank		
(i) In Current Account	5,039	5,262
(ii) In Fixed Deposits	243,457	130,000
	1,237,329	1,317,595



In terms of our report of even date annexed
For Saraswati & Co.
Chartered Accountants



(CA Ashok Kumar Agarwala)
 Partner

M.No. 53233
 FRN 317097E

Place : Guwahati
 Date : 4th August, 2012

For and on behalf of the Board of Directors


(B.P. Muktieh)
 Chairman cum Managing Director


(P.K. Biswas)
 Director

Place : Guwahati
 Date : 3rd August, 2012


(S.K. Baruah)
 Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Significant Accounting Policies

A. 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.

B. 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.

C. 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.

D. Prior Period Adjustments

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

E. 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.

F. 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.

G. 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.

H. 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.

I. 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.

J. 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.

K. 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.

L. 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.

M. 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.

Notes on Financial Statements for the Year ended 31st March, 2012

Note 1 :SHARE CAPITAL

PARTICULARS	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10/- each	500,000,000	5,000,000,000	500,000,000	5,000,000,000
(b) Issued, Subscribed, Called up & Paid up Capital				
Equity shares of ₹ 10/- each	100,000,007	1,000,000,070	100,000,007	1,000,000,070
TOTAL (₹)	100,000,007	1,000,000,070	100,000,007	1,000,000,070

- 1.1 The Company has issued only one class of Equity Shares having at par value of ₹ 10 per share.
- 1.2 No shares out of the issued, subscribed and paid up capital were allotted without payment being received in cash.
- 1.3 There has been no movement in equity shares during the last 5 years.
- 1.4 The details of shareholders holding shares more than 5% of the total share holding is as under:

Name of the Shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	% held	Number of shares	% held
IDBI Bank Limited	25,000,002	25%	25,000,002	25%
Life Insurance Corporation of India	15,000,001	15%	15,000,001	15%
State Bank of India	15,000,001	15%	15,000,001	15%
Industrial Finance Corporation of India	10,000,001	10%	10,000,001	10%
ICICI Ltd.	10,000,001	10%	10,000,001	10%
Small Industries Development Bank of India	10,000,000	10%	10,000,000	10%
Administrator of Specified Undertaking of Unit Trust of India	10,000,001	10%	10,000,001	10%

Note 2: RESERVES & SURPLUS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Reserve for Market & Entrepreneurial Development *		
Opening Balance	19,362,178	20,452,340
Less : Utilised during the Year	70,000	1,090,162
Less : Transferred to General Reserve	19,292,178	-
Closing balance	-	19,362,178
(b) Social Support Fund *		
Opening Balance	33,662,217	31,022,926
Add : Income	462,600	2,805,436
Less : Utilised During the Year	359,388	166,145
Less : Transferred to General Reserve	33,765,429	-
Closing balance	-	33,662,217

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(c) North East Equity Fund		
Opening balance	79,870,500	79,870,500
Less : Bad Loans written Off	7,058,958	3,879,398
Less : Provision against Soft Loans under NEEDS	17,697,779	25,227,976
Closing balance	55,113,763	50,763,126
(d) NHB- Strengthening R& D and Training Facility	-	1,262,000
Closing Balance	-	1,262,000
(e) Statutory Reserve under RBI Act,1934		
Opening Balance	351,284,006	259,982,680
Add:Transferred from P/L Account	110,403,874	91,301,326
Closing balance	461,687,880	351,284,006
(f)Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961		
Opening Balance	168,312,113	116,441,621
Add:Transferred from P/L Account	88,422,659	51,870,492
Closing balance	256,734,772	168,312,113
(g) Venture Capital Fund:		
Opening Balance	70,000,000	70,000,000
Add:Transferred from General Reserve #	34,785,979	-
Closing balance	104,785,979	70,000,000
(h) General reserve		
Opening balance	2,094,130,768	1,834,130,768
Add: Transferred from Reserve for Market & Entrepreneurial Development	19,292,178	-
Add: Transferred from Social support fund	33,765,429	-
Add: Transferred from surplus in Statement of Profit and Loss	270,000,000	260,000,000
Less: Utilised / transferred during the year for:		
Others : Transferred to Venture Capital Fund	34,785,979	-
Closing balance	2,382,402,396	2,094,130,768
(i) India Exposition Mart Stalls		
Opening balance	22,405,165	23,400,000
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	947,826	994,835
Closing Balance	21,457,339	22,405,165
(j) Techno Economic Development Fund		
Opening balance	282,440,080	266,878,496
Add: Additions / transfers during the year	22,531,311	18,984,493
Less: Utilisations / transfers during the year	(802,660)	3,422,909
Closing Balance	305,774,051	282,440,080
(k) CSR Reserve **	16,337,493	-
(l) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	9,638,605	2,947,294
Add: Profit / (Loss) for the year	552,019,369	456,506,629
Amounts transferred from:		
General reserve	-	-
Other reserves (give details)	-	-
Less: Interim dividend	-	-
Dividends proposed to be distributed to equity shareholders (₹ per share)	60,000,000	40,000,000
Tax on dividend	9,733,500	6,643,500

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Transferred to:		
CSR Reserve	16,337,493	
General reserve	270,000,000	260,000,000
Statutory Reserve under RBI Act,1934	110,403,874	91,301,326
Special Reserve created and maintained		
u/s 36(1)(viii) of the Income Tax Act, 1961	88,422,659	51,870,492
Closing Balance	6,760,448	9,638,605
Total(₹)	3,611,054,121	3,103,260,258

* The Board in its meeting held on 1st Dec, 2011, approved the new CSR policy of the Corporation. Accordingly, in terms of the revised policy, the balance in Social Support Fund and Reserve for Market & Entrepreneurial Development was transferred to General Reserve.

** The Board in its meeting held on 1st Dec, 2011 approved a budgetary provision of 5% of net profit of FY 10-11 towards CSR activity. The provision was non lapsable in nature. Accordingly, the unspent amount has been provided as CSR Reserve.

On the advice of Principal Director of Commercial Audit (C & AG), the interest on unutilised amount since the receipt of the funds till the current FY has been transferred from General Reserve to the fund (average interest rate net of income tax).

NOTE 3: LONG TERM BORROWINGS

BORROWED FROM	As at 31 March, 2012	As at 31 March, 2011	REMARK
	₹	₹	
Secured			
Loan from NBCFDC *	83,333,333	-	1. Secured against FD of ₹ 12.50 Crore.
			2. Repayable in 12 quarterly instalments starting from October, 2012.
	83,333,333	-	
Unsecured			
Interest free loan from Govt. of India	4,091,100,000	3,491,100,000	1. Repayable after 15 years as per instalment received
			2. First instalment due in FY 2017-18.
Loan From SIDBI	273,492,527	-	1. Repayable in 10 half yearly instalments starting from September, 2013.
	4,364,592,527	3,491,100,000	
Total	4,447,925,860	3,491,100,000	

* Loan from NBCFDC is ₹ 10 Crore. The instalments due within 12 months has been shown under 'Other Current Liabilities' and the balance has been shown above.

NOTE 4: DEFERRED TAX LIABILITY (Net)

	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Deferred Tax Liability		
Relating to Fixed Assets	3,794,705	2,540,539
Relating to Special Reserve	87,289,822	57,226,118
	91,084,527	59,766,657

NOTE 5 :LONG TERM PROVISIONS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
A. Provision for employee benefits		
Provision for Leave Encashment	33,598,536	19,596,346
Provision for Gratuity	9,676,903	8,151,496
	43,275,439	27,747,842
B. Others		
Provision for Standard Assets	39,971,752	30,069,206
Floating Provision against Advances	20,000,000	20,000,000
Provision for Rent/Electricity Charges Receivable	4,736,073	4,736,073
Provision Against Sub Standard Assets	35,221,209	10,255,892
Provision Against Doubtful Assets	199,455,734	234,510,182
Provision Against Loss Assets	98,905,650	166,363,024
	398,290,418	465,934,377
Total	441,565,857	493,682,219

NOTE 6 :TRADE PAYABLE

North Eastern Development Finance Corporation Limited is a Financial Institution. Hence, there is no trade payable.

NOTE 7: OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Sundry creditors (for expenses)	24,678,497	2,274,061
Sundry creditors (for capital expenditure)	1,840,703	29,794,839
Current maturities of Long Term Loan (NBCFDC)	16,666,667	-
Other liabilities	10,213,179	14,030,077
MEFC- R & D Training Fund	1,628,187	1,628,187
Interest payable on Loans	1,857,263	-
Central Subsidies	546,420,600	416,282,808
Security Deposit	7,012,764	7,258,629
NE Trade Expo Fund	43,768	43,768
Total	610,361,628	471,312,369

NOTE 8: SHORT TERM PROVISION

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
OTHERS		
Proposed Dividend	60,000,000	40,000,000
Additional Tax on Dividend	9,733,500	6,643,500
Provision for Income Tax	228,000,000	147,500,000
Total	297,733,500	194,143,500

Note 9: FIXED ASSETS

Particulars	GROSS BLOCK				Depreciation / Amortisation				NET BLOCK	
	As at 31st Mar, 2011 ₹	Additions	Disposals	As at 31st Mar, 2012 ₹	As at 31st Mar, 2011 ₹	For the Year ₹	Eliminated on disposal ₹	Upto 31st Mar, 2012 ₹	As At 31st Mar, 2012 ₹	As At 31st Mar, 2011 ₹
Tangible Assets										
Freehold Land	16,969,592	0	0	16,969,592	0	0	0	0	16,969,592	16,969,592
Building*	178,188,101	6,617,810	0	184,805,911	6,283,844	8,812,090	0	15,095,934	169,709,977	171,904,257
RCC Bridge	1,578,377	0	0	1,578,377	52,757	76,281	0	129,038	1,449,339	1,525,620
Air Conditioning System	28,998,067	0	0	28,998,067	2,696,454	3,658,554	0	6,355,008	22,643,059	26,301,613
Electrical Installation	25,748,130	319,631	0	26,067,761	2,687,582	3,227,940	0	5,915,522	20,152,239	23,060,548
Fire Alarm System	3,673,341	0	0	3,673,341	341,574	463,449	0	805,023	2,868,318	3,331,767
Lift	7,956,378	0	0	7,956,378	739,843	1,003,820	0	1,743,663	6,212,715	7,216,535
Machineries	9,877,597	384,430	3,307,406	6,954,621	6,720,428	355,260	2,426,211	4,649,477	2,305,144	3,157,169
UPS System	1,490,229	0	0	1,490,229	101,658	193,150	0	294,808	1,195,421	1,388,571
Water Installation System	1,588,014	0	0	1,588,014	147,665	200,352	0	348,017	1,239,997	1,440,349
Furniture & Fixture	8,866,742	284,955	289,194	8,862,503	6,680,565	425,963	261,223	6,845,305	2,017,199	2,186,178
Interior Furnishing & Fittings	66,599,857	1,693,261	0	68,293,118	8,251,880	10,742,990	0	18,994,870	49,298,248	58,347,977
Vehicle	2,092,168	0	629,944	1,462,224	566,758	384,354	569,469	381,643	1,080,581	1,525,410
Office Equipments	3,799,162	202,050	0	4,001,212	1,648,560	315,525	0	1,964,085	2,037,127	2,150,602
Computers	12,885,732	1,165,858	87,690	13,963,900	9,983,921	1,428,768	82,861	11,329,828	2,634,072	2,901,811
Total:	370,311,487	10,667,995	4,314,234	376,665,248	46,903,489	31,288,496	3,339,764	74,852,221	301,813,027	323,407,998
Figures for the previous year	69,312,877	318,912,982	0	370,311,487	36,533,382	23,454,723	13,084,616	46,903,489	323,407,998	32,779,495

* Building includes ₹ 199,51,364/- (previous year ₹ 199,51,364/-) towards Permanent Stalls at India Exposition Mart, Noida, acquired out of grant received from the North Eastern Council, Shillong. As per AS-12, the asset has been taken at cost in the books and the corresponding depreciation is charged to the fund every year.

NOTE 10 :CAPITAL WORK IN PROGRESS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Landscaping works at Office Building	-	2,911,364
Industrial Park at Guwahati	-	116,636
Interior Works / Stalls at India Exposition Mart, Noida	-	600,000
Total		3,628,000

Note 11 :NON CURRENT INVESTMENTS

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	₹		₹	
Investments in Equity Instruments				
Quoted				
Premier Cryogenics Ltd.				
Quoted at Cost (Fair value ₹84,32,000/- - Not traded -2011-12)				
(2,00,000 shares of 10/- each)		2,000,000		2,000,000
Total (A)		2,000,000		2,000,000
Unquoted				
Gauhati Neurological Research Centre Ltd.		2,500,000		2,500,000
(Unquoted at cost 250,000 shares @ 10/- per share, fair value ₹6,585,000/-)				
Konoklota Mahila Urban Co-Op Bank Ltd.		500,000		500,000
(Unquoted at cost 5,000 shares @ 100/- per share, fair value ₹852,950/-)				
Exotic Juices Ltd.				
(Formerly: Good Samaritan Social Service Association)	1,000,000		1,000,000	
(Unquoted at cost 100,000 shares @ 10/- per share)				
Less: Provision for diminution in value of investments	1,000,000	-	1,000,000	-
DSS eContact Ltd.				
(Unquoted 660,000 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	-
RGVN (North East) Microfinance Ltd.				
(Unquoted at cost 3,000,000 Equity Shares @ 10/- per share, fair value ₹34,500,000/-)		30,000,000		-
Total (B)		33,000,000		3,000,000
TOTAL(A+B)		35,000,000		5,000,000
	Amount (₹)	Market Value (₹)	Amount (₹)	Market Value (₹)
Aggregate amount of quoted investments and market value thereof	2,000,000	8,432,000	2,000,000	7,844,000
Aggregate amount of unquoted investments	40,600,000	-	10,600,000	-
Aggregate provision for diminution in value of investments	7,600,000	-	7,600,000	-

In respect of shares / scrips / bonds quoted in recognised stock exchange, latest quotation nearest to the balance sheet date is taken to ascertain the market value. Where the scrip is not traded 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 investments in mutual funds, fair value is taken as the declared NAV of the said scheme / fund, nearest to the balance sheet date.

NOTE 12: LONG TERM LOAN LOANS AND ADVANCES

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
CAPITAL ADVANCES		
Term Loans		
Secured (Considered Good)	7,939,659,467	6,129,696,651
Unsecured (Considered Good)		
Doubtful	427,011,205	501,911,651
Soft Loan under NEEDS		
Secured (Considered Good)	26,694,101	24,071,726
Unsecured (Considered Good)		
Doubtful	18,563,015	25,004,030
TOTAL(₹)	8,411,927,788	6,680,684,058

NOTE 12.1: LOAN PORTFOLIO CLASSIFICATION AND PROVISIONING

Category	2011-12		2010-11	
	Loan Outstanding	Provisioning	Loan Outstanding	Provisioning
	₹	₹	₹	₹
Standard	7,966,353,568	39,971,754	6,153,768,377	30,069,208
Sub Standard	147,212,836	35,221,209	102,558,918	10,255,892
Doubtful	199,455,734	199,455,734	257,993,739	234,510,182
Loss	98,905,650	98,905,650	166,363,024	166,363,024
Total	8,411,927,788	373,554,347	6,680,684,058	441,198,306

NOTE 13: OTHER NON CURRENT ASSETS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Security Deposit		
Secured (Considered Good)	-	-
Unsecured (Considered Good)	815,829	815,829
Doubtful		
Total	815,829	815,829

NOTE 14: CURRENT INVESTMENT

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Investment in Bonds:		
IDBI Omni Bonds (TEDF) (100 bonds @ ₹10,00,000/- per bond, FY 2010-11 Not traded)	-	100,000,000
Investment in Mutual Funds:		
UTI -Floating Rate Fund (Others) (10,523.6016 units, Value as on 31.03.2011 ₹11,640,594/-)	-	11,342,524
SBIMF - Capital Protection Oriented Fund (250,000 units, Value as on 31.03.2012 ₹2,890,325/-)	2,500,000	2,500,000
HDFC Mutual Fund - Cash Management Fund (263,796.5601 units, value as on 31.03.2012 ₹6,207,713/-)	6,000,000	-
UTI Mutual Fund - Bond Fund (TEDF) (228.7509 units, Value as on 31.03.2011 ₹8,129,647/-)	-	5,242,106

UTI Mutual Fund - Treasury Advantage Fund (TEDF) (228.7509 units, Value as on 31.03.2012 ₹330,761/-)	317,912	-
UTI Mutual Fund - Fixed Maturity Plan (TEDF) (1,000,000 units, Value as on 31.03.2012 ₹10,144,700/-)	10,000,000	10,000,000
UTI Mutual Fund - Fixed Term Income Plan (TEDF) (1,500,000 units, Value as on 31.03.2012 ₹15,225,450/-)	15,000,000	15,000,000
UTI Mutual Fund - Fixed Term Income Fund (TEDF) (825,760.3020 units, Value as on 31.03.2012 ₹8,947,608/-)	8,257,603	-
SBI Mutual Fund - SDFS 367 Days (TEDF) (1,000,000 units, Value as on 31.03.2012 ₹10,636,900/-)	10,000,000	-
Total	52,075,515	144,084,630

NOTE 15 :CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Balance at Bank		
-With Scheduled Bank		
(i) In Current Account	637,025,457	605,449,667
(ii) In Fixed Deposits	220,000,000	180,000,000
	857,025,457	785,449,667
Balance at Bank (TEDF)		
-With Scheduled Bank		
(i) In Current Account	5,038,721	5,261,827
(ii) In Fixed Deposits	80,000,000	-
	85,038,721	5,261,827
Cash in hand	490,476	198,549
Others		
In Fixed Deposits held as Security against borrowing from NBCFDC	125,000,000	-
In Fixed Deposits with maturity more than 3 months	-	380,100,000
In Fixed Deposits with maturity more than 3 months (TEDF)	103,457,133	20,000,000
In Fixed Deposits with maturity more than 12 months (TEDF)	60,000,000	110,000,000
	288,457,133	510,100,000
Total	1,231,011,787	1,301,010,043

NOTE 16: SHORT TERM LOAN AND ADVANCES

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Advance to Others		
Secured (Considered Good)	881,482	443,096
Unsecured (Considered Good)		
Doubtful		
Advance to Staff		
Secured (Considered Good)	696,404	407,202
Unsecured (Considered Good)		
Doubtful		
Loan to Staff		
Secured (Considered Good)	56,022,461	47,371,454
Unsecured (Considered Good)		
Doubtful		
Total	57,600,347	48,221,752

NOTE 17: OTHER CURRENT ASSETS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
A. Interest		
Interest Receivable (Loan)	104,339,118	51,734,068
Interest Receivable on Fixed Deposits	7,543,825	20,029,304
Interest Receivable on Fixed Deposits(TEDF)	18,905,086	17,934,856
Interest Receivable (Staff)	5,445,024	4,007,163
Interest Receivable (social Support fund))	-	5,610,390
B. Others		
Advance Income Tax	193,500,000	157,500,000
TDS Receivable	10,005,009	10,773,888
Income Tax Refundable	58,509,156	32,736,123
Other Receivables	6,238,577	341,897
UNDP A/c	-	186,714
Rent / Electricity charges receivable (Recoverable in cash or in kind or for value to be received -considered good/doubtful)	4,995,478	5,558,359
Total	409,481,273	306,412,762

**NOTE 18: REVENUE FROM OPERATIONS**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
A. INTEREST		
Interest on loans	903,503,492.00	631,529,496.00
Interest on Fixed Deposits and Bonds	74,106,296.00	79,668,311.00
	977,609,788.00	711,197,807.00
B. OTHER FINANCIAL SERVICES		
Upfront Fees	20,555,880.00	23,065,918.00
	20,555,880.00	23,065,918.00
Total	998,165,668.00	734,263,725.00

NOTE 19: OTHER INCOME

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Net gain from sale of Investments (other than trade investments)	14,792,214.00	20,783,711.00
Dividend	500,000.00	540,000.00
Other Non Operating Income		
Miscellaneous Receipts	2,609,979.00	2,116,755.00
Prepayment Charges	-	30,000.00
Consultancy Charges Received	6,062,310.00	12,347,103.00
Rental Income	7,203,853.00	795,564.00
Hall Charges	3,732,609.00	692,300.00
Total	34,900,965.00	37,305,433.00

NOTE 20: EMPLOYEES BENEFIT EXPENSES

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Salaries (Director)	2,180,430.00	1,850,640.00
Salaries(Others)	68,624,020.00	39,275,938.00
Employer's Provident Fund	5,147,858.00	2,009,017.00
Medical Reimbursement	2,502,078.00	2,356,275.00
Recruitment expenses	107,438.00	435,445.00
Conveyance Allowance	1,136,676.00	627,002.00
Vehicle Maintenance Reimbursement	3,658,106.00	2,553,239.00
Leave Travel Allowance	2,441,910.00	2,066,998.00
House Rent	(25,560.00)	(25,500.00)
Leave Encashment	14,975,279.00	10,489,665.00
Gratuity	3,981,076.00	8,526,026.00
Staff welfare	3,416,667.00	3,436,747.00
Total	108,145,978.00	73,601,492.00

Note 20.1: The following table sets out the status of the defined benefit Gratuity and Leave Encashment Plan as per 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				
Opening benefit obligation	12,995,547	4,675,534	19,596,346	10,135,431
Current Interest Cost	1,065,635	378,718	1,606,900	820,970
Past Service Cost	-	6,437,394	-	250,838
Current Service Cost	3,093,489	2,229,255	3,148,046	2,966,139
Benefit Paid	-	-584,089	-1,465,879	-1,098,146
Actuarial (Gain) / Loss	322,558	-141,265	10,713,123	6,521,114
Closing benefit obligation	17,477,229	12,995,547	33,598,536	19,596,346
ii. Change in Plan Assets				
Opening Fair Value of Plan Assets	4,844,052	4,075,278	-	-
Expected Return on Plan Assets	580,435	394,558	-	-
Contribution	2,375,839	374,216	-	-
Benefit paid	-	-	-	-
Actuarial Gain / (Loss)	-	-	-	-
Closing Fair Value of Plan Assets	7,800,326	4,844,052	-	-
iii. Reconciliation of present value of obligation and fair value of plan assets				
Closing present value of obligation	17,477,229	12,995,547	33,598,536	19,596,346
Closing fair value of plan assets	7,800,326	4,844,052	-	-
Deficit / (surplus)	-9,676,903	-8,151,495	-33,598,536	-19,596,346
Net Liability / (Asset)	9,676,903	8,151,495	33,598,536	19,596,346
Net Liability recognised in Balance Sheet	9,676,903	8,151,495	33,598,536	19,596,346
iv. Net Cost recognized in Profit & Loss Account				
Current Service cost	3,093,489	2,229,255	3,148,046	2,966,139
Past Service cost	-	6,437,394	-	250,838
Interest Cost	1,065,635	378,718	1,606,900	820,970
Expected return on plan assets	-580,435	-394,558	-	-
Net Actuarial (Gain) / Loss recognized	322,558	-141,265	10,713,123	6,521,114
Expenses recognized in Profit & Loss Account	3,901,247	8,509,544	15,468,069	10,559,061

Particulars	Gratuity		Leave Encashment	
	Current Year (₹)	Previous Year (₹)	Current Year (₹)	Previous Year (₹)
v. Reconciliation of opening and closing net liability recognized in Balance Sheet				
Opening Net Liability	8,151,495	600,256	19,596,346	10,135,431
Expenses recognized in Profit & Loss Account	3,901,247	8,509,544	15,468,069	10,559,061
Benefit paid by Corporation	-	-584,089	-1,468,879	-1,098,146
Contribution paid	-2,375,839	-374,216	-	-
Closing Net Liability	9,676,903	8,151,495	33,598,536	19,596,346
vi. Investments under Plan Assets of Gratuity and Leave Encashment as on 31st March, 2012 are as under:				
Category of Plan Assets	Gratuity		Leave Encashment	
	% of Plan Assets		% of Plan Assets	
Funds managed by LIC	100%		-	
vii. Principal Actuarial Assumptions				
Discount Rate	8.60%	8.20%	8.60%	8.20%
Rate of increase in compensation levels	15.00%	15.00%	15.00%	15.00%
Rate of return on Plan Assets	9.15%	9.15%	-	-

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible, which has been relied upon by the auditors.

The employees of the Corporation are covered by Provident Fund to which the Corporation makes a defined contribution measured as a fixed percentage of basic salary. The Provident Fund plan is administered by the Regional Provident Fund. As such, there does not arise any interest shortfall. During the year an amount of ₹ 51.48 Lac (Previous Year ₹ 20.09 Lac) has been charged to Profit & Loss Account.

NOTE 21: OTHER EXPENSES

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
A. ADMINISTRATIVE EXPENSES		
Advertisement Expenses	289,898.00	817,018.00
Bank charges	(80,180.00)	237,687.00
BOD Meeting expenses	1,788,202.00	940,955.00
Books & Periodicals	261,262.00	240,967.00
Business Promotion	1,396,868.00	1,481,137.00
Car hire expenses	5,071,677.00	3,691,008.00
Consultancy Charges	1,552,094.00	392,849.00
Conveyance	249,673.00	155,665.00
Databank Expenses	63,460.00	313,079.00
Electricity Charges & Electrical Expenses	6,153,875.00	4,061,650.00
Filing Fees	34,804.00	27,625.00
Haat Expenses (net)	162,134.00	-
Honararium	12,000.00	15,000.00
India Exposition Mart Expenses	557,947.00	598,588.00
Insurance charges	238,562.00	203,859.00
Legal & professional fees	3,921,374.00	2,288,611.00
Licence & Registration fees	1,042,948.00	725,242.00

Loss on sale / disposal of assets	611,424.00	3,879,074.00
Misc expenses	486,889.00	219,732.00
Printing & Stationery	2,261,316.00	1,930,941.00
Rent (Premises)	2,402,324.00	3,949,935.00
Repairs & Maintenance (Machine)	1,713,223.00	1,360,228.00
Repairs & Maintenance (Security Service Charges & Others)	6,982,323.00	8,554,223.00
R & D Expenses (net)	4,312,510.00	722,949.00
Seminar & Conference expenses	769,942.00	1,313,244.00
Skill & Market Development Expenses	1,455,247.00	-
Software Maintenance Charges	378,505.00	14,073.00
Service Tax Paid	500.00	19,564.00
Telephone charges & Postage	2,394,303.00	1,878,074.00
Training expenses	950,321.00	629,792.00
Travelling expenses(Director)	372,461.00	466,870.00
Travelling expenses(Others)	3,704,752.00	3,349,607.00
Internal Audit fees	100,000.00	88,240.00
Auditors' Remuneration:		
Tax Audit Fees	20,000.00	11,030.00
Audit Expenses	437,158.00	268,858.00
Statutory Audit Fees	110,000.00	66,180.00
Total (A)	52,179,796.00	44,913,554.00
B. Provisions and Write Off	33,427,217.00	4,162,223.00
Total (B)	33,427,217.00	4,162,223.00
Total (A+B)	85,607,013.00	49,075,777.00

NOTE 21.1: Provisions and Write Offs

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Provision on Non Performing Assets	(60,113,761.00)	(189,985,074.00)
Bad Debts Written off	103,749,448.00	194,147,297.00
Bad Debts Recovered	(10,208,470.00)	-
Total	33,427,217.00	4,162,223.00

NOTE 22: FINANCE COST

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
INTEREST		
Interest on Loan		
- NBCFDC	2,006,428.00	-
- SIDBI	1,498,398.00	-
Total	3,504,826.00	-

NOTE 23: EARNINGS PER SHARE (EPS)

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	552,019,369	456,506,629
No. of Equity shares used as denominator for calculating EPS	100,000,007	100,000,007
Basic and Diluted Earnings Per Share	5.52	4.57
Face Value per Equity Share	10	10

Note 24: RELATED PARTY DISCLOSURES

As per AS – 18, the disclosures of transactions with the related parties are given below:

The Corporation does not have any related party, save and except Sri Bulu Paul Muktieh, Chairman and Managing Director, as key managerial personnel, to whom a sum of ₹ 24,20,926/- (previous year: ₹ 13,85,085/-) was paid as remuneration.

Note 25: CONTINGENT LIABILITIES AND COMMITMENTS

- a. 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 either deleted or substantially reduced and accordingly no provision has been made.
- b. 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.
- c. Claims against the Corporation not acknowledged as debt since the Corporation does not expect the outcome of the claims to have material adverse effect:
 - i. ₹ 17 Lac by contractor for deductions made against disputed contract work and
 - ii. 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.

Note 26: 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.

Note 27: Special Reserve has been created and maintained in terms of section 36 (1) (viii) of the Income Tax Act, 1961.

Note 28: Previous year figures have been regrouped / rearranged / reclassified, wherever necessary.



Note 29: SEGMENT REPORTING

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

(₹ in Crores)

1.	Segment Revenue	2011 - 12	2010 - 11
	Lending and Financing Activities	92.41	65.46
	Management of Surplus Funds	8.94	10.10
	Others	0.61	1.23
	Total	101.96	76.79
2.	Segments Results		
	Lending and Financing Activities	69.81	50.99
	Management of Surplus Funds	8.94	10.10
	Others	0.45	1.19
	Total	79.20	62.28
	Unallocated Income	1.35	0.42
	Unallocated Expenses	0.01	0.25
3.	Operating Profit	80.54	62.43
	Income Tax	25.33	16.78
4.	Net Profit	55.21	45.65
5.	Other Information		
	Segment Assets		
	Lending and Financing Activities	841.19	668.07
	Others	0.35	0.00
	Management of Surplus Funds	134.99	149.37
	Total	976.53	817.44
	Unallocated Assets	73.44	63.89
	Total	1049.97	881.33
	Segment Liabilities		
	Lending and Financing Activities	505.83	396.24
	Management of Surplus Funds	0.00	0.00
	Others	0.00	0.00
	Unallocated Liabilities	129.60	115.08
	Total	635.43	511.32
	Net Capital Employed	414.54	370.01

Note 30: 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	48.79 %
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: ₹ 666.98 Off the Balance Sheet: Nil
d)	The Shareholding pattern as on 31.03.2012	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)	1.39%																																										
f)	Amount and percentage of net NPA's to net advances under the prescribed asset classification categories,	<table border="1"> <thead> <tr> <th>Category</th> <th></th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Sub Standard Assets:</td> <td>₹ 11.20</td> <td>1.00</td> </tr> <tr> <td>Doubtful debts:</td> <td>₹ Nil</td> <td></td> </tr> <tr> <td>Loss assets:</td> <td>₹ Nil</td> <td></td> </tr> </tbody> </table>	Category		%	Sub Standard Assets:	₹ 11.20	1.00	Doubtful debts:	₹ Nil		Loss assets:	₹ Nil																															
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Loss assets:	₹ Nil																																											
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	<table border="1"> <tbody> <tr> <td>Standard Assets</td> <td>₹ 1.00</td> </tr> <tr> <td>NPA Loans</td> <td>₹ 2.48</td> </tr> <tr> <td>Soft loan Assistance</td> <td>₹ (-)0.75</td> </tr> <tr> <td>Investments</td> <td>₹ Nil</td> </tr> <tr> <td>Income Tax</td> <td>₹ 25.33</td> </tr> </tbody> </table>	Standard Assets	₹ 1.00	NPA Loans	₹ 2.48	Soft loan Assistance	₹ (-)0.75	Investments	₹ Nil	Income Tax	₹ 25.33																																
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Income Tax	₹ 25.33																																											
h)	i) Movement in NPAs (Gross) of loans including soft loans	<table border="1"> <tbody> <tr> <td>Opening Balance:</td> <td>₹ 52.69</td> </tr> <tr> <td>Deletions incl. upgradation</td> <td>₹ 22.85</td> </tr> <tr> <td>Additions during the year</td> <td>₹ 14.72</td> </tr> <tr> <td>Closing Balance</td> <td>₹ 44.56</td> </tr> </tbody> </table>	Opening Balance:	₹ 52.69	Deletions incl. upgradation	₹ 22.85	Additions during the year	₹ 14.72	Closing Balance	₹ 44.56																																		
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	ii) Movement of Provisions for NPAs against loans including soft loan assistance	<table border="1"> <tbody> <tr> <td>Opening Balance</td> <td>₹ 41.11</td> </tr> <tr> <td>Less: write off / waiver / Write back</td> <td>₹ 10.25</td> </tr> <tr> <td>Additions during the year</td> <td>₹ 2.50</td> </tr> <tr> <td>Closing Balance</td> <td>₹ 33.36</td> </tr> </tbody> </table>	Opening Balance	₹ 41.11	Less: write off / waiver / Write back	₹ 10.25	Additions during the year	₹ 2.50	Closing Balance	₹ 33.36																																		
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	ii) Movement of Provisions for Investments	<table border="1"> <tbody> <tr> <td>Opening Balance:</td> <td>₹ 0.76</td> </tr> <tr> <td>Additions during the year</td> <td>₹ 0.00</td> </tr> <tr> <td>Closing Balance</td> <td>₹ 0.76</td> </tr> </tbody> </table>	Opening Balance:	₹ 0.76	Additions during the year	₹ 0.00	Closing Balance	₹ 0.76																																				
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i)	Restructured Accounts																																											
	Total amount of standard assets which have been subjected to restructuring / rescheduling	₹ 150.16 Crores																																										
	Total sub standard assets which have been subjected to restructuring / rescheduling	₹ Nil Crores																																										
	Total doubtful assets which have been subjected to restructuring / rescheduling	₹ 6.09																																										
	Total	₹ 156.25 Crores																																										
j)	Credit exposure as percentage to capital funds and as percentage to total assets, in respect of:																																											
		<table border="1"> <thead> <tr> <th></th> <th>% to Capital Funds</th> <th>% to Total Assets</th> </tr> </thead> <tbody> <tr> <td>The largest single borrower</td> <td>8.73</td> <td>3.62</td> </tr> <tr> <td>The largest borrower group</td> <td>15.71</td> <td>6.51</td> </tr> <tr> <td>The 10 largest single borrowers</td> <td></td> <td></td> </tr> <tr> <td>No.1</td> <td>8.73</td> <td>3.62</td> </tr> <tr> <td>No.2</td> <td>5.93</td> <td>2.46</td> </tr> <tr> <td>No.3</td> <td>5.67</td> <td>2.35</td> </tr> <tr> <td>No.4</td> <td>5.19</td> <td>2.15</td> </tr> <tr> <td>No.5</td> <td>4.98</td> <td>2.07</td> </tr> <tr> <td>No.6</td> <td>4.39</td> <td>1.82</td> </tr> <tr> <td>No.7</td> <td>4.15</td> <td>1.72</td> </tr> <tr> <td>No.8</td> <td>3.92</td> <td>1.62</td> </tr> <tr> <td>No.9</td> <td>3.84</td> <td>1.59</td> </tr> <tr> <td>No.10</td> <td>3.60</td> <td>1.49</td> </tr> </tbody> </table>		% to Capital Funds	% to Total Assets	The largest single borrower	8.73	3.62	The largest borrower group	15.71	6.51	The 10 largest single borrowers			No.1	8.73	3.62	No.2	5.93	2.46	No.3	5.67	2.35	No.4	5.19	2.15	No.5	4.98	2.07	No.6	4.39	1.82	No.7	4.15	1.72	No.8	3.92	1.62	No.9	3.84	1.59	No.10	3.60	1.49
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	The 10 largest borrower groups			
	No.1	15.71		6.51
	No.2	14.53		6.03
	No.3	13.05		5.41
	No.4	10.86		4.51
	No.5	8.73		3.62
	No.6	7.06		2.93
	No.7	5.92		2.46
	No.8	4.98		2.07
	No.9	4.39		1.82
	No.10	3.60		1.49
k)	Credit exposure to the five largest industrial sectors (if applicable) as percentage to total loan assets		1. Cement :	15.90
			2. Contract Finance :	12.95
			3. Iron & Steel :	11.14
			4. Real Estate :	10.80
			5. Micro Finance :	10.52
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
	up to 7 years			
	Rupees Asset	22.85	0.00	12.50
	Total Assets	22.85	0.00	12.50
	Total Liabilities	Nil	Nil	30.80
m)	Maturity pattern of foreign currency assets & liabilities		Nil	
D	Operating results			
n)	Interest income as percentage to average working funds		12.43%	
o)	Non-interest income as a percentage to average working funds		0.70%	
p)	Operating profit as a percentage to average working funds		10.24%	
q)	Return on average assets		6.49%	
r)	Net profit per employee (₹ In Crores)		0.51	

Note 31: 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)

<i>Particulars</i>			
<i>Liabilities side:</i>			
(1)	Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:	<u>Amount outstanding</u>	<u>Amount overdue</u>
	(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	40911	NIL
* Please see Note 1 below			
<i>Assets side:</i>			
		<u>Amount outstanding</u>	
(2)	Break-up to Loans and Advances including bills receivable other than those included in (4) below] :		
	(a) Secured		80783
	(b) Unsecured		-
(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		NIL
	(i) Lease assets incl. lease rentals under sundry debtors:		
	a) Financial lease		
	b) Operating lease		
	(ii) Stock on hire including hire charges under sundry debtors		NIL
	a) Assets on hire		
	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		-
	(iii) Units of mutual funds		521
	(iv) Government Securities		
	(v) Others (please specify)		
	2. Unquoted:		
	(i) Shares : (a) Equity		330
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others (please specify)		
			<u>871</u>



(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	80783	-	80783
	Total	80783	-	80783
(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	504	350	
	Total	504	350	

**As per Accounting Standard of ICAI

(7) Other information

	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	4456
(ii)	Net Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	1120
(iii)	Assets acquired in satisfaction of debt	

(8) Exposure to Real Estate Sector

(₹ in Crores)

Items	March 31, 2012	March 31, 2011
a) Direct Exposure		
(i) Residential Mortgages [all individual housing loans upto ₹ 15 Lacs]	3.35	2.79
(ii) Commercial Real Estate		
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized Exposures:	144.72	131.41
a) Residential		
b) Commercial		
c) Indirect Exposure	Nil	Nil
Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies HFCs).	Nil	Nil
	Nil	Nil
Total Real Estate Exposure	148.07	134.20

In terms of our report of even date annexed

For Saraswati & Co.
Chartered Accountants

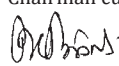

(CA Ashok Kumar Agarwala)
Partner

M.No. 53233
FRN 317097E

Place : Guwahati
Date : 4th August, 2012

For and on behalf of the Board of Directors


(B.P. Muktieh)
Chairman cum Managing Director


(P.K. Biswas)
Director

Place : Guwahati
Date : 3rd August, 2012


(S.K. Baruah)
Company Secretary



Branch Offices

Agartala

Palace Compound, LNB Road & BK Road Corner,
Opp. Women's College, Agartala-799001, Tripura,
Telefax : +91 381 2310848

Aizawl

2nd Floor, A-50, Zarkawt, Above Bank of Baroda,
Aizawl-796001, Mizoram
Ph : +91 389 2347782, Fax : +91 389 2347783

Dimapur

2nd Floor, Kuknalim Building, Circular Road
Dimapur-797112, Nagaland, Telefax : +91 3862 235030

Kohima

4th Floor, Mato Complex, P.R. Hill, Opp. Police H.Q.
Kohima-797001, Nagaland, Telefax +91 370 2291378

Imphal

Babupara, Opp. Telephone Bhawan, Imphal-795001, Manipur
Ph : 0385 2443385, Telefax : +91 385 2445927, 2443385

Itanagar

NH-52A, Main Road, E-Sector
Itanagar-791 111, Arunachal Pradesh, Telefax : +91 360 2217694

Shillong

Cresens Buildings, 1st Floor, Opp. Main Secretariat,
M. G. Road, Shillong-793001, Meghalaya
Ph : +91 364 2504815/2504814 (Telefax)

Gangtok

Near Super Market Complex, Development Area
Gangtok-737101, Sikkim Telefax : +91 3592 208269

Tinsukia

First Floor, Satyam Trade & Tower-1, S.R. Lohia,
Tinsukia-786125, Ph : +91 374 2330225,
Mobile: +91 9854057430

Silchar

Silchar Cachar Market, 3rd floor, Netaji Subhas Avenue,
P. S. Rangirkhari, Silchar-788005, Telefax : +91 3842-226707

Namchi

Agam Singh Marg, Bhanjyang, Road, Namchi,
South Sikkim-737126, Mobile No. +91 9593972217

Lunglei

NEDFi, C-1/236, First Floor, Chanmari - 1, Lunglei-796701,
Lunglei, District-Mizoram, Ph : +91 372 2324274

Representative Offices

Kokrajhar

C/o Discovery Club, Agriculture Campus, Jwhlwao Dimalu Road,
P.O. & Dist. Kokrajhar BTC, Assam-783 370, Ph : +91 3661 276 191
Mobile : +91 9678778412/9678540590

Dharmanagar

M. B. Unit Complex, Rajbari, Dharmanagar,
North Tripura-799250, Mobile: +91 9612155421

Udaipur

C/O Shanti Mohan Rakshit, Ramesh Chowmuhani,
Jagannath Dighi Road, Near Tripura Rubber Board, Udaipur,
South Tripura-799120, Mobile : +91 9856034495

Sivasagar

MMS Consultancy Association Pvt. Ltd., Near K. P. M. Hall,
A. T. Road, Sivasagar, Assam-785640
Ph: +91 3772 224688, 222 451, Mobile: +91 9435057549

Tura

Achik Evangelical Association, Ringrey,
Tura, West Garo Hills District, Meghalaya - 794001
Ph: +91 3651 224031 (O), Mobile: +91 9436306138

Agia

Agia Social Circle, Vill-P.O. - Agia, Dist.-Goalpara, Assam-783120
Ph. : +91 3663 285078, 084 (Fax), Mobile : +91 9435725238

Churachandpur

Rural Aid Services (RAS), Happy Valley, Tuibuong,
Opposite oil pump, Near KBC Church, Churachandpur District,
Manipur-795128, Phone no: +91 9862000469



North Eastern Development Finance Corporation Limited

Registered Office

NEDFi HOUSE

G. S. Road, Dispur, Guwahati-781 006, Assam

Ph : 91-361 6115555 (30 channels),

Fax : 91-361 6115556, 6115566, 2229933

Email : mail@nedfi.com

www.nedfi.com