

# Annual Report 2012-2013



Nurturing Entrepreneurship



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



North Eastern Development Finance Corporation Ltd (NEDFi) was incorporated as a public limited company under the Companies Act, 1956, on August 9, 1995 with an authorized capital of ₹500 crores and a paid up capital of ₹100 crores. It was notified as a public financial institution in July 1996 under Section 4-A of the Companies Act 1956. NEDFi is also categorized as Non-Banking Financial Company (NBFC)-Loan Company and was registered with the Reserve Bank of India (RBI) on 20-12-2002.

The Corporation has framed its vision, mission statement and core values as given under:

## VISION STATEMENT

“To be the most preferred and trusted financial institution, excelling in customer service delivery through committed, caring and empowered employees”

## MISSION STATEMENT

“To be a dynamic and responsive organization catalyzing economic development of the North Eastern Region of India by identifying and financing commercially viable industries, providing valued advisory & consultancy services, promoting entrepreneurship through effective mentoring, skill development and capacity building of the micro, small and medium enterprises and generating sustainable livelihoods through Micro Finance and CSR activities”.

## CORE VALUES

- Customer satisfaction by providing quality, timely and effective services and fairness in dealings.
- Maximization of stakeholders’ value.
- Success through team work, innovation, integrity and people

## MOTTO

“Championing the entrepreneurial spirit of the North East”

## QUALITY POLICY

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



# Inside

## Nurturing Entrepreneurship...

Entrepreneurs start with a business idea to achieve financial success and contribute to economic growth. Yet, many a time the entrepreneur embarks on a venture only to see its progress, after the initial steps, stymied by constraints like lack of updated know-how, non access to newer markets and mostly inadequacy of financial resources. NEDFi extends the helping hand to the entrepreneur to overcome these hurdles to reach for the higher level of growth. The Corporation not only provides financial assistance but also arranges for skill up-gradation and facilitates access to broader markets-thus supporting the entrepreneurs in their pursuit to translate their ventures into viable thriving enterprises.

The cover of the Annual Report is an artistic and symbolic depiction of the role NEDFi plays in the fulfillment of the entrepreneur's quest - nurturing them as they grow and venture to greener pastures.

From the desk of the CMD	2
CMD की कलम से	3
Financial Highlights	5
Performance Highlights	6
Nurturing to grow	8
Micro finance	19
Advisory & Consultancy	21
NEDFi bags Rural Innovation Award	22
Best Business Idea Contest	23
CSR Initiatives	26
Board of Directors	28
Directors' Report	29
Auditors' Report	42
Financial Accounts	47

## From the desk of the Chairman and Managing Director



The Financial Year 2012-13 saw a sharp deterioration in the macroeconomic environment with the GDP registering the decade's lowest growth of 5.0% as against 6.2% during the previous financial year. The slowdown has been quite broad based impacting all major sectors of the economy which has also led to sluggish credit off-take. In line with the all-India trend, similar slowdown is also witnessed in our region. The sanctions and disbursements of the Corporation during FY 2012-13 at Rs. 453 crore and Rs. 349 crore registered marginal increases of 5% and 4% respectively over the corresponding figures of the previous year. Although the growth in the amount of sanctions was only 5 percent, the number of units assisted recorded an increase of 111% due to special efforts to reach out to more numbers of first generation entrepreneurs in the micro and small enterprise sector through various specially designed schemes. The deterioration in the macro economic climate has raised concerns about asset quality across the banking industry. In this scenario, the Corporation has been able to contain its net NPA at 3.49%. During the year the net profit of the Corporation increased by 12% to Rs.62.05 crore. The Corporation's loan portfolio crossed the Rs.1000 crore level and stood at Rs.1010 crore at the end of FY 2012-13, an increase of 20% as compared to the previous year level of Rs.841 crore.

### Strategic Initiatives

- While continuing its focus on the MSME sector, the Corporation has made conscious

efforts to nurture entrepreneurship among the first generation entrepreneurs of the region through the Business Facilitation Centres (BFCs), and through various Business Entrepreneurs Meets at various locations and in all the states of the North-Eastern Region. Increased business volume, especially in un-served and under-served areas of the North East states, is targeted through the specially designed schemes where entrepreneurs are given assistance at a concessional rate of 8 percent for projects with loan component upto Rs.1 crore. With regard to larger projects, the Corporation continues its role as a facilitator for investment in the Region through project financing on its own or jointly with other Banks/FIs under consortium/multiple banking arrangement.

- In order to broaden its outreach through its micro finance scheme, NEDFi has created the North East MF Support Fund, a separate fund under Micro Finance with interest rate of 8% for more effective delivery in the un-served & under-served areas of the region.
- In view of the current macro economic environment and concerns about the asset quality in the banking sector, the Corporation has further strengthened its credit monitoring and recovery processes. Prompt corrective actions are being initiated to prevent slippages in asset quality and in respect of defaulting cases intensive recovery drives have been initiated for settlements under OTS and recovery through Civil suits, Lok Adalats and DRT.

## CSR Initiatives

The Corporation has taken up CSR initiatives on project mode to contribute to economic upliftment of the underprivileged and weaker sections of the society. The steps taken in this direction include identification and skill training of rural youth for self employment, trainings and skill up-gradation, promotion of livelihood avenues through development of indigenous products and provision of marketing channels for the same within as well as outside the Region.

## Acknowledgement

I acknowledge with gratitude the unstinting support from the Ministry of DoNER and Governments of all the North East States. I also express my gratitude for the valuable

support and co-operation provided by financial institutions like IDBI, SBI, LICI, SIDBI, and other organizations.

I am grateful to the Board of Directors for their unwavering support and guidance. I take this opportunity to express my gratitude to all our shareholders, who have reposed their trust in us and extended their constant support.

I am confident that with our professional and committed team of caring and empowered employees, we will be able to effectively meet the challenges faced by the Corporation from time to time in our pursuit to promote the spirit of entrepreneurship in the Region.

Warm Regards,



B Paul Muktieh

# अध्यक्ष एवं प्रबंध निदेशक की कलम से

वित्त वर्ष 2012-13 में हमने व्यापक आर्थिक वातावरण में तेजी से गिरावट देखी है। पिछले वित्त वर्ष के दौरान जहाँ जी डी पी वृद्धि 6.2% थी वह तब के मुकाबले आज 5.0% रह गई है जो कि इस दशक की सबसे कम जी डी पी वृद्धि दर है। मंदी का आधार क्षेत्र काफी व्यापक हो गया है जो अर्थव्यवस्था के सभी प्रमुख क्षेत्रों को प्रभावित कर रहा है जिसके चलते ऋण प्रवाह भी सुस्त हो गया है। अखिल भारतीय आर्थिक मंदी की तरह ही हमारे क्षेत्र ने भी वैसी ही आर्थिक मंदी को देखा है। वित्तीय वर्ष 2012-13 के दौरान 453 करोड़ रुपए के ऋण संस्वीकृत हुए जिसमें से 349 करोड़ रुपए के ऋण संवितरित किए गए हैं, संस्वीकृत ऋण व संवितरित ऋण में पिछले वर्ष की तुलना में क्रमशः 5% एवं 6% की मामूली वृद्धि दर्ज की गई है। हलांकि संस्वीकृत ऋण की राशि में केवल 5 प्रतिशत की ही वृद्धि दर्ज की गई है लेकिन ऋण सहायता

प्राप्त इकाइयों की संख्या में 111% की वृद्धि हुई है और यह वृद्धि, सूक्ष्म और लघु उद्यम क्षेत्र में पहली पीढ़ी के उद्यमियों तक पहुँचने के लिए किए गए विशेष प्रयासों व विभिन्न प्रकार की विशेष रूप से डिजाइन की गई योजनाओं के माध्यम से हुई है। व्यापक आर्थिक माहौल में गिरावट ने बैंकिंग उद्योग में संपत्ति की गुणवत्ता के बारे में चिंताओं को बढ़ाया। इस परिदृश्य में भी निगम अपने शुद्ध एनपीए को 3.49% तक नियंत्रित करने में सक्षम रहा है। इस वर्ष के दौरान निगम का शुद्ध लाभ 12% बढ़कर 62.05 करोड़ रुपये हो गया है। निगम का ऋण पोर्टफोलियो 1000 करोड़ रुपये के स्तर को पार कर गया है और वित्तीय वर्ष 2012-13 के अंत में यह 1010 करोड़ रूपए पहुँच गया था जो कि पिछले वर्ष के 841 करोड़ रूपए के स्तर की तुलना में 20% ज्यादा है।



## रणनीतिक पहल

निगम जहाँ एमएसएमई क्षेत्र पर अपना ध्यान केंद्रित करना जारी रखे हुए है वहीं क्षेत्र के प्रथम पीढ़ी के उद्यमियों के बीच उद्यमशीलता को बढ़ाने के लिए अपने व्यवसाय सुविधा केंद्रों (BFCs) एवं पूर्वोत्तर क्षेत्र के सभी राज्यों के विभिन्न स्थानों पर उद्यमियों के लिए व्यवसायिक मिलन कार्यक्रमों के माध्यम से भी निगम ने सचेत प्रयास किया है। पूर्वोत्तर राज्यों के कम वित्त ऋण सेवा प्राप्त क्षेत्रों व बिना वित्त ऋण सेवा प्राप्त क्षेत्रों में कारोबार की मात्रा बढ़ाने के लक्ष्य के लिए विशेष रूप से योजनाएँ डिजाइन की गई हैं जहाँ उद्यमियों को परियोजनाओं के लिए 1 करोड़ तक की ऋण सहायता 8 प्रतिशत की रियायती ब्याज दर पर दी जाती है। बड़ी परियोजनाओं के संबंध में निगम पूर्वोत्तर क्षेत्र में निवेश के लिए स्वयं से या अन्य बैंकों/वित्तीय संस्थाओं के संघ के साथ/बहु बैंकिंग व्यवस्था के तहत अपनी सुविधा प्रदाता की भूमिका को जारी रखे हुए है।

अपनी सूक्ष्म वित्त योजना के माध्यम से अपनी पहुंच को व्यापक करने के लिए, नेड्फी ने पूर्वोत्तर लघु वित्त ऋण सहायता कोष बनाया है जो कि लघु वित्त ऋण-सेवा प्राप्त क्षेत्रों में अधिक प्रभावी वितरण के लिए एक अलग कोष है।

मौजूदा मैक्रो आर्थिक वातावरण और बैंकिंग क्षेत्र में संपत्ति की गुणवत्ता के बारे में चिंताओं को देखते हुए निगम ने अपनी ऋण निगरानी और वसूली प्रक्रिया को और मजबूत किया है। परिसंपत्ति गुणवत्ता में देरी को रोकने के लिए त्वरित सुधारात्मक कार्रवाई शुरू की जा रही है और ऋण लौटाने में विफल मामलों के संबंध में ओटीएस, लोक अदालतों और डी.आर.टी. के तहत सिविल सूट के माध्यम से गहन वसूली अभियान शुरू किया गया है।

## सीएसआर पहल

निगम ने समाज के वंचित और कमजोर वर्गों के आर्थिक उत्थान में योगदान करने के लिए परियोजना मोड पर सीएसआर पहल शुरू की है। इस दिशा में पूर्वोत्तर क्षेत्र के साथ-साथ क्षेत्र के बाहर भी ग्रामीण युवाओं के स्वरोजगार हेतु उनकी पहचान और कौशल प्रशिक्षण, कौशल उन्नयन, स्वदेशी उत्पादों के विकास के माध्यम से आजीविका के अवसर को बढ़ावा देना और उसी के लिए विपणन चैनल के प्रावधान जैसे कई कदम उठाए गए हैं।

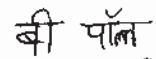
## आभार

मैं कृतज्ञता के साथ पूर्वोत्तर क्षेत्र विकास मंत्रालय और सभी पूर्वोत्तर राज्यों की सरकारों की ओर से दिए गए पूर्ण समर्थन को स्वीकार करता हूँ। वित्तीय संस्थानों जैसे आईडीबीआई, एसबीआई, एलआईसीआई, सिडबी और अन्य संगठनों, द्वारा प्रदान किए गए बहुमूल्य समर्थन और सहयोग के लिए भी मैं उनका आभार व्यक्त करता हूँ।

मैं निदेशक मंडल के अटूट समर्थन और मार्गदर्शन के लिए उनका आभारी हूँ। यह हमारे लिए सभी शेरर धारकों के प्रति भी आभार व्यक्त करने का अवसर है कि उन्होंने हम पर अपना विश्वास जताया और अपना निरंतर समर्थन बढ़ा दिया है।

मुझे विश्वास है कि क्षेत्र में उद्यमशीलता की भावना को बढ़ावा देने के लिए हमारे प्रयास और हमारी पेशेवर, प्रतिबद्ध और सशक्त कर्मचारियों की टीम के साथ हम समय-समय पर निगम के सामने आने वाली चुनौतियों का सामना करने में प्रभावी रूप से सक्षम हो जाएँगे।

भवदीय



(बी. पॉल मुक्ति)

# Financial Highlights

(₹ Crore)

Financial Year	2011-12	2012-13	% Change
Loan Outstanding	841.19	1010.25	20.1
Total Income	103.31	122.15	18.2
Income from Lending & financial Activities	92.41	110.52	19.6
Total Expenditure	22.76	30.81	35.4
Profit before tax	80.53	91.34	13.4
Profit after Tax	55.20	62.05	12.4
Net worth	414.54	468.03	12.9
Total Assets	1049.97	1166.40	11.1



Operating Result		2011-12	2012-13
Interest income as percentage to average working funds	(%)	12.43	12.10
Non-interest income as percentage to average working funds	(%)	0.70	1.05
Operating profit as a percentage to average working funds	(%)	10.24	9.83
Return on average assets	(%)	6.49	6.15
Earnings Per Share	(₹)	5.52	6.20
Net profit per employee	(₹ crore)	0.51	0.57
Capital to Risk (Weighted) Assets Ratio (CRAR)	(%)	48.79	46.22



# Performance Highlights

Total Sanctions, Disbursements and Number of Projects Assisted (up to March 31, 2013)

## SANCTIONS

STATE-WISE AMOUNT SANCTIONED (₹ in lakh)									
Year	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative 1995-2007	4,628.51	37,032.36	1,183.81	20,335.57	1,188.61	1,449.39	921.75	2,455.46	69,195.44
2007-2008	1,230.11	16,328.55	519.90	7,509.70	350.00	394.54	162.42	394.11	26,889.32
2008-2009	253.54	22,929.06	540.09	1,993.94	87.82	431.88	713.13	317.50	27,266.95
2009-2010	5,820.04	23,384.85	308.06	2,342.52	85.39	942.90	191.37	2,568.62	35,643.74
2010-2011	3,295.88	31,129.12	273.00	2,874.15	284.19	344.85	580.03	871.43	39,652.64
2011-2012	3,499.60	26,543.78	1,496.50	6,656.45	2,578.24	673.25	356.88	1,418.05	43,222.75
2012-2013	2,334.25	26,046.92	6,232.14	2,820.36	914.38	1,344.53	1,669.69	3,986.76	45,349.02
Total	21,061.93	1,83,394.63	10,553.50	44,532.68	5,488.61	5,581.34	4,595.24	12,011.92	2,87,219.85

## DISBURSEMENTS

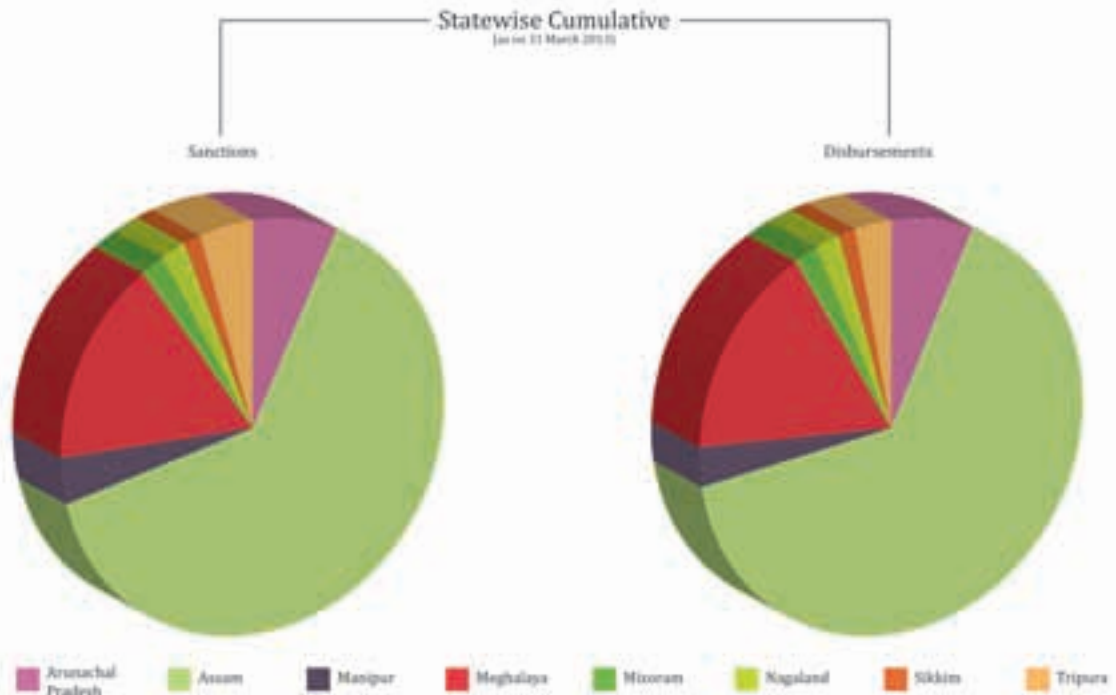
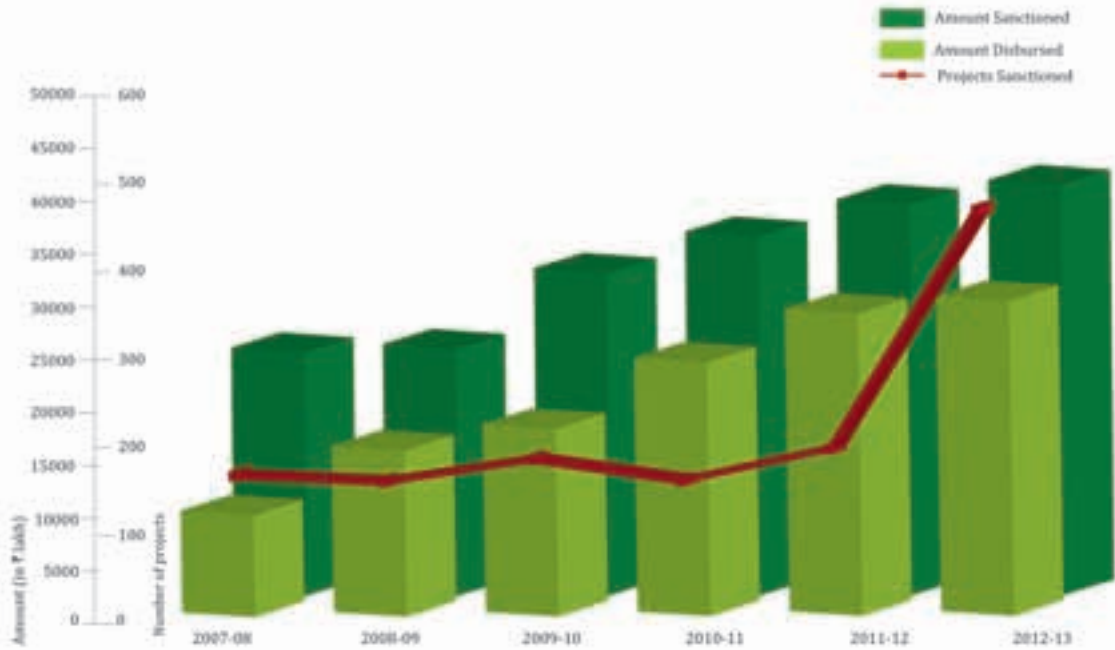
STATE-WISE AMOUNT DISBURSED (₹ in lakh)									
YEAR	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative 1995-2007	4,310.93	27,178.46	1,023.45	12,136.81	761.31	1,307.03	583.66	1,959.74	49,261.40
2007-2008	117.68	8,473.14	106.30	1,405.31	538.80	251.53	103.17	249.10	11,245.04
2008-2009	265.05	13,202.35	497.97	3,832.88	41.97	320.81	76.31	152.84	18,390.17
2009-2010	3,031.17	14,351.22	508.04	2,364.94	22.18	229.62	77.91	211.77	20,796.87
2010-2011	2,649.00	20,259.20	460.50	3,372.30	60.52	499.05	282.53	500.75	28,083.84
2011-2012	1,792.50	23,853.82	718.50	3,907.02	1,797.42	294.82	467.87	624.26	33,456.20
2012-2013	1,870.16	20,842.13	3,151.63	4,233.33	803.65	966.54	1,110.75	1,894.58	34,872.76
Total	14,036.49	1,28,160.33	6,466.40	31,252.59	4,025.84	3,869.40	2,702.18	5,593.04	1,96,106.27

## PROJECTS

STATE-WISE NO. OF PROJECT ASSISTED									
F.Y	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative 1995-2007	145	648	103	112	147	97	102	123	1,477
2007-2008	16	71	18	9	1	21	19	20	175
2008-2009	16	81	28	9	18	7	9	12	180
2009-2010	17	75	25	23	17	17	17	26	217
2010-2011	32	76	5	18	10	14	17	33	205
2011-2012	10	95	19	13	14	27	44	31	253
2012-2013	33	145	52	21	43	72	118	51	535
Total	269	1,191	250	205	250	255	326	296	3,042



# SANCTIONS DISBURSEMENTS and PROJECTS



# Nurturing to Grow

*NEDFi not only identifies and finances new entrepreneurial initiatives but also provides mentoring and capacity building along with market linkages for project viability in the region.*

*For larger projects, the Corporation continues its role as a catalyst for investment by participating in consortium lending for asset creation and employment generation in the region.*

*Presented here in brief are a few entrepreneurial projects where NEDFi has played a significant role.*



## Renu Beverage

Renu Beverage is a packaged drinking water unit situated in Village – I, Nirjuli, Papum Pare District, Arunachal Pradesh. The project was financed for an amount of ₹ 98.00 Lakh under the NOSSE scheme of NEDFi. The partnership firm is being set up at an estimated total cost of ₹ 180.60 lakh with an installed capacity of 3,000 litres of water per hour.



## James Memorial School

James Memorial School is a residential school located at Umbir, Barapani in the Ri-Bhoi District of Meghalaya. NEDFi had financed an amount of ₹ 73 lakh for the construction of the school building, the compound wall, and sports facilities.

## Tripur Tubes Pvt. Ltd.

With a steady demand for rigid PVC pipes in Tripura as well as other states Tripur Tubes Pvt. Ltd. promoted by an experienced entrepreneur of Tripura, opened a manufacturing unit of PVC Pipes at Ranirkhamar, Madhuban, Dukli, West Tripura with an annual installed capacity of 1056 MT. NEDFi assisted the unit for an amount of ₹ 100.00 lakh as a Term Loan under the NOSSE scheme.



## Brahmaputra Technologies



Brahmaputra Technologies is an associate group company of Jaiswal Group of companies. The company has set up a wire drawing and galvanizing manufacturing unit at Rangia, Assam for manufacturing various kinds of wire drawing products, nails, welding mesh, welding rods, copper & aluminum wire drawing, electrode galvanizing, barbed wire etc. NEDFi has provided financial assistance of ₹ 850 lakh to the project.



## Stone Age Eco Village Resort

Stone Age Eco Village Resort is an eco resort with 16 rooms, which include 6 individual cottages within the resort premises. The resort is on a picturesque location, at a foothill, situated exactly opposite the National Highway 31A leading to Gangtok. It is located at a distance of 4.5 kms from Singtam Bazaar and about 21.5 kms from Gangtok. The total cost of the project is ₹ 180.00 lakh and a financial assistance of ₹ 80.00 lakh was sanctioned from NEDFi for the project.



## S.S. Electronics, Imphal



This unit sells its products under the trademark 'Powerpride' and has received BIS standardization certification. Rated as SE 2B (High Performance Capability and Moderate Financial Strength) by NSIC-ONICRA Credit Rating Agency of India Ltd., the firm is ISO 9001:2008 certified. The technopreneur, S. Saratchandra Singh who is behind this project has been honoured with the National Award to Outstanding Small Scale Entrepreneurs in 1998 by the Ministry of Small Scale Industries and Agro & Rural Industries, Government of India in recognition of his outstanding performance as a small scale entrepreneur. For expansion of the project, which required an investment of ₹ 50.00 lakh he approached NEDFi, and an assistance of ₹ 37.50 lakh was provided to the unit.

## VA Silk Industry

VA Silk Industry was set-up by Ms. Vivien A Sangma. However, starting it and keeping it running was a challenging task – due to unavailability of skilled work force. Overcoming the problem of unavailability of skilled workers, the looms, accessories and master weaver for setting the jacquard machine were brought in from Assam. As the demand for silk products rose, Ms. Sangma approached NEDFi for financial assistance and was sanctioned ₹ 3.00 lakh to procure more looms, accessories, reeling machines and warping drum. The unit today produces

quality silk products like traditional Jensem, stoles, shawls and other fabrics. Although the products are currently sold in the local markets, the firm has plans to market its products in Assam, Kolkata and even Bangladesh.



## City Food Industries

Ensuanlal Guite, a first generation entrepreneur from Churachandpur after completing a Diploma in Bakery & Confectionery with flying colours started working in the bakery and confectionery section at 'The Imperial', New Delhi, one of the finest luxury hotels in Asia. Young Ensuanlal was always living with a dream – to start his own venture with the support of NEDFi. His project for setting up a bakery and confectionery unit at Churachandpur required a total investment of ₹ 22.04 lakh and the quantum of loan assistance from



NEDFi was ₹ 16.53 lakh. In remembrance of his late mother, the products are marketed under the name and style of 'Tunnu' which means 'Mother' in their local dialect.

## Nagaland Wood Work Industry



Nagaland Wood Work Industry, owned by Yongyaba Longkumar, is a firm engaged in the modular kitchen business for the last 6 years. The promoter produces his own carcass, resulting in lower production costs and allowing the firm to price its products competitively against other players in the market. The estimated project cost was ₹ 26.86 lakh and the promoter availed a loan of ₹ 20.00 lakh from NEDFi.

## Unique Automobile

Unique Automobile is a two-wheeler motor cycle servicing unit with a HERO Motors Showroom at Jail Road, Dharmanagar, North Tripura. NEDFi has sanctioned a term loan of ₹ 24.62 lakh under the NEED Scheme to this unit which is fully operational at present.



## Hotel Vajra Residency



Located on Nam Nang Road in Gangtok, Hotel Vajra Residency is a 2-star hotel with 19 rooms, consisting of two VIP Suites, 6 super deluxe rooms and 11 deluxe rooms. The Hotel will have facilities such as restaurant & bar, provision for parking space, open space at the top floor for a good view of the mountains and sunrise. The project was sanctioned an amount of ₹ 100.00 lakh by the corporation.

## REMP Enterprise



A young entrepreneur, Mr. Lalremsanga Chawngthu, availed a PMEGP loan of ₹ 6.5 lakh and set up the first flex banner printing unit in the southern region of Mizoram at Lunglei town in the year 2009. With the increasing demand of flex banner products, he decided to purchase a new machine and install the existing one at Lawngtlai town. He approached NEDFi with a proposal to expand his existing unit and was financed a term loan of ₹ 11.65 lakh. He bought a Digital inkjet KM 4 head printer that has allowed him to offer higher quality products to his customers.

## Swish Café

Swish Café, located at Shoppers Cove, Beat House, Laitumkhrah, Shillong, Meghalaya is run by a well-known entrepreneur of Shillong Ms. Mary Fatima Tariang. For its expansion an amount of ₹ 10 lakh was sanctioned by NEDFi. It is considered to be one of the most popular restaurants in Laitumkhrah which has been in operation for the last 8 years.



## RNB Cements Pvt. Ltd.

RNB Cements Pvt. Ltd. has set up an integrated cement manufacturing unit at Umiam



Industrial Area, Barapani, Ri-Bhoi District, Meghalaya with an installed capacity of 780 TPD of clinker and 1200 TPD of cement. It is a green field project and is proposed to cater to the demand of cement in the North East owing to the upcoming massive infrastructure projects like hydro power project, roads, commercial buildings and housing projects in the region. The Company is promoted by the RNB Group of Industries of the 'Bajaj Family', who have a significant presence in Meghalaya in the areas of cement, ferro alloys, hydrated & un-slaked lime, multi brand lifestyle store and petro retailing. NEDFi has sanctioned term loans of ₹ 21.50 crore to the company as part of the consortium finance with other banks towards the project.

## Maria's Public School



Occupying an important place on the educational map of Assam, Maria's Public School is a full fledged Senior Secondary School under an Educational Trust. Apart from academics, the school also gives importance in organizing field trips and excursions to encourage learning beyond classrooms. The school has a total student strength of about 2100 up to Class XII and has faculty strength of about 140 teachers and other staff of about 30. NEDFi has provided a financial assistance of ₹ 315.00 lakh for construction of an additional school building and for installation of other fixtures to make the school a desired destination for learning.

## Shree Durga Cottage Industry

NEDFi sanctioned a loan of ₹ 3.75 lakh to Mr. Tapan Bhowmik, proprietor of Shree Durga Cottage Industry. It is the second loan to the unit engaged in making of exquisite handloom and handicraft products. The unit has been also supported for display of its artifacts in various exhibitions and fairs.



## Irengbam Thamcha Devi Nursing & Healthcare Research Institute



Managed by a Trust comprising of well-qualified individuals, Irengbam Thamcha Devi and Health Care Research Institute is a reputed nursing institute based in Imphal, Manipur which is recognized by the Indian Nursing Council. At present, the institute offers Diploma in General Nursing and Mid-wifery course. With demand for the course, the institute felt the need for expansion of infrastructure facilities so as to increase the intake capacity to 60 students per batch which required a capital outlay of ₹ 296.00 lakh. The Institute approached NEDFi and has been sanctioned a Term Loan of ₹170.00 lakh.

## Echahaba Tea Growers' Cooperative Society Ltd.



The Echahaba Tea Growers' Cooperative Society was formed primarily to provide an alternate sustainable livelihood to the local population of Merangkong, Mokokchung District in the state of Nagaland. The society, headed by Dr. Aotoshi, was instrumental in encouraging the local people to cultivate tea in the area in a cooperative society model. Today the society has 132 farmer members who have taken up tea cultivation

on a garden of about 2 hectares, producing organic tea. NEDFi engaged tea experts who recommended establishment of a small tea factory. NEDFi has extended financial assistance of ₹ 117.00 lakh for setting up of a factory producing 3 lakh kg CTC tea per annum and the tea will be marketed under the brand name "Merangkong". NEDFi's initiative has encouraged the Tea Board to participate by way of financial grant of ₹ 25 lakh.

## Nezone Industries



Nezone Industries, a partnership firm, is an associate concern under the promoter group of Nezone Biscuit Pvt. Ltd., Nezone Foods Pvt. Ltd. etc. The group has been engaged in the biscuit making business since 1996 and has been marketing its product under the brand name "NEZONE". NEDFi has given financial assistance, both Rupee Term Loan of ₹ 850.00 lakh and Working Capital Term Loan of ₹ 300.00 lakh for the modernization project involving new biscuit making technology with upgraded equipment and machineries. Once completed, the unit will have an installed capacity of 16,500 tons of biscuits per annum.



## Highland Dawn Media

Highland Dawn Media, a proprietorship concern of Sri Wabang Moa, is engaged in media activity and outreach through TV, live events, video and internet. The firm started as a unit for commercial activity through weekly

TV programmes on Doordarshan Kendra Kohima, online videos dealing with the culture of Nagaland and Naga music and live video/TV coverage for events and music concerts. The estimated cost for the expansion project is ₹ 16.73 lakh and NEDFi has sanctioned a term loan of ₹ 12.50 lakh to the unit.



## Cottage Restaurant

With the inauguration of Siddheshwar Dham at Namchi, South Sikkim, the tourist inflow has increased. "Cottage Restaurant" is right on the roadside on way to the Dham and is a preferred tourist leisure point. Set up by Smt. Sandhya Gurung with a contribution of ₹ 8 lakh, the unit had approached NEDFi and was granted a loan of ₹ 4.25 lakh for its expansion.



## Invogue

Invogue is a store dealing in all kinds of ladies apparels and ladies ready-made garments on M. G. Marg, Gangtok. The unit is one of the renowned stores in the heart of the city famous among women shoppers. NEDFi has provided financial assistance of ₹ 5.00 lakh for further expansion of the unit.



## Woisele Tea Industries

Woisele Tea Industries, located at Namsai in the Lohit District of Arunachal Pradesh has set up a CTC tea making unit with an installed capacity of 6.00 lakh kg tea every year. Green tea leaves are available in the project area. The firm is promoted by a local entrepreneur in partnership with other businessmen from Assam. The project is expected to encourage tea growing in this non-tea growing area and create employment opportunities for small tea growers in Namsai area. NEDFi has provided financial assistance by way of term loan of ₹ 250.00 lakh for the project.



## Purnima Lifecare Diagnostic Centre



To provide better and accurate pathological services in rural areas Shri Babloo Das Baishnab, a young energetic entrepreneur opened Purnima Lifecare Diagnostic Centre – a pathological clinic at Mohanpur Bazar, Majlishpur, West Tripura. A diploma holder as a Medical Laboratory Technician, Baishnab has commendable knowledge in pathological services. NEDFi assisted the unit for an amount of ₹ 3.75 lakh under the NEED Scheme.

## Sheyla

Sheyla is a Multi Cuisine Restaurant and Bar, with a seating capacity of 120 people at a time. It is located at the heart of Gangtok and in close proximity to M.G. Marg. The Project is promoted by Mrs. Karma Sonam Uden Chankapa, who worked as a Senior Manager at Hotel Hungry Jack, a well known hotel run by her mother. The promoter possesses a work experience of nearly 10 years in the hospitality and sales sector. A financial assistance of ₹ 20.00 lakh from NEDFi was sanctioned for the purpose of setting up of the project.



## Sarma Endi Cloth Production Centre

Amitabh Sarma, an enterprising young man started his livelihood as a wage based worker in a handloom factory where he underwent a training programme on handloom weaving organized by the District Industries & Commerce Centre, Kamrup. He then capitalized on his training by installing three looms for producing *Endi* cloth with financial assistance of ₹ 1.20 lakh under the NEED Scheme of NEDFi. He produces various items like shawls, scarfs, chadars and plain cloth from *Eri* and sells them in Bhutan and Kolkata apart from the local markets. As Bijohnagar is one of the hubs for *Eri* production and trade, Shri Sarma obtained an additional loan of ₹ 4.00 lakh for purchasing 15 *Eri* spinning machines and 13 reeling machines.



## Pera's Salon

Pera's Salon is located at G – Extension Road, Naharlagun, Papum Pare District, Arunachal Pradesh. The ladies spa was sanctioned ₹ 4.25 Lakh under the NEEDS scheme. It employs 6 nos. of trained beauticians and provides facilities of spa, pedicure, manicure, hair styling, Jacuzzi, etc.

## Shanti Hospital & Research Centre

Shanti Hospital & Research Centre is a partnership firm promoted by Dr. Nameirakpam Sanajaoba Singh. Dr. Singh left the State Health Service as GDMO and pursued post-graduation studies at Prince of Wales Medical College, Patna. He started Shanti Clinic in 1973 and finally fulfilled his dream to set up a private hospital in 2005. Dr. Singh approached NEDFi to support the expansion of the hospital and financial assistance in the form of term loan of ₹ 128 lakh was sanctioned in 2012.



## Assam (Bhorelli) Angling and Conservation Association

NEDFi has provided assistance of ₹ 5 lakh under NEEDS to the Assam (Bhorelli) Angling and Conservation Association A(B)ACA operating near Jia Bhoroli river, a portion of which falls under the Nameri National Park, in the Sonitpur District of Assam. The financial assistance is for renovation and purchase of essential equipments needed for river sports activities in the eco-park.



## Equinox



Equinox is a running proprietorship concern dealing in sales and service of computers and computer peripherals and providing IT solutions for small office and home requirements. The young entrepreneur, Karma Rinzing Bhutia is a graduate who, after completion of his education ventured into the IT retail business. The unit does good business dealing with the government departments and private enterprises. Equinox was sanctioned a financial assistance of ₹ 4.20 lakh for the expansion of the existing unit by the corporation.

## Sikkim Wheels



Smt. Naina Gurung has been running her unit named Sikkim Wheels for the past 2 years, dealing in various car accessories, wheels and also providing wheel alignment and balancing services. With experience of handling similar business in Gangtok, this unit in Namchi has been doing good business so far. The promoter wanted to expand her business by purchasing a wheel alignment machine for which she approached NEDFi and a loan around ₹ 5.00 lakh was sanctioned.

## Micro Finance

### Grameen Sahara

The NGO started its operations in the year 2002 with awareness and training programmes in different livelihood activities like fishery, piggery, sericulture, horticulture etc. It launched micro finance activities as one of its core programmes in 2005 with 250 clients to materialize its dream of reducing poverty in the society in the relatively backward Goalpara district and the rural areas of Kamrup district of Assam.

NEDFi has had a long association with the NGO since the beginning of its micro finance programme and has been partnering with them as the major donor in their endeavour to reach the poor and needy. From FY 2012-13 they expanded their operations to cover the



*Credit officers of Grameen Sahara with the beneficiaries*

adjacent East and West Garo Hills districts of Meghalaya with special funds from NEDFi for the Unserved & Underserved Areas of NER.

Apart from micro finance, Grameen Sahara also supports an education based project named '*Teach My Village*' under a trust named '*ARPAN*' founded by the organisation itself. As on 31.03.2013, Grameen Sahara has a client base of 17,846 women beneficiaries with a portfolio size of ₹ 17.33 Crore and a network of 15 branches in the states of Assam and Meghalaya.



**Micro Finance contd...**

**Women’s Voluntary Organisation (WVO)**

Established in the year 1992, the WVO has been engaged in micro-finance for the last 15 years to uplift the social value of women through self employment. The NGO works towards establishing handloom, handicrafts and business centres run by women in the existing business locations of the state of Manipur.

the NGO has a portfolio outstanding of ₹ 464.51 lakh and they have assisted more than 7000 women who are engaged in various income generating activities such as weaving, vegetable vending, embroidery, tea stall, cloth selling, livestock, trade and tailoring.



*Women’s Voluntary Organisation, Manipur (Micro Finance)*

Since FY 1999-2000, NEDFi has been assisting the NGO continuously, not only in providing funds for their micro finance programme, but also in streamlining their micro finance operations by providing training and field related exposures from time to time. Till now, NEDFi has sanctioned 9 projects to the NGO for their micro finance activities with a total sum of ₹ 644.00 lakh. As on 31.03.2013

The NGO devised a model that provided a secure and established marketing support for the weavers as well as helped them repay their loans and also earn profitable margins from the finished products. The NGO has been able to sustain the model and received continuous loan support from NEDFi in the FY 2012-13, hence supporting another 1800 women under the same scheme.

NEDFi conducts capacity building programmes of Micro finance Institutions/NGOs for increasing microfinance outreach in the underserved and unserved areas of the North East region.



*Providing multi-disciplinary consulting services and innovative solutions...*

## Advisory & Consultancy Department

The Advisory & Consultancy Department of NEDFi offers multi-disciplinary consulting services and innovative solutions to infrastructure, industry and social development sectors in the North Eastern Region of India. The Department has executed and is also currently executing several prestigious consultancy assignments in various states of North East India. These are in the fields of evaluation & monitoring of infrastructure projects, development planning, engineering design, business plan preparation, impact assessment studies, bid process management, project appraisal

& syndication, financial restructuring and project development. The Department provides a comprehensive package of services which also covers the social aspects of development.



## NEDFi bags NABARD Rural Innovation Award 2012



NEDFi was declared the winner of the NABARD Rural Innovation Award 2012 in the Category of Public / Co-Operative Sector/ Government for its contribution towards promoting handicraft products made from water hyacinth. The award was presented to NEDFi by Shri P. Chidambaram, Union Minister of Finance, in presence of Shri Jairam Ramesh, Union Minister for Rural Development, on 17<sup>th</sup> October, 2012 at NDMC Convention Centre, New Delhi. The three-year Water Hyacinth Craft Project of NEDFi which is sponsored by the North Eastern Council, Shillong has enabled more than 1300 artisans of the region to take up the craft as a source of sustainable livelihood.

To commemorate its completion of 30 years, NABARD had constituted the Award for Rural Innovation for encouraging innovations towards improving efficiency and productivity through locally available resources. NABARD received more than 1400 entries for the contest. The final awardees were selected from the 30 shortlisted

innovations in five different categories by a panel of expert jury headed by Shri Jairam Ramesh, Union Minister for Rural Development. NEDFi is the only winner from the eastern and north-eastern part of India.

Shri B. P. Muktieh, CMD, NEDFi dedicated the award to the artisans and craft-persons of the region whose commitment has enabled the project to reach this level of national recognition. He further stated that this will encourage the Corporation to undertake further product development and design in water hyacinth craft with quality input from national and international level trainers and reaching out to more artisans from the region. He acknowledged that the establishment of the craft as an alternative handicraft item of North East was possible with contribution and support received from different organizations like NEC, Shillong, NID, Ahmedabad and UNIDO, New Delhi. He stated that the Chief Minister and Industry Minister of Assam have always supported NEDFi in its initiative to promote the craft.



## NEDFi Best Business Idea Contest to mark its Foundation Day

On 9<sup>th</sup> August 2012, NEDFi completed 17 years of its inception. To mark the occasion, the Corporation organized **NEDFi Best Business Idea Contest**. The idea behind the competition was to encourage the youth of the region to come up with innovative business ideas which could be implemented in the North Eastern region and support them to translate these ideas into viable business ventures. The organizers received very good responses from all the North Eastern states including Sikkim.



The final selection of the winners took place at an event organized on 9<sup>th</sup> August 2012 at NEDFi House, Dispur where five short-listed participants faced a jury consisting of NEDFi's 3 former CMDs. Some of the ideas included manufacturing light portable travelling stool or chairs, Nexus- an online adventure travel marketplace, production of high value charcoal from sugar cane trash and other agricultural waste etc. The winning team comprised of Munmee Kalita, Subhalakshmi Singha, Bisakha Das and Nitilekha Buragohain from Assam Institute

of Management, Guwahati. The 1<sup>st</sup> Runners up position went to Anzaar Rana and Kailash Madan from IIM Shillong while the 2<sup>nd</sup> Runners up were Damian Kharsyiemiong of St. Anthony's College Shillong, followed by two consolation prize winners – Shimanta Bhuyan from DPS, Dhaligaon and Freddy Lalmuanpuia from Bethesda HS, Lunglei, Mizoram. In Category- B "Best Business Proposal Contest", Shazzadul Hussain was declared the winner for his proposal for a college to college communication website.

Moreover, three young achievers from the northeast shared their experiences. These included Gary J. Lamare from Meghalaya, who recently scaled Mt. Everest, Atreyee B Thekedath, an IT entrepreneur from Assam, and Partha Pratim Pathak, who is working in the area of bio-medical waste management in Assam.

The Corporation also felicitated its former CMDs Dr. Jayanta Madhab, Shri J P Saikia and Shri K N Hazarika at the event.



## MoU between Ministry of DoNER & NEDFi



A Memorandum of Understanding (MoU) was signed between the Ministry of DoNER and NEDFi represented by Jt. Secretary, Ministry of DoNER, Govt. of India and CMD, NEDFi respectively on the 4th of September 2012 at New Delhi for availing ₹ 60.00 crores as interest free loan from the Govt. of India for the financial year 2012-13. The fund will be utilized for achieving the objectives of entrepreneurship development, inclusive geographical growth and overall industrial development of the North Eastern Region, more particularly of MSME and microfinance sectors.

## MoU with Govt. of Arunachal Pradesh



A Memorandum of Understanding (MoU) was signed between the Govt. of Arunachal Pradesh and NEDFi represented by Secretary (Planning), Govt. of Arunachal Pradesh and General Manager & Company Secretary, NEDFi respectively on January 10, 2013 at Raj Bhawan, Itanagar for Third Party Monitoring of Projects in the state of Arunachal Pradesh (Eastern Zone) under SPA 2010 - 2011.

## MoU with Entrepreneurs Associate Nagaland

NEDFi signed a Memorandum of Cooperation (MOC) with Entrepreneurs Associate (EA), Nagaland on 26<sup>th</sup> November 2012. EA would facilitate business for NEDFi as well as help in recovery of loans.



# Facilitating Entrepreneurship

Glimpses of Business Meets and Counseling Camps organised by NEDFi at various locations across the North East



## CSR Initiatives

A pilot project for pig rearing was adopted by NEDFi at Toulazouma village of Nagaland to encourage pig rearing as a viable economic activity for sustainable livelihood. Two piglets each were distributed to all the 26 families in the inaugural function held on 8<sup>th</sup> February, 2013. This will be a 3 year project and each family will contribute back two piglets to the next group of beneficiaries. This program will



## NEDFi's pilot pig rearing project



be further supported by quarterly awareness meetings, medical support and other necessary inputs in association with ICAR and Pig Breeding Centre, Medziphema. The first awareness meeting for the beneficiaries was organized at Toulazouma village, Dimapur on 13<sup>th</sup> March 2013.

## NEDFi organizes skill up-gradation programme

NEDFi organized a skill up-gradation programme on 'Making of Bamboo Cutlery & Other Decorative Items' at the Common Facilitation Centre of Poma village in Papum Pare district of Arunachal Pradesh in association with 'Poma Bamboo Processing Centre'. A total of 35 local artisans from



Poma, Rillo, Bath and Kamir villages attended the 30 days programme held from 4<sup>th</sup> March to 2<sup>nd</sup> April 2013. Shri Tridip Mahanta, an industry expert on bamboo cutleries and bamboo based decorative items imparted the training programme.

## CSR Initiatives Contd...



*Skill Training for livelihood & self employment*



*Market linkage*



# Board of Directors



## Sri B. Paul Muktieh

Sri 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, Sri 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

Sri 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 H. Bhargava

Sri Hemant Bhargava, ED, LIC of India, Eastern Zonal Head has rich experience of more than 31 years in India and abroad. He has served on the Boards of National Mutual Fund, Mauritius; LIC Mauritius Offshore Ltd.; Krishna Knitwest Ltd., Mumbai. He is a member of Insurance Institute of India AC and also Director on the board of PTC India Ltd., New Delhi.



## 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 P. R. Meshram

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



## Sri A Luikham, Secy., NEC

Sri Ameising Luikham, IAS (1981 batch) is the Secretary of the North Eastern Council, Shillong, in the rank of Addl. Secretary to Govt. of India. Sri Luikham was earlier posted as Addl. Chief Secretary in the Govt. of Manipur. He has rich experience of serving for 12 years in the capacities of Director and Jt. Secretary in 3 ministries of the Central Government.



## Smt. Rinchen Ongmu

Smt. Rinchen Ongmu, IAS (1979 batch) Chief Secretary, Govt. of Sikkim is the first woman to assume the office of Chief Secretary of the State. She has the rich experience of serving as District Collector, West Sikkim and as Secretary & HoD in various state departments and also as Secretary to the Chief Minister 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 31<sup>st</sup> March, 2013

## FINANCIAL REVIEWS

The financial results of the year are highlighted below:

Working Results	(₹ Crore)	
	2011-12	2012-13
Financial Year		
Gross Income	103.31	122.15
Gross Expenditure	22.76	30.81
Profit Before Tax	80.53	91.34
Profit After Tax	55.20	62.05
Earnings Per Share (in ₹ )	5.52	6.20
Dividend	6.00	7.00
Interest income as percentage to average working funds (%)	12.43	12.10
Non-interest income as percentage to average working funds (%)	0.70	1.05
Operating profit as a percentage to average working funds (%)	10.24	9.83
Return on average assets (%)	6.49	6.15
Net profit per employee	0.51	0.57
Capital to Risk (Weighted) Assets Ratio (CRAR) (%)	48.79	46.22
<b>Financial Position</b>		
Authorised Capital	500.00	500.00
Paid up Capital	100.00	100.00
General Reserve	238.24	267.91
Net worth	414.54	468.03
Total Assets	1049.97	1166.40
Sanctions	432.23	453.49
Disbursements	334.56	348.73
Loan Outstanding	841.19	1010.25
Recovery (%)	85.81	81.03

## Performance of the Corporation

During the year 2012-13, the Corporation's key parameters such as gross income, profits, sanctions, disbursements and loan outstanding registered good improvement. The Corporation has been maintaining steady and healthy growth in sanctions, disbursements and number of projects financed. To view this growth in

the right perspective, we take a look at the sanctions and disbursements during the past few years along with cumulative performance as on 31<sup>st</sup> March, 2013:

(₹ Crore)

Year	Sanctions	Disbursements
2007-08	268.89	112.45
2008-09	272.67	183.90
2009-10	356.44	207.97
2010-11	396.53	280.84
2011-12	432.23	334.56
2012-13	453.49	348.73

(₹ Crore)

Cumulative		
Year	As on 31.03.12	As on 31.03.13
Sanctions	2418.71	2872.20
Disbursements	1612.33	1961.06
No. of Projects	2507	3042
Capital Investment Facilitated in NER	9357.94	10891.97
No. of Employment Generated	63342	72169

For the year 2012-13, operating profit as a percentage to average working funds was 9.83%. Return on average assets was 6.15% in the year under review as compared to 6.49% in 2011-12 on account of reduction in interest rate under new schemes like “NEDFi Opportunity Scheme for Small Enterprise (NOSSE)” and some specific existing schemes to promote first generation entrepreneurs and facilitate flow of funds in under-served and un-served areas of the Region. Net profit at ₹ 62.05 crore recorded an improvement of 12% over ₹ 55.20 crore in 2011-12. Capital Adequacy Ratio is 46% as against last year’s 49%.

During the current financial year, ₹30 crore was transferred to General Reserve of the Corporation, ₹12.41 crore to Statutory Reserve under RBI Act, 1934 and ₹10.69 crore to Special Reserve u/s 36(1) (viii) of Income Tax Act, 1961.

The Board of Directors of the Corporation has recommended a dividend of ₹ 0.70 per share for the financial year 2012-13. The payout ratio is 13.1% of the net profit and total outgo on account of dividend and tax thereon is ₹ 8.14 crore.

## 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 ₹ 1010.25 crore, 20% higher as compared to ₹841 crore as at 31<sup>st</sup> March, 2012. Credit exposure to five emerging sectors – micro finance, cement, contract finance, iron & steel and real estate industry - constituted around ₹ 519 crore which is 51.4% of the loan book.
- An amount of ₹ 453.49 crore was sanctioned to 535 new projects and disbursement was 4% higher at ₹348.73 crore.
- With higher business volume and better loan and interest recovery, the gross earnings of the Corporation increased by 18% at ₹ 122.15 crore.
- The recovery of loans during the FY 13 was 81%. More significantly, overdues were reduced, and the recoveries totalled ₹ 290.23 crore (an increase of over 17%).
- Lowest recovery has been in sectors such as coke (12.24%), medicinal and aromatic oil (16.02%), agri & allied activities (26.84%), information technology (42.67%), tourism &



leisure (44.62%) and tiny services industry (49.73%).

- Out of the 41 sectors financed by the Corporation, the maximum recovery has been from the industries engaged in infrastructure, miscellaneous (manufacturing), power, rubber based industries and textiles & yarns, all at 100%, followed by hospitals and nursing homes (99.41%), warehouse (99.27%) post harvest management (98.96%), petroleum products (98.94%), beverages (98.64%), plastic & plastic products (98.32%), real estate industries (98.30%), iron & steel (97.00%), jute based industries (96.78%), drugs and pharmaceuticals (96.13%) and educational and training institute (95.96%).
- Net NPAs to net loans & advances stood at 3.49% as on 31<sup>st</sup> March 2013 and gross NPA stood at 7.24% as against 1.39% and 5.30% respectively in the previous FY.
- 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.

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

The Corporation has signed an MOU with the Ministry of DoNER for receiving budgetary allocation of ₹ 60 Cr. as interest free loan for a period of fifteen years. The fund is being utilised for lending to small borrowers at an interest rate of 8% (far below the Corporations' PLR) to achieve the following purposes:

- To target more number of projects especially from first generation entrepreneurs to spread entrepreneurship spirit in the Region.
- To focus primarily on MSME sectors in line with focus areas identified by respective state government.
- To reach out to more number of beneficiaries through Microfinance scheme to contribute towards objective of financial inclusion.
- To ensure that the fund is utilized more equitably amongst all states of North Eastern Region.

The Corporation modified its existing specific schemes targeting first generation and local entrepreneurs to facilitate financing projects at concessional interest rate of 8% for project cost up to ₹ 50 lakh. Further, NEDFi launched a new scheme "NEDFi Opportunity Scheme for Small Enterprise (NOSSE)" in December 2012 to upscale the first generation entrepreneurs. Under this scheme, small entrepreneurs with viable projects costing between ₹50 lakh to ₹200 lakh and requiring loan amount up to ₹ 100 lakh, are financed at concessional interest rate of 8%.

During this FY, NEDFi has assisted 381 projects (more than 70% of total projects sanctioned) under its various special schemes like NEEDS, WEDS, SNEHH and IDEA, and most of these projects have been set up by first generation entrepreneurs.

## Micro Finance

The Micro Finance Scheme is an effective instrument for financial outreach where credit is given to SHGs/JLGs and individuals through established and good NGO/MFIs of the region. It is noteworthy that upto 31<sup>st</sup> March 2013, NEDFi has sanctioned over ₹ 233 crores under the scheme covering more than 300,000 people, out of which almost 91% are women. The quality of the Micro Finance loan portfolio which stands at ₹ 116.21 crore (with gross NPA as low as 1.70%) as on 31<sup>st</sup> March, 2013 is a healthy one.

Under its Micro Finance Scheme, NEDFi has created a separate fund named the 'North East MF Support Fund for Unserved & Underserved Areas' - a separate fund under Micro Finance with

interest rate of 8%. The area of utilization of the scheme is limited to Kokrajhar, Baska, Udalguri and Chirang districts under BTAD and Karbi Anglong and Dima Hasao districts in Assam, the districts of Ukhrul, Chandel, Senapati, Tamenglong and Churachandpur in Manipur besides all districts in the remaining 6 states of the North East. A total amount of ₹ 30 crores have been disbursed during the year to 23 NGO/MFIs who have on-lent to 7371 groups covering 27650 women beneficiaries, out of which 56% and 4% belong to the ST and SC category respectively.

NEDFi is also in the process of associating with other socio development agencies like the National Scheduled Castes Finance & Development Corporation (NSCFDC) and National Handicapped Finance and Development Corporation (NHFDC) for reaching out to the weaker sections of the society.

### **Capacity building support to NGO/MFIs:**

To install better technical and management skills among the intermediaries i.e. NGO/MFIs, NEDFi has been helping them in their capacity building by providing training on Microfinance, delinquency management, credit management and risk management etc. NEDFi's MF team has also developed 2 (two) in house training modules and provided the training to NGO/MFIs. The modules are:

- i) Micro Finance for Beginners –to start-up NGOs; and
- ii) Managing Micro Finance Module –I - for the existing MFIs. The programme basically deals with loan tracking, monitoring, delinquency management and performance analysis.

During FY 2012-13, NEDFi undertook four training programmes in four different states of the NER to upgrade the skills of the NGO/ MFIs of the region. The detail is as follows:

SN	State	Place	No of participants
1	Arunachal Pradesh	Itanagar	34
2	Sikkim	Gangtok	26
3	Assam	Silchar	19
4	Meghalaya	Shillong	14

### **Business Development Initiatives**

The Corporation has taken initiatives to reach out to the young generation by organizing business/ entrepreneur meets in all NE states, with the objective of helping and encouraging entrepreneurs of the Region. These business meets are organized to educate people about the Corporation, its role and functions and the different schemes provided by the Corporation under which entrepreneurs can receive financial assistance. The following are some of the initiatives in this regard:

#### **A) Promotion of Entrepreneurship:**

##### **Business Facilitation Centres:**

To provide guidance and assistance to first generation entrepreneurs, who 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, NEDFi has set up Eight (8) Business Facilitation Centres (BFCs) at Aizawl (Mizoram), Gangtok (Sikkim), Shillong (Meghalaya), Silchar (Assam), Agartala (Tripura), Kohima (Nagaland), Itanagar (Arunachal Pradesh) and

Imphal (Manipur). NEDFi has engaged mentors for each of the BFCs. Credit linkage has been provided to 55 nos. of entrepreneurs with loan amounting to ₹352 lakhs through the BFCs. The handbook on “How to start a Business Enterprise” has been prepared in English and also in vernacular languages to help new entrepreneurs in the Region.

The Corporation organized training programmes for the mentors of the BFCs. The BFCs also organized need based technology exposure to the entrepreneurs. Special workshop on Semi-Mechanized Brick Technology was held at Agartala. A group of entrepreneurs from Mizoram were sent to Imphal to have practical exposure to the Semi-Mechanized Brick Technology.

### **Entrepreneurs’ Corner at NEDFi Head Office:**

To provide handholding support to the budding entrepreneurs as well as to guide the existing entrepreneurs, the Entrepreneurs’ Corner was set up in NEDFi Head Office on September 19, 2012. Till March, 2013, 182 entrepreneurs were provided guidance on various aspects of setting up new units as well as details of NEDFi’s schemes to suit entrepreneurs’ industrial requirements.

### **B) Business Development Programmes:**

The Corporation has conducted 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.

During the financial year 2012-13, NEDFi conducted 31 one-day/ two-days Business Counselling Camps/ Business Awareness Meet in all NE States where 1148 potential entrepreneurs were given one to one counseling with resource persons and NEDFi officials on the various aspects of project/ business development. List of Business meets conducted in various states during current FY are given below:

State	No. of Business meets	No. of Participants
Assam	7	425
Sikkim	5	340
Tripura	6	230
Manipur	2	158
Mizoram	5	87
Arunachal	1	62
Meghalaya	3	59
Nagaland	2	37
<b>TOTAL</b>	<b>31</b>	<b>1,398</b>

### **TEDF Studies**

NEDFi conducts various techno economic feasibility studies on proper utilization of the resources of the North Eastern Region by engaging Consultants/Experts in the field. Over the years, 64 studies were undertaken of which 63 studies have been completed. The status of the ongoing study is as follows:

Name of the Study	Name of the Consultant	Status
Study & Action Plan for promoting Fruits & Vegetables Processing industries in the state of Arunachal Pradesh	M/S Infrastructure Leasing & Financial Services Limited	Revised Mid term report submitted. The draft final report is expected to be submitted by 31 <sup>st</sup> October, 2013.

The 13<sup>th</sup> Executive Committee meeting of TEDF was held at New Delhi on 11<sup>th</sup> October 2012. A total of 11 new studies were approved to be carried out under TEDF and the list is provided below:

1. Preparation of Master Plan for development of Agriculture & Horticulture Sectors of Arunachal Pradesh along with a DPR.
2. Study on contribution of Tourism Sector (Hospitality) to the State GDP in the State of Meghalaya, Arunachal Pradesh, Assam and Sikkim.
3. Pearl Culture in Meghalaya.
4. Study on Indo-Myanmar business through Moreh viz-a-viz informal market and suggest how trade volume under informal market may be channelized to formal market, and on existing facilities of Border Trade and initiative taken up at the Land Custom Stations and preparation of action plan to promote border trade.
5. Resource mapping and study on the potential of ginger and turmeric cultivation in the State of Mizoram with reference to its value addition and marketing.
6. Study for development initiative on food processing in the North Eastern Region.
7. Study and Action plan for promoting Manipuri digital film industry in the State of Manipur.
8. Study on the Status and Prospects of IT Sector in NER.
9. Compilation of 100 Project Profiles.
10. Study on Impact Assessment of NLCPR.
11. Study on Impact Assessment of Advocacy & Publicity Schemes of Ministry of DoNER.

The preparation of 100 project profiles has been completed and published.

## Corporate Social Responsibility

The activities undertaken under the Corporation's CSR during the year 2012-13, as per the priority areas identified by the corporation are described below:

### i) Promotion of sustainable livelihood avenues:

#### *Water Hyacinth Craft Project in Assam and Meghalaya:-*

NEDFi has taken initiatives to promote local entrepreneurship through promotion of eco-friendly products in the Region. The Corporation has taken up a project with fund support from North East Council (NEC), Shillong to build capacity of 1000 artisans in the Water Hyacinth craft. During 2012-13, 42 training programmes have been conducted where 1423 participants from the Region were trained.

Following programs were organized during this period (from April, 2012 to March, 2013) for skill up gradation of the artisans:-

- 36 nos. of training programme were conducted in rural areas of Assam for capacity building of 927 artisans.
- Advance Training programme with Thai Technology was conducted during the period 25/2/2013 to 6/4/2013, in which training on new design and technology for products like bags, lampshades, varieties of baskets, and making of furniture using water hyacinth was given to selected groups of craftsmen. The four resource persons included two serving employees and two retired employees of the Dept. of Industrial Promotion, Royal Govt. of Thailand. This linkage for skill and technical up-gradation was facilitated by UNIDO.

- In addition 271 beneficiaries were trained at the Demonstration Centre cum Craft Gallery at NEDFi Haat, Ambari Guwahati.

The efforts of NEDFi to establish the Water Hyacinth Craft as a source of sustainable livelihood was recognized when it was declared the **Winner of the NABARD Rural Innovation Award -2012** in a programme organized on 17<sup>th</sup> October, 2012.

**Marketing linkage/Exhibition participation: (From April, 2012 to March, 2013)**

SN	Exhibition	Date		No of Participants
		From	To	
1	Modern Lifestyle show, Gurgaon	19.10.2012	29.10.2012	3
2	Indian Handicraft and Gift Fair (IHGF), Greater Noida (Autumn)	15.10.2012	18.10.2012	2
3	Indian Handicraft and Gift Fair (IHGF), Greater Noida (Spring)	8.2.2013	11.2.2013	2
4	India International Trade Fair (IITF), New Delhi	14.11.2012	27.11.2012	5
	<b>Total</b>			<b>12</b>

**(ii) CSR activities in Arunachal Pradesh:**

NEDFi took the initiative to develop the traditional craft of producing handmade paper from the bark of Daphne Cannabina plant practiced in Mukto village in Arunachal Pradesh. A week-long training programme was held from 2<sup>nd</sup> to 7<sup>th</sup> November, 2012. The training programme helped the craftsperson to learn the art of making value added products like writing pad, envelope, diary etc. apart from exposure to the particular types of machinery used in the process.

Another training programme on 'Making of bamboo cutlery and other decorative items was conducted on 4<sup>th</sup> March to 2<sup>nd</sup> April, 2013 at Poma village, near Itanagar, Arunachal Pradesh where 35 beneficiaries had attended the programme.

**(iii) Candle Making Project in Meghalaya:**

The 8 days programme on making commercial candles as well as decorative candles was organized from 1<sup>st</sup> to 8<sup>th</sup> October, 2012. All the beneficiaries were provided with a mould that can make 24 candles at a time and also a set of designer candle mould, with which they can make more value added products with more varieties.

**(iv) Pig Rearing Project in Nagaland:**

A pilot project for pig rearing at Toulazouma village of Nagaland was adopted by NEDFi to encourage pig rearing as a viable economic activity for sustainable livelihood. 26 families were distributed 2 piglets each in the inaugural function held on 8<sup>th</sup> February, 2013. This will be a 3 years project and each family will contribute back 2 piglets to the next group of beneficiaries. The program is further supported by quarterly awareness meeting, medical support and other necessary inputs in association with ICAR and Pig Breeding Centre, Medziphema.

**(v) Decorative Candle Project in Sikkim:**

NEDFi under its CSR initiative has developed the Namchi cluster on Designer Candle aimed at women empowerment. A pilot project was carried out from 3<sup>rd</sup> to 7<sup>th</sup> September, 2012 wherein 21 women beneficiaries were imparted training on decorative candle making. Refresher training programme was also organized for the women beneficiaries as a follow up to the earlier programme. This Pilot Project was successful, as it was found that the products had a good market and the trainees are still continuing to work on the craft.



**(vi) Doll Making Project in Tripura:**

A doll making training programme was organized in Agartala from 7<sup>th</sup> November to 18<sup>th</sup> December, 2012 where 25 beneficiaries undertook the programme under the guidance of a specialist Trainer, who has been engaged as a Mentor to provide market linkage to the beneficiaries. As a follow up, the trainees were further imparted design development and skill up-gradation training in National Institute of Design (NID), Ahmedabad.

**(vii) Promotion of entrepreneurship in Medicinal & Aromatic Plant Sector through the NEDFi R &D Centre for MAP :**

The Centre popularized the plantation of Citronella plant among 35 farmers in adjoining areas of the Centre covering 5.5 bighas of land. A training program for the farmers was held on 27<sup>th</sup> December, 2012. The extension activity involving the farmers would be backed by market linkage to ensure better return to them. The centre also provided on- farm training on Medicinal and Aromatic Plants to a group of 11 college students from College of Horticulture & Forestry, Pasighat, Arunachal Pradesh. The CFC on Water Hyacinth also organised two 5 days training programme on Natural Dye and an advanced 20 days programme on Water Hyacinth where Resource Persons from Thailand imparted training to 25 participants from different districts of Assam.

From the Centre’s own plantation it has harvested and recovered 101 Kg of Citronella oil and 101.5 Kg lemongrass oil during the period. Total revenue earned during the period including sale of essential oil, planting material and publication is ₹ 4.59 lakhs/- (Rupees four lakh fifty nine thousand only).

**(viii) Skill Training for self employment:**

**Centre for Practical Livelihood Training:** Centre for Practical Livelihood Training (CPLT) was set up by NEDFi, in association with IMC, ITI, Nalbari in August 2008 with a view to providing free and practical short-duration training to the rural educated unemployed youth in order to develop their skill to find self-employment/ wage-employment opportunities. Upto 31.03.13, CPLT conducted a total of 25 programmes on various trades, wherein more than 500 unemployed educated youth have been trained. More than 80% of the trained youth have either found gainful employment in technical trades or are self-employed. As per MORD guidelines, CPLT has established 2 RSETIs at Nalbari and Dibrugarh during the year. CPLT has also initiated skill development training programmes in all the North Eastern States.

**(ix) 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 facilitated the holding of 35 marketing fairs during the year 2012-13, as detailed below:

Yr	No of Fairs held	Sales (in ₹ Crores)	NGO	SSI	Co-op	SHG	Other	Total	Men	Women
2012-13	35	6.08	58	221	nil	90	990	1359	231	1053
Cum. Total	<b>313</b>	<b>32.15</b>	<b>772</b>	<b>1826</b>	<b>289</b>	<b>2126</b>	<b>3210</b>	<b>8223</b>	<b>1536</b>	<b>6609</b>

The Corporation also provides marketing support and linkages to the local artisans/ entrepreneurs by facilitating participation in NEDFi Haat, various exhibitions/ trade fairs like India International Trade Fair (IITF), New Delhi; Indian Handicraft and Gift Fair (IHGF) at India Exposition Mart, Greater Noida; SAARC Fair, other various national & international exhibitions.

### **(x) Showcasing of products through participation in exhibitions/fairs:**

During FY 2012-13, NEDFi sponsored participation of units from NER in exhibitions/ fairs for market linkage like Hornbill festival, Handloom & handicraft Fair at NEDFi Haat, Industries & Commerce Fair at Agartala, Fairs in Mizoram & Guwahati, etc.

### **(xi) Support to socially relevant causes:**

- Celebration of World Environment Day at Sabitri Bharali School, Odalbakra.
- Observed Children's Day at Ashadeep Mental Rehab Centre for the special children.
- Celebrated National Productivity Week from 12-18<sup>th</sup> Feb, 2013 at Head office and also organized the Theme presentation for employees on "Productivity & Innovation – Enablers for Emerging Economy".
- Participated in Career Fair at Kahilipara Police Compass organized by Assam Police Wives Welfare Association.

## **Nodal Agency Role**

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

### ➤ **Central Subsidies:**

*(Rupees in Crore)*

<b>Scheme</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>Cumulative as on 31/03/2013</b>
Central Transport Subsidy (CTS)	342.26	228.42	2248.38
Central Capital Investment Subsidy (CCIS)	0.61	128.40	330.44
Central Interest Subsidy (CIS)	11.98	24.99	147.15
Central Comprehensive Insurance Subsidy	2.74	0.94	11.10
<b>TOTAL</b>	<b>357.59</b>	<b>382.75</b>	<b>2737.07</b>

## **Consultancy And Advisory Services**

Fee-based services form a significant proportion of the business income of a present-day Financial Institution. The Advisory & Consultancy Department of NEDFi has executed and is currently executing several prestigious consultancy assignments in various states of North East India in the fields of Evaluation & Monitoring of Infrastructure Projects, Development Planning, Project Management, Engineering design, Business Plan preparation, Impact Assessment Studies and Bid Process Management. The plan is to make stable non-interest income to form a major part of NEDFi's operating income.

NEDFi has been awarded with several assignments during the financial year 2012-13. The list of project acquisition by NEDFi during the April, 2012 to March' 2013 as well as the other on-going projects are:

- Third Party Monitoring of SPA (2010-2011) projects [Total Projects = 206 Nos. -171 Nos. of District specific Projects in Eastern Districts of Arunachal Pradesh & 35 Nos. of

- Multi-cluster projects]
- DPR preparation works for Rural Roads/Bridges under PMGSY in the districts of Tinsukia, Dibrugarh and Morigaon (150 Km)
  - Policy Impact Study of NERCORMP
  - Performance Evaluation Studies of works completed by Brahmaputra Board during 11<sup>th</sup> Five Year Plan (2007-2012)
  - Conducting a Technical Feasibility Study for World Vision India, Guwahati for small business and employment opportunities
  - Preparation of State Strategic Statistical Plan (SSSP) in Tripura
  - Critical Evaluation of EDF projects in NER by APEDA
  - Bid Process Management for preparation of Comprehensive Development Plan for Majuli island in the state of Assam
  - DPR Vetting of Report prepared by Oil India Limited for setting up of a Natural Gas based Power Plant in Kumchai, Changlang, Arunachal Pradesh
  - Third party monitoring, evaluation & impact assessment of EGM schemes across various districts of Assam
  - There are about 10 more on-going projects which are related to third part monitoring for Govt. of Arunachal Pradesh, performance evaluation for schemes under Flood management programme for Govt.of Assam, State Strategic Statistical Plan for Meghalaya, Consultancy Services for development of IT Park, etc.

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

To explore the opportunities and enhance the expertise for providing consultancy services in infrastructure development sector in North Eastern Region of India, NEDFi has signed an MoU with RITES, a Government of India enterprise, under the aegis of Indian Railways.

## HRD Initiatives

- **Manpower:** Total strength of employees in all categories as on date is 31<sup>st</sup> March, 2013 is 107 (one hundred seven).
- **Training :** Training has been provided to officers in the different grades in reputed institutions like ICSI, Mumbai, EDI, Ahmedabad, IIBM, Guwahati, ICAI, Hyderabad, IRMA, Gujarat, etc in areas like Risk, Regulation & Compliance, Project appraisal, monitoring & follow-up, Library Management, Advance Tax, TDS & tax planning, Appraisal & monitoring of MFIs, etc.

## NEDFi's Convention Centre

**NEDFi Convention Centre:** A total of 130 events took place in the Convention centre during the year with participation of organizations like Silk Mark, GMA, New India Assurance Company, North East Space Application Centre, Sarba Siksha Abhijan, BCPL, CII, LIC, BHU Alumni Association Oil India, TCS, Excel Centre etc. Total collection received was Rs.35,18,731/- (thirty five lakh eighteen thousand seven hundred thirty one only).

## NER Databank

NEDFi is maintaining a web based portal called "NER Databank" with a view to providing 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/>. The NEDFi web site has been redesigned and developed and the same was inaugurated by Former Chairmen of



NEDFi Dr. Jayanta Madhab, Sh. J P Saikia and Sh. K N Hazarika on its seventeenth Foundation Day on 9<sup>th</sup> Aug, 2012

## NEDFi Databank Quarterly Journal

The Corporation publishes “NEDFi Databank Quarterly Journal” - an economic journal on the North Eastern region on various sectors. NEDFi Databank Quarterly is an effort to attract investments and business to the region as well as be of use for research/study for students, policy makers and business persons. So far, 25 sectors specific to the North East Region have been covered.

## New Thrust Areas

- **Resource Augmentation:** To augment its lending activities substantially, the Corporation is exploring various avenues for raising its resources. NEDFi has signed a Memorandum of Agreement with NABARD on 5<sup>th</sup> Oct, 2012 for its refinance scheme for grant of financial assistance for promoting agriculture and rural development in NE Region. Refinance support from SIDBI will also continue.
- The Corporation also signed a Memorandum of Agreement on 10<sup>th</sup> Oct, 2012 with the National Handicapped Finance and Development Corporation, to act as a Channelising Agency for providing financial assistance to “Persons with Disabilities” (PwDs) for the purpose of the income generating schemes. NEDFi has also tied up with other socio development agencies like The National Scheduled Castes Finance & Development Corporation (NSCFDC) for reaching out to the under privileged sections of the society.
- **Promotion of MSE sector through business counselling & networking:** The Corporation is focussing on providing the necessary impetus in harnessing the dormant potential and targeting first generation entrepreneurs of the Region. In this connection, a series of business meets/ counseling camps have been conducted in all the North East states.
- **Network expansion and branch strengthening** being one of our priority areas, we have increased our geographical outreach considerably by opening four new branch Offices during the last two years taking the total number of branches to fourteen. We are focusing on further expansion of our network, on strengthening our Branches and empowering them to reduce turn around time in decision making by rationalizing processes and procedures.

## 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 28th September 2012, Dr. R.K. Baisya, and Dr. R.B. Barman were re-appointed.

During the year Sarbasree U.K. Sangma, IAS, S.K. Roy and Rohtash Singh, Director, relinquished their office as Directors. The Board has placed on record its appreciation of the services rendered by Sarbasree U.K. Sangma, IAS, S.K. Roy and Rohtash Singh during their respective tenure at NEDFi.

Sri H. Bhargava, Zonal Manager, Life Insurance Corporation of India, Kolkata, has been appointed as Director on the Board of Director of NEDFi with effect from 24th May 2013. Sri Bhargava will hold office as Director of NEDFi upto the ensuing Annual General Meeting. The Company has received a notice from LIC of India (member) signifying its intention to propose the candidature of Sri Bhargava for the office of Director. Necessary resolution in this regard has been incorporated in the notice for Eighteenth Annual General Meeting.

Sri A. Luikham, IAS, Secretary, North Eastern Council (NEC), Shillong has been appointed as

Director on the Board of Director of NEDFi with effect from 24th May, 2013. Sri Luikham will hold office as Director of NEDFi upto the ensuing Annual General Meeting. The Company has received a notice from IDBI (member) signifying its intention to propose the candidature of Sri Luikham for the office of Director. Necessary resolution in this regard has been incorporated in the notice for Eighteenth Annual General Meeting.

Sri P.R. Meshram, Director, Ministry of Development of North Eastern Region, New Delhi, was appointed as Director on the Board of NEDFi with effect from 14th August 2013. Sri Meshram will hold office as Director of NEDFi upto the ensuing Annual General Meeting. The Company has received a notice from IDBI (member) signifying its intention to propose the candidature of Sri Meshram for the office of Director. Necessary resolution in this regard has been incorporated in the notice for Eighteenth Annual General Meeting.

As per the provisions of Section 256 of the Companies Act 1956, Dr. S.K. Panda, IAS, and Smt. R. Ongmu, IAS, Chief Secretary to the Government of Tripura and Sikkim respectively will retire by rotation at the ensuing Annual General Meeting.

## **Audit Committee**

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

## **Sanctioning Committee**

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

## **Corporate Credit Committee**

In conformity with the principle of delegation of financial and administrative powers, the Corporate Credit Committee (I), Corporate Credit Committee (II) and Corporate Credit Committee (III) have been constituted for speedy disposal of proposals. Credit Proposals having loan component upto (i) Rs. 2 crore (ii) Rs. 50 lakh and (iii) Rs.10 lakh are placed before Corporate Credit Committee (I), Corporate Credit Committee (II) and Corporate Credit Committee (III) respectively. Seven Corporate Credit Committee (I) meetings, twenty six Corporate Credit committee (II) meetings were held during the year and seven 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, 2013, 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, 2013 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 2012-2013 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, 2013, 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, 2013 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 2013
- 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 : 25-05-2013



# 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 where 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, ₹10.00 Crore from NBCFDC and ₹22.65 Crore from SIDBI during last year and its term & conditions are not prima facie prejudicial to the interest of the company. The maximum amount outstanding during the year was ₹537.72 Crore and the balance as on 31st March, 2013 was ₹537.72 Crore.
  - 4.a) In our opinion and according to the explanations and information given to

us, there are reasonable internal control system commensurate with the size of 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 respect of 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 31.03.2013 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 undisputed amount payable in respect of the dues of Sales Tax/ Custom duty/ Wealth Tax/ Service Tax/ Excise duty/ Cess were outstanding as at 31.3.2013 , 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 by the Income Tax department is pending before the Income Tax Appellate Tribunal, Guwahati and ₹2,032,677/- in respect of Service Tax against which an appeal is pending before the Addl. Commissioner of Service Tax.
- 10) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
  - 11) Based on our audit procedures and according to the information and explanation given to us the Company has no dues to financial institutions, banks or debenture holders.
  - 12) According to the information and explanation given to us no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
  - 13) According to the information and explanation given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
  - 14) According to the information and explanation given to us, the company does not deal or trade in shares, debentures, Securities & Other investments. The share, debentures and other 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 loan from Central Government as well as loans from NBCFDC and SIDBI. The loans have 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.

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



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

Place: Guwahati  
Date : 25.05.2013

## 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 2013.

The preparation of financial statements of North Eastern Development Finance Corporation Limited, Guwahati for the year ended 31 March 2013 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 25 May 2013.

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 2013. 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 : 1 July 2013



(Nandana Munshi)

Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board-I, Kolkata



## Balance Sheet as at 31<sup>st</sup> March 2013

Particulars	Note No.	As at 31 March, 2013 (₹)	As at 31 March, 2012 (₹)
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	1,000,000,070	1,000,000,070
(b) Reserves and surplus	2	4,181,257,630	3,611,054,121
(c) Money received against share warrants		-	-
<b>2 Share application money pending allotment</b>			
		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	3	5,282,937,471	4,447,925,860
(b) Deferred tax liabilities (net)	4	122,707,204	91,084,528
(c) Other long-term liabilities		-	-
(d) Long-term provisions	5	505,563,783	436,755,893
<b>4 Current liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables	6	-	-
(c) Other current liabilities	7	209,509,459	610,361,629
(d) Short-term provisions	8	362,043,146	302,543,464
<b>TOTAL</b>		<b>11,664,018,763</b>	<b>10,499,725,565</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	291,827,334	301,813,027
(ii) Intangible assets		-	-
(iii) Capital work-in-progress	10	4,031,250	-
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale		-	-
(b) Non-current investments	11	35,000,000	35,000,000
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	12	10,102,508,933	8,411,927,788
(e) Other non-current assets	13	1,705,649	815,829
<b>2 Current assets</b>			
(a) Current investments	14	54,947,590	52,075,515
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and Cash equivalents	15	671,902,441	1,231,011,787
(e) Short-term loans and advances	16	84,387,151	57,600,347
(f) Other current assets	17	417,708,415	409,481,272
<b>TOTAL</b>		<b>11,664,018,763</b>	<b>10,499,725,565</b>
<b>Significant Accounting Policies and Notes on Financial Statements</b>	1 to 32		-

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 : 25<sup>th</sup> May, 2013

For and on behalf of the Board of Directors



(B.P. Muktieh)  
Chairman cum Managing Director



(P.K. Biswas)  
Director

Place : Guwahati  
Date : 24<sup>th</sup> May, 2013



(S.K. Baruah)  
Company Secretary


## Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2013

Particulars	Note No.	For the year ended 31 March, 2013 (₹)	For the year ended 31 March, 2012 (₹)
<b>CONTINUING OPERATIONS</b>			
Revenue from Operation	18	1,152,997,925	998,165,668
Other Income	19	68,524,151	34,900,965
<b>Total Revenue</b>		<b>1,221,522,076</b>	<b>1,033,066,633</b>
<b>Expenses</b>			
(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	129,630,442	108,145,978
(e) Finance costs	22	30,927,734	3,504,826
(f) Depreciation and amortisation expense	9	26,985,256	30,340,671
(g) Other expenses	21	120,542,431	85,607,013
<b>Total expenses</b>		<b>308,085,863</b>	<b>227,598,488</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>913,436,213</b>	<b>805,468,145</b>
Exceptional items		-	-
<b>Profit / (Loss) before extraordinary items and tax</b>		<b>913,436,213</b>	<b>805,468,145</b>
Extraordinary items		2,181	(139,582)
<b>Profit / (Loss) before tax</b>		<b>913,434,032</b>	<b>805,328,563</b>
<b>Tax expense:</b>			
(a) Current tax expense for current year		272,000,000	228,000,000
(b) (Less): MAT credit (where applicable)		-	-
(c) (Less): Current tax expense relating to prior years		(10,648,111)	6,008,676
(d) Net current tax expense		261,351,889	221,991,324
(e) Deferred tax		31,622,675	31,317,870
		<b>292,974,564</b>	<b>253,309,194</b>
<b>Profit / (Loss) from continuing operations (A)</b>		<b>620,459,468</b>	<b>552,019,369</b>
<b>DISCONTINUING OPERATIONS</b>			
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		-	-
<b>Profit / (Loss) from discontinuing operations (B)</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) for the year (A+B)</b>		<b>620,459,468</b>	<b>552,019,369</b>

## Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2013 (contd.....)

Particulars	Note No.	For the year ended 31 March, 2013 (₹)	For the year ended 31 March, 2012 (₹)
<b>Earnings per share (of ₹ 10/- each):</b>	23		
Basic & Diluted			
(i) Continuing operations		6.20	5.52
(ii) Total operations		6.20	5.52
<b>Earnings per share (excluding extraordinary items) (of ₹ 10/- each):</b>			
Basic & Diluted			
(i) Continuing operations		6.20	5.52
(ii) Total operations		6.20	5.52
<b>Significant Accounting Policies and Notes on Financial Statements</b>	1 to 32		

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 : 25<sup>th</sup> May, 2013

For and on behalf of the Board of Directors

  
**(B.P. Muktieh)**  
Chairman cum Managing Director

  
**(P.K. Biswas)**  
Director

Place : Guwahati  
Date : 24<sup>th</sup> May, 2013

  
**(S. K. Baruah)**  
Company Secretary

## Cash Flow Statement for the year ended 31<sup>st</sup> March 2013

(₹ in '000)

	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>Cash flows from Operating activities</b>		
Net profit before income tax	913,434	805,329
Adjustment for:		
Depreciation charge for the year	26,985	30,341
Loans Provisions & Write offs	66,131	33,427
Provision / write off for unrealized rent and electric charges	-	-
Fixed Assets written off	21	611
Write off of CWIP and UNDP Account	-	303
Dividend received	(200)	(500)
Expenses of Reserve for Market & Entrepreneurial Dev.	-	(70)
Provision for Gratuity and Leave Encasement	11,322	15,528
Net income/(expenditure) of Social Support Fund	-	103
Operating profit before working capital changes	1,017,693	885,072
Adjustments for:		
(Increase) / Decrease in Advances	(1,691,744)	(1,827,964)
(Increase) / Decrease in Other Current Assets & Advances	(50,526)	(50,659)
Increase / (Decrease) in Other liabilities and Provisions	(4,874)	20,199
Cash Flow from operations	(729,451)	(973,353)
Direct Taxes paid (net of refund received)	(211,585)	(202,495)
<b>Net cash flow / (used in) from operating activities</b>	<b>(941,036)</b>	<b>(1,175,848)</b>
<b>Cash flows from Investing activities</b>		
(Increase) / Decrease in Investment	2,500	(30,000)
Increase in Capital Work in Progress	(4,031)	-
Purchase of fixed assets (net of sales)	(18,514)	(34,748)
Dividend Received	200	500
<b>Net cash flow / (used in) from Investing activities</b>	<b>(19,845)</b>	<b>(64,248)</b>
<b>Cash flows from Financing activities</b>		
Dividend and Dividend Tax paid	(69,734)	(46,644)
Increase / (Decrease) in Borrowings	912,579	973,493
<b>Net cash flow / (used in) from financing activities</b>	<b>842,845</b>	<b>926,849</b>
Net increase in cash and cash equivalents from Operating, Investing and Financing Activities	(118,036)	(313,247)
<b>Cash flows from Nodal Agency and Implementing Agency Activities</b>		
Net Income / (Expenditure) of TEDF	28,396	22,072
(Increase) / Decrease in Investments	(816)	81,742
(Increase) / Decrease in Current Assets	8,856	(970)
Increase / (Decrease) in Growth Centre, Central Subsidy and other Central Funds	(472,953)	130,138
<b>Net Increase in cash &amp; cash equivalent from Nodal Agency activity</b>	<b>(436,517)</b>	<b>232,982</b>
<b>Net increase in cash and cash equivalents</b>	<b>(554,553)</b>	<b>(80,265)</b>

## Cash Flow Statement (contd.....)

<b>Cash and cash equivalents at beginning of period</b>		
- Own funds	988,516	1,165,748
- Nodal Agency and Implement Agency funds	248,813	151,846
<b>Cash and cash equivalents at end of period</b>		
- Own funds	398,948	988,516
- Nodal Agency and Implement Agency funds	283,828	248,813
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	10,873	6,318
<b>Cash and bank balances</b>		
Cash in hand	480	490
Balance at Bank		
- With Scheduled Bank		
(i) In Current Account	264,467	637,025
(ii) In Fixed Deposits	125,000	345,000
Balance at Bank (TEDF)		
- With Scheduled Bank		
(i) In Current Account	6,955	5,039
(ii) In Fixed Deposits	275,000	243,457
	<b>682,775</b>	<b>1,237,329</b>

In terms of our report of even date annexed

For and on behalf of the Board of Directors

**For Saraswati & Co.**  
Chartered Accountants



**(CA Ashok Kumar Agarwala)**  
Partner

M. No. 53233  
FRN 317097E

Place : Guwahati  
Date : 25<sup>th</sup> May, 2013



**(B. P. Muktieh)**  
Chairman cum Managing Director



**(P. K. Biswas)**  
Director

Place : Guwahati  
Date : 24<sup>th</sup> May, 2013



**(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 installment 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 is accounted on cash basis except interest on fixed deposit which is 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 as Gross Advances without deducting any provisions made on non performing assets. Interest on non performing advances is netted off and not recognized in the profit & loss account until actually received. Provision for standard, sub standard, doubtful and loss assets and floating provisions is included under "Long Term Provisions". 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 encasement 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 encasement 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 is 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 31<sup>st</sup> March, 2013

#### Note 1 :SHARE CAPITAL

PARTICULARS	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b>				
Equity shares of ₹ 10/- each	500,000,000	5,000,000,000	500,000,000	5,000,000,000
<b>(b) Issued, Subscribed, Called up &amp; Paid up Capital</b>				
Equity shares of ₹ 10/- each	100,000,007	1,000,000,070	100,000,007	1,000,000,070
<b>TOTAL (₹)</b>	<b>100,000,007</b>	<b>1,000,000,070</b>	<b>100,000,007</b>	<b>1,000,000,070</b>

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, 2013		As at 31 March, 2012	
	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, 2013	As at 31 March, 2012
	₹	₹
<b>(a) Reserve for Market &amp; Entrepreneurial Development *</b>		
Opening Balance	-	19,362,178
Less : Utilised during the Year	-	70,000
Less : Transferred to General Reserve	-	19,292,178
Closing balance	-	-
<b>(b) Social Support Fund *</b>		
Opening Balance	-	33,662,217
Add : Income	-	462,600
Less : Utilised During the Year	-	359,388
Less : Transferred to General Reserve	-	33,765,429
Closing balance	-	-

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
<b>(c) North East Equity Fund</b>		
Fund balance	79,870,500	79,870,500
Less : Bad Loans written Off	7,058,958	7,058,958
Less : Provision against Soft Loans under NEEDS	14,093,135	17,697,779
Closing balance	<b>58,718,407</b>	<b>55,113,763</b>
<b>(e) Statutory Reserve under RBI Act,1934</b>		
Opening Balance	461,687,880	351,284,006
<b>Add:Transferred from P/L Account</b>	124,091,895	110,403,874
Closing balance	<b>585,779,775</b>	<b>461,687,880</b>
<b>(f) Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961</b>		
Opening Balance	256,734,772	168,312,113
Add:Transferred from P/L Account	106,898,153	88,422,659
Closing balance	<b>363,632,925</b>	<b>256,734,772</b>
<b>(g) Venture Capital Fund:</b>		
Fund Balance	70,000,000	70,000,000
Add:Transferred from General Reserve #	38,096,174	34,785,979
Closing balance	<b>108,096,174</b>	<b>104,785,979</b>
<b>(h) General reserve</b>		
Opening balance	2,382,402,396	2,094,130,768
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	300,000,000	270,000,000
Less: Utilised / transferred during the year for:		
Others : Transferred to Venture Capital Fund	3,310,195	34,785,979
Closing balance	<b>2,679,092,201</b>	<b>2,382,402,396</b>
<b>(i) India Exposition Mart Stalls</b>		
Opening balance	21,457,339	22,405,165
Add: Additions / transfers during the year	-	-
<b>Less: Utilisations / transfers during the year</b>	900,435	947,826
Closing Balance	<b>20,556,904</b>	<b>21,457,339</b>
<b>(j) Techno Economic Development Fund</b>		
Opening balance	305,774,051	282,440,080
Add: Additions / transfers during the year	28,460,248	22,531,311
Less: Utilisations / transfers during the year	64,666	(802,660)
Closing Balance	<b>334,169,633</b>	<b>305,774,051</b>
<b>(k) CSR Reserve **</b>		
	<b>26,816,162</b>	<b>16,337,493</b>
<b>(l) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	6,760,448	9,638,605
Add: Profit / (Loss) for the year	620,459,468	552,019,369
Amounts transferred from:		
General reserve	-	-
Other reserves (give details)	-	-
Less: Interim dividend	-	-
Dividends proposed to be distributed to equity shareholders (₹ per share)	70,000,000	60,000,000
Tax on dividend	11,355,750	9,733,500
Transferred to:		

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
CSR Reserve	10,478,669	16,337,493
General reserve	300,000,000	270,000,000
Statutory Reserve under RBI Act, 1934	124,091,895	110,403,874
Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961	<b>106,898,153</b>	<b>88,422,659</b>
Closing Balance	<b>4,395,449</b>	<b>6,760,448</b>
<b>Total (₹)</b>	<b>4,181,257,630</b>	<b>3,611,054,121</b>

\*\* The Board in its meeting held on 26th May, 2012 approved a budgetary provision of 5% of net profit of FY 11-12 towards CSR activity. The provision was non lapsable in nature. Accordingly, the total unspent amount has been provided as CSR Reserve.

# On the advice of Principal Director of Commercial Audit (C & AG), the interest on unutilised amount for 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, 2013	As at 31 March, 2012	REMARK
	₹	₹	
<b>Secured</b>			
Loan from NBCFDC *	143,214,301	83,333,333	1. Secured against FD of ₹ 12.50 Crore and PDCs. 2. Repayable in 17 quarterly instalments starting from September, 2012.
	<b>143,214,301</b>	<b>83,333,333</b>	
<b>Unsecured</b>			
Interest free loan from Govt. of India	4,691,100,000	4,091,100,000	1. Repayable after 15 years as per instalment received 2. First instalment due in FY 2017-18.
Loan From SIDBI**	448,623,170	273,492,527	1. Repayable in 19 quarterly instalments starting from September, 2013.
	<b>5,139,723,170</b>	<b>4,364,592,527</b>	
<b>Total</b>	<b>5,282,937,471</b>	<b>4,447,925,860</b>	

\* Loan from NBCFDC was ₹ 20 Crore, out of which ₹ 1.39 Crore has already been repaid. The instalments due within 12 months has been shown under 'Other Current Liabilities' and the balance has been shown above.

\* Loan from SIDBI is ₹ 50 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, 2013	As at 31 March, 2012
	₹	₹
<b>Deferred Tax Liability</b>		
Relating to Fixed Assets	4,726,500	3,794,705
Relating to Special Reserve	117,980,703	87,289,822
<b>Total</b>	<b>122,707,203</b>	<b>91,084,527</b>



**NOTE 5 : LONG TERM PROVISIONS**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
<b>A. Provision for employee benefits</b>		
Provision for Leave Encashment	38,655,534	29,344,832
Provision for Gratuity	7,254,019	9,120,643
	<b>45,909,553</b>	<b>38,465,475</b>
<b>B. Others</b>		
Provision for Standard Assets	42,468,238	39,971,752
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	86,130,964	35,221,209
Provision Against Doubtful Assets	197,943,936	199,455,734
Provision Against Loss Assets	108,375,019	98,905,650
	<b>459,654,230</b>	<b>398,290,418</b>
<b>Total</b>	<b>505,563,783</b>	<b>436,755,893</b>

**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, 2013	As at 31 March, 2012
	₹	₹
Sundry creditors (for expenses)	8,902,105	24,678,497
Sundry creditors (for capital expenditure)	1,247,777	1,840,703
Current maturities of Long Term Loan (NBCFDC)	42,857,130	16,666,667
Current maturities of Long Term Loan (SIDBI)	51,376,830	-
Other liabilities	17,785,090	10,213,179
MEFC- R & D Training Fund	1,628,187	1,628,187
Interest payable on Loans	3,050,085	1,857,263
Central Subsidies	73,467,870	546,420,600
Security Deposit	9,150,616	7,012,764
NE Trade Expo Fund	43,768	43,768
<b>Total</b>	<b>209,509,458</b>	<b>610,361,628</b>

**NOTE 8: SHORT TERM PROVISION**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
<b>A. Provision for Employee Benefits</b>		
Provision for Leave Encashment	5,454,075	4,253,704
Provision for Gratuity	3,233,321	556,260
	<b>8,687,396</b>	<b>4,809,964</b>
<b>B. Others</b>		
Proposed Dividend	70,000,000	60,000,000
Additional Tax on Dividend	11,355,750	9,733,500
Provision for Income Tax	272,000,000	228,000,000
	<b>353,355,750</b>	<b>297,733,500</b>
<b>Total</b>	<b>362,043,146</b>	<b>302,543,464</b>

**Note 9: FIXED ASSETS**

Particulars	GROSS BLOCK			Depreciation / Amortisation				NET BLOCK		
	As at 31st Mar, 2012	Additions	Disposals	As at 31st Mar, 2013	As at 31st Mar, 2012	For the Year	Eliminated on disposal	Upto 31st Mar, 2013	As At 31st Mar, 2013	As At 31st Mar, 2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Tangible Assets</b>										
Freehold Land	16,969,592	0	0	16,969,592	0	0	0	0	16,969,592	16,969,592
Building *	184,805,911	7,970,609	0	192,776,520	15,095,934	8,602,593	0	23,698,527	169,077,993	169,709,977
RCC Bridge	1,578,377	0	0	1,578,377	129,038	72,467	0	201,505	1,376,872	1,449,339
Air Conditioning System	28,998,067	7,564,875	0	36,562,942	6,355,008	3,230,372	0	9,585,380	26,977,562	22,643,059
Electrical Installation	26,067,761	344,975	0	26,412,736	5,915,522	2,842,744	0	8,758,266	17,654,470	20,152,239
Fire Alarm System	3,673,341	0	0	3,673,341	805,023	398,983	0	1,204,006	2,469,335	2,868,318
Lift	7,956,378	0	0	7,956,378	1,743,663	864,189	0	2,607,852	5,348,526	6,212,715
Machineries	6,954,621	217,199	18,865	7,152,955	4,649,477	342,923	15,725	4,976,675	2,176,280	2,305,144
UPS System	1,490,229	0	0	1,490,229	294,808	166,283	0	461,091	1,029,138	1,195,421
Water Installation System	1,588,014	0	0	1,588,014	348,017	172,483	0	520,500	1,067,514	1,239,997
Furniture & Fixture	8,862,503	463,887	107,028	9,219,362	6,845,305	424,607	42,893	7,227,019	1,992,344	2,017,199
Interior Furnishing & Fittings	68,293,118	421,913	0	68,715,031	18,994,870	8,980,765	0	27,975,635	40,739,396	49,298,248
Vehicle	1,462,224	0	0	1,462,224	381,643	279,762	0	661,405	800,819	1,080,581
Office Equipments	4,001,212	506,887	50,935	4,457,164	1,964,085	330,565	44,243	2,250,407	2,206,757	2,037,127
Computers	13,963,900	485,812	65,600	14,384,112	11,329,828	1,176,885	63,338	12,443,375	1,940,737	2,634,072
<b>Total:</b>	<b>376,665,248</b>	<b>17,976,157</b>	<b>242,428</b>	<b>394,398,977</b>	<b>74,852,221</b>	<b>27,885,621</b>	<b>166,199</b>	<b>102,571,643</b>	<b>291,827,334</b>	<b>301,813,027</b>
Figures for the previous year	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

\* 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, 2013	As at 31 March, 2012
	₹	₹
Air Conditioning works at Office Building	4,031,250	-
<b>Total</b>	<b>4,031,250</b>	<b>-</b>

**Note 11 :NON CURRENT INVESTMENTS**

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	₹		₹	
<b>Investments in Equity Instruments</b>				
<b>Quoted</b>				
<b>Premier Cryogenics Ltd.</b>				
Quoted at Cost (Fair value ₹99,02,000/- - Not traded -2012-13)				
(2,00,000 shares of 10/- each)		2,000,000	2,000,000	
<b>Total (A)</b>		<b>2,000,000</b>	<b>2,000,000</b>	
<b>Unquoted</b>				
<b>Gauhati Neurological Research Centre Ltd.</b>		2,500,000	2,500,000	
(Unquoted at cost 250,000 shares @ 10/- per share, fair value ₹7,515,000/-)				
<b>Konoklota Mahila Urban Co-Op Bank Ltd.</b>		500,000		500,000
(Unquoted at cost 5,000 shares @ 100/- per share, fair value ₹ 948,500/-)				
<b>Exotic Juices Ltd.</b>				
(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	-
<b>DSS eContact Ltd.</b>				
(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	-
<b>RGVN (North East) Microfinance Ltd.</b>				
(Unquoted at cost 3,000,000 Equity Shares @ 10/- per share, fair value ₹40,800,000/-)		30,000,000		30,000,000
<b>Total (B)</b>		<b>33,000,000</b>		<b>33,000,000</b>
<b>TOTAL(A+B)</b>		<b>35,000,000</b>		<b>35,000,000</b>
	<b>Amount (₹)</b>	<b>Market Value (₹)</b>	<b>Amount (₹)</b>	<b>Market Value (₹)</b>
Aggregate amount of quoted investments and market value thereof	2,000,000	9,902,000	2,000,000	8,432,000
Aggregate amount of unquoted investments	40,600,000	-	40,600,000	-
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 as per the latest Balance Sheet. 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, 2013	As at 31 March, 2012
	₹	₹
<b>CAPITAL ADVANCES</b>		
Term Loans		
Secured (Considered Good)	471,675,000	379,065,000
Unsecured (Considered Good)	8,883,180,516	7,560,594,467
Doubtful	715,925,728	427,011,205
Soft Loan under NEEDS		
Secured (Considered Good)	16,140,097	26,694,101
Unsecured (Considered Good)		
Doubtful	15,587,592	18,563,015
<b>TOTAL(₹)</b>	<b>10,102,508,933</b>	<b>8,411,927,788</b>

**NOTE 12.1: LOAN PORTFOLIO CLASSIFICATION AND PROVISIONING**

Category	2011-13		2010-12	
	Loan Outstanding	Provisioning	Loan Outstanding	Provisioning
	₹	₹	₹	₹
Standard	9,370,995,583	42,468,240	7,966,353,568	39,971,754
Sub Standard	344,523,850	86,130,963	147,212,836	35,221,209
Doubtful	278,614,481	197,943,936	199,455,734	199,455,734
Loss	108,375,019	108,375,019	98,905,650	98,905,650
<b>Total</b>	<b>10,102,508,933</b>	<b>434,918,158</b>	<b>8,411,927,788</b>	<b>373,554,347</b>

**NOTE 13: OTHER NON CURRENT ASSETS**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
Security Deposit		
Secured (Considered Good)	-	-
Unsecured (Considered Good)	1,705,649	815,829
Doubtful		
<b>Total</b>	<b>1,705,649</b>	<b>815,829</b>

**NOTE 14: CURRENT INVESTMENT**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
<b>Investment in Mutual Funds:</b>		
SBIMF - Capital Protection Oriented Fund (250,000 units, Value as on 31.03.2012 ₹2,890,325/-)	-	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
HDFC Mutual Fund - Short Term Opportunities Fund (710,137.6089 units, Value as on 31.03.2013 ₹ 9,000,568/-)	9,000,000	-
UTI Mutual Fund - Treasury Advantage Fund (TEDF) (1226.4093 units, Value as on 31.03.2013 ₹3,623,005/-)	1,873,310	317,912



UTI Mutual Fund - Fixed Maturity Plan (TEDF) (655879.6329 units, Value as on 31.03.2013 ₹10,580,650/-)	10,000,000	10,000,000
UTI Mutual Fund - Fixed Term Income Plan (TEDF) (1,500,000 units, Value as on 31.03.2013 ₹15,219,000/-)	15,000,000	15,000,000
UTI Mutual Fund - Fixed Term Income Fund (TEDF) (907427.9960 units, Value as on 31.03.2013 ₹ 9,846,955/-)	9,074,280	8,257,603
SBI Mutual Fund - SDFS 367 Days (TEDF) (1,000,000 units, Value as on 31.03.2013 ₹ 10,608,100/-)	10,000,000	10,000,000
<b>Total</b>	<b>54,947,590</b>	<b>52,075,515</b>

**NOTE 15 :CASH AND CASH EQUIVALENTS**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
<b>Balance at Bank</b>		
-With Scheduled Bank		
(i) In Current Account	264,467,601	637,025,457
(ii) In Fixed Deposits	-	220,000,000
	264,467,601	857,025,457
<b>Balance at Bank (TEDF)</b>		
-With Scheduled Bank		
(i) In Current Account	6,954,646	5,038,721
(ii) In Fixed Deposits	70,000,000	80,000,000
	76,954,646	85,038,721
<b>Cash in hand</b>	480,194	490,476
<b>Others</b>		
In Fixed Deposits held as Security against borrowing from NBCFDC	125,000,000	125,000,000
In Fixed Deposits with maturity more than 3 months	-	-
In Fixed Deposits with maturity more than 3 months (TEDF)	120,000,000	103,457,133
In Fixed Deposits with maturity more than 12 months (TEDF)	85,000,000	60,000,000
	330,000,000	288,457,133
<b>Total</b>	<b>671,902,441</b>	<b>1,231,011,787</b>

**NOTE 16: SHORT TERM LOAN AND ADVANCES**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
<b>Advance to Others</b>		
Secured (Considered Good)		
Unsecured (Considered Good)	573,995	881,482
Doubtful		
<b>Advance to Staff</b>		
Secured (Considered Good)		
Unsecured (Considered Good)	584,327	696,404
Doubtful		
<b>Loan to Staff</b>		
Secured (Considered Good)	83,228,829	56,022,461
Unsecured (Considered Good)		
Doubtful		
<b>Total</b>	<b>84,387,151</b>	<b>57,600,347</b>



**NOTE 17: OTHER CURRENT ASSETS**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
<b>A. Interest</b>		
Interest Receivable (Loan)	111,795,667	104,339,118
Interest Receivable on Fixed Deposits	19,510,991	7,543,825
Interest Receivable on Fixed Deposits(TEDF)	10,049,366	18,905,086
Interest Receivable (Staff)	7,339,439	5,445,024
<b>B. Others</b>		
Advance Income Tax	224,800,000	193,500,000
TDS Receivable	10,249,273	10,005,009
Income Tax Refundable	21,198,316	58,509,156
Other Receivables	7,782,159	6,238,577
Rent / Electricity charges receivable (Recoverable in cash or in kind or for value to be received -considered good/doubtful)	4,983,204	4,995,478
<b>Total</b>	<b>417,708,415</b>	<b>409,481,273</b>

**NOTE 18: REVENUE FROM OPERATIONS**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
<b>A. INTEREST</b>		
Interest on loans	1,076,546,968.00	903,503,492.00
Interest on Fixed Deposits and Bonds	47,788,697.00	74,106,296.00
	1,124,335,665.00	977,609,788.00
<b>B. OTHER FINANCIAL SERVICES</b>		
Upfront Fees	28,662,260.00	20,555,880.00
	28,662,260.00	20,555,880.00
<b>Total</b>	<b>1,152,997,925.00</b>	<b>998,165,668.00</b>

**NOTE 19: OTHER INCOME**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
Net gain from sale of Investments (other than trade investments)	26,561,683.00	14,792,214.00
Dividend	200,000.00	500,000.00
<b>Other Non Operating Income</b>		
Miscellaneous Receipts	3,637,791.00	2,609,979.00
Interest on Income Tax Refund	1,738,890.00	-
Consultancy Charges Received	4,355,528.00	6,062,310.00
Rental Income	29,021,400.00	7,203,853.00
Hall Charges	3,008,859.00	3,732,609.00
<b>Total</b>	<b>68,524,151.00</b>	<b>34,900,965.00</b>

**NOTE 20: EMPLOYEES BENEFIT EXPENSES**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
Salaries (Director)	2,218,080.00	2,180,430.00
Salaries(Others)	93,053,527.00	68,624,020.00
Employer's Provident Fund	9,233,410.00	5,147,858.00



Medical Reimbursement	2,877,331.00	2,502,078.00
Recruitment expenses	149,971.00	107,438.00
Conveyance Allowance	-	1,136,676.00
Vehicle Maintenance Reimbursement	-	3,658,106.00
Leave Travel Allowance	802,257.00	2,441,910.00
House Rent	505,522.00	(25,560.00)
Leave Encashment	11,685,172.00	14,975,279.00
Gratuity	4,145,600.00	3,981,076.00
Staff welfare	4,959,572.00	3,416,667.00
<b>Total</b>	<b>129,630,442.00</b>	<b>108,145,978.00</b>

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 (₹)
<b><i>i. Change in the present value of the defined benefit obligation</i></b>				
Opening benefit obligation	17,477,229	12,995,547	33,598,536	19,596,346
Current Interest Cost	1,503,042	1,065,635	2,889,474	1,606,900
Past Service Cost	-	-	-	-
Current Service Cost	3,888,421	3,093,489	4,814,388	3,148,046
Benefit Paid	-	-	(1,322,083)	(1,465,879)
Actuarial (Gain) / Loss	(411,656)	322,558	4,129,294	10,713,123
Closing benefit obligation	22,457,036	17,477,229	44,109,609	33,598,536
<b><i>ii. Change in Plan Assets</i></b>				
Opening Fair Value of Plan Assets	7,800,326	4,844,052	-	-
Expected Return on Plan Assets	906,752	580,435	-	-
Contribution	3,262,618	2,375,839	-	-
Benefit paid	-	-	-	-
Actuarial Gain / (Loss)	-	-	-	-
Closing Fair Value of Plan Assets	11,969,696	7,800,326	-	-
<b><i>iii. Reconciliation of present value of obligation and fair value of plan assets</i></b>				
Closing present value of obligation	22,457,036	17,477,229	44,109,609	33,598,536
Closing fair value of plan assets	11,969,696	7,800,326	-	-
Deficit / (surplus)	(10,487,340)	(9,676,903)	(44,109,609)	(33,598,536)
Net Liability / (Asset)	10,487,340	9,676,903	44,109,609	33,598,536
Net Liability recognised in Balance Sheet	10,487,340	9,676,903	44,109,609	33,598,536
<b><i>iv. Net Cost recognized in Profit &amp; Loss Account</i></b>				
Current Service cost	3,888,421	3,093,489	4,814,388	3,148,046
Past Service cost	-	-	-	-
Interest Cost	1,503,042	1,065,635	2,889,474	1,606,900
Expected return on plan assets	(906,752)	(580,435)	-	-
Net Actuarial (Gain)/Loss recognized	(411,656)	322,558	4,129,294	10,713,123
Expenses recognized in Profit & Loss Account	4,073,055	3,901,247	11,833,156	15,468,069

Particulars	Gratuity		Leave Encashment	
	Current Year (₹)	Previous Year (₹)	Current Year (₹)	Previous Year (₹)
<b>v. Reconciliation of opening and closing net liability recognized in Balance Sheet</b>				
Opening Net Liability	9,676,903	8,151,495	33,598,536	19,596,346
Expenses recognized in Profit & Loss Account	4,073,055	3,901,247	11,833,156	15,468,069
Benefit paid by Corporation	-	-	(1,322,083)	(1,468,879)
Contribution paid	(3,262,618)	(2,375,839)	-	-
Closing Net Liability	10,487,340	9,676,903	44,109,609	33,598,536
<b>vi. Investments under Plan Assets of Gratuity and Leave Encashment as on 31<sup>st</sup> March, 2013 are as under:</b>				
Category of Plan Assets	Gratuity % of Plan Assets	Leave Encashment % of Plan Assets		
Funds managed by LIC	100%	-		
<b>vii. Principal Actuarial Assumptions</b>				
Particulars	Gratuity		Leave Encashment	
	Current Year (₹)	Previous Year (₹)	Current Year (₹)	Previous Year (₹)
Discount Rate	8.10%	8.60%	8.10%	8.60%
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 Rs.92.33 Lac (Previous Year Rs.51.48 Lac) has been charged to Profit & Loss Account.

#### NOTE 21: OTHER EXPENSES

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
<b>A. ADMINISTRATIVE EXPENSES</b>		
Advertisement Expenses	405,395	289,898
Audit Expenses	340,269	437,158
Bank charges	48,870	(80,180)
BOD Meeting expenses	1,126,778	1,788,202
Books & Periodicals	231,265	261,262
Business Promotion	1,163,525	1,396,868
Car hire expenses	4,611,816	5,071,677
Consultancy Charges	2,012,961	1,552,094
Conveyance	274,736	249,673
Databank Expenses	-	63,460
Electricity Charges & Electrical Expenses	5,576,410	6,153,875

Filing Fees	8,467	34,804
Haat Expenses (net)	411,965	162,134
Honararium	11,452	12,000
India Exposition Mart Expenses	666,385	557,947
Insurance charges	355,502	238,562
Legal & professional fees	3,541,338	3,921,374
Licence & Registration fees	1,163,861	1,042,948
Loss on sale / disposal of assets	21,153	611,424
Misc expenses	214,520	486,889
Printing & Stationery	2,787,047	2,261,316
Rent (Premises)	3,065,432	2,402,324
Repairs & Maintenance (Machine)	1,713,055	1,713,223
Repairs & Maintenance (Security Service Charges & Others)	9,842,106	6,982,323
R & D Expenses (net)	3,404,704	4,312,510
Seminar & Conference expenses	491,684	769,942
Skill & Market Development Expenses	12,639,245	1,455,247
Software Maintenance Charges	-	378,505
Service Tax Paid	519,655	500
Telephone charges & Postage	2,263,840	2,394,303
Training expenses	1,346,029	950,321
Travelling expenses(Director)	431,898	372,461
Travelling expenses(Others)	4,439,257	3,704,752
Internal Audit fees	112,360	100,000
<b>Auditors' Remuneration:</b>		
Tax Audit Fees	22,472	20,000
Statutory Audit Fees	123,596	110,000
<b>Total (A)</b>	<b>65,389,048</b>	<b>52,179,796</b>
<b>B. Provisions and Write Off</b>	<b>55,153,383</b>	<b>33,427,217</b>
<b>Total (B)</b>	<b>55,153,383</b>	<b>33,427,217</b>
<b>Total (A+B)</b>	<b>120,542,431</b>	<b>85,607,013</b>

**NOTE 21.1: Provisions and Write Offs**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
Provision on Non Performing Assets	64,968,456	(60,113,761)
Bad Debts Written off	1,162,532	103,749,448
Bad Debts Recovered	(10,977,605)	(10,208,470)
<b>Total</b>	<b>55,153,383</b>	<b>33,427,217</b>

**NOTE 22: FINANCE COST**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
<b>INTEREST</b>		
Interest on Loan		
- NBCFDC	1,599,888	2,006,428
- SIDBI	29,327,846	1,498,398
<b>Total</b>	<b>30,927,734</b>	<b>3,504,826</b>

**NOTE 23: EARNINGS PER SHARE (EPS)**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	620,459,468	552,019,369
No. of Equity shares used as denominator for calculating EPS	100,000,007	100,000,007
Basic and Diluted Earnings Per Share	6.20	5.52
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 ₹ 25,37,544/- (previous year: ₹ 24,20,926/-) 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/-. The Commissioner of Income Tax (Appeals) has passed his decision in favour of the Corporation. However, the Income Tax Department has filed its appeal against the above Order with the Appellate Tribunal. 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.
- d. Although the Corporation sanctions financial assistance in the form of loans to the entrepreneurs the same is disbursed in a phased manner depending on various factors viz. promoters' contribution, etc. Hence, as a result the Corporation has a commitment towards undisbursed financial assistance amounting to ₹ 419.33 Crore, which shall be disbursed in due course, subject to compliance of requisite formalities.



**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:** The Provisioning Coverage Ratio of the Corporation is 56.38%.

**Note 30: SEGMENT REPORTING**

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

(₹ in Crores)

1.	<b>Segment Revenue</b>	<b>2012 - 13</b>	<b>2011 - 12</b>
	Lending and Financing Activities	110.52	92.41
	Management of Surplus Funds	7.46	8.94
	Others	0.44	0.61
	<b>Total</b>	<b>118.42</b>	<b>101.96</b>
2.	<b>Segments Results</b>		
	Lending and Financing Activities	79.91	69.81
	Management of Surplus Funds	7.46	8.94
	Others	0.23	0.45
	<b>Total</b>	<b>87.60</b>	<b>79.20</b>
	Unallocated Income	3.74	1.35
	Unallocated Expenses	0.00	0.01
3.	<b>Operating Profit</b>	<b>91.34</b>	<b>80.54</b>
	Income Tax	29.30	25.33
4.	<b>Net Profit</b>	<b>62.04</b>	<b>55.21</b>
5.	<b>Other Information</b>		
	<b>Segment Assets</b>		
	Lending and Financing Activities	1010.25	841.19
	Others	0.41	0.35
	Management of Surplus Funds	79.87	134.99
	<b>Total</b>	<b>1090.53</b>	<b>976.53</b>
	Unallocated Assets	75.87	73.44
	<b>Total</b>	<b>1166.40</b>	<b>1049.97</b>
	<b>Segment Liabilities</b>		
	Lending and Financing Activities	583.98	505.83
	Management of Surplus Funds	0.00	0.00
	Others	0.00	0.00
	Unallocated Liabilities	114.39	129.60
	<b>Total</b>	<b>698.37</b>	<b>635.43</b>
	<b>Net Capital Employed</b>	<b>468.03</b>	<b>414.54</b>

**Note 31:** 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)

<b>A</b>	<b>Capital</b>	
a)	CRAR CORE CRAR & Supplementary CRAR	46.22 %
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: ₹ 1012.55 Off the Balance Sheet: Nil
d)	The Shareholding pattern as on 31-03-2013	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 <b>Total 10,000,007 100</b>
<b>B</b>	<b>Asset quality and credit concentration</b>	
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)	3.49%
f)	Amount and percentage of net NPA's to net advances under the prescribed asset classification categories,	<b>Category %</b> Sub Standard Assets: ₹ 25.84 2.76 Doubtful debts: ₹ 8.07 0.86 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	Standard Assets ₹ 0.25 NPA Loans ₹ 5.89 Soft loan Assistance ₹ (-)0.36 Investments ₹ Nil Income Tax ₹ 29.30
h)	i) Movement in NPAs (Gross) of loans including soft loans	Opening Balance: ₹ 44.56 Deletions incl. upgradation ₹ 5.86 Additions during the year ₹ 34.45 Closing Balance ₹ 73.15
	ii) Movement of Provisions for NPAs against loans including soft loan assistance	Opening Balance ₹ 33.36 Less: write off / waiver/ Write back ₹ 0.01 Additions during the year ₹ 5.89 Closing Balance ₹ 39.24
	ii) Movement of Provisions for Investments	Opening Balance: ₹ 0.76 Additions during the year ₹ 0.00 Closing Balance ₹ 0.76
i)	Restructured Accounts	
	Total amount of standard assets which have been subjected to restructuring / rescheduling	₹ 46.33 Crore
	Total sub standard assets which have been subjected to restructuring / rescheduling	₹ 14.90 Crore
	Total doubtful assets which have been subjected to restructuring / rescheduling	₹ Nil
	Total	₹ 62.23 Crore



j)	Credit exposure as percentage to capital funds and as percentage to total assets, in respect of:				
		% to Capital Funds		% to Total Assets	
	The largest single borrower	6.97		2.87	
	The largest borrower group	13.96		5.74	
	The 10 largest single borrowers				
	No.1	6.97		2.87	
	No.2	6.32		2.60	
	No.3	5.39		2.22	
	No.4	5.39		2.22	
	No.5	4.64		1.91	
	No.6	4.44		1.83	
	No.7	4.32		1.78	
	No.8	4.28		1.76	
No.9	4.25		1.75		
No.10	3.93		1.62		
	The 10 largest borrower groups				
	No.1	13.96		5.74	
	No.2	12.22		5.03	
	No.3	11.25		4.63	
	No.4	7.41		3.05	
	No.5	6.32		2.60	
	No.6	5.39		2.22	
	No.7	5.16		2.12	
	No.8	4.98		2.05	
	No.9	4.64		1.91	
	No.10	4.32		1.78	
k)	Credit exposure to the five largest industrial sectors (if applicable) as percentage to total loan assets	1. Micro Finance :	11.50		
		2. Cement :	10.72		
		3. Contract Finance :	10.62		
		4. Iron & Steel :	10.29		
		5. Real Estate :	8.22		
<b>C</b>	<b>Liquidity</b>				
l)	Maturity pattern of Rupee assets & liabilities w.r.t. investments incl. Fixed Deposits (₹ in Crores)				
	Items	Less than or equal to 1 year	More than 1 year up to 3 year	More than 3 years up to 5 years	More than 5 years up to 7 years
	Rupees Asset	0.90	12.50	Nil	Nil
	Total Assets	0.90	12.50	Nil	Nil
	Total Liabilities	8.60	18.80	34.20	49.60
m)	Maturity pattern of foreign currency assets & liabilities	Nil			
<b>D</b>	<b>Operating results</b>				
n)	Interest income as percentage to average working funds	12.10%			
o)	Non-interest income as a percentage to average working funds	1.05%			
p)	Operating profit as a percentage to average working funds	9.83%			
q)	Return on average assets	6.15%			
r)	Net profit per employee (₹ In Crores)	0.57			



**Note 32:** Additional information as required in terms of paragraph 13 of Non Banking Financial (Non Deposit accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(₹ in lakhs)

Particulars			
<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	6861	Nil
	(d) Inter-corporate loans and borrowing	Nil	Nil
	(e) Commercial Paper		
	(f) Other Loans (specify nature) – GOI Loan	46911	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		98238
	(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		549
	(iv) Government Securities		
	(v) Others (please specify)		
	2. Unquoted:		
	(i) Shares : (a) Equity		406
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others (please specify)		
			<u>975</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	98238	-	98238
	Total	98238	-	98238
(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	592	350	
	Total	592	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	7315
(ii)	Net Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	3391
(iii)	Assets acquired in satisfaction of debt	

(8) Exposure to Real Estate Sector

(₹ in Crores)

Items	March 31, 2013	March 31, 2012
a) Direct Exposure		
(i) Residential Mortgages [all individual housing loans upto ₹ 15 Lacs]	3.62	3.35
(ii) Commercial Real Estate		
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized Exposures:	83.07	144.72
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
<b>Total Real Estate Exposure</b>	<b>86.69</b>	<b>148.07</b>

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 : 25<sup>th</sup> May, 2013

For and on behalf of the Board of Directors



**(B. P. Muktieh)**  
Chairman cum Managing Director



**(P. K. Biswas)**  
Director

Place : Guwahati  
Date : 24<sup>th</sup> May, 2013



**(S. K. Baruah)**  
Company Secretary

## 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: jyotishok@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 31/03/2013 requiring it to hold a certificate of Registration under Sec 45-1A of the RBI Act.

Furthur, the company is carrying on as its principal business of providing finance by making loans or advances and as at 31/03/2013 the net loans or advances (net of provisions made was ₹97,100.59 Lac which is 83.25% of its total assets and the income from interest on loans for the financial year 2012- 13 was ₹10,765.47 Lac which is 88.13% of its total income.

Place: Guwahati  
Date : 03.06.2013



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: 248119

E-Mail: jyotiashok@gmail.com

### To WHOM IT MAY CONCERN

This is to certify that NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LTD., GUWAHATI had a net owned fund of ₹46802.73 Lac as at 31.03.2013 as shown below.

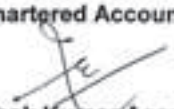
		<u>Rs. in Lakhs</u>
Paid up equity Capital		10000.00
Free Reserve. General Reserve	26590.91	
Credit Balance in P/L A/C	57.82	
Statutory Reserve u/s RBI Act	5857.80	
Special Reserved credited u/s 36 of I.T Act	3636.33	
India Exposition Mart Fund	205.57	
CSR Reserve	<u>454.30</u>	
		36802.73
Less: Intangible Assets, deferred revenue exp. & accumulated losses		NIL
Less: Investment in shares/loan advances/ Investment in bonds / debentures/bills Purchases and discounted made to and deposit with subsidiaries company in the same group.		NIL
		<u>46802.73</u>

This is further certified that the said company is not accepting / holding public deposits as at 31.03.2013 and has complied with prudential norms as applicable to it for the financial year 2012-2013.

Place: Guwahati  
Date : 03.06.2013



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: jyotishok@gmail.com

To,  
The Board of Directors,  
North Eastern Development Finance Corporation Ltd.  
Guwahati

As required by Non Banking Financial Companies Auditors Report (Reserve Bank) Direction, 2008 we furnish below a statement on the matters specified in paragraphs 3 and 4 of the said direction to the extent applicable to the North Eastern Development Finance Corporation Ltd. For the year ended 31.03.2013.

### STATEMENT

#### A. In the case of all Non- Banking Financial Companies:

- |  |  |
|--|--|
| <p>i Whether the company is engaged in the business of Non-banking financial institution and whether it has obtained a certificate of registration (CoR) from the Bank.</p>  | <p>: Yes, the company is engaged in the business of non- banking financial institution and it has obtained a certificate of registration from RBI on 20.12.2002.</p> |
| <p>ii In case of co. holding CoR issued by the Bank whether that company is entitled to continue to hold such CoR in terms of its assets/income pattern as on March 31 of the applicable year.</p>   | <p>: Yes</p>   |
| <p>iii Based on the criteria set forth by the Bank in company Circular No. DNBS. PD. CC No. 65/03.02.089/2006-07 Dated December 6,2006 for classification of NBFC's as Asset Finance company (AFC)Whether the non- banking Financial company has been correctly classified as AFC as defined in Non- Banking Financial Companies Acceptance of Public Deposit (Reserve Bank) Direction, 1998 with reference to the business carried on by it during the applicable financial year.</p> | <p>: The company is classified as loan company which is correct.</p>   |



**B. In the case of Non- Banking Financial Company accepting / Holding public deposits:**

This para is not applicable to the company as the company is not accepting / holding public deposits.

**C. In the case of a Non – Banking Financial Company not accepting/ public deposits:-**

- i Whether the Board of Directors has passed a resolution : Yes on Board meeting dated for the non - acceptance of any public deposits 03/08/2012 and 24/05/2013.
- ii Whether the Company has accepted any public deposit : No during the relevant period /year
- iii Whether the Company has complied with the prudential : Yes norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.
- iv In respect of systematically important Non-Deposit : Yes taking NBFC's as defined in paragraph 2(1)(xix) for Non- Banking Finance (Non-Deposit Accepting or Holding Companies Prudential Norms (Reserve Bank) December 2007. Whether the capital adequacy ratio as disclosed in the return submitted to the Bank in the form NBS-7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank.
- v Whether the company has furnished to the bank the : Copy of NBS-7 for financial year annual statement of capital funds, risk 2012-13 is uploaded on 03.06.2013. assets/exposures and risk asset ratio (NBS-7) within the stipulated period.

**D. In the case of a company engaged in the business of non- banking financial institutions not required to hold CoR subject to certain condition:**

This Para is not applicable to the company

Place: Guwahati  
Date: 03.06.2013



For Saraswati & Co.  
Chartered Accountants

(CA Ashok Kumar Agarwala)

(Partner)

M.No.53233

FRN – 317097E



## **Branch Offices**

### **Agartala**

Palace Compound, Laxmi Narayan Bari, BK Road  
Opp. Women's College, Agartala-799001, Tripura  
Telefax : +91 381 2310848

### **Dharmanagar**

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

### **Udaipur**

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

### **Aizawl**

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

### **Lunglei**

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

### **Dimpaur**

2nd Floor, Kuknalim Building, Circular Road  
Dimapur-797112, Nagaland, Telefax : +91 3862 248930

### **Kohima**

4th Floor, Mato Complex, P.R. Hill, Opp. Police H.Q.  
Kohima-797001, Nagaland, Telefax +91 370 2243046

### **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

### **Namchi**

Agam Singh Marg, Bhanjyang Road, Namchi  
South Sikkim-737126, Mobile No. +91 3595263494

### **Tinsukia**

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

### **Silchar**

Silchar Cachar Market, 3<sup>rd</sup> floor, Netaji Subhas Avenue  
P. S. Rangirkhari, Silchar-788005, Telefax : +91 3842 220157

## **Representative Offices**

### **Kokrajhar**

C/o Discovery Club, Agriculture Campus, Jwhwlaio Dwimalu Road  
P.O. & Dist. Kokrajhar BTC, Assam-783370, Ph : +91 3661 276191  
Mobile : +91 9678778412/9678540590

### **Agia**

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

### **Sivasagar**

MMS Consultancy Association Pvt. Ltd., Near K. P. M. Hall  
A. T. Road, Sivasagar, Assam-785640  
Ph: +91 3772 224688, 222451, Mobile: +91 9435057549

### **Tura**

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

### **Churachandpur**

Rural Aid Services (RAS), Happy Valley, Tuibung  
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-781006, Assam

Ph : +91 361 222 2200 (30 channels)

Fax : +91 361 223 7733, 7734

Email : [mail@nedfi.com](mailto:mail@nedfi.com)

[www.nedfi.com](http://www.nedfi.com)