

Annual Report 2014-15



Making Ideas
Take Flight



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 erstwhile 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

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

Mission

“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”.



Making Ideas Take Flight ...

The cover design is based on NEDFi being the 'nurturer of innovation', a philosophy that the company abides by as one of its core values of success through team work, innovation, integrity and people. This makes NEDFi extend its services to all parts of the North Eastern Region, urban, semi urban and rural; targeting local entrepreneurs, especially in the micro, small and medium segments. This depiction of the idea is rendered on the cover with origami birds taking flight from a tree-a life giver, indicating that the company always inspires new ideas of growth in the region by encouraging innovators and entrepreneurs, who are enthusiastic and affirmative of their ventures thereby placing the region in the map of economic growth.

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From the desk of the Chairman and Managing Director



Dear Shareholders,

It gives me great pleasure to place before you the highlights of your Corporation's performance during the financial year 2014-15. Details of the achievements and initiatives taken by your Corporation are provided in the enclosed Annual Report for the year 2014-15.

Macro-economic & Banking Scenario

During the financial year 2014-15, while the growth outlook remained subdued, the sentiments were optimistic as they received a boost from a host of domestic and global factors such as formation of a stable government, sharp fall in crude oil prices and improved policy environment.

Even so, the macroeconomic environment remained weak during the year with agriculture being affected adversely due to deficit and unseasonal rains. The Index of Industrial Production which saw some growth in the first quarter of FY15, slumped thereafter as structural constraints led to persistent decline in the production of core industries such as steel, natural gas and fertiliser etc. While the economy entered a new positive phase with several policy initiatives and positive trends in a number of macroeconomic indicators, the financial sector performance during the year, however, was adversely impacted by slowdown in the economy and consequent deterioration in the asset quality. Data released by RBI in April 2015 showed that bank credit growth

dropped to 18- year low at 12.6% in FY15 with fresh investment proposals from corporates drying up and projects announced in the past remaining stuck due to legacy issues.

The economic scenario in the north eastern region also mirrors those prevailing in the other parts of India. The core sector was not contributing to growth and the capital goods segment was not growing. The liquidity in the industrial sector was tight due to general slowdown in the economy. The corporate sector experience challenges given the slowdown in the economy and slow recovery, resulting in subdued credit uptake and deterioration in the asset quality of banks/ financial institutions in the region.

Performance Highlights of the Corporation

Business

During FY15, despite the unfavorable macro-economic headwinds, your Corporation's cumulative sanctions at ₹3641.74 cr. grew by 9.37% from ₹3329.70 cr. in the previous year. Similarly, cumulative disbursements grew by 16.65% to ₹2712.96 cr. The sanctions and disbursements for the year stood at ₹312.03 cr. and ₹387.20 cr. respectively. Loan portfolio at the end of financial year at ₹1240.14 cr. recorded a growth of 11.40%, against ₹1113.26 cr. in the previous year.



The net worth of the Corporation as on March 31, 2015 increased during the year by 12.82% to ₹585.09 cr.

Income and Earnings

During FY15, the income of the Corporation increased by 5.39% to ₹146.74 cr. Profit before tax was ₹98.14 cr. against ₹100.13 cr. in the previous year. Net profit increased to ₹75.63 cr. against ₹63.87 cr. in the previous year, showing a growth of 18.41%.

Profit per employee in the year worked out to ₹70 lakhs against previous year's figure of ₹59 lakhs, registering a growth of 18.64%.

Asset Quality

The slowdown in the economy has impacted the ability of the borrowers to service debt which in turn affected the asset quality of banks and financial institutions. Against this backdrop, the gross non-performing assets (NPA) of the Corporation in the year increased to ₹111.49 cr. (8.87%) against previous year's ₹70.56 cr. (6.34%) primarily due to strain in the steel and the infrastructure sectors. Net NPA in the year was ₹79.73 cr. (6.51%) against previous year's ₹37.55 cr. (3.48%). The Corporation has been continuously striving to maintain good quality assets through proper credit appraisal and monitoring system and has also laid special emphasis on recoveries through early identification of stressed assets and rigorous follow ups, regular monitoring through default review committees, settlements under OTS/Lok Adalats, and recovery action through SARFAESI and DRT.

Resources

To expand its lending activities, the Corporation is continuously exploring various avenues for raising its resources. Besides, the Ministry of DoNER and SIDBI, the Corporation has tied up with socio development agencies like

the National Backward Classes Finance and Development Corporation (NBCFDC), National Scheduled Tribes Finance and Development Corporation (NSTFDC) and National Scheduled Castes Finance and Development Corporation (NSFDC) for accessing funds at concessional rates for the benefits of targeted segments in the micro finance and micro & small scale sectors in the region.

Advisory & Consultancy

The Corporation is currently executing several prestigious consultancy assignments in the region, in the field of monitoring and evaluation of infrastructure projects, development planning, project management consultancy, engineering design, business plan preparation & impact assessment studies. At the end of FY 15, the Corporation has been assigned 45 no. of projects with fee value amounting ₹16 cr.

Techno-Economic Development Fund (TEDF)

The Corporation conducts various techno economic studies under TEDF, on the request of Governments of the North Eastern States, North Eastern Council, etc to map the resources available for setting up industrial and infrastructural projects suitable for the region. Till date, 65 studies have been completed under TEDF and 12 studies are in various stages of progress.

Nodal Agency

The Corporation is the nodal agency for disbursement of Central Subsidies administered by the Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce. During the year, an amount of ₹288.09 cr. was disbursed as Central subsidies to various industrial units in the region taking the cumulative disbursements of subsidies at the end of FY15 to ₹3381.86 cr.



IT Infrastructure

During FY15, the Corporation has taken many initiatives to improve its IT infrastructure. The Corporation has implemented its own data centre, having secured network, servers, switches, etc. Also, a comprehensive software is being developed by an in-house IT professional team for Loan Management System (LMS) and Finance & Accounting Management System (FAMS), not only to improve its own internal processes but also to connect and integrate the operations of the corporate office with branch offices.

Corporate Social Responsibility

The Corporate Social Responsibility (CSR) initiatives of NEDFi focuses on women empowerment, livelihood enhancement projects, employment enhancing vocational skills, development of craft sector and development of rural and backward areas through promotion of entrepreneurship.

During the year, 43 sustainable livelihood training programmes were conducted for 1150 trainees on water hyacinth, designer candle, traditional jewellery, scrap fabric, bamboo cutlery, natural dye, sital pati, doll making and medicinal & aromatic plants. Besides, the employment enhancing vocational skill programmes supported by NEDFi have helped the educationally under privileged youths to get employment as well as in setting up of their own small business. Further, 26 skill development training programmes were conducted for 593 trainees on weaving, beauty parlour management for women, electrician, DTP, LMV driving, embroidery, homemade chocolate, fabrication, mobile repairing, refrigeration & air conditioning, computer hardware & networking, etc.

The joint initiative on CSR projects through collaboration with organizations like IDBI Bank and SIDBI has helped in convergence

of ideas and approaches to achieve the objective. The Corporation is committed to its developmental mandate and collaboration of more organizations with similar mandate will definitely help to enrich & scale up its developmental activities.

Celebrating Twenty Glorious Years

The Corporation has completed twenty glorious years of its existence during the year since its incorporation in 1995. The Corporation has been an integral part of the North East India's ecosystem for the last two decades, playing its role of facilitating, nurturing, financing and promoting the development of entrepreneurship and growth of enterprises. The Corporation will continue to play its role as a pacesetter in the economic development of the region.

Acknowledgements

I would like to acknowledge with gratitude, the unstinting support from the Ministry of DoNER and Governments of all the North Eastern States. I am grateful to the Board of Directors for their support and guidance. I take this opportunity to thank all our shareholders- IDBI, SBI, LIC, SIDBI, ICICI, IFCI, SUUTI, GIC & Subsidiaries for their wholehearted support and trust in the Corporation. I am confident that with our professional team of young and committed employees and continued support & patronage of all the stakeholders, your Corporation will continue to march towards excellence and will scale new heights.

I look forward to your continued support in this journey.

With warm regards,



(B Paul Muktieh)



अध्यक्ष एवं प्रबंध निदेशक की कलम से

प्रिय शेयरधारकों,

वित्तीय वर्ष 2014-15 के दौरान निगम के प्रदर्शन का ब्यौरा आप सभी के सामने रखते हुए मैं अत्यंत आनंद का अनुभव कर रहा हूँ। आपके निगम की उपलब्धियों एवं उसकी पहल के विवरण वार्षिक प्रतिवेदन 2014-15 में दिए जा रहे हैं।

मेक्रो-इकॉनॉमिक एवं बैंकिंग परिदृश्य

वित्तीय वर्ष 2014-15 के दौरान जबकि विकास परिदृश्य में तेज गिरावट जारी रही फिर भी देश में एक स्थिर सरकार के गठन, कच्चे तेल की कीमतों में तेज गिरावट और बेहतर नीति के वातावरण जैसे घरेलू और वैश्विक कारकों के चलते परिदृश्य आशावादी भावनाओं वाला बना रहा।

फिर भी, व्यापक वातावरण पूरे वित्तीय वर्ष में कमजोर बना रहा साथ ही कम और बेमौसम बारिश के कारण कृषि क्षेत्र बुरी तरह से प्रभावित हुआ। औद्योगिक उत्पादन के सूचकांक में वित्तीय वर्ष 2014-15 की पहली तिमाही में कुछ वृद्धि देखी गई किंतु इसके बाद में संरचनात्मक बाधाओं जैसे इस्पात, प्राकृतिक गैस और उर्वरक जैसे प्रमुख उद्योगों के उत्पादन में आई लगातार गिरावट के चलते इस सूचकांक में भी गिरावट आई। जब अर्थव्यवस्था कई नीतिगत पहल और व्यापक आर्थिक संकेतकों के सकारात्मक रूझान के साथ एक नए सकारात्मक चरण में प्रवेश कर रही थी तभी आर्थिक मंदी और परिसंपत्तियों की गुणवत्ता में गिरावट ने वर्ष के दौरान वित्तीय क्षेत्र के प्रदर्शन को बुरी तरह प्रभावित किया। भारतीय रिजर्व बैंक द्वारा जारी किए गए आंकड़ों के अनुसार वित्तीय वर्ष 2014-15 में बैंक क्रेडिट ग्रोथ गिरकर 18 वर्षों के न्यूनतम स्तर पर पहुंचकर 12.6% हो गई तथा साथ ही कॉर्पोरेट के नए निवेश प्रस्ताव यथावत पड़े हुए हैं



और पूर्व में घोषित परियोजनाएँ भी विरासत संबंधी मुद्दों के कारण अटकी हुई हैं।

भारत के अन्य भागों में प्रचलित आर्थिक परिदृश्य की तरह ही पूर्वोत्तर भारत का भी आर्थिक परिदृश्य रहा है। क्षेत्र के विकास के लिए कोर सेक्टर योगदान नहीं कर पा रहे थे और कैपिटल गुड्स सेगमेंट भी नहीं बढ़ रहा था। अर्थव्यवस्था में सामान्य मंदी के चलते औद्योगिक क्षेत्र में पैसे की आवक तंग थी। अर्थव्यवस्था में मंदी व धीमी गति से वसूली के चलते कॉर्पोरेट सेक्टर चुनौतियों का अनुभव कर रहे हैं जिसके परिणामस्वरूप, क्षेत्र में बैंकों / वित्तीय संस्थाओं से ऋण लेने में कमी व संपत्ति की गुणवत्ता में गिरावट आई है।

निगम के प्रदर्शन के मुख्य बिंदु

व्यापार

वित्तीय वर्ष 2014-15 के दौरान प्रतिकूल आर्थिक माहौल के परिदृश्य के बावजूद भी आपके निगम ने पिछले वर्ष के 3329.70 करोड़ रुपए के संचयी संस्वीकृत में 9.37% की बढ़त के साथ इस वर्ष तक कुल 3641.74 करोड़ रुपए संचयी संस्वीकृत किए। इसी तरह 16.65% की वृद्धि के साथ कुल 2712.96 करोड़ रुपये संवितरित किए गए हैं। इस वर्ष कुल संस्वीकृत एवं संवितरित राशि क्रमशः 387.20 करोड़ रुपए और 312.03 करोड़ रुपए रही है। इस वित्त वर्ष की समाप्ति पर लोन पोर्टफोलियो 11.40% की रिकॉर्ड बढ़त के साथ पिछले वर्ष के 1113.26 करोड़ रुपए से बढ़कर 1240.14 करोड़ रुपए हो गया है।



31 मार्च 2015 तक निगम का शुद्ध मूल्य वर्ष के दौरान 12.82% बढ़कर 585.09 करोड़ रुपए हो गया है।

आय और लाभ

वित्त वर्ष 2014-15 के दौरान निगम की आय 5.39% की वृद्धि के साथ 146.74 करोड़ रुपये हो गई है। कर पूर्व लाभ पिछले वर्ष में 100.13 करोड़ रुपये था, जबकि इस वर्ष यह 98.14 करोड़ रुपये है। पिछले वर्ष की तुलना में शुद्ध लाभ 18.41% की बढ़त दिखाते हुए 63.87 करोड़ रुपए से बढ़कर 75.63 करोड़ रुपये हो गया है। वर्ष के दौरान प्रति कर्मचारी लाभ में 18.64% की वृद्धि दर्ज करते हुए पिछले वर्ष के 59 लाख रुपए से बढ़कर इस वर्ष यह आंकड़ा 70 लाख रुपये पहुँच गया है।

परिसंपत्ति गुणवत्ता (एसेट क्वालिटी)

अर्थव्यवस्था में मंदी के चलते ऋण सेवाओं के लिए ऋण लेने वालों की क्षमता पर असर पड़ा है फलस्वरूप बैंकों और वित्तीय संस्थानों की संपत्ति की गुणवत्ता भी प्रभावित हुई है। इस पृष्ठभूमि में, मुख्य रूप से स्टील और बुनियादी ढांचे के क्षेत्र में तनाव के कारण वर्ष के दौरान निगम की सकल गैर-निष्पादित परिसंपत्तियों (एनपीए) पिछले वर्ष के 70.56 (6.34%) करोड़ रुपये की तुलना में इस वर्ष बढ़कर 111.49 (8.87%) करोड़ रुपये हो गई है। इस वित्त वर्ष के दौरान नेट एनपीए 79.73 करोड़ रुपये (6.51%) रहा जबकि यह पिछले वर्ष 37.55 करोड़ रुपये (3.48%) था। निगम लगातार उचित ऋण मूल्यांकन और निगरानी प्रणाली के माध्यम से अच्छी गुणवत्ता की संपत्ति बनाए रखने के लिए प्रयास कर रहा है तथा डिफॉल्ट समीक्षा समितियों के माध्यम से प्रारंभिक चरण में ही दबाव वाले अकाउण्ट्स की पहचान व निगरानी, ओटीएस / लोक अदालतों के माध्यम से मामलों का निराकरण और सरफेसी और डीआरटी के माध्यम से वसूली कार्रवाई पर विशेष जोर भी दिया जा रहा है।

संसाधन

अपनी ऋण गतिविधियों का विस्तार करने के लिए निगम लगातार अपने संसाधन जुटाने के लिए विभिन्न रास्ते

तलाश रही है। निगम ने पूर्वोत्तर क्षेत्र में वित्त में लक्षित क्षेत्रों के लाभ और सूक्ष्म वित्त में लक्षित क्षेत्रों के लाभ और लघु क्षेत्रों के लिए रियायती दरों पर धन पहुँचाने के लिए पूर्वोत्तर क्षेत्र विकास मंत्रालय (डोनर) और सिडबी के अलावा, राष्ट्रीय पिछड़ा वर्ग वित्त एवं विकास निगम (एनबीसीएफडीसी), राष्ट्रीय जनजाति वित्त एवं विकास निगम (एनएसटीएफडीसी) और राष्ट्रीय जाति वित्त एवं विकास निगम (एनएसएफडीसी) जैसे सामाजिक विकास एजेंसियों के साथ करार किया है।

सलाहकारी और परामर्श विभाग

सलाहकारी और परामर्श विभाग पूर्वोत्तर क्षेत्र के विभिन्न राज्यों में वर्तमान में निगरानी और ढाँचागत परियोजनाओं के मूल्यांकन के क्षेत्र में कई प्रतिष्ठित परामर्श कार्यों, विकास योजनाओं, परियोजना प्रबंधन परामर्श, इंजीनियरिंग डिजाइन, व्यापार की योजना तैयार करने और प्रभावों के आकलन अध्ययन आदि को निष्पादित कर रहा है।

वित्तीय वर्ष 2014-15 के अंत तक विभाग को कुल 16 करोड़ रुपए शुल्क मूल्य के साथ कुल 45 परियोजनाओं का काम सौंपा गया है।

तकनीकी आर्थिक विकास निधि (TEDF)

निगम पूर्वोत्तर राज्यों की सरकारों, पूर्वोत्तर परिषद आदि के अनुरोध पर क्षेत्र में उपयुक्त औद्योगिक और ढाँचागत परियोजनाओं की स्थापना के लिए इस क्षेत्र में उपलब्ध संसाधनों की मैपिंग करने के लिए, TEDF के तहत वित्त पोषित विभिन्न तकनीकी आर्थिक अध्ययन आयोजित करता है। अब तक 65 अध्ययनों को TEDF के तहत पूरा किया गया है और 12 अध्ययन प्रगति के विभिन्न चरणों में हैं।

नोडल एजेंसी

नेडफी, औद्योगिक नीति एवं संवर्धन विभाग (डीआईपीपी), वाणिज्य मंत्रालय द्वारा प्रशासित केंद्रीय सब्सिडी के वितरण के लिए नोडल एजेंसी है। इस वर्ष के दौरान 288.09 करोड़ रुपए की राशि क्षेत्र में विभिन्न औद्योगिक इकाइयों को केन्द्रीय सब्सिडी के रूप में वितरित की गई है जिसको



लेकर वित्तीय वर्ष 2014-15 की समाप्ति पर कुल 3381.86 करोड़ रुपए की सब्सिडी का संवितरण किया गया है।

सूचना प्रौद्योगिकी की आधारभूत संरचना

वित्तीय वर्ष 2014-15 के दौरान निगम ने अपने आईटी बुनियादी ढांचे में सुधार के लिए कई कदम उठाए हैं। निगम ने सुरक्षित नेटवर्क, सर्वर, स्विच आदि से सज्ज स्वयं का डेटा सेंटर बना लिया है। इसके अलावा, एक व्यापक सॉफ्टवेयर स्वयं के आई.टी. पेशेवरों की एक टीम द्वारा ऋण प्रबंधन प्रणाली (एलएमएस) और वित्त और लेखा प्रबंधन प्रणाली (FAMS)के लिए न केवल अपनी आंतरिक प्रक्रियाओं में सुधार करने के लिए, बल्कि शाखा कार्यालयों को कंपनी के प्रधान कार्यालय के साथ जोड़ने व परिचालन को एकीकृत करने के लिए कार्यालय में ही विकसित किया जा रहा है।

निगम की सामाजिक जिम्मेदारी (CSR)

नेडफी की सीएसआर पहल उद्यमशीलता को बढ़ावा देने के माध्यम से महिला सशक्तिकरण, आजीविका वृद्धि परियोजनाओं, रोजगार परक व्यवसायिक कौशल, शिल्प क्षेत्र और ग्रामीण और पिछड़े क्षेत्रों के विकास को बढ़ाने पर केंद्रित है।

इस वित्त वर्ष के दौरान स्थायी आजीविका प्रशिक्षण के कुल 43 कार्यक्रमों में 1150 प्रशिक्षुओं को जलकुंभी, डिजाइनर मोमबत्ती, पारंपरिक आभूषण, स्क्रेप कपड़े, बांस कटलरी, प्राकृतिक डार्ड, बाँस की चट्टाई (Sital Pati), गुड़िया बनाने और औषधीय एवं सुगंधित पौधों आदि पर प्रशिक्षित किया गया। नेडफी के सहयोग से चलाए जा रहे रोजगार परक व्यवसायिक कौशल के प्रशिक्षण ने शैक्षिक रूप से कम शिक्षा प्राप्त युवाओं को रोजगार पाने के साथ ही अपने छोटे व्यापार की स्थापना में भी मदद की गई है। इसके अलावा, 26 कौशल विकास प्रशिक्षण कार्यक्रमों का आयोजन कुल 593 प्रशिक्षुओं को बुनाई, महिलाओं के लिए ब्यूटी पार्लर प्रबंधन, बिजली मिस्त्री, डीटीपी, LMV ड्राईविंग, कढ़ाई, घर में चॉकलेट बनाना, मोबाइल रिपेयरिंग, एयर कंडीशनिंग, कंप्यूटर हार्डवेयर और नेटवर्किंग आदि पर प्रशिक्षित करने के लिए किया गया।

आईडीबीआई बैंक और सिडबी जैसे संगठनों से साथ सीएसआर परियोजनाओं पर संयुक्त पहल ने विचारों के अभिसरण और उद्देश्य को प्राप्त करने के प्रयासों में मदद की है। नेडफी अपने विकासात्मक लक्ष्य और इसी तरह के लक्ष्य के साथ काम करने वाले और अधिक संगठनों के साथ सहयोग के लिए प्रतिबद्ध है जिससे इसे अपनी गतिविधियों को और बड़े पैमाने पर अधिक लाभार्थियों तक पहुँचाने में निश्चित रूप से मदद मिलेगी।

गौरवशाली बीस वर्ष

वर्ष 1995 में अपनी स्थापना से लेकर निगम ने इस वर्ष अपने अस्तित्व के गौरवशाली बीस वर्ष पूरे किए हैं। उद्यमशीलता और उद्यमों के विकास के लिए सुविधाएं, पोषण, वित्त-पोषण में अपनी भूमिका निभाते हुए निगम पिछले दो दसकों से पूर्वोत्तर भारत के पारिस्थितिक-तंत्र का अभिन्न हिस्सा बना हुआ है। निगम क्षेत्र के आर्थिक विकास में एक गतिनिर्धारक के रूप में अपनी भूमिका निभाता रहेगा।

आभार

मैं कृतज्ञता के साथ पूर्वोत्तर क्षेत्र विकास मंत्रालय और सभी पूर्वोत्तर राज्यों की सरकारों की ओर से दिए गए पूर्ण समर्थन के प्रति आभार प्रकट करता हूँ। मैं निदेशक मंडल के अटूट समर्थन और मार्गदर्शन के लिए उनका आभारी हूँ। यह हमारे लिए सभी शेर धारकों आईडीबीआई, एसबीआई, एलआईसीआई, सिडबी, आई.सी.आई.सी.आई., आई.एफ.सी.आई., एस.यू.यू.टी.आई, जी.आई.सी. और इसके अन्य सहयोगी संस्थानों द्वारा प्रदान किए गए बहुमूल्य समर्थन और सहयोग के लिए कृतज्ञता ज्ञापित करने का अवसर है। मुझे विश्वास है कि हमारी पेशेवर, प्रतिबद्ध और सशक्त कर्मचारियों की टीम के साथ व अपने शेर धारकों से मिल रहे सतत सहयोग व संरक्षण की बदौलत आपका यह निगम श्रेष्ठता की ओर बढ़ते हुए नई ऊँचाइयों को छुएगा।

भवदीय,

बी. पॉल

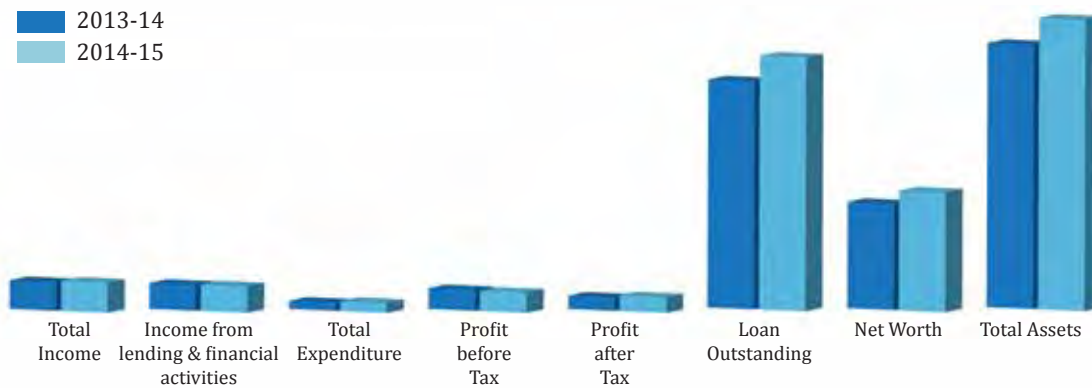
(बी. पॉल. मुक्ति)



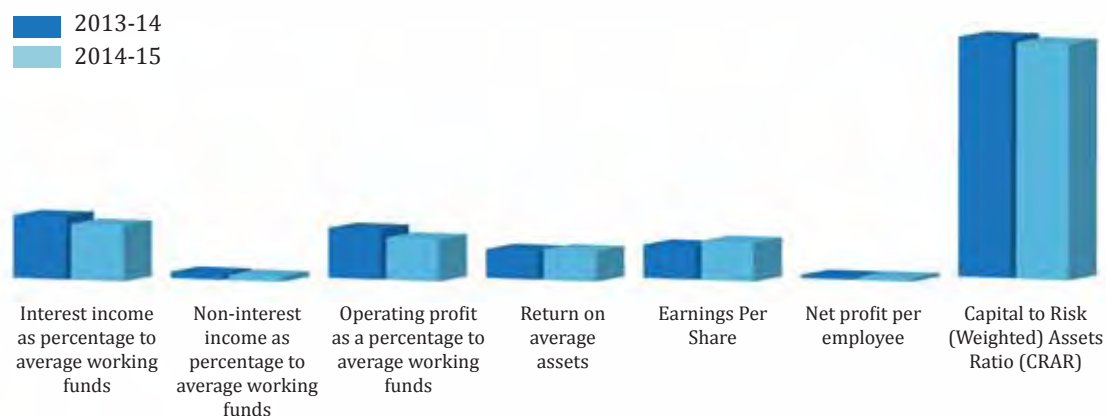
Financial Highlights

(₹ Crore)

Financial Year	2013-14	2014-15	% Change
Loan Outstanding	1113.26	1240.14	11.40
Total Income	139.23	146.74	5.39
Income from Lending & financial Activities	126.23	129.45	2.55
Total Expenditure	39.10	48.43	23.86
Profit before tax	100.13	98.14	-1.99
Profit after Tax	63.87	75.63	18.41
Net worth	518.62	585.09	12.82
Total Assets	1290.46	1423.3	10.29



Operating Result		2013-14	2014-15
Interest income as percentage to average working funds	(%)	12.06	10.80
Non-interest income as percentage to average working funds	(%)	1.18	1.01
Operating profit as a percentage to average working funds	(%)	9.59	8.17
Return on average assets	(%)	5.54	5.89
Earnings Per Share	(₹)	6.39	7.56
Net profit per employee	(₹ crore)	0.59	0.70
Capital to Risk (Weighted) Assets Ratio (CRAR)	(%)	46.35	45.70



Performance Highlights

Total Sanctions, Disbursements and Number of Projects Assisted (up to March 31, 2015)

SANCTIONS

STATE-WISE AMOUNT SANCTIONED (₹ in lakh)									
Year	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative 1996-2008	5,858.62	53,360.91	1,703.71	27,845.26	1,538.61	1,843.93	1,084.18	2,849.57	96,084.75
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
2013-2014	5,078.51	25,684.12	2,898.48	6,431.44	766.10	1,026.44	2,405.50	1,459.98	45,750.56
2014-2015	3,623.43	15,069.69	4,404.45	4,285.74	681.20	810.00	1,111.30	1,217.97	31,203.35
Total	29,763.43	2,24,148.44	17,856.43	55,249.86	6,935.91	7,417.78	8,112.04	14,689.87	3,64,173.75

DISBURSEMENTS

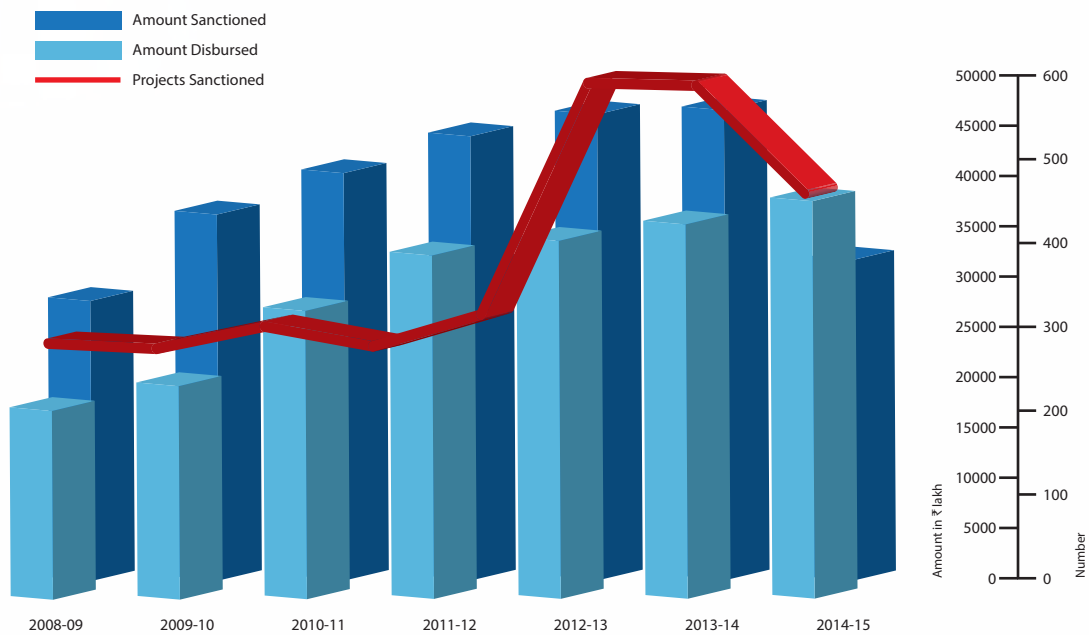
STATE-WISE AMOUNT DISBURSED (₹ in lakh)									
Year	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative 1996-2008	4,428.62	35,651.62	1,129.75	13,542.11	1,300.11	1,558.56	686.84	2,208.84	60,506.47
2008-2009	265.05	13,202.35	497.97	3,832.88	41.97	320.81	76.31	152.84	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
2013-2014	3,947.53	18,488.41	3,483.36	5,165.63	700.73	865.79	1,630.55	2,187.12	36,469.12
2014-2015	3,799.85	20,726.39	3,858.78	5,989.06	701.92	725.00	1,799.80	1,119.42	38,720.22
Total	21,783.87	1,67,375.13	13,808.54	42,407.29	5,428.49	5,460.19	6,132.53	8,899.58	2,71,295.61

PROJECTS

STATE-WISE NO. OF PROJECTS ASSISTED									
Year	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative 1995-2007	145	648	103	112	147	97	102	123	1477
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
2013-2014	45	109	61	30	56	88	75	79	543
2014-2015	51	69	63	22	38	76	49	60	428
Total	365	1,369	374	257	344	419	450	435	4,013



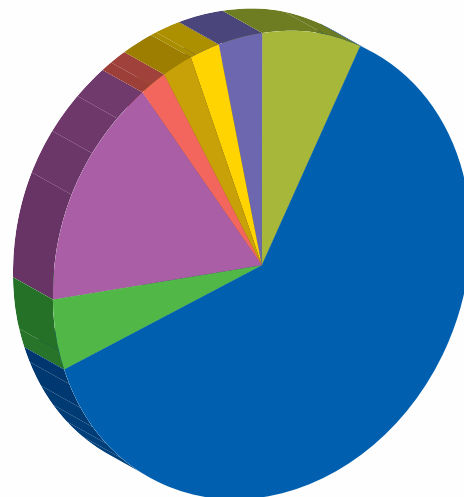
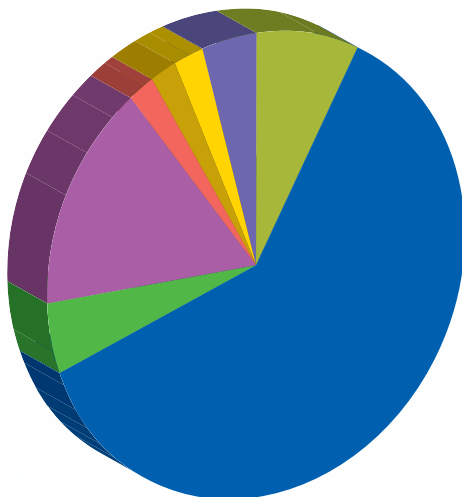
SANCTIONS, DISBURSEMENTS and PROJECTS



Statewise Cumulative
(as on 31 March 2015)

Sanctions

Disbursements



■ Arunachal Pradesh
 ■ Assam
 ■ Manipur
 ■ Meghalaya
 ■ Mizoram
 ■ Nagaland
 ■ Sikkim
 ■ Tripura



Nurturing innovation

NEDFi has in place various schemes that are tailor-made for Micro, Small and Medium Enterprises (MSME) for the North Eastern region. These schemes operate on the principle of nurturing innovators and entrepreneurs who have a business idea and want to take them forward. In essence, NEDFi helps these entrepreneurs make their ideas take flight. For larger projects, NEDFi remains a catalyst for investment. The following are some of the success stories that NEDFi has helped make true.

Springdale International School

Springdale International School, promoted by Prabhu Shyam Charitable Trust, was extended Rupee Term Loan (RTL) of ₹550 lakh for expansion of its existing school at Beharbari, Borsajai, Guwahati. The project envisages to increase the intake capacity from 200 to 1200 students.



Himalayan Gas Industries

Himalayan Gas Industries was set up to tap the potential and cater to the demand from the sectors like infrastructure, real estate, fabrication industry, upcoming projects like BCPL, Bogibeel Bridge construction site and ongoing projects at ONGC Ltd. for industrial gases. They opted to put a bottling unit of Oxygen & Argon gases at Industrial Estate, Lahoal, Dibrugarh, Assam. The unit was sanctioned an amount of ₹98 lakh under NEDFi Opportunity Scheme for Small Enterprise (NOSSE).

Shree Shakambari Ferro Alloys Pvt. Ltd.



Shree Shakambari Ferro Alloys Pvt. Ltd. an integrated Ferro Alloys-Ferro-Silicon unit having capacity of 8940 MTPA with 10 MW captive power plant at Riwiang, West Khasi Hills, Meghalaya. Since steel plays a significant role in industrial development, ferro alloys is equally important and directly connected with the demand of steel. The company has been provided assistance of ₹1900 lakh under Rupee Term Loan (RTL) of the Corporation.



Lekhi Public School



Lekhi Public School promoted by Old Mengio Multipurpose Society, is an English medium school at Lekhi village, Naharlagun, Arunachal Pradesh. NEDFi assisted the unit with an amount of ₹100 lakh under NEDFi Opportunity Scheme for Small Enterprise (NOSSE) for expansion of existing infrastructure.

Niba Hospital

Niba Hospital located at Papu Nallah, Naharlagun, Arunachal Pradesh, was incorporated in 1999 as a medical clinic with facilities for general medicine and ENT, which was upgraded to a 51 bedded multi-speciality hospital in 2004 with additional facilities for surgery, paediatrics, obstetrics & gynaecology and support services like pathological laboratories, in-house pharmacy, diagnostic centres etc. NEDFi assisted the unit with an amount of ₹95 lakh under NEDFi



Opportunity Scheme for Small Enterprise (NOSSE) for expansion of existing infrastructure.

L. C. Woodland Dhaba

L. C. Woodland Dhaba located on the Guwahati - Shillong highway is operated by a local first generation entrepreneur. NEDFi

sanctioned an amount of ₹27 lakh under North East Entrepreneur's Development Scheme (NEEDS).



Hotel Dew Drops



Hotel Dew Drops, a 2 star category Hotel is located at Pangthang, East Sikkim. NEDFi sanctioned Rupee Term Loan (RTL) of ₹100 lakh for additional construction under NEDFi Opportunity Scheme for Small Enterprise (NOSSE).

Shree Krishna Industries



Shree Krishna Industries located at Hijuguri Gaon, Tinsukia, Assam, is an aluminium utensils making unit. The unit has an annual installed capacity of 120 MT. NEDFi sanctioned ₹24.45 lakh under North East Entrepreneur's Development Scheme (NEEDS).

Ar Pee Commercial Complex



Ar Pee Commercial Complex is located at Lunglei, Mizoram. NEDFi sanctioned ₹20 lakh to the unit under North East Entrepreneur's Development Scheme (NEEDS).

Fancy Beauty Parlour



Fancy Beauty Parlour is located at MD Shopping Complex, Ganga Market, Itanagar, Arunachal Pradesh. NEDFi sanctioned ₹5 lakh under Women Enterprise Development Scheme (WEDS) for its modernisation.

Nuptial House



Nuptial House is 2 star category hotel located at Guwahati. NEDFi assisted the unit with an amount of ₹100 lakh under NEDFi Opportunity Scheme for Small Enterprise (NOSSE) for expansion of existing infrastructure.



Hotel Sonar Tori



Sonar Tori is a 3 star category hotel at Agartala, Tripura with all the modern facilities. The hotel has 36 luxury rooms and caters to the

needs of business travellers as well as tourists. NEDFi sanctioned Rupee Term Loan (RTL) of ₹350 lakh for setting up of this hotel.

Waistline



Waistline is a ready made garments unit located at Sunshine Plaza, Itanagar, Arunachal Pradesh. NEDFi assisted ₹5 lakh to the unit under Women Enterprise Development Scheme (WEDS).

Smart Life Gym



Smart Life Gym located at Dimapur, Nagaland, has state-of-the-art fitness equipments. NEDFi sanctioned ₹88 lakh under NEDFi Opportunity Scheme for Small Enterprise (NOSSE).

Four Plus Two Dhaba

Four Plus Two Dhaba is a restaurant located at Dymmiew Massar, East Khasi Hills, Meghalaya. NEDFi assisted ₹10 lakh to the unit under Women Enterprise Development Scheme (WEDS).



Laxmi Narayan Dental Clinic



Laxmi Narayan Dental Clinic is located at Kumarghat, Unakoti, Tripura. NEDFi assisted ₹2 lakh to the unit under North East Entrepreneur's Development Scheme (NEEDS).

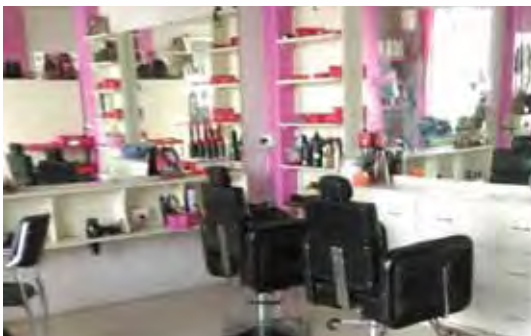
Numit Brick



Numit Brick is a semi mechanized brick making unit at Leimapokpam, Bishnupur, Manipur. The unit was assisted with ₹100 lakh under NEDFi Opportunity Scheme for Small Enterprise (NOSSE).

Matrix

Matrix, a beauty parlour at Zarkawt, Aizawl was sanctioned ₹5 lakh under Women Enterprise Development Scheme (WEDS) for its expansion.



Birds, Beasts & Relatives

Birds, Beasts & Relatives at Deorali Bazaar, Gangtok, East Sikkim is a veterinary clinic cum pharmacy. NEDFi sanctioned ₹5 lakh under North East Entrepreneur's Development Scheme (NEEDS).



Sankalang Sampoo Lee



Sankalang Sampoo Lee homestay at Dzongu in North Sikkim not only provides nature stay in the pollution free environment, but also an excellent experience for the tourists. NEDFi assisted ₹5 lakh to the unit under Women Enterprise Development Scheme (WEDS).

Rajdeep Picture



Rajdeep Picture, a photo framing unit, is located at V.K Road, Dharmanagar, North Tripura. The unit was assisted with ₹3 lakh under North East Entrepreneur's Development Scheme (NEEDS).



Vogue



Vogue, an exclusive ladies garments store at Police Bazaar, Meghalaya has become quite popular among the women shoppers as it maintains a steady collection of trendy garments. NEDFi sanctioned ₹2 lakh under Women Enterprise Development Scheme (WEDS) for expansion of the unit.

Hotel Floria



Hotel Floria is located at Bara Bazaar, Aizawl, Mizoram. The unit has 33 well furnished rooms. NEDFi assisted Rupee Term Loan (RTL) of ₹200 lakh to the unit.

Laxmi Mistanna Bhandar



Laxmi Mistanna Bhandar is a sweet making and selling unit at Padmapur, Dharmanagar, North Tripura. NEDFi assisted ₹2 lakh to the unit under North East Entrepreneur's Development Scheme (NEEDS).

Bethany Stone Works



Bethany Stone Works is a stone quarry unit at Aizawl, Mizoram. NEDFi assisted ₹40 lakh to the unit under NEDFi Opportunity Scheme for Small Enterprise (NOSSE).

Advanced Speciality Hospital and Research Institute



Advanced Speciality Hospital and Research Institute, located at Palace Compound, Imphal East, Manipur, is a 100 bedded hospital and aim to put 200 beds in general ward. NEDFi assisted ₹100 lakh to the unit under NEDFi Opportunity Scheme for Small Enterprise (NOSSE).



The Serene Abode



The Serene Abode is a 2 star category hotel at Upper Banskota, Pasighat, Arunachal Pradesh. NEDFi assisted Rupee Term Loan (RTL) of ₹65 lakh to the unit.

Ridhi Sidhi Infracon



The city of Guwahati is presently witnessing an increasing demand for residential flats. Ridhi Sidhi Infracon is a 66 unit residential apartment located at Beltola, Guwahati. NEDFi assisted Rupee Term Loan (RTL) of ₹350 lakh to the unit.

Zakhuma Memorial School



Zakhuma Memorial School, an English medium school at Lunglei, Mizoram, has strength of 407 students. NEDFi assisted ₹68

lakh to the unit under NEDFi Opportunity Scheme for Small Enterprise (NOSSE) for its expansion.



Micro Finance

Building Local Micro Finance Institutions (MFIs) for growth, outreach & sustainability

Being a development financial institution, NEDFi has always been looking for sourcing low-cost funds to help the disadvantaged section of the society. As a result of the effort, NEDFi signed Memorandum of Understanding (MoU) with the different Corporations viz. National Backward Classes Finance & Development Corporation (NBCFDC), National Schedule Castes Finance and Development Corporation (NSFDC) and National Schedule Tribes Finance & Development Corporation (NSTFDC) to become channelizing agency of these organizations. Through these arrangements, NEDFi could channelize low-cost funds to the beneficiaries belonging to OBCs, SCs and STs. So far, NEDFi has availed Rs.45 cr. from NBCFDC, ₹3.98 cr. from NSFDC and ₹2 cr. from NSTFDC.

From these fund support, many beneficiaries have been benefitted, which can be seen from the following 2 (two) case studies.

Assistance under National Scheduled Castes Finance & Development Corporation (NSFDC)

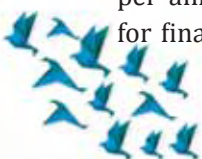


Sewali Das (Weaving)

This is the story of an energetic and hard working woman, named Sewali Das, of Kaibortopara, which is 1 km from Sualkuchi, Assam. Her husband, Kamala Das, is a temporary service holder and his income is not sufficient to run the family. She has experience of weaving. It was in the year 2014, she heard about Grameen Sahara (assisted by NEDFi) from the neighbours and approached for a loan. She availed a loan ₹21,000 with interest rate of 4% reducing per annum and this was exclusively meant for financing women belonging to SC under

NSFDC. She utilized the amount in weaving and at present her household income is around ₹4,000 per month. It's her eagerness and zeal to do something for her family, to provide proper education to the children and improve their standard of living, which will ultimately lead her to success.

Sewali appreciated Grameen Sahara for supporting not only her, but also to thousands of underprivileged section of the masses, who were not aware of these facilities and for empowering them to do something for the society.



Assistance under National Backward Classes Finance & Development Corporation (NBCFDC)



Bandana Das (Small Paan Shop)

Bandana Das is a 35 years old hard working woman from Barbahar, under Chaygaon Development Block, Kamrup (R), Assam. She could not complete her matriculation due to financial constraints but she is quite an innovator when it comes to engage herself in entrepreneurial activities. Her husband Sri Bharat Das is a farmer. The family earns its living by farming and by selling areca nut & betel leaves planted in their homestead. But, these seasonal earnings were inadequate sources for family maintenance. She started her business with weaving. She always looked for a better option for earning.

Bandana Das's home is situated in a place where having a grocery shop is essential. But she had not enough money to open and run a grocery shop. So she decided to open a small paan shop in 2013. In the year 2014 Bandana Das heard about Grameen Sahara from her neighbours and availed a loan of ₹10,000 as a first cycle loan. She invested the money in that small Paan shop.

She utilized the money in proper way and a result of that slowly but effectively changed her business.

Her perseverance in raising income through income generating activities cheered Grameen Development & Finance Private Limited to continue its support of OBC loan. In 2014, a 2nd cycle loan of ₹15,000 was given to Bandana Das with an interest rate of 4% reducing per annum.

It is just like the way to fulfill the dream of opening a grocery shop. She increased the size of the shop & uploaded with grocery items. Her immense spirit led her to be independent. Her household income increased to around ₹5,000 per month.

Bandana Das's efforts are appreciated by her neighbours because of her determination & spirit to fulfill her dream. She is an inspiration for the villagers. Bandana Das thanks Grameen Development & Finance Private Limited for supporting and encouraging her to chase her dream of having a better future of her family as well as for the welfare of the society.

MoU between Ministry of DoNER and 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 at New Delhi for availing ₹60.0 cr. loan from the Govt. of India for the financial year 2014-15. The fund 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.



Advisory & Consultancy

NEDFi provides multi-disciplinary advisory & consultancy services in the field of infrastructure and social development projects in North Eastern region. With a team of professionals from the fields of management, engineering, agriculture, legal and finance, the Corporation



Third Party Monitoring of Projects funded under SPA (2011-12) in Arunachal Pradesh

has delivered high quality services to clients, which includes Central and State Governments, public and private sector companies, public utilities, multi-lateral funding agencies, investors and developers.



Monitoring, Evaluation, Learning & Documentation (MEL&D) assignment in Meghalaya

The Corporation has completed several prestigious consultancy assignments covering all the states of North Eastern region in the fields of Monitoring & Evaluation of infrastructure projects, Development Planning,



Monitoring, Evaluation, Learning & Documentation (MEL&D) assignment in Manipur

Project Management, Business Plan, Skill Development and Impact Assessment Studies. Some of the important assignments awarded to NEDFi during the year 2014-15 are, Third Party Monitoring of projects funded under SPA 2011-12 & 2012-13 in the state of Arunachal



Comprehensive Skill Development Study in Sikkim

Pradesh; Monitoring, Evaluation, Learning & Documentation of Projects implemented under Integrated Watershed Management Programme (IWMP) in the states of Meghalaya, Manipur and Bodoland Territorial Area Districts (Kokrajhar, Chirang, Baksa and Udalguri) of Assam and Comprehensive Skill Development Study in Sikkim.



Third Party Monitoring of Projects funded under SPA (2012-13) in Arunachal Pradesh



Corporate Social Responsibility

Highlights of the CSR activities/ initiatives undertaken by the Corporation during FY 2014-15

- Mentoring assistance to 526 entrepreneurs of the region through the eight Business Facilitation Centres of the Corporation.
- Implementation of two CSR projects in association with IDBI Bank -
 - Setting up of a Common Facility Centre for Bagurumba Weaving Group in Nalbari district, Assam. IDBI Bank: ₹20 lakh, NEDFi: ₹5.17 lakh.
 - Setting up of a showroom at Namchi, Sikkim for the beneficiaries of Namchi Designer Candle Project. IDBI Bank: ₹16.90 lakh, NEDFi: ₹4.16 lakh
- Implementation of two CSR programmes with SIDBI -
 - 12 skill development programmes for cloth mat using scrap fabric in NER and participation in the exhibition programmes for 50 artisans. SIDBI: ₹5 lakh, NEDFi: ₹3.75 lakh.
 - 8 MFI workshops covering 186 beneficiaries in eight NE states. SIDBI: ₹3.20 lakh, NEDFi: ₹3.80 lakh.
- Technical Intervention of Traditional Assamese Jewellery with German Experts.

A series of awareness camps cum business meets were conducted by the Corporation in all the North East States during FY 2014-15.



Kakching, Thoubal District, Manipur



Dimapur, Nagaland



Champai, Mizoram



Agartala, Tripura



Shillong, Meghalaya



Dharmanagar, Tripura



- **Marketing Support** - To provide marketing support to the artisans from handloom & handicraft sector including water hyacinth craft, NEDFi facilitated entrepreneurs' participation in various exhibitions in the region and outside in places like New Delhi, Greater NOIDA and in the state of Tamil Nadu, besides in foreign lands like Thimpu in Bhutan and Kathmandu in Nepal. A total of 248 beneficiaries participated in 36 exhibitions during the financial year 2014-15.



IBRFTF 2014, Samdrup Jongkha, Bhutan

- **Exposure trip** - NEDFi organised two exposure trips to Kerala between September and December 2014. In the first one 7 entrepreneurs engaged in eco-tourism sector in Assam were sent to different tourist locations in Kerala and in the second one 2 entrepreneurs from Manipur associated with bamboo craft industry were deputed to attend International Training on Bamboo craft.



- **Capacity Building Programmes** - During the financial year 2014-15, a total of 43



4th Nepal International Trade Fair, 2015

programmes were organized on varied sectors like bamboo cutlery, designer candle and doll making, natural dye, *Sital Pati*, water hyacinth craft, traditional jewellery, medicinal & aromatic plants and scrap fabric etc. where 1150 beneficiaries from all over the North East participated.

- **Promotion of MAP** - NEDFi had initiated a number of programmes to promote entrepreneurship in Medicinal and Aromatic Plants (MAP). To promote cultivation, citronella and lemon grass seedlings were distributed free of cost in villages with a buy back arrangement which received a very good response from the farmers. A total of 35,967 kg. Citronella and Lemon grass were supplied by these farmers to NEDFi R&D centre, Khetri. It also had 1137 visitors during the year who took keen interest in the initiative seeking technical guidance. The most important among them was Shri Giriraj Singh, Hon'ble Minister(s), MSME, Govt. of India who had visited the Centre on 8th February 2015 and appreciated the initiative of NEDFi in promotion & propagation of MAP and water hyacinth craft.

Traditional Assamese Jewellery



NEDFi invited Ms. Renate Golz, Senior Expert, SES, Germany who is an expert on jewellery design, for technical intervention on Traditional Assamese Jewellery Cluster located at Barpeta town of Assam. The 15 days training programme emphasized on the need to follow the standard procedures for better finishing of the products. There was remarkable improvement in terms of quality both in finishing of metal work as well as enameling work.

Use of Scrap Fabric



NEDFi Lunglei Branch in association with SIDBI organised 5 days training programme on use of scrap fabric for the weavers of North East during 14 -18 July, 2014 at Lunglei, Mizoram. Total 26 trainees participated in the programme. Besides, two training programmes on weaving using scrap fabric in the traditional loom were



organised jointly by NEDFi and SIDBI. The first one was organised at Maibam Leikai, Imphal West from 16 to 20 August and the second one at Khurai Kongpal, Sajor Leikai, Imphal East, Manipur from 23 to 27 August 2014. During the program 50 weavers were trained. The program was organised in association with Leima Thrift and Credit Co-operative Society Ltd, Singjamei Waikhom Leikai, Imphal West.

Pig Rearing Project



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. The project was initiated with distribution of 2 piglets each to 26 families with an agreement that each beneficiary will return 2 piglets after one year. Out of the 52 piglets distributed in Phase-I, 42 piglets have been collected from the existing beneficiaries and redistributed among the new beneficiaries. In Phase-II, 39 additional piglets were distributed during February, 2015.

Water Hyacinth Craft

Following the footsteps of Thailand and Malaysia and with design inputs & expertise from the National Institute of Design, Ahmedabad, Aqua Weaves of NEDFi has turned the perennial free plant, water hyacinth, to come up with a range of interesting products like bags, home décor and utility goods.

Sensing an opportunity in the plant that pollutes the water, it has started spreading its reach. Today, water hyacinth craft has established itself as a viable craft in the regional as well as national market.



- **Centre for Practical Livelihood Training (CPLT)** – To enhance employability skill of the youth of the North East towards capacity building, NEDFi conducted various programmes during the year. Total 26 programmes on weaving and embroidery, beauty parlour management for women, electrician, wall painting & tiles work traits, DTP, LMV driving, photography & videography, home-made chocolate, MIG welding & fabrication, mobile repairing, refrigeration & air-conditioning and Computer HW etc. were conducted by CPLT all across the North East states covering 593 beneficiaries.

Here is a glimpse of training programmes conducted by CPLT.

Beauty Parlour Management



NEDFi, Itanagar Branch, conducted 30 days training programme on Beauty Parlour Management at Itanagar from 7 October to 6 November, 2014 in association with Sangay Hair Spa & Beauty Parlour cum Training Centre. Total 27 trainees took part in the programme.

Home-made Chocolate



NEDFi, Lunglei Branch, conducted 3 days training programme on Home-made chocolate making from 25-27 June, 2014 where 33 participants took part.

LMV Driving



NEDFi, Dimapur Branch, conducted a skill development programme on LMV Driving for 20 under-privileged youths in association with Drive Away at State Stadium, Dimapur, Nagaland from 6-30 October, 2014.

Wall Painting and Tiles Work Traits



NEDFi, Imphal Branch, in association with Institute of Co-operative Management, Imphal (under National Council for Co-Operative Training, New Delhi) and Rural Social Service Society (RSSS), Imphal, conducted 37 days skill development training programme on "Wall Painting and Tiles Work Traits" with the objective to motivate & train youth and impart them the knowledge & skills required for taking up self-employment ventures.

Mobile Repairing

NEDFi, Dharmanagar Branch, in association with Information Technology & Consultancy Services, Dharmanagar organised 30 days programme on Mobile Repairing for 30 trainees from 14 November to 13 December, 2014.

DTP



NEDFi, Shillong Branch, conducted 45 days programme on DTP for 32 Nos. of trainees at Nongpoh, Ribhoi District, Meghalaya in association with Lynti Jam Welfare & Development Association.



Visits

Dr. Jitendra Singh, Hon'ble Union Minister of State (Ind. Charge), Ministry of Development of North Eastern Region (DoNER) visiting NEDFi stall at North East Festival held in New Delhi



Shri Giriraj Singh, Hon'ble Union Minister of State, Ministry of Micro, Small and Medium Enterprises visited NEDFi R&D Centre and CFC at Khetri, Assam



Study visit of Department Related Parliamentary Standing Committee on Home Affairs to Assam, Meghalaya and Manipur

Fairs & Festivals



NEDFi pavillion at 25th Tripura Industries & Commerce Fair, 2015 (L) & at Sangai Festival, Manipur (R)

Hindi Week



नेडफी ने मनाया हिंदी-सप्ताह

हिंदी दिवस समारोह के अवसर पर नेडफी की हिंदी क्रियान्वयन समिति ने नेडफी कार्यालय में तत्काल लेखन, अंत्याक्षरी, नाटक मंचन, वाद-विवाद, तत्काल भाषण व एकल गायन जैसे अनेक कार्यक्रम आयोजित किए।

इस अवसर पर केंद्रीय गृहमंत्री राजनाथ सिंह द्वारा हिंदी दिवस पर जारी संदेश पढ़कर सुनाया गया। नेडफी के अध्यक्ष एवं प्रबंध निदेशक बी पी मुक्ति तथा महाप्रबंधक एवं कंपनी सचिव, एस के बरुआ ने सभी को शुभकामनाएं दी।



Independence Day



Independence Day celebration at NEDFi House, Guwahati

Swachh Bharat Abhiyan

NEDFi observed "Mission Swachh Bharat" at it's premises from 1-2 October, 2014



NEDFi Branches also observed "Mission Swachh Bharat" on 2 October, 2014

Vigilance Awareness Week

NEDFi observed Vigilance Awareness Week from 27 October to 1 November, 2014 at Head Office as well as Branch Offices



CMD & all officials at HO pledged during Vigilance Awareness Week



Kohima Branch



Lunglei Branch



Itanagar Branch



Board of Directors



Shri B.P. Muktieh

Shri B. Paul Muktieh, B. Tech (Electrical & Electronics), PGDM (IIM, Ahmedabad) is the Chairman & Managing Director of NEDFi and has over 27 years of development banking experience in diverse and varied areas of the financial systems. Prior to becoming the CMD of NEDFi, Shri Muktieh was the Chief General Manager, IDBI Bank and was handling the Small and Medium Enterprises Division of the Bank. He has 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 2006-2008.



Shri S.K. Magoo

Shri Sanjay Kumar Magoo is the Chief General Manager, State Bank of India, North East Circle. He has the distinction of holding a variety of challenging assignments in the Bank and carries with him a rich combination of knowledge and experience. Just prior to taking over as CGM of the Circle, he was posted as the General Manager (Network II) in Bhubaneswar. He has vast experience in credit and IT. He held the charge of General Manager and Deputy General Manager in Core Banking and other special projects in the Bank's IT Department at Belapur. Shri Magoo is not new to this region, as he was posted as Asstt. General Manager at the Bank's LHO, Guwahati, in 1999.



Shri H. Bhargava

Shri Hemant Bhargava, Executive Director, 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.



Shri Toshi Aier, IAS

Shri Toshi Aier, IAS (1978 batch) is the Chief Secretary, Government of Nagaland. Shri Aier had earlier served as the Additional Chief Secretary and Finance Commissioner to the Government of Nagaland.



Board of Directors



Shri Lalmalsawma, IAS

Shri Lalmalsawma, IAS (1983 batch) is the Chief Secretary, Government of Mizoram. Shri Lalmalsawma, an AGMUT (Arunachal Pradesh-Goa-Mizoram and Union Territory) cadre IAS officer, was looking after the SC, ST, OBC and Minorities Department of the Delhi government. He was earlier serving as Principal Secretary with the Delhi Government.



Shri S. N. Brohmo Choudhury, IES

Shri S. N. Brohmo Choudhury is working as Senior Economic Adviser, Ministry of Development of North Eastern Region (DoNER), New Delhi & Secretary (i/c), North Eastern Council, Shillong. Previously he served as Adviser in Planning Commission.



Dr. R. K. Garg

Dr. R. K. Garg, former Chief General Manager of State Bank of India, NE Circle, joined as a Probationary Officer in 1975, and has held, with distinction, a variety of critical and challenging assignments in the Bank - viz. Head of Corporate Strategy and New Business, Stressed Assets and Risk Management at the Corporate level. He is a Management Graduate from BHU. Post retirement, he completed PhD in Credit Risk Management from Gauhati University.



Dr. T. K. Mukhopadhyay

Dr. T.K. Mukhopadhyay, B.Sc (Honours), B.Tech, M.Tech, Ph D & PGDBM, formerly CGM of IDBI Bank, served the Bank with more than 30 years having rich experience in different areas of operations like Project Finance, MSME finance, Project monitoring & follow up, Restructuring of sick units etc. He also served as a Whole Time Director of Cybertech Systems & Software Ltd. and provided faculty support to Gauhati University, JNIDB, University Colleges of Science & Technology, Calcutta University and K.J. Somaiya Institute of Management. In IDBI Bank, he was the Head of both Eastern & North Eastern region and served as nominee director on the Board of several companies.



Ms. Shruti Gonsalves

Ms. Shruti Gonsalves is Chief Executive Officer, SEWA Grih Rin Limited, a housing finance company, which provides housing loans to low income households in India. She is a post graduate in finance and management with over 15 years of experience in project finance, appraisal, monitoring & evaluation systems and development financing, mostly in the area of micro finance & capacity building of member organisations and their staff.



Directors' Report

The Directors of your Company have pleasure in presenting their 20th Annual Report on the affairs of the Company together with the Audited Statements of Account for the financial year ended 31st March, 2015.

FINANCIAL REVIEWS

The financial results of the year are highlighted below:

Working Results	(₹ Crore)	
	2013-14	2014-15
Gross Income	139.23	146.74
Gross Expenditure	39.10	48.43
Profit Before Tax	100.13	98.14
Profit After Tax	63.87	75.63
Earnings Per Share (in ₹)	6.39	7.56
Dividend	8.00	8.00
Interest income as percentage to average working funds (%)	12.06	10.80
Non-interest income as percentage to average working funds (%)	1.18	1.01
Operating profit as a percentage to average working funds (%)	9.59	8.17
Return on average assets (%)	5.54	5.89
Net profit per employee	0.59	0.70
Capital to Risk (Weighted) Assets Ratio (CRAR) (%)	46.35	45.70
Financial Position		
Authorised Capital	500.00	500.00
Paid up Capital	100.00	100.00
General Reserve	298.63	335.38
Net worth	518.62	585.09
Total Assets	1290.46	1423.30
Sanctions	457.51	312.03
Disbursements	364.69	387.20
Loan Outstanding	1113.26	1240.14
Recovery (%)	85.70	81.75

Performance of the Corporation

During the Financial year 2014-15 (FY 15), the Corporation's key parameters such as gross income, profits, disbursements and loan outstanding registered modest improvement. To view this growth in the right perspective, it is necessary to observe the sanctions and disbursements during the past five years along with cumulative performance as on 31st March, 2015:



(Rs. Crore)

Year	Sanctions	Disbursements
2010-11	396.53	280.84
2011-12	432.23	334.56
2012-13	453.49	348.73
2013-14	457.51	364.69
2014-15	312.03	387.20

(Rs. Crore)

Cumulative		
Year	As on 31-03-14	As on 31-03-15
Sanctions	3329.70	3641.73
Disbursements	2325.75	2712.95
No. of Projects	3585	4013
Capital Investment Facilitated in NER	11981.43	12776.47
No. of Employment Generated	79842	84430

For the FY 15, operating profit as a percentage to average working funds was 8.17%. Return on average assets was 5.89 % in the year under review as compared to 5.54% in FY 14. While Net profit at ₹75.63 crore, recorded a growth of 18.41% over the previous year figure of ₹63.87 crore, Capital Adequacy Ratio stood at 45.70% as at March 31, 2015, as against 46.35 % recorded during the previous year.

The Board of Directors of the Corporation has recommended a dividend of 8% for the financial year 2014-15. The payout ratio is 10.58 % of the net profit and total outgo on account of dividend and tax thereon is ₹9.63 crores.

In terms of section 125 of the Companies Act 2013, there was no unpaid/ unclaimed dividend declared and paid during the previous year and therefore the provisions of section 125 of the Companies Act, 2013 do not apply.

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 ₹1240.14 crores, 11% higher as compared to ₹1113.26 crores as at 31st March, 2014.
- Credit exposure to five largest industrial sectors – hotel & tourism, micro finance, iron & steel, cement & real estate was around 52% of the total loan assets.
- With higher business volume and better loan and interest recovery, the gross earnings of the Corporation increased by 5.39% at ₹146.74 crore.
- Net NPAs to net loans & advances stood at 6.51% as on 31st March 2015 and gross NPA stood at 8.87% as against 3.48% and 6.34% 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.
- As per requirement of RBI regulations, the Corporation has transferred the following amounts to various reserves during financial year ended March 31, 2015.



Amount transferred to	Amount in Rs.Cr.
General Reserve	37.00
Statutory Reserve	15.13
Special Reserve	14.28

During the year the Corporation received budgetary allocation of ₹60 Cr. as interest free loan from the Government of India through the Ministry of DoNER. The fund has been utilised in terms of the Memorandum of Understanding (MoU) with the Ministry of DoNER for lending to the micro & small enterprises and to the micro finance sector in the un-served/ underserved areas at a concessional rate of 8% p.a.

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 this financial year, NEDFi's Microfinance has completed 16 years of intervention in the sector. As on 31st March 2015, NEDFi sanctioned ₹404.92 cr. and disbursed ₹398.34 cr., through which NEDFi has been able to touch around five lakh lives. The loan portfolio of ₹143.65 cr. is healthy with gross NPA below 1% (i.e. 0.44%) as on 31st March, 2015.

NEDFi signed Memorandum of Understanding (MoU) with National Backward Classes Finance and Development Corporation (NBCFDC), National Schedule Castes Finance and Development Corporation (NSCFDC) to become channelizing agency of these organisations to provide low-cost funds to the beneficiaries belonging to OBCs and SCs. As part of the NEDFi's continuous efforts to help the people of the region, another line of credit has been availed from National Schedule Tribes Finance and Development Corporation (NSTFDC) during the year. With this arrangement, the Corporation during the year has been able to assist beneficiaries belonging to Schedule Tribes at subsidized rate of interest.

Capacity Building Support to NGOs/MFIs

In Microfinance, Capacity Building is a continuous exercise and to cope up with the changes and developments in the sector, the functionaries and staff of NGOs/MFIs need to continuously upgrade their knowledge and skill sets. NEDFi assist these NGOs/MFIs by providing such capacity building programmes. During the year, NEDFi conducted two training programmes in the states of Assam and Tripura through reputed institutions viz., International Finance Corporation (IFC) and M2i.

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. During the financial year, NEDFi conducted a total number of 17 Business/Entrepreneurs Meets, Workshops and Entrepreneurship Development Programmes (EDPs) in all eight states of North Eastern Region for dissemination of information on its schemes and programmes. These business meets are a means to reach out to all the corners of the North East Region for a one-to-one interaction with potential entrepreneurs who are informed on the schemes/ products of the Corporation.



TEDF STUDIES

- NEDFi conducts various techno economic feasibility studies for the North Eastern Region. Till date 80 studies had been approved to be taken up under TEDF of which 65 studies have been completed.
- 12 studies are in various stages of progress. Pursuant to the Advisory Board Meeting and the Executive Committee Meeting of TEDF held on June 10, 2014, 3 (three) studies have been dropped/kept in abeyance.
- During the FY 15, one Advisory Board Meeting and two Executive Committee Meetings were held.

NODAL AGENCY ROLE

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

Central Subsidies

(Rupees in Crore)

Scheme	FY 13-14	FY 14-15	Cumulative as on 31/03/2015
Transport Subsidy (TS)	205.46	107.57	2561.41
Central Capital Investment Subsidy (CCIS)	132.73	152.69	615.85
Central Interest Subsidy (CIS)	18.10	25.95	191.19
Central Comprehensive Insurance Subsidy	0.43	1.88	13.41
TOTAL	356.72	288.09	3381.86

ADVISORY AND CONSULTANCY SERVICES

The Advisory & Consultancy Department of NEDFi is 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.

NEDFi has been awarded several assignments during the financial year 2014-15. The Corporation has acquired 5 projects from various departments of the Governments of Assam, Arunachal Pradesh, Meghalaya and Manipur during FY 15. Other ongoing projects include amongst others:

- Third Party Monitoring of SPA (2010-11, 2011-12 & 2012-13) for Govt. of Arunachal Pradesh
- Concurrent Monitoring, Evaluation, Learning & Documentation (MEL&D) of IWMP projects in the state of Meghalaya
- Concurrent Monitoring, Evaluation, Learning & Documentation (MEL&D) of IWMP projects in the state of Assam (4 districts-Kokrajhar, Chirang, Baksa & Udalguri)
- Concurrent Monitoring, Evaluation, Learning & Documentation (MEL&D) of IWMP projects in the state of Manipur



- Consultancy assignment for program management services for scaling up the Assam PWD. (JV with Accenture).
- Comprehensive Study on Skill Development in NER- State Sikkim
- DPR preparation works for Rural Roads/Bridges under PMGSY for Govt of Assam
- Consultancy Services for development of IT Park at Guwahati (in consortium with SREI & Holistic Urban Innovations Pvt. Ltd.) for AMTRON, Govt. of Assam.

There are a number of other important assignments in the pipeline.

HRD INITIATIVES

- **Manpower:** Total strength of employees in all categories in the organization as on 31st March, 2015 is 108 (one hundred and eight).
- **Recruitment:** To strengthen its branch network and support the growth of the Corporation, 6 officers had been recruited at the entry level as Management Trainee (MT) through Campus Recruitment drives at Gauhati University, Tezpur University & NIT Silchar and 4 officers as Assistant Manager (AM) through open advertisement in association with IIBM.
- **Training:** Training had been provided to officers in the different grades in reputed institutions like NIBM, Pune, IIBM, Guwahati, XLRI, Jamshedpur etc. in areas like Project appraisal, monitoring & follow-up, Financial Inclusion, Social Banking and Micro Finance, RTI/BCSBI, Banking Ombudsman, Risk, Regulation & Compliance, etc.

NEDFi's CONVENTION CENTRE

A total of 146 numbers of events had taken place in the Convention centre during the year with participation of organizations like Silk Mark, Indian Dental Association, Publication Board of Assam, AMTRON, Ministry of Textiles, GMCH, TCS, APEDA, PWD, NHPC, SBI, ICAI, Guwahati, UNICEF, Assam State Legal Service Authority etc.

NER DATABANK

NEDFi is maintaining a web based portal called "NER Databank" which is a store house of information about North East India provided at a single source. Data on various sectors are being updated regularly. The details can be browsed at <http://db.nedfi.com>.

NEDFi DATABANK JOURNAL

The Corporation publishes "NEDFi Databank Journal" - an economic journal on the North Eastern region on various sectors. NEDFi Databank Journal 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, 29 sectors specific to the North East Region have been covered.

Thrust Areas

- i) **Resource Augmentation:** To augment its lending activities substantially, the Corporation will continue to explore various avenues for raising its resources. Refinance support from SIDBI will also continue. The Corporation has also tied up with other socio development agencies like National Backward Classes Finance & Development Corporation (NBCFDC) and the National Scheduled Castes Finance & Development Corporation (NSCFDC) and signed a Memorandum of



Agreement with the National Schedule Tribes Development Corporation (NSTDC) for providing financial assistance to deprived and underprivileged sections of society in the region. NEDFi had initiated discussion with NABARD to avail refinance facilities for rural development in the NE Region.

- ii) Targeting first generation local entrepreneurs through business counselling & networking:** The Corporation is facilitating entrepreneurship development and new enterprise creation through its BFCs and organising a series of business meets/ counselling camps and capacity building programmes in all the NE states.
- iii) Network expansion and branch strengthening:** The Corporation is constantly focusing on further expansion of branch network, on strengthening the Branches and empowering them to reduce turnaround time in decision making by rationalizing processes and procedures.
- iv) Skill Development:** With major stress on skill development, NEDFi will try to align some of its activities to develop skills among the rural youth for self employment.

Material Changes between the date of the Board report and end of financial year

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and the date of the report.

Conservation of energy, technology absorption, foreign exchange earnings 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.

IT Infrastructure

As per the NEDFi's IT Roadmap prepared by Pricewaterhouse Coopers (PwC) in 2011, the Corporation has taken up many initiatives to improve the IT infrastructure of NEDFi. The Corporation has implemented its own data centre having secured network, servers, switches, etc. Moreover, new comprehensive software is being developed by in-house IT professional team for Loan Management System (LMS) and Finance and Accounting Management System (FAMS) so as to enable for connecting and integrating with Branch office operation.

Risk Management Policy

The Corporation has put in place risk management system to mitigate various risks such as credit, operation, market risks, etc. Risk Management Committee (RMC), Asset Liability Management Committee (ALCO) and Risk Management Department were set up to look after various types of risks of the Corporation. Also, Credit Risk Assessment system, Credit Exposure Norms and Operational Risk Management Policy were also adopted by the Corporation to strengthen its risk management system.

Corporate Social Responsibility

With reference to section 135 of Companies Act 2013, the Corporation constituted a Corporate Social Responsibility (CSR) Committee. The Committee comprises of following member Directors as on 31st March 2015:



- Sri B. P. Muktieh - Chairman and Managing Director
- Dr. T. K. Mukhopadhyay - Director
- Sri H. Bhargava - Director
- Sri R. K. Garg - Director
- Sri S.K. Magoo - Director

The CSR activity of the Corporation is guided by the CSR policy of the Corporation and monitored by the CSR Committee. The CSR policy of the Corporation is available at the Corporation website viz. www.nedfi.com.

The CSR expenditure incurred during the FY 15 is ₹2.24 Crore against the minimum mandatory norms of ₹1.21 Crore, being 2% of average net profit of 3 preceding years i.e FY12, FY13 and FY14.

Break up of CSR Expenditure

SI. No	Head of expenditure	Amount (₹ in Crore)
1	Capacity Building	0.54
2	Infrastructure	0.75
3	Marketing	0.53
4	Other Developmental Initiatives	0.42
Total		2.24

Activities taken up under CSR Policy of the Corporation for the period April, 2014 to March, 2015:

(a) Encouraging Entrepreneurship

(i) Business Facilitations Centre (BFC): - Mentoring assistance is extended primarily to the first generation entrepreneurs on managerial, technical, financial, commercial & marketing skills, preparation of DPR and credit linkages through the 8 Business Facilitation Centers of the Corporation in each of the NER states. Mentoring assistance to 526 entrepreneurs and credit linkage to 117 entrepreneurs were facilitated during the FY 2014-15.

(ii) Facilitating Market Linkage: Artisans of handloom and handicraft sector including water hyacinth craft were nominated for participation in various regional and national level exhibitions. They also participated in exhibition organized in Thimpu, Bhutan and Kathmandu, Nepal. A total no. of 248 entrepreneurs participated in 36 exhibitions during the Financial Year 2014 - 2015.

(iii) Exposure trips to Handicraft units (Cane and Bamboo sector) outside North East State / Participation in Exhibition: Seven numbers of entrepreneurs from Assam were sent to Kerala for eco-tourism from 20th Sept, 2014 to 2nd Oct, 2014 and two numbers of entrepreneurs from Manipur were sent to Kerala for bamboo craft from 25th Nov, 2014 to 13th Dec, 2014.

(b) Promotion of Sustainable livelihood in the NER

(i) Capacity Building Programmes: To promote sustainable livelihood in various sectors like Bamboo Cutlery, Designer Candle, Natural Dye, Sital Pati, Doll Making, Water hyacinth craft, Traditional Assamese Jewellery, Cloth mat from scrap fabric, Medicinal and Aromatic Plants a total of 43 capacity building training programmes were organized covering 1150 beneficiaries of all the north eastern states. Water hyacinth craft experts from Thailand were invited in the month of March 2014 for imparting advanced training on designer hat and cap production.

(ii) Centre for Practical Livelihood Training (CPLT): Centre for Practical Livelihood Training (CPLT) is an initiative of NEDFi primarily to build capacity of the youth for enhancing employability as well as skill for self employment. Through CPLT a total of 26 training programmes were organized



on various vocational skills like Weaving, Beautician, Electrician, DTP, Driving, Embroidery, Photography & video, Homemade chocolate, Welding, Mobile Repairing, Air-conditioning, Computer HW and SW etc. during the year covering 593 unemployed youth of all the NER states.

(iii) 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. The project was initiated with distribution of 2 piglets each to 26 families on 8th February, 2013 with an agreement that each beneficiary will return 2 piglets after one year. Out of the 52 piglets distributed in the Phase I, 42 piglets have been collected from the existing beneficiaries and redistributed among the new beneficiaries. The success of the first phase encouraged NEDFi to take up the Phase II with distribution of 39 additional piglets to the beneficiaries in February, 2015 and facilitation of veterinary and associated capacity building support.

(iv) Technical Intervention on Traditional Assamese Jewellery with German Experts: Ms. Renate Golz, Senior Expert, SES, Germany who is an expert on jewellery design was invited for Technical Intervention on Traditional Assamese Jewellery Cluster located at Barpeta town of Assam. The 15 days workshop was attended by 15 artisans. The focus of the workshop was to standardize process and finishing techniques to attain better finishing & quality of metal work as well as enameling work. The workshop was successful not only to meet its objective but also created awareness on health and safety issues.

(c) Promotion of entrepreneurship in Medicinal & Aromatic Plant Sector through the NEDFi Centre for Medicinal and Aromatic Plants (MAP) at Khetri, Sonapur Assam:

To popularize the cultivation of MAP amongst the neighbouring villages, the Centre has distributed Citronella and lemon grass seedlings free of cost to the interested farmers with a buy back assurance which received good response and farmers have started bringing the citronella and lemon grass herbs. A total of 35,967 kg Citronella and Lemon grass were supplied by the farmers to the Centre.

The centre has produced 183 kg Citronella oil and 100 kg Lemon grass oil from its field in addition to 200 Kg of oil processed from citronella and lemon grass herbs from the farmers. A total of 1137 visitors have visited the Centre for technical guidance as well as to see the herbal garden and water hyacinth craft CFC situated at the Centre. Honorable Minister of MSME, Shri Giriraj Singh visited the Centre on 8th February, 2015 and appreciated NEDFi initiative on promotion and propagation of MAP.

To popularize the MAP in the state of Tripura, NEDFi MAP centre at Nagichera, Tirpura have encouraged more than 100 farmers with 3 hectares of land to grow Citronella plantation in a village under Bishalgarh sub-division of Tripura. The Centre also planted Sandalwood, Stevia, Brahmi, Pudina, Ramtulishi, Patchouli, Multivitamin, Mahabringraj, Sathamul, Karpur, Artemisia Naga chilli seedlings in the existing Nursery. Trial plots preparation for Patchouli, Stevia, Kosturi bhendi, Kalmegh, Artemisia and four varieties Naga chilli are in progress.

The report on CSR for FY 15 is annexed herewith.

CSR Budget and Activity Plan for the FY 16 under Corporate & Social Responsibility (CSR) Policy of NEDFi

On recommendation of CSR committee, the Board of NEDFi allocated a fund support of ₹2.66 Crore towards CSR activity of the Corporation for the FY 16; against the mandatory requirement of ₹1.34 Crore, being 2% of the average net profit of the preceding three financial years viz. FY13, FY14 and FY15.



Particulars of loans, guarantees or investments under section 186 of the Companies Act 2013

There were no loans, guarantees or investments made by Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

Particulars of contracts or arrangements made with related parties under section 188 of the Companies Act 2013

There was no contract or arrangement made with related parties under section 188 of the Companies Act, 2013 during the year under review.

Prevention and redressal of sexual harassment of women at workplace

The Corporation has constituted a Committee for prevention and redressal of sexual harassment of women at workplace. The Committee examines and recommends actions required for prevention of sexual harassment of women at the workplace.

Significant and material orders passed by the regulators

There are no significant and material orders passed by the regulators/courts that would impact the going concern status of the Corporation and its future operations.

Statutory Auditors and Audit Report

Messrs. Saraswati & Co, Chartered Accountants, Guwahati, having registration number FRN No 317097E were appointed as Statutory Auditors of the Corporation by the Comptroller and Auditor General of India (C&AG) under Section 139 of the Companies Act, 2013. They hold office till the end of the ensuing Annual General Meeting.

There are no qualifications or adverse remarks in the Statutory Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation. The Auditors' Report for the financial year ended, 31st March, 2015 is annexed herewith.

Secretarial Auditor and Audit Report

Messrs. Narayan Sharma & Associates, Practicing Company Secretary, Guwahati having registration number FCS-5117 and CP No 3844 was appointed by the Board of the Corporation to conduct Secretarial Audit for a period of 3 years w.e.f. FY 15. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith.

Annual Return

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 in Form MGT-9 is annexed herewith.

Nomination and Remuneration Committee

As per the provisions of section 178(1) of the Companies Act, 2013, the Corporation's Nomination and Remuneration Committee comprises of four Non-executive Directors. The table sets out the composition of the Committee:



Name of the Director	Position held in the Committee	Category of the Director
Sri H. Bhargava	Chairman	Non Executive Non Independent Director
Sri P.R. Meshram	Member	Non Executive Non Independent Director
Dr T.K. Mukhopadhyay	Member	Non Executive Independent Director
Sri R.K. Garg	Member	Non Executive Independent Director

Remuneration policy

Remuneration to whole time Executive Director

The remuneration paid to the Chairman and Managing Director, the only whole time Executive Director in the Corporation, is approved by the Board of Directors subject to the approval of the shareholders in the General Meeting. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

Remuneration to Non Executive Directors

The Non Executive Directors are paid remuneration by way of sitting fees. The Non Executive Directors are paid sitting fees for each meeting of the Board and Committee of Directors attended by them.

Number of Board Meetings

During FY 15, the Board of Directors met Six times viz. on 29th April, 2014, 16th June, 2014, 22nd August, 2014, 21st November, 2014, 22nd January, 2015, and 16th March, 2015.

Directors' Responsibility Statement

Pursuant to the requirement under section 134(3)(C) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2015 and of the profit and loss of the company for that period;
- iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively; and
- v) the directors had prepared the annual accounts on a going concern basis.



Subsidiary Joint Ventures and Associate Companies

The Corporation does not have any Subsidiary, Joint Venture or Associate Companies.

Deposits

The Company has not accepted deposits since its inception.

Details of Directors / Key Managerial Personnel

NEDFi's Board has 10 (Ten) Directors of which all except one are Non-Executive Directors. In the last Annual General Meeting held on 24th September 2014, none of the retiring Directors were reappointed.

During the year, Smt. B. Jamir, IAS, Chief Secretary, Govt. of Nagaland, Smt. L. Tochhong, IAS, Chief Secretary, Govt. of Mizoram, Sri U. Tashi, Regional Head, IDBI Bank, Guwahati and Sri P.R. Meshram, Director, Ministry of Development of North Eastern Region relinquished their office as Directors. The Board has placed on record its appreciation of the services rendered by Smt. B. Jamir, IAS, Smt. L. Tochhong, IAS, Sri U. Tashi and Sri P. R. Meshram during their respective tenure at NEDFi.

Sri Toshi Aier, IAS, Chief Secretary, Nagaland has been appointed as Director on the Board of Directors of NEDFi with effect from 21st November 2014 in place of Smt. B. Jamir on her relinquishment of Directors of NEDFi. Sri Toshi Aier, IAS, will hold office as Director of NEDFi up to which Smt. B. Jamir would have held office if it had not been vacated i.e, upto the ensuing Annual General Meeting.

Sri Lalmalsawma, IAS, Chief Secretary, Mizoram has been appointed as Director on the Board of Director of NEDFi with effect from 22nd January, 2015 in place of Smt. L. Tochhong on her relinquishment of Director of NEDFi. Sri Lalmalsawma, IAS, will hold office as Director of NEDFi up to which Smt. L. Tochhong would have held office if it had not been vacated i.e, up to the ensuing Annual General Meeting.

Dr. T. K. Mukhopadhyay, former Chief General Manager, IDBI Bank, has been appointed as Director of the Company with effect from 1st March, 2015 and will hold office upto the date of ensuing Annual General Meeting of the Company. In the meantime, the Company has received a notice from Life Insurance Corporation of India (LICI) (member) signifying its intention to propose the candidature of Dr. T.K. Mukhopadhyay for the office of Director. Necessary resolution in this regard has been incorporated in the notice for the Twentieth Annual General Meeting.

Sri R.K. Garg, Former Chief General Manager, State Bank of India, has been appointed as Director of the Company with effect from 1st March, 2015 and will hold office upto the date of ensuing Annual General Meeting of the Company. In the meantime, the Company has received a notice from member / candidate signifying its intention to propose the candidature of Sri R.K. Garg for the office of Director. Necessary resolution in this regard has been incorporated in the notice for the Twentieth Annual General Meeting.

Sri S.N. Brohmo Choudhury, Senior Economic Adviser, Ministry of Development of North Eastern Region, has been appointed as Director on the Board of Directors of NEDFi with effect from



5th May, 2015 in place of Sri P.R. Meshram on his relinquishment of Director of NEDFi. In the meantime, the Company has received a notice from Life Insurance Corporation of India (LICI) (member) signifying its intention to propose the candidature of Sri S.N. Brohmo Choudhury for the office of Director. Necessary resolution in this regard has been incorporated in the notice for the Twentieth Annual General Meeting.

Smt. Shruti Gonsalves, Chief Executive Officer, SEWA Grih Rin Ltd. (SGR), has been appointed as Director of the Company with effect from 5th May, 2015 and will hold office upto the date of ensuing Annual General Meeting of the Company. In the meantime, the Company has received a notice from Life Insurance Corporation of India (LICI) (member) signifying its intention to propose the candidature of Smt. Shruti Gonsalves for the office of Director. Necessary resolution in this regard has been incorporated in the notice for the Twentieth Annual General Meeting.

The term of Sri B.P. Muktieh as Chairman and Managing Director has been extended with effect from 1st July 2015 subject to approval of shareholders in General Meeting. Necessary resolution in this regard has been incorporated in the notice for Twentieth Annual General Meeting.

As per the provisions of Section 152 of the Companies Act 2013, Sri Toshi Aier, IAS, and Sri Lalmalsawma, IAS, Chief Secretary to the Government of Nagaland and Mizoram respectively will retire by rotation at the ensuing Annual General Meeting.

Sanctioning Committee

The sanction and approval of loan proposals in excess of specific limits are vested with Sanctioning Committee. All the credit proposals having loan component above ₹2 crore are placed before the Sanctioning Committee for approval. During the year under review, 5(five) Sanctioning 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 up to (i) ₹2 crore (ii) ₹50 lakh and (iii) ₹10 lakh are placed before Corporate Credit Committee (I), Corporate Credit Committee (II) and Corporate Credit Committee (III) respectively. 4(four) Corporate Credit Committee (I) meetings, 13 (thirteen) Corporate Credit committee (II) meetings were held during the year and 17 (seventeen) Corporate Credit Committee (III) meetings were held during the year.

Declaration by Independent Directors

All the Independent Directors duly appointed by the Company have given the declaration at the time of their appointment that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.



Disclosure of Composition of Audit Committee

An Audit Committee comprising of Non-Executive/Independent Directors of the Company provides direction to the audit and risk management function of the Corporation. As per the provisions of section 177 of the Companies Act, 2013 the Audit Committee consists of the following 3 members:

Name of the Director	Position held in the Committee	Category of the Director
Sri H.Bhargava	Member	Non Executive Non Independent Director
Dr T.K.Mukhopadhyay	Member	Non Executive Independent Director
Sri R.K.Garg	Member	Non Executive Independent Director

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 audit and discussions with external auditors.

Corporate governance

The Corporation is committed to achieve the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set by the regulators/applicable laws. Accordingly, your Board functions as trustees of the shareholders and seeks to ensure that the long term economic value for its shareholders is achieved while at the same time balancing the interest of all the stakeholders. A separate statement on Corporate Governance is annexed herewith.

Management's Discussion and Analysis

The Management's Discussion and Analysis Report for the year under review is annexed herewith.

Internal Financial Control Systems and their Adequacy

The Corporation had laid down set of standards, processes and structure which enables to implement internal financial control across the organisation and ensure that the same are adequate and operating effectively.



Shares

Buy Back

The Company has not bought back any of its securities during the year under review.

Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

Bonus shares

No Bonus Shares were issued during year under review.

ESOP

The Company has not provided any Stock Option Scheme to the Employees.

Acknowledgments

The Board of Directors are grateful to the promoters of the Corporation viz., 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



(Chairman & Managing Director)

Place : Guwahati



Board Meeting Attendance for the Financial Year 2014-15

Sl. No.	Name of Director	93 rd board meeting held on 29/04/2014	94 th board meeting held on 16/06/2014	95 th board meeting held on 22/08/2014	96 th board meeting held on 21/11/2014	97 th board meeting held on 22/01/2015	98 th board meeting held on 16/03/2015
1	Sri B P Mukhtieh	Present	Present	Present	Present	Present	Present
2	Sri H. Bhargava	Present	Absent	Present	Absent	Present	Absent
3	Sri S.M. Awale	Present	--	--	--	--	--
4	Sri S.K. Magoo	Absent	Present	Present	Present	Absent	Present
5	Sri P.R.Meshram	Absent	Absent	Present	Absent	--	--
6	Dr. R. B. Barman	Present	Present	Absent	--	--	--
7	Dr. R.K. Baisya	Present	Present	Absent	--	--	--
8	Smt. L. Tochhang, IAS	Absent	Absent	Absent	Absent	--	--
9	Sri. A Luikham, IAS	Absent	Absent	Absent	Absent	Absent	Absent
10	Sri U. Tashi	--	Present	Absent	Present	Present	--
11	Smt. B Jamir, IAS	--	--	Absent	--	--	--
12	Sri Toshi Aier, IAS	--	--	--	--	Absent	Absent
13	Sri Lalmaisawma, IAS	--	--	--	--	--	Absent
14	Sri R. K. Garg	--	--	--	--	--	Absent
15	Dr. T.K. Mukhopadhyay	--	--	--	--	--	Present

Note: (--) Not a Director during that particular period.





Sanctioning Committee Meeting Attendance for the Financial Year 2014-15

Sl. No.	Name of Director	90 th Sanctioning Committee Meeting held on 29/04/2014	91 st Sanctioning Committee Meeting held on 10/09/2014	92 nd Sanctioning Committee Meeting held on 21/11/2014	93 rd Sanctioning Committee Meeting held on 22/01/2015	94 th Sanctioning Committee Meeting held on 16/03/2015	Adjourned 94 th Sanctioning Committee Meeting held on 18/03/2015
1	Sri B P Muktieh	Present	Present	Present	Present	Absent	Present
2	Sri H. Bhargava	Present	Present	Absent	Present	Absent	Present
3	Sri U. Tashi	Absent	Present	Present	Present	--	--
4	Sri. A Luikham, IAS	Absent	Absent	Absent	Absent	Absent	Absent
5	Dr. T.K. Mukhaopadhyay	--	--	--	--	--	Present
6	Sri. R. K. Garg	--	--	--	--	--	Absent

Audit Committee Meeting Attendance for the Financial Year 2014-15

Sl. No.	Name of Director	46 th Audit Committee Meeting held on 29/04/2014	47 th Audit Committee Meeting held on 16/06/2014	48 th Audit Committee Meeting held on 22/08/2014	49 th Audit Committee Meeting held on 24/09/2014	50 th Audit Committee Meeting held on 21/11/2014	51 st Audit Committee Meeting held on 22/01/2015
1	Sri H. Bhargava	Present	Absent	Present	Present	Absent	Present
2	Sri S. M. Awale	Present	--	--	--	--	--
3	Sri S. K. Magoo	Absent	Present	Present	Present	Present	Absent
4	Sri U Tashi	--	Present	Absent	Present	Present	Present

Note: (--) Not a Director during that particular period.

Corporate Credit Committee (I) Meeting Attendance for the Financial Year 2014-15

Sl. No.	Name of Director	70 th Corporate Credit Committee (I) Meeting held on 06/08/2014	71 st Corporate Credit Committee (I) Meeting held on 10/09/2014	72 nd Corporate Credit Committee (I) Meeting held on 21/11/2014	73 rd Corporate Credit Committee (I) Meeting held on 02/01/2015
1	Sri B. P. Muktieh	Present	Present	Present	Present
2	Sri U. Tashi	Present	Present	Present	Present

Corporate Social Responsibility Committee Meeting Attendance for the Financial Year 2014-15

Sl. No.	Name of Director	1 st Corporate Social Responsibility Meeting held on 21/11/2014	2 nd Corporate Social Responsibility Committee Meeting held on 22/01/2015
1	Sri B. P. Muktieh	Present	Present
2	Sri. H. Bhargava	Absent	Present
3	Sri U. Tashi	Present	Present





Nomination and Remuneration Committee (NRC) Meeting Attendance for the Financial Year 2014-15

Sl. No.	Name of Director	1 st Nomination and Remuneration Committee (NRC) Meeting held on 24/09/2014	2 nd Nomination and Remuneration Committee (NRC) Meeting held on 21/11/2014	Adjourned 2 nd Nomination and Remuneration Committee (NRC) Meeting held on 22/01/2015	3 rd Nomination and Remuneration Committee (NRC) Meeting held on 16/03/2015
1	Sri. H. Bhargava	Present	Absent	Present	Absent
2	Sri P. R. Meshram	Absent	Absent	---	---
3	Sri S.K. Magoo	Present	Absent	Absent	Present
4	Sri U. Tashi	Present	Absent	Present	---
5	Sri B. P. Muktieh	Absent	Absent	Present	Present

Note: (--) Not a Director during that particular period.

Report on Corporate Governance

Corporate Governance deals with laws, practices and implicit rules that determine a Corporation's ability to take informed managerial decision vis-à-vis its Stakeholders – in particular, its shareholders, customers, government and employees. The management of the Corporation always try to act for the interest of all stakeholders and has adopted good Corporate Governance practices to benefit the greatest number of Stakeholders.

Philosophy on Code of Governance

- (i) To have adequate control system in operation and provide information to the Board on a timely basis in a transparent manner so as to enable the Board to monitor the performance and ensure accountability of the Management.
- (ii) To increase the efficiency of Business Enterprise for creation of wealth of the Enterprise and Country as a whole.
- (iii) To ensure that Employees and Board subscribe to the corporate values and apply them in their conduct.

1. Composition of Board and Particulars of Directors:

(i) Composition of Board:

In terms of the Articles of the Company the number of Directors shall not be less than 3 and more than 12.

The Board of Directors of the Corporation consists of 10 (ten) Directors, including 1(one) Whole-time Director, 2 (two) nominee Directors from State Bank of India and LIC of India, 2(two) Chief Secretaries of North Eastern States including Sikkim on rotation for a period of 2(two) years, Secretary North Eastern Council, representative from the Ministry of DoNER, 2 (two) Independent Directors and 1 (one) Woman Director.

The Composition of the Board and the number of other Directorship and Committee positions held by the Directors during the year ended as on 31st March, 2015 is as under:

Name	Executive non - Executive / Independent	No. of other Directorships held*		No. of other committee membership held*	
		Public	Private	Public	Private
Sri B.P. Muktieh	Chairman & Managing Director	Nil	Nil	Nil	Nil
Sri H. Bhargava	Non Executive Director	1	Nil	Nil	Nil
Sri S.K. Magoo	Non Executive Director	Nil	Nil	Nil	Nil
Dr. T.K. Mukhopadhyay	Independent Director	Nil	2	Nil	Nil
Sri R.K. Garg	Independent Director	Nil	1	Nil	Nil
Sri A. Luikham, IAS	Non Executive Director	Nil	Nil	Nil	Nil
Sri P.R. Meshram	Non Executive Director	Nil	Nil	Nil	Nil
Smt. L. Tochhong, IAS	Non Executive Director	Nil	Nil	Nil	Nil
Sri Toshi Aier, IAS	Non Executive Director	Nil	Nil	Nil	Nil



(ii) Non-Executive Director's Compensation & Disclosures:

The Non-Executive Directors of the Corporation has been paid sitting fees.

(iii) Board Meetings, Committee Meetings and Procedures:

- a. Minimum four Board meetings are held in each year. Apart from the four scheduled Board Meetings, additional Board Meeting can be convened by giving appropriate notice and in case of business exigencies or urgency of matters, resolution is passed by circulation.
- b. The Board of Directors is given presentation on the operation of the Corporation.
- c. 6(six) meetings of the Board of Directors of the Corporation were held during the year under review. The details of the Board meetings are as under:

Sl. No.	Board Meeting No.	Date	Board Strength	No. of Directors present
1	93 rd Board Meeting	29 th April, 2014	9	5
2	94 th Board Meeting	16 th June, 2014	9	5
3	95 th Board Meeting	22 nd August, 2014	10	4
4	96 th Board Meeting	21 st November, 2014	7	3
5	97 th Board Meeting	22 nd January, 2015	7	3
6	98 th Board Meeting	16 th March , 2015	9	3

- d. The Board of Directors review from time to time compliance report on NEDFi's policies presented to the Board.

2. Code of Conduct:

The Corporation is committed to conduct its business in accordance with the highest standards of business ethics and in compliance with all applicable laws, rules and regulations. It is hereby confirmed that the Code of Business Conduct and Ethics for Directors and Core Management was circulated among all concerned and complied with during the year under report.

3. Risk Management Policy:

The Corporation has implemented the Risk Management Policy, as approved by the Board of Directors of the Corporation.

4. Familiarisation of Board Members:

The Board members are provided necessary documents / brochures, report and internal policies to enable them to familiarize with Corporation's procedure and practice.

5. Audit Committee:

The Audit Committee was constituted in the year 2001. The Audit Committee was reconstituted with the following members as on 16th March, 2015. The Audit Committee as on 31st March 2015 were as follows :

Sl. No.	Name of the Director & Category	Chairman / Member
1	Sri H. Bhargava, Nominee Director of LIC of India	Chairman
2	Dr. T.K.Mukhopadhyay Independent Director	Member
3	Sri R.K.Garg Independent Director	Member



The Committee met 6 (six) times during the year.

The Company Secretary acts as the Secretary to the Committee.

Sl. No.	Audit Meeting No.	Date	Committee Strength	No. of Members present
1	46 th Audit Committee	29 th April 2014	3	2
2	47 th Audit Committee	16 th June 2014	3	2
3	48 th Audit Committee	22 nd August 2014	3	2
4	49 th Audit Committee	24 th September 2014	3	3
5	50 th Audit Committee	21 st November 2014	3	2
6	51 st Audit Committee	22 nd January 2015	3	2

The Minutes of the Audit Committee were placed before the Board for information. The terms of reference of the Committee as under:

Terms and conditions of the Audit Committee (Pursuant to Companies Act, 2013)

A. Composition

- The Audit Committee shall consist of a minimum of three directors with independent directors forming a majority.
- The Chairman of the Committee shall be Independent Director.
- Majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand the financial statement.
- The Company Secretary shall be the Convener of the Meeting of the Audit Committee.
- The Statutory Auditor, Head of Internal Audit and Director (Finance) shall also attend the meeting of the Audit Committee, but shall not have the right to vote.

B. Meeting of the Committee

- The Committee shall meet at least three times in a year, and once in six months.
- One meeting of the Committee shall be held before the finalization of the Annual Accounts of the Company.
- The quorum for the meetings of the Committee shall be of 2 (Two) members or 1/3rd (one-third) of the members of the Audit Committee, whichever is higher.

C. Power of the Committee

The Committee shall have the following powers :

- i) To investigate any activity / matter within its terms of reference
- ii) To seek information from any employee.
- iii) To obtain outside legal or other professional advice.
- iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

D. Terms of Reference of the Audit Committee

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the fixation of audit fee of the Statutory Auditors and also approval for payment for any other services.



- c) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
- i) Any changes in accounting policies and practices.
 - ii) Major accounting entries based on exercise of judgment by management.
 - iii) Qualifications in draft audit report.
 - iv) Significant adjustments arising out of audit.
 - v) The going concern assumption.
 - vi) Compliance with the accounting standard.
 - vii) Compliance with stock exchange and legal requirements concerning financial statements.
 - viii) Any related party transactions i.e., transactions of the company of material nature, with the promoter or the management, or their subsidiaries or relatives, etc. that may have potential conflict with the interest of company at large.
- d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- f) Discussions with the internal auditors any significant findings and follow up thereon.
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h) Discussions with external auditors before the audit commences, nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
- i) Reviewing the company's financial and risk management policies.
- j) To look into the reasons for substantial defaults in the payment to the depositors (if any), debenture holder, shareholders (in case of non-payment of declared dividend(s) and creditors.
- k) It should review the half-yearly and annual financial statements before submission to the Board.
- l) It should ensure compliance of internal control systems.

6. Nomination and Remuneration Committee :

The Corporation has a Nomination and Remuneration Committee (NRC) to identify persons who are qualified to become director/appointed in senior management and to examine, review and recommend proposals to the Board related to the remuneration of directors, senior / Key Managerial Personnel and other employees.

The Nomination and Remuneration Committee was re-constituted with the following members as on 16th March 2015 in terms of Section 178 of the Companies Act, 2013:

Name	Chairman/Member	Independent/Non-Executive
Sri H. Bhargava	Chairman	Non-Executive / Nominee Director of LIC
Sri P.R.Meshram	Member	Non-Executive / Nominee Director of Ministry of DoNER
Dr. T.K. Mukhopadhyay	Member	Independent Director
Sri R.K. Garg	Member	Independent Director



During the Financial Year 2014-15, 3 (three) meetings of the Nomination and Remuneration Committee were held.

7. Directors Remuneration

The remuneration paid to the Chairman and Managing Director, the only whole time Functional Director in the Corporation is approved by the Board of Directors subject to the approval of the shareholders in the General Meeting. Details of remuneration of Functional Director of the Corporation during the year 2014-15 are given below:

Director	Designation	Salary (Rs.)	Perquisites (Rs.)	Total (Rs.)
Sri B.P. Muktieh	Chairman & Managing Director	29,13,380	2,08,280	31,21,660

Non-Executive / Independent Directors are paid only sitting fees as approved by the Board for attending the Board Meetings as well as Committee Meetings.

8. Disclosures :

There were no transactions of material nature with the directors or the Management etc., which have potential conflict with the interest of the Corporation at large. The Corporation has been particular in adhering to the provisions of the laws and guidelines of regulatory authorities.

9. General Body Meeting :

The date, time and location where the last three Annual General Meeting were held are as under:

Financial Year	Date	Time	Location
2011-12	28 th September 2012	11:00 AM	Guwahati
2012-13	27 th September 2013	3:00 PM	Guwahati
2013-14	24 th September 2014	3:00 PM	Guwahati

No Special Resolution was passed by the Corporation at its last three Annual General Meetings.

10. Shareholders Information :

The pattern of distribution of shareholdings is given as under:

Name of Shareholder	No. of equity share held	Percentage
Industrial Development Bank of India	250,00000	25%
Life Insurance Corporation of India	150,00000	15%
State Bank of India	150,00000	15%
Industrial Finance Corporation of India	100,00000	10%
ICICI Ltd.	100,00000	10%
Small Industries Development Bank of India	100,00000	10%
Unit Trust of India	100,00000	10%
General Insurance Corporation of India	10,00000	1%
United India Insurance Co. Ltd.	10,00000	1%
The New India Insurance Co. Ltd	10,00000	1%
The Oriental Insurance Co. Ltd.	10,00000	1%
National Insurance Co. Ltd.	10,00000	1%

For and on behalf of the Board of Directors



(B.P. Muktieh)

Chairman & Managing Director

DIN No: 00123561

Place: Guwahati



PARTICULARS OF CORPORATE SOCIAL RESPONSIBILITY

CSR Policy

NEDFi has been engaging itself in various developmental and promotional activities of North Eastern Region since its inception to improve quality of life of the people belonging to the 8 States of the Region.

Activities Identified under CSR

- To take up initiatives for promotion of employment enhancing vocational skills, livelihood enhancement projects or women empowerment.
- To promote the traditional arts and handicraft sector including handloom of the N. E. Region, by providing necessary support to the artisans, weavers and craftsperson engaged in the sector through skill-up gradation, market linkage and/or infrastructural support, wherever necessary.
- To undertake projects and programmes for development of Rural and Backward Areas through promotion of entrepreneurship and income generating activities.

CSR Committee

A. Board Level Committee as on 31st March 2015

- Sri B. P. Muktieh - Chairman and Managing Director
- Dr. T. K. Mukhopadhyay - Director
- Sri H. Bhargava - Director
- Sri R. K. Garg - Director
- Sri S. K. Magoo - Director

B. Nodal Officer: Sri Ashim Kr. Das, Deputy General Manager, CSR Division



Various Awareness Camps & Training programmes at community level

Average Net Profit of Last three Financial Years:

(Rs. In Cr.)

Year	Net Profit
2011-12	55.20
2012-13	62.05
2013-14	63.87
Total	181.12
Average Net Profit	60.37
2% of Average Net Profit	1.21

CSR Budget allocation for the FY 2014-15: ₹3.10 Crore

CSR Expenditure made during FY 2014-15: ₹2.24 Crore

Details of CSR spent during the FY 2014-15:

- Total minimum amount to be spent in the financial year: 1.21 Crore i.e 2% of average Net Profit of last three financial years.
- Amount unspent: NIL
- Manner in which the amount spent during the financial year is detailed below;



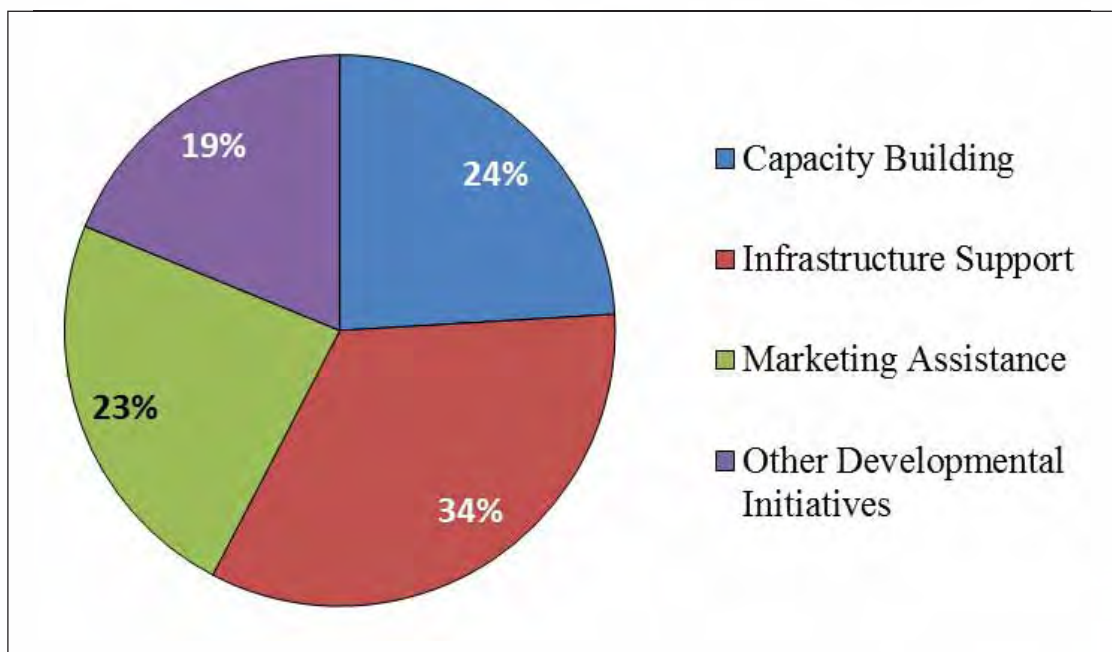
Sl. No.	Head of expenditure	Expenditure (In Lakh)
1	Capacity Building Training Programmes on crafts and other vocational skills	53.93
2	Infrastructure Support Annual maintenance of India Exposition Mart Limited, Greater Noida, R&D Centers and other CFCs	75.26
3	Marketing Assistance Facilitating participation in various local, national and international exhibitions	52.75
4	Other Developmental Initiatives Business Facilitation Centers, awareness camps, mentoring service, piggery project, product development workshops etc.	42.19
Total		224.13

Reason for not spending the amount: NIL

Responsibility Statement

It is ensured that, implementation and monitoring of CSR activity is in compliance with CSR objectives, policy of the company.

Graphical Representation of CSR Expenditure



Management's Discussion & Analysis

Macro-economic Scenario

The financial year 2014-15 witnessed another year with sluggish industrial growth. Although the economy was boosted by the sudden and sharp drop in crude oil prices internationally and contained domestic inflation with current account deficit within comfortable limits, India's core sector output shrank by 0.10% in March 2015, which was the lowest in last 17 months since September 2013. Core sector consisting of steel, cement, fertilizers, coal, electricity, crude oil, natural gas and refinery products has 38% weight in the index of industrial production (IIP), making it a good lead indicator of industrial activity in the country.

Economy witnessed deflationary trend throughout third and fourth quarter of FY2014-15 as wholesale price index (WPI) fell consistently, signaling weakness in demand revival for many of the manufactured goods like sugar, cotton, textiles, leather and leather products, rubber, chemicals etc.

Data released by RBI in April 2015, showed that bank credit growth dropped to 18-year low at 12.6% in 2014-15 with fresh investment proposals from corporates drying up completely and projects announced in the past remaining stuck because of legacy issues.

The Growth Environment

The data released by Central Statistical Organisation (CSO) shows that the Indian economy expanded 7.3% during FY2014-15, in line with the initial forecast and marginally higher than 6.9% recorded during FY2013-14, pointing to a soft recovery. Gross domestic product (GDP) rose 7.5% in January-March 2015 compared with 6.7%, signaling a slight pickup.

North East Economy

The economy of North East also got affected due to the sluggishness in the national economy. The Region received very low investment, public or private and consequently suffered from a very slow pace of development. Social and

development indicators lagged behind that of the rest of the country. The core sector was not contributing to growth and the capital goods segment was not growing as there was hardly any investment in the region. The liquidity in the industrial sector was tight due to general slowdown in the economy.

The slowdown in the NE economy was also reflected by the declining number of IEMs filed with the Department of Industrial Policy & Promotion (DIPP). During the period Jan-Dec 2013, total 192 cases registered with proposed investment of ₹2766 cr., whereas during the period Jan-Dec 2014, total 52 cases filed with proposed investment of ₹2342 cr. Similarly, disbursement of Central Subsidies under NEIIPP' 2007 scheme was ₹288.09 cr. against previous year's ₹356.72 cr. In States like Arunachal Pradesh, Meghalaya, Sikkim & Tripura, more than 60% decline in investment is observed. The Corporation also felt the pinch of the slowdown in the NE economy and recorded for the first time, negative growth in its sanctions amount in a decade during the year under review.

Financial Performance

NEDFi offers a wide range of financial products and services to its customers. The Corporation has seen a steady and sustainable shift in its overall business mix to relatively stable lending businesses from investment-driven revenue streams. The core lending business now contributes to 88% of the total income as compared to 59% in FY2009. The income from fee-based services has also increased manifold during the same period.

The Corporation had a net worth of ₹585.09 crore as on 31st March, 2015 (₹518.62 crore as on 31st March, 2014) and book value per share at ₹58.5 (₹51.9 as on 31st March, 2014). The Corporation has healthy earning profile and earned a healthy Return on Average Assets (RoAA) of 5.89% in FY 2015 (5.54% in FY 2014).



Future Outlook

Macro economy outlook for FY 2016 remains subdued

Since the first bi-monthly monetary policy statement of 2015-16 by RBI issued in April 2015, incoming data suggest that the global recovery is still slow and getting increasingly differentiated across regions. Within the advanced economies, growth appears to have rebounded in the US leading to a belief that the US Fed would soon tighten monetary policy in the country. This can have some ramifications for flows into emerging market economies such as India. However, in light of the government's commitment to reforms, along with an anticipation that the outlook for international crude oil prices and other commodity prices in the international markets remain benign, the overall macro constellation for India is likely to remain healthy into FY 2016.

Domestic economic activity remains moderate in Q1 of 2015-16. Agricultural activity was adversely affected by unseasonal rains and hailstorms in North India during March 2015, impinging on an estimated 94 lakh hectares of area sown under the *rabi* crop. Reflecting this, the third advance estimates of the Ministry of Agriculture indicate a contraction in food grains production by more than 5 per cent in relation to the preceding year's level, posing an upside risk to food inflation.

Industrial production has been recovering, albeit unevenly. The sustained weakness of consumption spending, especially in rural areas as indicated in the slowdown in sales of two-wheelers and tractors, continues to operate as a drag. Corporate sales have contracted. The disappointing earnings performance could have been worse if not for the decline in input costs.

Capacity utilisation has been falling in several industries, indicative of the slack in the economy. While an upturn in capital goods production seems underway, clear evidence of a revival in investment demand will need to build on the tentative indications of unclogging of stalled investment projects, stabilising of private new investment intentions and improving sales of commercial vehicles. In April, output from core

industries constituting 38 per cent of the index of industrial production declined across the board, barring coal production.

According to the World Bank's India Development Update, April 2015, the outlook for new investments continues to be dented by the debt overhang in the corporate balance sheets, which has extended to the Public Sector Banks (PSB). The banks' balance sheets are currently marred by high non-performing loans, low profitability, and subdued credit growth, and may not be able to support higher demand for credit in a robust turn-around of the investment cycle.

Domestic rating agency ICRA, in its report on Indian Banking Sector, June 2015, published that NPAs in the system may jump 5.9% this fiscal from 4.4% despite economic growth because of lagged recognition of bad assets which is resulting slippage of more restructured accounts into bad loans. It is also said that the gross NPAs will increase in FY 16 with withdrawal of regulatory forbearance for restructured advances from FY 16 to 5.3-5.9% by March 2016 as against 4.4% in March 2015. The report says around 25-30% of restructured assets have already slipped into NPAs.

Economic scenario in North Eastern Region is also no different from the sentiments prevailing in other parts of India. The continuing suspension of registration of units under NEIIPP' 2007 since December last year also continues to affect the sentiments of the investors.

Safe harbour

This document contains certain forward-looking statements based on current expectations of NEDFi Management. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in the region and other parts of the country; volatility in interest rates and in the securities market; new regulations and government policies that may impact the businesses of NEDFi as well as its ability to implement the strategy. NEDFi does not undertake to update these statements.



FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9
of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To
The Members
North Eastern Development Finance Corporation Limited
NEDFi House, G.S. Road, Dispur
Guwahati - 781006

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **North Eastern Development Finance Corporation Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering financial



year ended on **31 March 2015** ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2015 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
(in so far as they are made applicable)
- ii) The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **(Not applicable to the Company during the Audit Period);**
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period);**
- v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **(Not applicable to the Company during the Audit Period);**
- vi) Other laws, including the laws relating to Non Banking Financial Companies to the extent applicable to the Company as per the representations made by the Company.



I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board & General Meeting, which are not in force on the date of this Report.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings as represented by the management were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.



I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there was no events / actions having a major bearing on the company's affairs:

For Narayan Sharma & Associates
Company Secretaries



Narayan Sharma
(Proprietor)

FCS No. 5117 CP No.: 3844

Place: Guwahati

Date: 18th August 2015

This Report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report



'Annexure-A'

To
North Eastern Development Finance Corporation Limited
NEDFi House, G.S. Road, Dispur
Guwahati - 781006

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.



5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examinations was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Narayan Sharma & Associates
Company Secretaries



Narayan Sharma
(Proprietor)

FCS No. 5117 CP No.: 3844

Place: Guwahati

Date: 18th August 2015



FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS					
i	CIN	U65923AS1995G011004529			
ii	Registration Date	9 th August , 1995			
iii	Name of the Company	North Eastern Development Finance Corporation Limited			
iv	Category/Sub-category of the Company	NBFC -LOAN COMPANY			
v	Address of the Registered office & contact details	NEDFi House, G. S. Road, Dispur, Guwahati-781006 Telephone No.: 0361-2222200 Fax No.: 0361-2237733/34			
vi	Whether listed company	No			
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA			
II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY					
All the business activities contributing 10% or more of the total turnover of the company shall be stated					
SL No	Name & Description of main products/ services	NIC Code of the Product / service	% to total turnover of the company		
1	Lending and Investment Activities	8013	94%		
III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES					
SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NIL				
2					
3					



IV SHARE HOLDING PATTERN (Equity Share Capital Break up as % to total Equity)											
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year		
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares			
A. Promoters											
(1) Indian	-	-	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-	-	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	10,00,00,007	10,00,00,007	100	-	10,00,00,007	10,00,00,007	100	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-	-
SUB TOTAL: (A) (1)	-	10,00,00,007	10,00,00,007	100	-	10,00,00,007	10,00,00,007	100	-	-	-
(2) Foreign											
a) NRI- Individuals	-	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-	-



(iv) Share holding Pattern of top ten Share holders (other than Directors, Promoters & Holders of GDRs & ADRs)							
Sl. No	Share holding at the end of the year	Share holding at the end of the year		Cumulative Share holding during the year			
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
	For Each of the Top 10 Share holders						
	At the beginning of the year	NIL					
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)						
	At the end of the year (or on the date of separation, if separated during the year)						
(v) Share holding of Directors & KMP							
Sl. No	Share holding at the end of the year	Share holding at the end of the year		Cumulative Share holding during the year			
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
	For Each of the Directors & KMP						
	At the beginning of the year	NIL					
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)						
	At the end of the year						



V INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	5,74,99,998	5,94,90,08,891	-	6,00,65,08,889
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due #	-	41,14,105	-	41,14,105
Total (i+ii+iii)	5,74,99,998	5,95,31,22,996	-	6,01,06,22,994
Change in Indebtedness during the financial year				
Additions	2,00,00,000	76,98,00,000	-	78,98,00,000
Reduction	33,33,334	15,42,88,604	-	15,76,21,938
Net Change	1,66,66,666	61,55,11,396	-	63,21,78,062
Indebtedness at the end of the financial year				
i) Principal Amount	4,55,95,243	6,56,67,75,913	-	6,61,23,71,156
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due #	-	31,43,975	-	31,43,975
Total (i+ii+iii)	4,55,95,243	6,56,99,19,888	-	6,61,55,15,131
<i>#Interest accrued but not due is shown seperately in Balance Sheet</i>				
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL				
A. Remuneration to Managing Director, Whole time director and/or Manager:				
Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount	
1		Shri B. P. Muktieh (CMD)		
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.		29,13,380	29,13,380
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		2,08,280	2,08,280
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		-	-
2	Stock option		-	-
3	Sweat Equity		-	-
4	Commission		-	-
	as % of profit		-	-
	others (specify)		-	-
5	Others, please specify		-	-
	Total (A)		31,21,660	31,21,660
	Ceiling as per the Act**		-	-
** Remuneration of Director is governed by Section 196-202 of Companies Act, 2013 and Rule 3-10 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014				



B. Remuneration to other directors:							Total Amount
Sl.No	Particulars of Remuneration	Name of the Directors					Total Amount
1	Independent Directors	Dr T. K. Mukhopdhyay	-	-	-	-	-
	(a) Fee for attending board committee meetings	11,000	-	-	-	-	11,000
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	Total (1)	11,000	-	-	-	-	11,000
2	Other Non Executive Directors	Shri H. Bhargav	Dr R. B. Barman	Dr R. K. Baisya	Shri S.M. Awale	Shri S.K. Magoo	Shri U. Tashi
	(a) Fee for attending board committee meetings	61,000	14,000	14,000	11,000	52,000	81,000
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-	-
	Total (2)	61,000	14,000	14,000	11,000	52,000	81,000
	Total (B)=(1+2)	72,000	14,000	14,000	11,000	52,000	81,000
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act**	-	-	-	-	-	-

** Remuneration of Director is governed by section 196-202 of Companies Act, 2013 and Rule 3-10 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD					
Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
1	Gross Salary	CEO	Company Secretary	CFO	Total
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	23,55,042	-	23,55,042
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	4,77,979	-	4,77,979
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	28,33,021	-	28,33,021

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES					
Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY		NIL			
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS		NIL			
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT		NIL			
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



Independent Auditors' Report

To
The Members of
NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED
GUWAHATI

Report on the Financial Statements

We have audited the accompanying financial statements of **NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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 31 March 2015;
- ii. In the case of the Statement of Profit and Loss, of the profit 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable to the company.
2. As required by the Companies Act, 2013 under section 143(5), we get in the Annexure-II a statement on the matters directed by C&AG.
3. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet and the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on 31 March 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 to the financial statements;
 - ii. the Company doesn't have any long-term contracts including derivative contracts, hence no provision for the material foreseeable losses has been made by the Company.
 - iii. There has been no case of unclaimed dividend and hence there is no transfer of amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SARASWATI & CO
Chartered Accountants
Firm No:- 317097E



(ASHOK KUMAR AGARWALA)

Partner.

Membership No. 053233

Place: GUWAHATI

Date : 30th June, 2015



Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us the fixed assets of the company have been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the company and nature of its assets according to the information and explanations given to us by the management, no material discrepancies were noticed on such physical verification.
- ii. The Company is a non banking financial institution. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- iii. (a) The company have not granted or taken loan to/from companies, firms or other parties covered in the register maintained under sec.189 of the Companies Act 2013("the Act")

(b) The company has given loans to other parties in the normal course of business of lending.
- iv. In our opinion and according to the explanations and information given to us, there is a 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.
- v. The company has not accepted any deposit from the public.
- vi. As Informed to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. (a) According to 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 no amount payable in respect of aforesaid dues were outstanding as at 31.03.2015 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 is payable in respect of the dues of Sales Tax/ Custom Duty/ Wealth Tax/ Service Tax/ Excise Duty/ Cess were outstanding as at 31.03.2015, except a sum of ₹20,32,677/- in respect of service tax against which an appeal is pending before the Addl. Commissioner of Service Tax.

(c) According to the information and explanations given to us no amounts were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules there under.



- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. Based on our audit procedures and according to the information and explanation given to us the Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- x. In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. The company has raised interest free term loan from Central Government. The term loan has been applied for the purpose of which it was raised. Pending utilizations the funds were temporarily invested in short term investments and placed as fixed deposits with banks. The term loans outstanding at the beginning of the year and those raised during the year were applied for the purpose for which they were raised.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For SARASWATI & CO
Chartered Accountants
Firm No:- 317097E



(ASHOK KUMAR AGARWALA)

Partner.

Membership No. 053233

Place: GUWAHATI

Date : 30th June, 2015



ANNEXURE – II TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under the heading of "Report on Other Legal and Regulatory requirements" of our Report of even date)

1. If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserve) may be examined including the mode and present stage of disinvestment process.

As informed to us, the Company has not been selected for disinvestment.

2. Please report whether there are any cases of waivers/write off of debts/loan/interest etc., if yes, the reason there for and the amount involved.

As informed by the management and based on the records examined, there are sixty three (63) cases of write off of loans advanced. The total amount of principal write off is ₹14.46 Crore and waiver of interest / other expenses of ₹15.96 Crore. These are old accounts. Even though the company has written off the loans from the books of accounts, the recovery process including legal proceedings is continuing and recovery from the aforesaid accounts is forthcoming. The sub committee of the Board in its 95th meeting dated 26/06/2015 has approved the proposal for write off of the bad loans.

Further, as informed by the management and based on the records examined, there are 16 cases of waiver of interest aggregating ₹1.21 Crore in respect of OTS cases, wherein the settlement amount has been received.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.

As informed to us, no case of inventories lying with third parties exists and no assets have been received as gift from Government or other authorities.

4. A report on age wise analysis of pending legal/arbitration cases including the reason of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign & local) may be given.

As informed by the management and based on records examined, the Company does not have any legal/ arbitration cases pending against them except central subsidy cases as respondent. The Company is a designated nodal agency appointed by the Government of India for the purpose of disbursement of Central Subsidy, among others, in accordance with the guidelines issued by Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Government of India, with no financial implication.

The Company has, however, filed 196 nos of legal cases for recovery of dues in different forums of laws against defaulting borrowers amounting to ₹65.58 Crore. Out of the pending legal cases, there are 16 nos. cases above ₹50 lakh amounting to ₹52.28 Crore. The age wise analysis of such major cases above ₹50 lakh are as under:



Period	No of Cases
Up to 1 year	4
1 to 5 years	2
5 to 10 years	4
More than 10 Years	6

The main reason for the pendency is time taken by the Courts in disposal.

In the matter of existence / effectiveness of a monitoring mechanism for expenditure on all legal cases in the Company, as informed by the management and on the basis of record examined by us, the Company has adequate system for monitoring expenditure on all local legal cases. During the year, the Company has spent ₹32.51 lakh under the head 'Legal & Professional Fees and Expenses' which includes legal fees also. There is no foreign legal cases.

For SARASWATI & CO
Chartered Accountants
Firm No:- 317097E



(ASHOK KUMAR AGARWALA)

Partner.

Membership No. 053233

Place: GUWAHATI

Date : 30th June, 2015

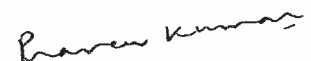


COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2015.

The preparation of financial statements of North Eastern Development Finance Corporation Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 June, 2015.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of North Eastern Development Finance Corporation Limited for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquires 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.

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



(Praveer Kumar)

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

Place: Kolkata

Date : 18th August, 2015




Balance Sheet as at 31st March 2015

Particulars		Note No.	As at 31 st March, 2015 (₹)	As at 31 st March, 2014 (₹)
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	1,00,00,00,070	1,00,00,00,070
	(b) Reserves and surplus	2	5,44,28,60,205	4,75,59,82,384
	(c) Money received against share warrants		-	-
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings	3	6,38,15,01,332	5,83,02,93,067
	(b) Deferred tax liabilities (net)	4	9,55,68,263	17,14,11,126
	(c) Other long-term liabilities		-	-
	(d) Long-term provisions	5	48,96,51,352	48,03,37,613
4	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables	6	-	-
	(c) Other current liabilities	7	40,61,15,228	24,53,20,377
	(d) Short-term provisions	8	41,73,26,823	42,12,58,601
	TOTAL		14,23,30,23,272	12,90,46,03,238
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	27,62,45,105	27,31,29,767
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress	10	1,97,02,025	1,68,35,384
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
	(b) Non-current investments	11	5,00,00,000	4,50,00,000
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	12	12,40,33,91,722	11,14,50,41,010
	(e) Other non-current assets		-	-
2	Current assets			
	(a) Current investments	13	6,80,48,854	5,67,95,009
	(b) Inventories		-	-
	(c) Trade receivables		-	-
	(d) Cash and Cash equivalents	14	69,62,23,797	75,48,69,265
	(e) Short-term loans and advances	15	9,13,18,721	9,21,84,585
	(f) Other current assets	16	62,80,93,048	52,07,48,218
	TOTAL		14,23,30,23,272	12,90,46,03,238
Significant Accounting Policies and Notes on Financial Statements		1 to 34		


In terms of our report of even date annexed


For and on behalf of the Board of Directors

For Saraswati & Co.
Chartered Accountants, FRN 317097E


(CA Ashok Kumar Agarwala)
Partner
M.No. 53233

Place : Guwahati
Date : 30th June, 2015


(B.P. Muktieh)
Chairman and Managing Director
DIN No. 00123561


(T.K. Mukhopadhyay)
Director
DIN No. 00239251
Place : Guwahati
Date : 26th June, 2015


(S.K. Baruah)
CS & CFO
M No. A8810



Statement of Profit & Loss for the year ended 31st March 2015

PARTICULARS	Note No.	For the year ended 31 st March, 2015 (₹)	For the year ended 31 st March, 2014 (₹)
CONTINUING OPERATIONS			
Revenue from Operation	17	1,34,08,74,606	1,30,49,05,256
Other Income	18	12,65,09,642	8,74,26,684
Total Revenue		1,46,73,84,248	1,39,23,31,940
Expenses			
(a) Cost of materials consumed		-	-
(b) Purchases of stock-in-trade		-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		-	-
(d) Employee benefits expense	19	17,77,56,636	14,09,07,736
(e) Finance costs	21	4,89,06,359	5,36,63,175
(f) Depreciation and amortisation expense	9	3,72,90,306	2,50,07,769
(g) Other expenses	20	19,80,04,717	14,23,97,109
(h) CSR Expenses	22	2,23,42,196	2,90,32,923
Total expenses		48,43,00,214	39,10,08,712
Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		98,30,84,034	1,00,13,23,228
Exceptional items			
Depreciation on account of transitional provisions of Companies Act, 2013		7,95,958	-
Profit / (Loss) before extraordinary items and tax		98,22,88,076	1,00,13,23,228
Extraordinary items			
Prior Period Expenses		8,57,257	44,037
Profit / (Loss) before tax		98,14,30,819	1,00,12,79,191
Tax expense:			
(a) Current tax expense for current year		30,30,00,000	31,20,00,000
(b) (Less): MAT credit (where applicable)		-	-
(c) (Less): Current tax expense relating to prior years		(20,12,083)	18,77,634
(d) Net current tax expense		30,09,87,917	31,38,77,634
(e) Deferred tax		(7,58,42,863)	4,87,03,922
		22,51,45,054	36,25,81,556
Profit / (Loss) from continuing operations (A)		75,62,85,765	63,86,97,635
		75,62,85,765	63,86,97,635
DISCONTINUING OPERATIONS			
Profit / (Loss) from discontinuing operations (before tax)		-	-
Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
Add / (Less): Tax expense of discontinuing operations		-	-
(a) on ordinary activities attributable to the discontinuing operations		-	-
(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
Profit / (Loss) from discontinuing operations (B)		-	-
Profit / (Loss) for the year (A+B)		75,62,85,765	63,86,97,635




Statement of Profit & Loss for the year ended 31st March 2015 (contd.....)

PARTICULARS	Note No.	For the year ended 31 st March, 2015 (₹)	For the year ended 31 st March, 2014 (₹)
Earnings per share (of ₹ 10/- each):	23		
Basic & Diluted			
(i) Continuing operations		7.56	6.39
(ii) Total operations		7.56	6.39
Earnings per share (excluding extraordinary items) (of ₹10/- each):			
Basic & Diluted			
(i) Continuing operations		7.56	6.39
(ii) Total operations		7.56	6.39
Significant Accounting Policies and Notes on Financial Statements	1 to 34		

In terms of our report of even date annexed


For and on behalf of the Board of Directors


For Saraswati & Co.
Chartered Accountants, FRN 317097E


(CA Ashok Kumar Agarwala)
Partner
M.No. 53233

Place : Guwahati
Date : 30th June, 2015


(B.P. Muktieh)
Chairman and Managing Director
DIN No. 00123561


(T.K. Mukhopadhyay)
Director
DIN No. 00239251
Place : Guwahati
Date : 26th June, 2015


(S.K. Baruah)
CS & CFO
M No. A8810



Cash Flow Statement for the year ended 31st March 2015

	(₹ in '000)	
	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Cash flows from Operating activities		
Net profit before income tax	9,81,431	10,01,279
Adjustment for:		
Depreciation charge for the year	38,086	25,007
Loans Provisions & Write offs	1,40,270	88,517
Fixed Assets written off/Loss on sale	(33)	11
Dividend received	(450)	(200)
Provision for Gratuity, Leave Encashment and LTC / LTA	15,611	7,152
Operating profit before working capital changes	11,74,915	11,21,766
Adjustments for:		
(Increase) / Decrease in Advances	(14,13,379)	(11,38,642)
(Increase) / Decrease in Other Current Assets & Advances	(82,306)	(32,702)
Increase / (Decrease) in Other liabilities and Provisions	58,955	16,755
Cash Flow from operations	(2,61,815)	(32,823)
Direct Taxes paid (net of refund received)	(3,31,861)	(3,45,525)
Net cash flow / (used in) from operating activities	(5,93,676)	(3,78,348)
Cash flows from Investing activities		
(Increase) / Decrease in Capital Advances	-	(10,465)
(Increase) / Decrease in Investment	(5,000)	(10,000)
(Increase)/Decrease in Capital Work in Progress	(9,237)	(16,835)
Purchase of fixed assets (net of sales)	(25,123)	(3,145)
Dividend Received	450	200
Net cash flow / (used in) from Investing activities	(38,910)	(40,245)
Cash flows from Financing activities	-	-
Dividend and Dividend Tax paid	(93,596)	(81,356)
Increase / (Decrease) in Borrowings	6,05,862	6,29,337
Net cash flow / (used in) from financing activities	5,12,266	5,47,981
Net increase in cash and cash equivalents from		
Operating, Investing and Financing Activities	(1,20,320)	1,29,388
Cash flows from Nodal Agency and Implementing Agency Activities		
Net Income / (Expenditure) of TEDF	28,068	29,835
(Increase)/Decrease in Investments	14,976	(1,847)
(Increase)/Decrease in Current Assets	(2,326)	(11,484)
Increase / (Decrease) in Growth Centre, Central Subsidy and other Central Funds	47,186	(62,926)
Net Increase in cash & cash equivalent from Nodal Agency activity	87,904	(46,422)




Cash Flow Statement (contd.....)

Net increase in cash and cash equivalents	(32,416)	82,966
Cash and cash equivalents at beginning of period		
- Own funds	4,63,978	3,98,948
- Nodal Agency and Implementing Agency funds	3,01,764	2,83,828
Cash and cash equivalents at end of period		
- Own funds	3,89,660	4,63,978
- Nodal Agency and Implementing Agency funds	3,43,667	3,01,764
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	37,103	10,873
Cash and bank balances		
Cash in hand	139	313
Balance at Bank		
-With Scheduled Bank		
(i) In Current Account	2,03,241	3,29,665
(ii) In Fixed Deposits	1,51,050	1,25,000
Balance at Bank (TEDF)		
-With Scheduled Bank		
(i) In Current Account	66,794	24,891
(ii) In Fixed Deposits	2,75,000	2,75,000
	7,33,327	7,65,742

In terms of our report of even date annexed


For and on behalf of the Board of Directors

For Saraswati & Co.
Chartered Accountants, FRN 317097E


(CA Ashok Kumar Agarwala)
Partner
M.No. 53233

Place : Guwahati
Date : 30th June, 2015


(B.P. Muktieh)
Chairman and Managing Director
DIN No. 00123561


(T.K. Mukhopadhyay)
Director
DIN No. 00239251
Place : Guwahati
Date : 26th June, 2015


(S.K. Baruah)
CS & CFO
M No. A8810



SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Significant Accounting Policies

A. Basis of Preparation

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

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

B. Revenue Recognition

- i) Interest income and charges on loan and other assistance portfolio is accounted for on accrual basis except where interest and/or instalment of principal is due for more than 90 days as on the date of Balance Sheet, as per RBI Prudential norms for income recognition applicable to banks / financial institutions. Interest income and other charges in respect of such loans is taken credit on actual receipt basis.
- ii) Upfront Fees, Loan Syndication Charges, Appraisal Fees, Dividend, and other miscellaneous receipts are accounted for on cash basis.
- iii) All other incomes and expenses except, interest on refund of tax or on demand tax, rates, taxes & insurance and CSR expenses 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 0.25% is made against Standard Assets, except in case of Commercial Real Estate, where the provision is made @ 1%. A further provision of 5.00% and 3.50% is made against restructured standard accounts of the current and previous year respectively as per extant RBI guidelines.

There is a change in the general provision for Standard Assets from earlier year in order to conform the same with the RBI guidelines for NBFC. As a result, the provision on Standard Assets has reduced by ₹ 1,38,99,690.

There is a change in the provision for restructured standard accounts in order to conform with the RBI guidelines for NBFC.

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 extraordinary 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 in the manner specified in Schedule II to the Companies Act, 2013. Depreciation on the fixed assets added / disposed off during the year is provided on pro rata basis with reference to the date of addition / disposal.

F. Investments

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

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

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

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

G. Impairment of Assets

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

H. Employee Benefits

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

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



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

I. Segment Reporting

The Corporation operates in three segments of business:

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

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

The revenues reported under “Lending and Financing Activities” segment include interest income and other charges on lending. The said segment being the major segment of business of the Corporation, all expenses of the Corporation 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 31st March, 2015

Note 1 : SHARE CAPITAL

PARTICULARS	As at 31 st March, 2015		As at 31 st March, 2014	
	Number of Shares	(₹)	Number of Shares	(₹)
(a) Authorised				
Equity shares of ₹10/- each	50,00,00,000	5,00,00,00,000	50,00,00,000	5,00,00,00,000
(b) Issued, Subscribed, Called up & Paid up Capital				
Equity shares of ₹10/- each	10,00,00,007	1,00,00,00,070	10,00,00,007	1,00,00,00,070
TOTAL (₹)	10,00,00,007	1,00,00,00,070	10,00,00,007	1,00,00,00,070

1.1 The Company has issued only one class of Equity Shares having at par value of ₹10 per share.

1.2 No shares out of the issued, subscribed and paid up capital were allotted without payment being received in cash.

1.3 There has been no movement in equity shares during the last 5 years.

1.4 The details of shareholders holding shares more than 5% of the total share holding is as under:

Name of the Shareholder	As at 31 st March, 2015		As at 31 st March, 2014	
	Number of shares	% held	Number of shares	% held
IDBI Bank Limited	2,50,00,002	25%	2,50,00,002	25%
Life Insurance Corporation of India	1,50,00,001	15%	1,50,00,001	15%
State Bank of India	1,50,00,001	15%	1,50,00,001	15%
Industrial Finance Corporation of India	1,00,00,001	10%	1,00,00,001	10%
ICICI Ltd.	1,00,00,001	10%	1,00,00,001	10%
Small Industries Development Bank of India	1,00,00,000	10%	1,00,00,000	10%
Administrator of Specified Undertaking of Unit Trust of India	1,00,00,001	10%	1,00,00,001	10%

Note 2: RESERVES & SURPLUS

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	(₹)	(₹)
(a) North East Equity Fund		
Fund balance	7,98,70,500	7,98,70,500
Less : Bad Loans written Off	1,67,66,565	1,30,60,578
Less : Provision against Soft Loans under NEEDS	41,72,844	74,79,459
Closing balance	5,89,31,091	5,93,30,463
(b) Statutory Reserve under RBI Act, 1934		
Opening Balance	71,35,19,311	58,57,79,775
Add: Transferred from P/L Account	15,12,57,135	12,77,39,536
Closing balance	86,47,76,446	71,35,19,311
(c) Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961		
Opening Balance	48,60,41,727	36,36,32,925
Add: Transferred from P/L Account	14,28,45,601	12,24,08,802
Closing balance	62,88,87,328	48,60,41,727
(d) Venture Capital Fund: *		
Fund Balance	7,00,00,000	7,00,00,000
Add: Transferred from General Reserve	4,34,09,979	4,08,68,594



Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	(₹)	(₹)
Closing balance	11,34,09,979	11,08,68,594
(e) General reserve		
Opening balance	2,98,63,19,781	2,67,90,92,201
Add: Transferred from surplus in Statement of Profit and Loss	37,00,00,000	31,00,00,000
Less: Utilised / transferred during the year for:		
Others : Transferred to Venture Capital Fund	25,41,385	27,72,420
Closing balance	3,35,37,78,396	2,98,63,19,781
(f) India Exposition Mart Stalls		
Opening balance	1,97,01,491	2,05,56,904
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	7,89,889	8,55,413
Closing Balance	1,89,11,602	1,97,01,491
(g) Techno Economic Development Fund		
Opening balance	36,40,36,109	33,41,69,633
Add: Additions / transfers during the year	3,41,32,820	3,20,12,073
Less: Utilisations / transfers during the year	60,65,103	21,45,597
Closing Balance	39,21,03,826	36,40,36,109
(h) CSR Reserve **		
Opening balance	1,58,86,157	2,68,16,162
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	72,49,058	1,09,30,005
	86,37,099	1,58,86,157
(i) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	2,78,751	43,95,449
Add: Profit / (Loss) for the year	75,62,85,765	63,86,97,635
Amounts transferred from:		
General reserve	-	-
Other reserves (CSR Reserve)	72,49,058	1,09,30,005
Less: Interim dividend	-	-
Dividends proposed to be distributed to equity shareholders (₹ 8 per share)	8,00,00,000	8,00,00,000
Tax on dividend	1,62,86,400	1,35,96,000
Transferred to:		
CSR Reserve	-	-
General reserve	37,00,00,000	31,00,00,000
Statutory Reserve under RBI Act,1934	15,12,57,135	12,77,39,536
Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961	14,28,45,601	12,24,08,802
Closing Balance	34,24,438	2,78,751
Total (₹)	5,44,28,60,205	4,75,59,82,384
* 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). The utilisation of the Fund towards investments are shown under Non Current Investments.		
** A sum of ₹72,49,058/- has been transferred from CSR Reserve to Skill & Market Development Expenses as the same is no longer required since CSR obligation to that extent is met.		



NOTE 3: LONG TERM BORROWINGS

BORROWED FROM	As at 31 st March, 2015	As at 31 st March, 2014	REMARK
	₹	₹	
Term Loan from other parties			
Secured			
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (1 st Loan)	32,14,281	2,89,28,582	1. Secured against FD of ₹12.50 Crore. 2. Repayable in 17 quarterly installments starting from September, 2012.
Loan from National Scheduled Tribes Finance & Development Corporation (NSTFDC)	99,99,998	-	1. Secured against BG of ₹2.00 Crore. 2. Repayable in 17 quarterly installments starting from January, 2015.
	1,32,14,279	2,89,28,582	
Unsecured			
Interest free loan from Govt. of India	5,89,11,00,000	5,29,11,00,000	1. Repayable after 15 years as per installment received. 2. First installment due in FY 2017-18.
Loan from National Scheduled Castes Finance & Development Corporation (NSCFDC)**	1,59,00,000	1,40,00,000	1. Repayable in 10 quarterly installments starting from September, 2014.
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (2 nd Loan)	3,21,42,888	6,07,14,305	1. Repayable in 16 quarterly installments starting from December, 2013.
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (3 rd Loan)	5,47,14,303	8,30,00,005	1. Repayable in 18 quarterly installments starting from September, 2014.
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (4 th Loan)	12,71,42,867	-	1. Repayable in 16 quarterly installments starting from September, 2015.
Loan From Small Industries Development Bank of India (SIDBI)***	24,72,86,995	35,25,50,175	1. Repayable in 19 quarterly installments starting from September, 2013.
	6,36,82,87,053	5,80,13,64,485	
Total	6,38,15,01,332	5,83,02,93,067	



* Loan from NBCFDC was ₹45 Crore taken on various occasions, out of which ₹12.78 Crore has already been repaid. The installments due within 12 months has been shown under 'Other Current Liabilities' and the balance has been shown above.

** Loan from NSCFDC was ₹3.98 Crore taken on various occasions, out of which ₹1.00 Crore has already been repaid. The installments 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 installments due within 12 months has been shown under 'Other Current Liabilities' and the balance has been shown above.

**** There is no default in repayment of any of the aforesaid loan and interest thereof.

NOTE 4 : DEFERRED TAX LIABILITY (Net)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
Deferred Tax Asset		
Relating to Provisions of Current Year	55,92,748	-
Relating to Provisions of Earlier Years	11,55,13,294	-
Total	12,11,06,042	-
Deferred Tax Liability		
Relating to Fixed Assets	29,15,503	62,05,542
Relating to Special Reserve	21,37,58,801	16,52,05,583
Total	21,66,74,304	17,14,11,125
Net Deferred Tax Liability	9,55,68,262	17,14,11,125

NOTE 5 : LONG TERM PROVISIONS

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
A. Provision for employee benefits		
Provision for Leave Encashment	5,31,70,506	4,19,31,738
Provision for Gratuity	61,49,068	41,54,483
Total	5,93,19,574	4,60,86,221
B. Others		
Provision for Standard Assets	8,95,76,692	8,40,91,275
Floating Provision against Advances	2,00,00,000	2,00,00,000
Provision Against Sub Standard Assets	9,99,23,528	4,84,04,050
Provision Against Doubtful Assets	20,93,26,216	26,01,22,274
Provision Against Loss Assets	83,76,342	2,16,33,793
Provision for Diminution in Fair Value of Restructured Advance	31,29,000	-
Total	43,03,31,778	43,42,51,392
Total	48,96,51,352	48,03,37,613



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 st March, 2015	As at 31 st March, 2014
	₹	₹
Sundry creditors (for expenses)	4,14,92,702	2,60,47,050
Sundry creditors (for capital expenditure)	1,02,67,553	8,88,429
Current maturities of Long Term Loan (NBCFDC)	10,49,99,976	7,41,42,827
Current maturities of Long Term Loan (NSCFDC)	1,39,40,000	60,00,000
Current maturities of Long Term Loan (NSTFDC)	66,66,668	-
Current maturities of Long Term Loan (SIDBI)	10,52,63,180	9,60,72,995
Other liabilities	5,09,34,458	1,55,92,118
MEFC- R & D Training Fund	16,28,187	16,28,187
Interest accrued and not due on Loans	31,43,975	41,14,105
Undisbursed Central Subsidies	5,77,28,472	1,05,42,306
Security Deposit	1,00,06,288	1,02,48,592
NE Trade Expo	43,768	43,768
Total	40,61,15,228	24,53,20,377

NOTE 8: SHORT TERM PROVISION

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
A. Provision for Employee Benefits		
Provision for Leave Travel Concession / Allowance	58,00,000	55,00,000
Provision for Leave Encashment	73,78,568	62,76,839
Provision for Gratuity	48,61,855	38,85,762
	1,80,40,423	1,56,62,601
B. Others		
Proposed Dividend	8,00,00,000	8,00,00,000
Additional Tax on Dividend	1,62,86,400	1,35,96,000
Provision for Income Tax	30,30,00,000	31,20,00,000
	39,92,86,400	40,55,96,000
Total	41,73,26,823	42,12,58,601



Note 9 : FIXED ASSETS

Particulars	GROSS BLOCK				Depreciation / Amortisation				NET BLOCK		
	As at 31 st Mar, 2014	Additions	Disposals	As at 31 st Mar, 2015	As at 31 st Mar, 2014	For the Year	For transition Provisions	Eliminated on disposal	Up to 31 st Mar, 2015	As at 31 st Mar, 2015	As at 31 st Mar, 2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets											
Freehold Land	1,69,69,592	-	-	1,69,69,592	-	-	-	-	-	1,69,69,592	1,69,69,592
Building *	19,27,76,520	-	-	19,27,76,520	3,21,52,427	78,06,594	-	-	3,99,59,021	15,28,17,499	16,06,24,093
RCC Bridge	15,78,377	-	-	15,78,377	2,70,349	1,32,242	-	-	4,02,591	11,75,786	13,08,028
Air Conditioning System	4,22,73,917	21,98,321	-	4,44,72,238	1,36,49,188	58,26,726	-	-	1,94,75,914	2,49,96,324	2,86,24,729
Electrical Installation	2,64,12,736	-	-	2,64,12,736	1,12,15,366	48,23,665	72,799	-	1,61,11,830	1,03,00,906	1,51,97,370
Fire Alarm System	36,73,341	-	-	36,73,341	15,47,490	4,12,840	-	-	19,60,330	17,13,011	21,25,851
Lift	79,56,378	-	-	79,56,378	33,51,832	8,94,203	-	-	42,46,035	37,10,343	46,04,546
Machineries	74,59,455	5,51,026	-	80,10,481	52,99,447	6,70,929	11,971	-	59,82,347	20,28,134	21,60,008
UPS System	14,90,229	-	-	14,90,229	6,04,244	5,55,247	-	-	11,59,491	3,30,738	8,85,985
Water Installation System	15,88,014	-	-	15,88,014	6,68,991	1,78,474	-	-	8,47,465	7,40,549	9,19,023
Furniture & Fixture	98,43,925	4,21,932	-	1,02,65,857	75,94,936	6,01,405	2,19,546	-	84,15,887	18,49,971	22,48,990
Interior Furnishing & Fittings	6,87,15,031	3,46,53,28	-	10,33,68,316	3,53,49,466	1,20,60,510	-	-	4,74,09,976	5,59,58,340	3,33,65,565
Vehicle	14,62,224	-	-	14,62,224	8,68,737	2,27,424	-	-	10,96,161	3,66,063	5,93,487
Office Equipment	48,34,800	22,04,439	6,10,425	64,28,814	25,71,832	21,43,577	2,87,967	4,00,806	46,02,570	18,26,244	22,62,968
Computers	1,44,85,552	21,73,650	57,676	1,66,01,526	1,32,46,019	17,46,359	2,03,675	56,133	1,51,39,920	14,61,606	12,39,533
Total:	40,15,20,091	4,22,02,653	6,68,101	44,30,54,643	12,83,90,324	3,80,80,195	7,95,958	4,56,939	16,68,09,538	27,62,45,105	27,31,29,767
Figures for the previous year	39,43,98,977	71,84,338	63,224	40,15,20,091	10,25,71,643	2,58,63,183	-	44,502	12,83,90,324	27,31,29,767	29,18,27,334

* 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 st March, 2015	As at 31 st March, 2014
	₹	₹
Interior Works at 3 rd Floor of Head Office	-	1,68,35,384
Software	53,34,895	-
Tripura Office*	1,43,67,130	-
Total	1,97,02,025	1,68,35,384

* The Corporation has purchased an office premise in Agartala. The registration for the same has also been completed. However, the interior work is under progress. Since the same is not ready for the intended use, the same is shown as Capital Work in Progress.

Note 11 :NON CURRENT INVESTMENTS

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
Other Investments		
Investments in Equity Instruments		
Quoted		
Premier Cryogenics Ltd.		
Quoted at Cost (Fair value ₹1,17,78,000/- Not traded -2014-15) (2,00,000 shares of 10/- each)	20,00,000	20,00,000
Total (A)	20,00,000	20,00,000
Unquoted		
Gauhati Neurological Research Centre Ltd.	25,00,000	25,00,000
(Unquoted at cost 250,000 shares @ ₹10/- per share, fair value ₹1,00,95,000/-)		
Konoklota Mahila Urban Co-Op Bank Ltd.	5,00,000	5,00,000
(Unquoted at cost 5,000 shares @ ₹100/- per share, fair value ₹10,46,500/-)		
RGVN (North East) Microfinance Ltd.	3,00,00,000	3,00,00,000
(Unquoted at cost 3,00,00,000 Equity Shares @ ₹10/- per share, fair value ₹5,56,80,000/-)		
Nightingale Finvest Pvt. Ltd.	50,00,000	50,00,000
(Unquoted 50,000 Equity Shares of ₹100/- per share, fair value ₹48,80,000/-)		
YVU Financial Services Pvt. Ltd.	50,00,000	50,00,000
(Unquoted 50,000 Equity Shares of ₹100/- per share, fair value ₹58,50,500/-)		
Grameen Dev. & Finance Pvt. Ltd.	50,00,000	-
(Unquoted 5,00,000 Equity Shares of ₹10/- per share, fair value N.A.)		
Total (B)	4,80,00,000	4,30,00,000
TOTAL(A+B)	5,00,00,000	4,50,00,000

	Amount (₹)	Market Value (₹)	Amount (₹)	Market Value (₹)
Aggregate amount of quoted investments and market value thereof	20,00,000	1,17,78,000	20,00,000	1,07,90,000
Aggregate amount of unquoted investments	4,80,00,000	NA	4,30,00,000	NA
Aggregate provision for diminution in value of investments	-	-	-	-

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 LOANS AND ADVANCES

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
Capital Advances		
Advance for Office Space at Agartala, Tripura		
Secured (Considered Good)	-	1,04,64,633
Unsecured (Considered Good)	-	-
Doubtful	-	-
Security Deposits		
Secured (Considered Good)	-	-
Unsecured (Considered Good)	20,23,149	19,97,649
Doubtful	-	-
Trade Loans & Advances		
Term Loans		
Secured (Considered Good)	9,80,99,62,727	8,91,79,69,573
Unsecured (Considered Good)	1,47,37,48,479	1,50,11,26,386
Doubtful	1,11,00,91,237	69,66,70,816
Soft Loan under NEEDS		
Secured (Considered Good)	27,58,157	78,50,695
Unsecured (Considered Good)	-	-
Doubtful	48,07,973	89,61,258
TOTAL(₹)	12,40,33,91,722	11,14,50,41,010

NOTE 12.1: LOAN PORTFOLIO CLASSIFICATION AND PROVISIONING*

Category	2014-15		2013-14	
	Loan Outstanding	Provisioning	Loan Outstanding	Provisioning
	₹	₹	₹	₹
Standard	11,28,64,69,363	8,95,76,692	10,42,69,46,654	8,40,91,277
Sub Standard	65,79,08,884	9,99,23,528	19,36,16,196	4,84,04,049
Doubtful	44,86,13,984	20,93,26,216	49,03,82,085	26,01,22,274
Loss	83,76,342	83,76,342	2,16,33,793	2,16,33,793
Total	12,40,13,68,573	40,72,02,778	11,13,25,78,728	41,42,51,393

* The Loans & Advances are gross advances and the amount of provisions as shown above against the same is shown as Long Term Provisions.

NOTE 13: CURRENT INVESTMENT

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
Investment in Mutual Funds:		
HDFC Mutual Fund - Short Term Opportunities Fund (710,137.6089 units, Value as on 31-03-2015 ₹1,07,92,742/-)	90,00,000	90,00,000
UTI Mutual Fund - Money Market Mutual Fund (17071.9124 units, Value as on 31-03-2015 ₹2,67,67,773/-)	2,62,30,290	-
UTI Mutual Fund - Treasury Advantage Fund (TEDF) (1226.4093 units, Value as on 31-03-2015 ₹23,33,082/-)	18,73,310	18,73,310
UTI Mutual Fund - Fixed Maturity Plan (TEDF) (655879.6329 units, Value as on 31-03-2015 ₹1,28,18,511/-)	1,09,45,254	1,09,45,254
UTI Mutual Fund - Fixed Term Income Plan (TEDF) (1,500,000 units, Value as on 31-03-2014 ₹1,52,34,300/-)	-	1,50,00,000



Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
UTI Mutual Fund - Fixed Term Income Fund (TEDF) (1000000 units, Value as on 31-03-2015 ₹1,07,63,700/-)	1,00,00,000	99,76,445
UTI Mutual Fund - Fixed Term Income Fund (TEDF) (907427.9960 units, Value as on 31-03-2014 ₹1,06,24,800/-)	-	1,00,00,000
UTI Mutual Fund - Money Market Mutual Fund (TEDF) (6760.0134 units, Value as on 31-03-2015 ₹1,05,99,311/-)	1,00,00,000	-
Total	6,80,48,854	5,67,95,009

	As at 31 st March, 2015		As at 31 st March, 2014	
	Amount (₹)	Market Value (₹)	Amount (₹)	Market Value (₹)
Aggregate amount of quoted investments and market value thereof	6,80,48,854	7,40,75,119	5,67,95,009	6,01,48,789
Aggregate amount of unquoted investments	-	NA	-	NA
Aggregate provision for diminution in value of investments	-	-	-	-

NOTE 14 : CASH AND BANK BALANCES

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
Cash and Cash Equivalents		
Balance at Bank		
- With Scheduled Bank		
(i) In Current Account	20,32,41,384	32,96,65,081
(ii) In Fixed Deposits	-	-
	20,32,41,384	32,96,65,081
Balance at Bank (TEDF)		
- With Scheduled Bank		
(i) In Current Account	67,93,657	98,91,271
(ii) In Fixed Deposits	6,00,00,000	1,50,00,000
	6,67,93,657	2,48,91,271
Cash in hand	1,38,756	3,12,912
Other Bank Balances		
In Fixed Deposits pledged as Security against borrowing from NBCFDC	12,50,00,000	12,50,00,000
In Fixed Deposits pledged as Bank Guarantee against borrowing from NSTFDC	2,00,00,000	-
In Fixed Deposits pledged as Bank Guarantee against Consultancy assignments	60,50,000	-
In Fixed Deposits with maturity more than 3 months	-	-
In Fixed Deposits with maturity more than 3 months (TEDF)	12,50,00,000	17,50,00,000
In Fixed Deposits with maturity more than 12 months (TEDF)	15,00,00,000	10,00,00,000
Total	42,60,50,000	40,00,00,000
	69,62,23,797	75,48,69,264



NOTE 15: SHORT TERM LOAN AND ADVANCES

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
Advance to Others		
Secured (Considered Good)	-	-
Unsecured (Considered Good)	4,61,415	2,38,126
Doubtful	-	-
Advance to Staff		
Secured (Considered Good)	-	-
Unsecured (Considered Good)	11,86,122	7,21,016
Doubtful	-	-
Loan to Staff		
Secured (Considered Good)	8,96,71,184	9,12,25,443
Unsecured (Considered Good)	-	-
Doubtful	-	-
Total	9,13,18,721	9,21,84,585

NOTE 16: OTHER CURRENT ASSETS

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
A. Interest		
Interest Receivable on Loans & Advances	16,96,41,871	12,19,59,478
Interest Receivable on Fixed Deposits	4,78,37,907	3,25,58,260
Interest Receivable on Fixed Deposits (TEDF)	2,38,59,447	2,15,33,460
Interest Receivable Staff Housing Loan	1,13,26,795	88,57,135
B. Others		
Advance Income Tax	32,00,00,000	29,75,00,000
TDS Receivable	1,01,93,742	92,28,145
Income Tax Refundable	1,96,05,466	2,11,98,316
Other Receivables	2,56,27,820	76,66,293
Rent / Electricity charges receivable (Recoverable in cash or in kind or for value to be received -considered good/doubtful)	-	2,47,131
Total	62,80,93,048	52,07,48,218

NOTE 17: REVENUE FROM OPERATIONS

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
A. INTEREST		
Interest on loans	1,27,03,69,724	1,22,67,85,784
Interest on Fixed Deposits and Bonds	2,63,62,593	3,18,18,836
Total (A)	1,29,67,32,317	1,25,86,04,620
B. OTHER FINANCIAL SERVICES		
Consultancy Fees	1,99,65,078	1,08,13,007
Upfront Fees	2,31,77,837	2,97,41,360
Prepayment Charges	9,99,374	57,46,269
Total (B)	4,41,42,289	4,63,00,636
Total (A+B)	1,34,08,74,606	1,30,49,05,256



NOTE 18: OTHER INCOME

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
Net gain from sale of Investments (other than trade investments)	3,45,87,478	3,76,02,852
Dividend	4,50,000	2,00,000
Other Non Operating Income		
Miscellaneous Receipts	49,45,297	38,90,848
Profit on sale / disposal of assets	33,338	-
Rental Income	2,26,27,507	2,14,13,953
Maintenance Charges	94,28,860	89,11,426
Hall Charges	48,11,842	43,98,297
Bad Loans & Advances Recovered	4,96,25,320	1,10,09,308
Total	12,65,09,642	8,74,26,684

NOTE 19: EMPLOYEES BENEFIT EXPENSES

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
Salaries (Director)	28,33,380	25,12,920
Salaries (Others)	12,63,46,239	10,80,84,223
Employer's Provident Fund	81,73,558	73,98,153
Medical Reimbursement	38,29,100	26,31,802
Recruitment / Relocation expenses	7,13,418	4,53,267
Leave Travel Concession / Allowance	73,18,897	67,48,775
House Rent	12,88,253	5,87,049
Leave Encashment	1,48,93,480	71,51,105
Gratuity	53,93,807	(3,88,840)
Staff welfare	69,66,504	57,29,282
Total	17,77,56,636	14,09,07,736

Note 19.1: The following table sets out the status of the defined benefit Gratuity and Leave Encashment Plan as per AS - 15:

Particulars	Gratuity		Leave Encashment	
	Current Year (₹)	Previous Year (₹)	Current Year (₹)	Previous Year (₹)
i. Change in the present value of the defined benefit obligation				
Opening benefit obligation	2,20,96,778	2,24,57,036	4,82,08,577	4,41,09,609
Current Interest Cost	20,10,807	18,19,020	43,86,981	35,72,878
Past Service Cost	-	-	-	-
Current Service Cost	35,42,472	31,19,904	20,51,726	42,67,151
Benefit Paid	(1,72,395)	(10,56,593)	(25,49,158)	(33,40,036)
Actuarial (Gain) / Loss	10,95,304	(42,42,589)	84,50,948	(4,01,025)
Closing benefit obligation	2,85,72,966	2,20,96,778	6,05,49,074	4,82,08,577
ii. Change in Plan Assets				
Opening Fair Value of Plan Assets	1,40,56,533	1,19,69,696	-	-
Expected Return on Plan Assets	12,29,947	10,95,227	-	-
Contribution	21,28,127	9,82,713	-	-
Benefit paid	-	-	-	-



Actuarial Gain / (Loss)	1,47,436	8,897	-	-
Closing Fair Value of Plan Assets	1,75,62,043	1,40,56,533	-	-
iii. Reconciliation of present value of obligation and fair value of plan assets				
Closing present value of obligation	2,85,72,966	2,20,96,778	6,05,49,074	4,82,08,577
Closing fair value of plan assets	1,75,62,043	1,40,56,533	-	-
Deficit / (surplus)	(1,10,10,923)	(80,40,245)	(6,05,49,074)	(4,82,08,577)
Net Liability / (Asset)	1,10,10,923	80,40,245	6,05,49,074	4,82,08,577
Net Liability recognised in Balance Sheet	1,10,10,923	80,40,245	6,05,49,074	4,82,08,577
iv. Net Cost recognized in Profit & Loss Account				
Current Service cost	35,42,472	31,19,904	20,51,726	42,67,151
Past Service cost	-	-	-	-
Interest Cost	20,10,807	18,19,020	43,86,981	35,72,878
Expected return on plan assets	(12,29,947)	(10,95,227)	-	-
Net Actuarial (Gain) / Loss recognized	9,47,868	(42,51,486)	84,50,948	(4,01,025)
Expenses recognized in Profit & Loss Account	52,71,200	(4,07,789)	1,48,89,655	74,39,004
v. Reconciliation of opening and closing net liability recognized in Balance Sheet				
Opening Net Liability	80,40,245	1,04,87,340	4,82,08,577	4,41,09,609
Expenses recognized in Profit & Loss Account	52,71,200	(4,07,789)	1,48,89,655	74,39,004
Benefit paid by Corporation	(1,72,395)	(10,56,593)	(25,49,158)	(33,40,036)
Contribution paid	(21,28,127)	(9,82,713)	-	-
Closing Net Liability	1,10,10,923	80,40,245	6,05,49,074	4,82,08,577
vi. Investments under Plan Assets of Gratuity and Leave Encashment as on 31st March, 2014 are as under:				
Category of Plan Assets	Gratuity		Leave Encashment	
	% of Plan Assets		% of Plan Assets	
Funds managed by LIC	100%		-	
vii. Principal Actuarial Assumptions				
Particulars	Gratuity		Leave Encashment	
	Current Year (₹)	Previous Year (₹)	Current Year (₹)	Previous Year (₹)
Discount Rate	7.80%	9.10%	7.80%	9.10%
Rate of increase in compensation levels	15.00%	15.00%	15.00%	15.00%
Rate of return on Plan Assets	9.00%	8.75%	-	-

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 ₹81.73 Lac (Previous Year ₹73.98 Lac) has been charged to Profit & Loss Account.



NOTE 20: OTHER EXPENSES

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
A. Administrative & Other Expenses		
Advertisement Expenses	8,51,871	8,24,925
Audit Expenses	4,95,178	5,41,959
Bank charges	1,12,379	27,835
BOD Meeting Expenses	6,39,438	18,22,265
Books & Periodicals	2,75,667	2,26,811
Business Promotion	7,99,829	8,46,100
Car hire Expenses	27,07,071	43,38,816
Consultancy Expenses	31,29,667	33,66,659
Conveyance	3,65,797	4,02,489
Databank Expenses	-	20,650
Electricity Charges & Electrical Expenses	77,68,884	61,20,840
Filing Fees & Expenses	31,167	17,546
Haat Expenses (net)	-	(3,58,192)
Honararium	93,618	40,000
Insurance charges	4,17,462	3,58,940
Legal & Professional Fees and Expenses	32,50,978	47,29,729
Licence & Registration Fees	12,55,913	14,97,802
Loss on sale / disposal of Assets	-	10,619
Misc Expenses	72,002	7,023
Printing & Stationery	27,59,623	26,24,779
Rent	36,84,368	33,20,364
Repairs & Maintenance (Machine)	27,97,450	21,68,597
Repairs & Maintenance (Security Service Charges & Others)	1,26,98,986	1,11,80,545
Seminar & Conference Expenses	10,14,691	4,67,105
Software Maintenance Expenses	-	4,09,319
Service Tax	1,45,867	93,070
Telephone Charges & Postage	19,85,749	24,82,727
Training Expenses	16,04,451	7,12,627
Travelling Expenses (Director)	1,50,589	3,18,936
Travelling Expenses (Others)	46,80,021	50,28,911
Internal Audit Fees	1,10,000	1,00,000
Auditors' Remuneration		
Tax Audit Fees	20,000	20,000
Statutory Audit Fees	1,10,000	1,10,000
Total (A)	5,40,28,716	5,38,79,796
B. Provisions and Write Off		
Total (B)	14,39,76,001	8,85,17,313
Total (A+B)	19,80,04,717	14,23,97,109



NOTE 20.1: Provisions and Write Offs

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
Provisions		
Provision on Standard / Non Performing Assets	(37,41,999)	(1,40,53,089)
Provision on Rent / Electricity Charges	-	(47,36,073)
Provision on Equity Investments	-	(76,00,000)
Provision on Diminution in Fair Value of Restructured Advance	31,29,000	-
Write Offs		
Equity Investments	-	76,00,000
Rent / Electricity Charges Receivable	-	47,36,073
Bad Loans & Advances	14,45,89,000	10,25,70,402
Total	14,39,76,001	8,85,17,313

NOTE 21: FINANCE COST

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
INTEREST		
Interest on Loan		
- NBCFDC	54,88,507	30,86,825
- NSCFDC	3,39,808	26,301
- NSTFDC	3,09,863	-
- SIDBI	4,27,68,181	5,05,50,049
Total	4,89,06,359	5,36,63,175

NOTE 22: CSR EXPENSES

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
India Exposition Mart Expenses	(40,098)	(76,337)
R & D Expenses (net)	49,88,500	44,83,073
Skill & Market Development Expenses	1,73,93,794	2,46,26,187
Total	2,23,42,196	2,90,32,923

NOTE 22.1

a. Gross amount required to be spent: 2.50% of the average profit of last three financial years i.e. 2.50% of ₹60,37,25,491/- = ₹1,50,93,137/-. The Corporation has actually spent ₹2,23,42,195/- on CSR. The excess amount of ₹72,49,058/- has been transferred from CSR Reserve Account to Profit & Loss Account.

b. Amount Spent during the year on

Particulars	In Cash (₹)	Yet to be paid in Cash	Total
		₹	₹
i. Construction / acquisition of any asset	-	-	-
ii. On purposes other than i. above	2,23,42,196	-	2,23,42,196

c. No related party transactions occurred in relation to CSR Expenses.

d. No provision has been made for CSR Expenses during the year. The income earned incidental to the CSR projects have been netted off from the CSR expenses.



NOTE 23: EARNINGS PER SHARE (EPS)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	75,62,85,765	63,86,97,635
No. of Equity shares used as denominator for calculating EPS	10,00,00,007	10,00,00,007
Basic and Diluted Earnings Per Share	7.56	6.39
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 ₹31,19,164/- (previous year: ₹28,41,865/-) was paid as remuneration.

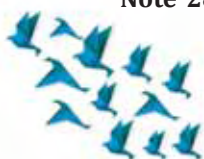
Note 25: CONTINGENT LIABILITIES AND COMMITMENTS

- a. The Service Tax authorities had raised a demand of ₹20,32,677/- 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 no further communication has been received in this regard. 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.
- b. 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. 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 income of the Corporation.
- c. 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 ₹159.46 Crore, which shall be disbursed in due course, subject to compliance of requisite formalities.
- d. The DIPP had raised a demand of ₹13.42 Crore towards refund of interest earned on unspent central subsidy funds received. The DIPP had taken a decision on March 22, 2000 to allow the Corporation to earn interest out of the unspent funds as no service charge was being paid to the Corporation. Hence, the refund of interest earned was against the decision of DIPP taken on March 22, 2000. The matter is under consideration by the DIPP. If any interest needs to be paid, in that case, the Corporation will be entitled to receive service charges retrospectively, which will be higher than the interest refundable to the DIPP. Hence, no provision has been made in the books of accounts of the Corporation.

Note 26: The Corporation is a nodal disbursing agency for Growth Centre funds and Central Subsidies, and the fund received from Govt. of India is shown in the Current Liabilities to the extent of undisbursed amount.

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

Note 28: As a result of the transitional change in depreciation as set out in Schedule II of the



Companies Act, 2013, there is an additional depreciation of ₹ 7,95,295/- over and above the depreciation calculated on the fixed assets of the Corporation, which is shown separately in the Profit & Loss Account.

Note 29: Previous year figures have been regrouped / rearranged / reclassified, wherever necessary.

Note 30: The Provisioning Coverage Ratio of the Corporation is 30.28%.

Note 31: SEGMENT REPORTING

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

(₹ in Crore)

1.	Segment Revenue	2014 - 15	2013 - 14
	Lending and Financing Activities	134.42	127.33
	Management of Surplus Funds	6.14	6.96
	Others	2	1.08
	Total	142.56	135.37
2.	Segments Results		
	Lending and Financing Activities	86.14	88.57
	Management of Surplus Funds	6.14	6.96
	Others	1.69	0.74
	Total	93.97	96.27
	Unallocated Income	4.17	3.86
	Unallocated Expenses	0.00	0.00
3.	Operating Profit	98.14	100.13
	Income Tax	22.51	36.26
4.	Net Profit	75.63	63.87
5.	Other Information		
	Segment Assets		
	Lending and Financing Activities	1257.10	1113.26
	Management of Surplus Funds	42.96	53.07
	Others	2.01	0.28
	Total	1302.07	1166.61
	Unallocated Assets	121.23	123.85
	Total	1423.30	1290.46
	Segment Liabilities		
	Lending and Financing Activities	753.56	680.47
	Management of Surplus Funds	0.00	0.00
	Others	0.00	0.00
	Unallocated Liabilities	84.65	91.37
	Total	828.58	771.84
	Net Capital Employed	585.09	518.62

Note 32: 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 Crore)

A	Capital	
a)	CRAR CORE CRAR & Supplementary CRAR	45.70%
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: ₹ 1299.99 Off the Balance Sheet: Nil



d)	The Shareholding pattern as on 31.03.2015	Equity shares:		
		No of Shares		%
		FI's	5,50,00,004	55
		Bank	1,50,00,001	15
		Insurance Co.	2,00,00,001	20
		<u>Mutual Fund</u>	<u>1,00,00,001</u>	<u>10</u>
		Total	1,00,00,007	100
B	Asset quality and credit concentration			
e)	Percentage of net NPA's to net loans & advances, (floating provisions of ₹2 Crore has not been netted from Gross NPA to arrive at net NPA)			6.51%
f)	Amount and percentage of net NPA's to net advances under the prescribed asset classification categories,	Category		%
		Sub Standard Assets:	₹ 55.80	4.87
		Doubtful debts :	₹ 23.93	2.09
		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:		₹ 1.60
		NPA Loans		₹ 0.67
		Soft loan Assistance		₹ (-)0.33
		Investments		₹ Nil
		Income Tax		₹ 30.30
h)	i) Movement in NPAs (Gross) of loans including soft loans.	Opening Balance:		₹ 70.56
		Deletions incl. upgradation		₹ 24.86
		Additions during the year		₹ 65.79
		Closing Balance		₹ 111.49
	ii) Movement of Provisions for NPAs against loans including soft loan assistance.	Opening Balance:		₹ 33.02
		Less: write off / waiver / Write back		₹ 6.41
		Additions during the year		₹ 5.15
		Closing Balance		₹ 31.76
	ii) Movement of Provisions for Investments	Opening Balance:		₹ 0.00
		Additions during the year		₹ 0.00
		Write Back		₹ 0.00
		Closing Balance		₹ 0.00
i)	Restructured Accounts			
	Total amount of standard assets which have been subjected to restructuring / rescheduling	₹ 64.34 Crore		
	Total sub standard assets which have been subjected to restructuring / rescheduling	Nil		
	Total doubtful / Loss assets which have been subjected to restructuring / rescheduling	Nil		
	Total	₹ 64.34 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		5.38	2.21	
	The largest borrower group		12.36	5.08	
	The 10 largest single borrowers				
	No.1		5.38	2.21	
	No.2		4.84	1.99	
	No.3		4.61	1.90	
	No.4		4.17	1.72	
	No.5		3.67	1.51	
	No.6		3.62	1.49	
	No.7		3.54	1.45	
	No.8		3.42	1.41	
	No.9		3.40	1.40	
	No.10		3.27	1.35	
	The 10 largest borrower groups				
	No.1		12.36	5.08	
	No.2		9.83	4.04	
	No.3		7.36	3.03	
	No.4		6.09	2.50	
No.5		5.38	2.21		
No.6		4.88	2.01		
No.7		4.84	1.99		
No.8		4.10	1.68		
No.9		3.94	1.62		
No.10		3.83	1.57		
k)	Credit exposure to the five largest industrial sectors (if applicable) as percentage to total loan assets		1. Hotel & Tourism	: 13.51	
			2. Micro Finance	: 11.43	
			3. Iron & Steel	: 11.18	
			4. Cement	: 8.72	
			5. Real Estate	: 7.08	
C Liquidity					
l)	Maturity pattern of Rupee assets & liabilities w.r.t. investments incl. Fixed Deposits (₹ in Crore)				
	Items	Less than or equal to 1 year	More than 1 year up to 3 years	More than 3 years up to 5 years	More than 5 years up to 7 years
	Rupees Asset	13.40	Nil	Nil	Nil
	Total Assets	13.40	Nil	Nil	Nil
	Total Liabilities	23.00	65.00	40.00	54.00



(4)	Break-up of Investments:			
	1. Quoted:			
	(i) Shares : (a) Equity	20		
	(b) Preference			
	(ii) Debentures and Bonds	-		
	(iii) Units of mutual funds	680		
	(iv) Government Securities			
	(v) Others (please specify)			
	2. Unquoted:			
	(i) Shares : (a) Equity	480		
	(b) Preference			
	(ii) Debentures and Bonds			
	(iii) Units of mutual funds			
	(iv) Government Securities			
	(v) Others (please specify)			
		1180		
(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	109228	14786	124014
	Total	109228	14786	124014
(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	893	500	
	Total	893	500	

**As per Accounting Standard of ICAI

(7) Other information

	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	11149
(ii)	Net Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	7973
(iii)	Assets acquired in satisfaction of debt	



(8) Exposure to Real Estate Sector

(₹ in Crore)

Items	31 st March, 2015	31 st March, 2014
a) Direct Exposure		
i) Residential Mortgages [all individual housing loans]	4.96	4.79
ii) Commercial Real Estate	89.01	96.59
iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures:		
a) Residential		
b) Commercial	Nil	Nil
c) Indirect Exposure	Nil	Nil
b) Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil
Total Real Estate Exposure	93.97	101.38

Note 34: Additional information as required in terms of Notification No. DNBR.019/CGM (CDS)-2015 dated 10/04/2015

a. Capital

₹ in Crore

Particulars	Current Year	Previous Year
i. CRAR	45.70%	46.35%
ii. CRAR – Tier I Capital	45.01%	-
iii. CRAR – Tier II Capital	0.69%	-
iv. Amount of subordinated debt raised as Tier II Capital	-	-
v. Amount raised by issue of Perpetual Debt Instruments	-	-

b. Investments

Particulars	Current Year (₹ In Crore)	Previous Year (₹ In Crore)
1. Value of Investments		
i. Gross value of Investments		
a. In India	11.80	10.18
b. Outside India	-	-
ii. Provisions for Depreciation		
a. In India	-	-
b. Outside India	-	-
iii. Net value of Investments		
a. In India	11.80	10.18
b. Outside India	-	-
2. Movement of provisions held towards depreciation on investments		
i. Opening Balance	-	0.76
ii. Add: Provision made during year	-	0.76
iii. Less: Write off/ Write back	-	-
iv. Closing Balance		



c. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

(₹ in Crore)

	Up to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	40.34	60.13	18.41	78.09	130.54	453.63	294.71	164.83	1240.68
Investments	3.52	-	-	-	14.50	-	0.60	-	18.62
Borrowings	-	-	5.27	5.84	12.18	40.77	8.08	-	72.14
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

d. Provisions and Contingencies

(Amount in ₹ Crore)		
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit & Loss Account	Current Year	Previous Year
Provisions for depreciation on Investment	-	-
Provision towards NPA	-0.93	-2.64
Provision made towards Income Tax	30.3	31.2
Other Provision and Contingencies		
Leave Encashment	1.49	0.71
Gratuity	0.53	-0.05
LTC	0.58	0.55
Diminution in Fair Value of Restructured Advance	0.31	-
Provision for Standard Assets	0.55	4.17

e. Concentration of Advances

	Amount in ₹ Crore
Total Advances to twenty largest borrowers	389.83
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	31.01%

f. Concentration of NPAs

	Amount in ₹ Crore
Total Exposure to top four NPA accounts	75.57

g. Sector wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that Sector
1	Agriculture & allied activities	2.62%
2	Commercial Real Estate	0.76%
3	Construction	24.13%
4	Infrastructure	8.67%
5	Micro finance	0.44%
6	Medium & Large	15.33%
7	Micro, Small & Others	5.35%



h. Movement of NPAs

(Amount in ₹ Crore)		
Particulars	Current Year	Previous Year
i. Net NPAs to Net Advances (%)		3.48%
ii. Movement of NPAs (gross)		
a. Opening balance	70.56	73.15
b. Additions during the year	65.79	19.36
c. Reductions during the year	24.82	21.95
d. Closing balance	111.49	70.56
iii. Movement of net NPAs		
a. Opening balance	37.55	33.91
b. Additions during the year	55.80	14.52
c. Reductions during the year	13.62	10.88
d. Closing balance	79.73	37.55
iv. Movement of provisions for NPAs		
a. Opening balance	33.02	39.24
b. Provisions made during the year	5.15	6.23
c. Write off / Write backs	6.41	12.45
d. Closing balance	31.76	33.02


j. Customer Complaints

a.	No. of complaints pending at the beginning of the year	1
b.	No. of complaints received during the year	0
c.	No. of complaints redressed during the year	1
d.	No. of complaints pending at the end of the year	0

In terms of our report of even date annexed


For and on behalf of the Board of Directors

For Saraswati & Co.
Chartered Accountants, FRN 317097E


(CA Ashok Kumar Agarwala)
Partner
M.No. 53233

Place : Guwahati
Date : 30th June, 2015


(B.P. Muktieh)
Chairman and Managing Director
DIN No. 00123561


(T.K. Mukhopadhyay)
Director
DIN No. 00239251
Place : Guwahati
Date : 26th June, 2015


(S.K. Baruah)
CS & CFO
M No. A8810



**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 31/03/2015 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 31/03/2015 the net loans or advances (net of provisions) was ₹120,837.42 Lac which is 84.90% of its total assets and the income from interest on loans for the financial year 2014- 15 was ₹12703.70 Lac which is 86.57% of its total income.

**Place: Guwahati
Date : 06-07-2015**

**For Saraswati & Co.
Chartered Accountants
FRN - 317097E**



**(CA Ashok Kumar Agarwala)
(Partner)
M.No.053233**



To WHOM IT MAY CONCERN

This is to certify that NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LTD., GUWAHATI had a net owned fund of ₹58508.67 Lac as at 31-03-2015 as shown below.

		<u>Rs. In Lakhs</u>
Paid up equity Capital		10000.00
Free Reserve. General Reserve	33537.78	
Credit Balance in P/L A/C	34.25	
Statutory Reserve u/s RBI Act	8647.77	
Special Reserved credited u/s 36 of I.T Act	<u>6288.87</u>	48508.67
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
		58508.67

This is further certified that the said company is not accepting / holding public deposits as at 31-03-2015 and has complied with prudential norms as applicable to it for the financial year 2014-15.

**Place: Guwahati
Date : 06-07-2015**

**For Saraswati & Co.
Chartered Accountants
FRN - 317097E**



**(CA Ashok Kumar Agarwala)
(Partner)
M. No. 053233**



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 31.03.2015.

STATEMENT

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

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.	:	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.
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.	:	Yes
iii	Based on the criteria set forth by the Bank in company Circular No. DNBS. PD. CC No. 85/03.02.089/2006-07 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.	:	The company is classified as loan company which is correct.

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 for the non - acceptance of any public deposits	:	Yes on Board meeting dated 29/04/2014 and 26/06/2015.
ii	Whether the Company has accepted any public deposit during the relevant period /year	:	No
iii	Whether the Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.	:	Yes
iv	In respect of systemically important Non-Deposit 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.	:	Yes
v	Whether the company has furnished to the bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period.		Copy of NBS-7 for financial year 2014-15 is uploaded on 06.07.2015.

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 : 06-07-2015

For Saraswati & Co.
Chartered Accountants
FRN - 317097E



(CA Ashok Kumar Agarwala)
(Partner)
M.No.053233





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