

ANNUAL REPORT

2015-16



GROWING WITH THE NORTH EAST



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

The Corporation has framed its Vision, Mission Statement and Core Values as given under:

Vision

“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, developmental and support services to entrepreneurs by continuously improving the effectiveness of the Quality Management System and employee development”.

GROWING WITH THE NORTH EAST



The concept of cover design for this year's Annual Report emanated out of an all encompassing emphasis on the growth agenda in the north eastern part of India and how NEDFi is integrally embedded in it.

NEDFi is North East's partner in progress and sees growth in this region as central to its own existence. Over the years, NEDFi has grown in scale & size and has been instrumental in the growth of industries, infrastructure, small enterprises and also micro finance to the needy at the grass roots in the region. It has achieved exponential growth, having sanctioned more than 4400 projects and facilitating capital investment of Rs. 12903 crore in the region. Remarkably different from the typical financial organisations, NEDFi assumes the role of a trainer and knowledge imparter, shaping the region's entrepreneurial talent; a financier to give the start up units the necessary impetus and finally a facilitator supporting the units to stand up on their own. In a way, NEDFi triggers economic growth by transforming opportunities for business establishments making them capable of sustained progress and finally completing the circle by generating growth on their own.

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INSIDE





Dear Shareholders,

It gives me great pleasure to place before you the highlights of your Corporation's performance during the financial year 2015-16 (FY16). Details of the achievements and initiatives taken by your Corporation are provided in the enclosed Annual Report.

Macro-Economic Scenario

During the financial year 2015-16, the global economy experienced challenging conditions with weak growth and divergent monetary policies in advanced economies, slowdown in China and significant decline in commodity prices. The Indian economy continued to make progress during the year, with improvement in key macro-economic parameters and focused government initiatives to drive sustainable growth. However, due to prolonged slowdown in growth in earlier years, the challenges facing the corporate sector impacted the asset quality metrics and profitability of banks.

The economy of North East witnessed low public/ private investment and consequently suffered from slow pace of development. The liquidity in the industrial sector was tight, which was reflected by the declining number of IEMs filed with the Department of Industrial Policy & Promotion, Government of India.

Performance Highlights

Business

Against this backdrop, the Corporation achieved the targets fixed by the Board for FY 16. Overall sanction & disbursement targets fixed by Corporation for the year was ₹350 crore and ₹300 crore, against which the Corporation achieved ₹361.86 crore and ₹302.99 crore respectively. Cumulative sanctions and disbursements were ₹4003.60 crore and ₹3015.94 crore respectively. The net worth of the Corporation increased by 8.94% to ₹637.40 crore.

Income and Earnings

During FY16, the gross income of the Corporation increased by 3.87% to ₹152.42 crore from ₹146.74 crore. Profit before tax was ₹95.57 crore against ₹98.14 crore in the previous year. Net profit after tax was ₹61.67 crore against ₹75.63 crore in the previous year. Net profit per employee worked out to ₹54 lakh against previous year's figure of ₹70 lakh.

The Board of Directors of the Corporation has recommended a dividend of 8% for FY 16. The payout ratio is 12.92% of the net profit and total outgo on account of dividend and tax thereon is ₹9.63 crore.

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. Gross non-performing asset (NPA) of the Corporation at the end of the year was ₹216.82 crore (17.33%) against previous year's ₹111.49 crore (8.87%). Net NPA at the end of the year was ₹167.72 crore (13.96%) against previous year's ₹79.73 crore (6.51%).

Resources

To expand its lending activities, the Corporation is continuously exploring various avenues for raising its resources. Besides the Ministry of DoNER, NABARD 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 benefit of targeted segments in the micro finance and micro & small scale sectors in the region.

Advisory & Consultancy

The Advisory and Consultancy Division has a significant presence in all the NE States. Apart from independent monitoring and evaluation of infrastructure projects, the

Division has a portfolio of assignments in diverse areas such as development planning, project management consultancy, engineering design, business plan preparation and some major studies relevant to the socio-economic development of the region. The Corporation has bagged 9 (nine) numbers of projects with fee value amounting ₹3.89 crore during FY 16.

IT Infrastructure

The Corporation has its own data centre having secured network, servers, switches, etc. Moreover, a new comprehensive software is being developed by the in-house IT professional team for Loan Management System (LMS) and Finance and Accounting Management System (FAMS) to enable better connectivity and integration with the operation of Branch offices. Significant progress has already been made and the same is expected to be implemented within FY 17.

Risk Management

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 oversees various types of risks of the Corporation.

Promotional & Developmental Services

Entrepreneurship Development & New Enterprise Creation

The Corporation has been facilitating entrepreneurship development and new enterprise creation through its Business Facilitation Centres (BFCs) and organizing a series of business meets/counseling camps and capacity building programmes in all the NE States. The focus is to primarily tap and nurture the entrepreneurship skills of the first generation entrepreneurs. During FY 16, mentoring assistance was provided to 622 entrepreneurs through its eight Business Facilitation Centres, out of which 132 entrepreneurs were given Bank Credit linkage aggregating ₹6 crore.

Techno-Economic Development Fund (TEDF)

The Corporation conducts various techno-economic studies funded under TEDF, on the request of Governments of NE States, North Eastern Council etc. to map the resources available in the region for setting up industrial and infrastructural projects suitable for the region. A total of 67 studies have been completed under TEDF and 15 studies are in various stages of progress.

Nodal Agency

The Corporation is the nodal agency for disbursement of Central Subsidies under NEIP 1997 & NEIIP 2007. During the year, an amount of ₹294.61 crore was disbursed as Central Subsidies to various industrial units in the region.

NER Data bank

The Corporation is maintaining a web based portal called "NER Databank" which is a storehouse 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>. In addition, the Corporation also publishes "NEDFi Databank Journal" - an economic journal on the North Eastern Region, on various sectors. So far, 32 sectors specific to the North East Region have been covered.

Corporate Social Responsibility

The Corporate Social Responsibility (CSR) initiatives of the Corporation 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, 56 sustainable livelihood training programmes were conducted for 1366 trainees in the Region.

During the year, marketing support was provided to artisans of handloom & handicraft sector including water

hyacinth by facilitating their participation within/outside the region. A total of 330 artisans participated in 44 exhibitions during the year.

Under joint initiative with IDBI Bank, the Corporation has set up a Common Facility Centre at Chatra village in Nalbari district of Assam for a Bodo tribal women group, who had given up making of country liquor to adopt handloom as their means of livelihood. The Corporation is committed to its developmental mandate and collaboration with more organizations will help to enrich and scale up its developmental activities.

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 Bank, 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 and 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)



प्रिय शेयरधारको,

वित्तीय वर्ष 2015-16 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 संलग्न वार्षिक प्रतिवेदन में दिए जा रहे हैं।

मेक्रो-इकोनॉमिक परिदृश्य

वित्तीय वर्ष 2015-16 के दौरान कमजोर विकास दर एवं उन्नत अर्थव्यवस्थाओं में बहुआयामी मौद्रिक नीतियों, चीन में मंदी व आवश्यक वस्तुओं एवं सेवाओं की कीमतों में उल्लेखनीय गिरावट के कारण वैश्विक अर्थव्यवस्था को चुनौतीपूर्ण परिस्थितियों का सामना करना पड़ा। इस वर्ष के दौरान, मैक्रो इकोनॉमिक मानकों में सुधार और स्थायी विकास को गति देने के लिए की गई सरकार की पहल के साथ भारतीय अर्थव्यवस्था ने प्रगति को बनाए रखा। हलांकि पिछले वर्षों की लंबी आर्थिक मंदी के कारण कॉर्पोरेट क्षेत्र को चुनौतियों का सामना करना पड़ा जिससे बैंकों की परिसंपत्तियों की गुणवत्ता और लाभ कमाने की क्षमता प्रभावित हुई।

पूर्वोत्तर भारत की अर्थव्यवस्था ने जहाँ निजी व सरकारीनिवेश में कमी का सामना किया वहीं विकास की धीमी गति से यह बुरी तरह प्रभावित रही। औद्योगिक क्षेत्र में नकदी की कमी थी जो भारत सरकार के औद्योगिक नीति एवं संवर्धन विभाग के IEM की संख्या में आई कमी से भी परिलक्षित हो रही थी।

प्रदर्शन के मुख्य बिंदु

व्यापार

वित्तीय वर्ष 2015-16 की उक्त पृष्ठभूमि के बावजूद भी निगम ने बोर्ड द्वारा निर्धारित लक्ष्यों को प्राप्त किया है। वित्त वर्ष 2015-16 के लिए निगम ने 350 करोड़ रूपए संस्वीकृत (Sanction) करने तथा 300 करोड़ रूपए संवितरित (Disbursement) करने का लक्ष्य रखा था जिसे हमने 361.86 करोड़ रूपए संस्वीकृत तथा 302.99 करोड़ रूपए संवितरित करके प्राप्त कर लिया है। अब तक निगम द्वारा कुल मिलाकर 4003.60 करोड़ रूपए के ऋण संचयी संस्वीकृत व कुल 3051.94 करोड़ रूपए संवितरित किए गए हैं। निगम का शुद्ध मूल्य 8.94% बढ़कर 637.40 करोड़ रूपये हो गया है।

आय और लाभ

वित्त वर्ष 2015-16 के दौरान निगम की आय 146.74 करोड़ रूपए में 3.87% वृद्धि के साथ 152.42 करोड़ रूपये हो गई है। कर पूर्व लाभ पिछले वर्ष में 98.14 करोड़ रूपये था, जबकि 2015-16 वर्ष में यह 95.57 करोड़ रूपये है। निगम का शुद्ध लाभ 61.67 करोड़ रूपए है, हालांकि पिछले वर्ष यह 75.63 करोड़ रूपये था। वर्ष के दौरान प्रति कर्मचारी लाभ 54 लाख रूपए है जबकि पिछले वर्ष यह 70 लाख रूपए था।

निगम के निदेशक मंडल ने वित्त वर्ष 2015-16 के लिए 8 प्रतिशत लाभांश की अनुशंसा की है। लाभांश में दी जाने वाली राशि शुद्ध लाभ के अनुपात में 12.92 प्रतिशत है और लाभांश के मद में जाने वाली कुल राशि 9.63 करोड़ रूपए 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। वित्त वर्ष की समाप्ति पर निगम की सकल गैर-निष्पादित परिसंपत्तियों (एनपीए) पिछले वर्ष के 111.49 (8.87%) करोड़ रूपये की तुलना में इस वर्ष बढ़कर 216.82 (17.33%) करोड़ रूपये हो गई है। इस वित्त वर्ष की समाप्ति पर नेट एनपीए 167.72 करोड़ रूपये (13.96%) रहा जबकि यह पिछले वर्ष 79.73 करोड़ रूपये (6.51%) था।

संसाधन

अपनी ऋण गतिविधियों का विस्तार करने के लिए निगम लगातार अपने संसाधन जुटाने के लिए विभिन्न रास्ते तलाश रहा है। निगम ने पूर्वोत्तर क्षेत्र में सूक्ष्म वित्त में लक्षित क्षेत्रों के लाभ और सूक्ष्म और लघु क्षेत्रों के लिए रियायती दरों पर धन पहुँचाने के लिए पूर्वोत्तर क्षेत्र विकास मंत्रालय (डोनर), नाबार्ड (NABARD) और सिडबी (SIDBI) के अलावा, राष्ट्रीय पिछड़ा वर्ग वित्त एवं विकास निगम (NBCFDC), राष्ट्रीय जनजाति वित्त एवं विकास निगम (NSTFDC) और राष्ट्रीय जाति वित्त एवं विकास निगम (NSFDC) जैसे सामाजिक विकास एजेंसियों के साथ करार किया है।

सलाहकारी और परामर्श विभाग

निगम के सलाहकारी और परामर्श विभाग की पूर्वोत्तर के सभी राज्यों में उल्लेखनीय उपस्थिति है। क्षेत्र के विभिन्न राज्यों में ढाँचागत परियोजनाओं की निगरानी और मूल्यांकन के अलावा

अब इस विभाग के पास विविध क्षेत्रों के कई काम हैं, जैसे- विकास योजनाओं, परियोजना प्रबंधन परामर्श, इंजीनियरिंग डिजाइन, व्यापार की योजना तैयार करने और इस क्षेत्र के सामाजिक व आर्थिक विकास संबंधित कुछ वृहद अध्ययन आदि को निष्पादित करना।

वित्तीय वर्ष 2015-16 के दौरान विभाग को कुल 3.89 करोड़ रूपए की राशि शुल्क मूल्य के साथ कुल 9 (नौ) परियोजनाओं का काम सौंपा गया है।

सूचना प्रौद्योगिकी की आधारभूत संरचना

निगम ने स्वयं का एक डाटा-सेंटर विकसित किया है जो सुरक्षित नेटवर्क, सर्वर एवं स्विच आदि से सज्ज है। इसके अलावा निगम के कार्यालय में ही सूचना प्रौद्योगिकी की पेशेवर टीम द्वारा एक नया व्यापक सॉफ्टवेयर, ऋण प्रबंधन प्रणाली (एलएमएस) और वित्त और लेखा प्रबंधन प्रणाली (FAMS), शाखा कार्यालयों के साथ जुड़ने व परिचालन को एकीकृत करने के लिए विकसित किया जा रहा है। इस कार्य में उल्लेखनीय प्रगति हुई है और वर्ष 2007 के भीतर ही इसके सुचारू रूप से शुरु हो जाने की आशा है।

रिस्क प्रबंधन नीति

निगम ने रिस्क प्रबंधन तंत्र को स्थापित किया है जिससे ऋण, संचालन व बाजार आदि के विभिन्न खतरों को कम किया जा सके। रिस्क मैनेजमेंट कमिटी (आर एम सी), एसेट लाएबिलिटी मैनेजमेंट कमिटी (ए एल एम सी) एवं रिस्क प्रबंधन विभाग निगम के विभिन्न प्रकार के खतरों पर नजर रखते हैं। निगम की नीतियों की वार्षिक समीक्षा की जाती है।

विकास और प्रोमोशनल सेवाएँ

उद्यमिता विकास और नए उद्यमों का सृजन

निगम, पूर्वोत्तर के सभी राज्यों में अपने व्यापार सुविधा केन्द्रों एवं व्यापार मेलों / परामर्श शिविरों और क्षमता निर्माण कार्यक्रमों की श्रृंखला के माध्यम से उद्यमिता विकास और नए उद्यमों के सृजन की सुविधा प्रदान कर रहा है। इन आयोजनों का मुख्य रूप से ध्यान पहली पीढ़ी के उद्यमियों की उद्यमिता कौशल को पोषित करने पर है। वित्तीय वर्ष 2015-16 के दौरान, अपने आठ व्यापार सुविधा केन्द्रों के माध्यम से क्षेत्र के 622 उद्यमियों को सलाह-सहायता प्रदान की गई जिनमें से 132 उद्यमियों को लगभग 6 करोड़ रूपए के बैंक क्रेडिट लिंकेज प्रदान किए गए हैं।

तकनीकी आर्थिक विकास निधि (TEDF)

निगम, पूर्वोत्तर राज्यों की सरकारों, पूर्वोत्तर परिषद आदि के अनुरोध पर क्षेत्र में उपयुक्त औद्योगिक और ढांचागत 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 67 अध्ययनों को TEDF के तहत पूरा किया गया है और 15 अध्ययन प्रगति के विभिन्न चरणों में हैं।

नोडल एजेंसी

नेडफी, NEIP 1997 और NEIIPP 2007 के अंतर्गत, औद्योगिक नीति एवं संवर्धन विभाग (डीआईपीपी), वाणिज्य मंत्रालय द्वारा प्रशासित केंद्रीय सब्सिडी के वितरण के लिए नोडल एजेंसी है। इस वर्ष के दौरान 294.61 करोड़ रूपए की राशि क्षेत्र में विभिन्न औद्योगिक इकाइयों को केन्द्रीय सब्सिडी के रूप में वितरित की गई है।

NER डाटा बैंक

निगम ने “NER डाटा बैंक” नाम से एक वेब आधारित पोर्टल को बनाया हुआ है जो कि पूर्वोत्तर भारत के बारे में जानकारियों का भंडार है जो इस अकेले स्रोत पर उपलब्ध है। इसमें विभिन्न क्षेत्रों की जानकारियों का निरंतर अद्यतन किया जाता है। इसकी विस्तृत जानकारी इसके वेब पृष्ठ <http://db.nedfi.com> पर देखी जा सकती है। इसके अलावा निगम पूर्वोत्तर भारत के विभिन्न क्षेत्रों पर एक आर्थिक पत्रिका “नेडफी डाटाबैंक पत्रिका” का प्रकाशन भी करता है। अब तक पूर्वोत्तर के 32 विशिष्ट क्षेत्रों के बारे में समस्त जानकारियों को इसमें प्रकाशित किया जा चुका है।

निगम की सामाजिक जिम्मेदारी (CSR)

नेडफी की सीएसआर पहल उद्यमशीलता को बढ़ावा देने के माध्यम से महिला सशक्तिकरण, आजीविका वृद्धि परियोजनाओं, रोजगार परक व्यावसायिक कौशल, शिल्प क्षेत्र और ग्रामीण और पिछड़े क्षेत्रों के विकास को बढ़ाने पर केंद्रित है। इस वर्ष के दौरान क्षेत्र में कुल 56 स्थाई आजीविका प्रशिक्षण के कार्यक्रम 1366 प्रशिक्षुओं के लिए आयोजित किए गए।

इस वित्त वर्ष के दौरान क्षेत्र में और क्षेत्र के बाहर की विभिन्न प्रदर्शनियों में उद्यमियों को सहभागिता दिलाने के माध्यम से निगम ने जलकुंभी कारीगरों के समेत हथकरघा एवं हस्तशिल्प

के कारीगरों को मार्केटिंग समर्थन प्रदान किया है। वित्त वर्ष 2015-16 के दौरान कुल 330 लोगों ने 44 प्रदर्शनियों में भाग लिया है।

आईडीबीआई बैंक के साथ संयुक्त पहल के तहत निगम ने असम के नलबाड़ी जिले के सतारा गाँव में उन बोडो आदिवासी महिलाओं के लिए कॉमन फैसिलिटी सेंटर की स्थापना की है जिन्होंने हथकरघा क्षेत्र को अपनी आजीविका के रूप में अपनाने के लिए देशी शराब बनाने का काम छोड़ दिया 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 पहुंचाने में निश्चित रूप से मदद मिलेगी।

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 शेयर 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 शेयर धारकों से मिल रहे सतत सहयोग व संरक्षण की बदौलत आपका यह निगम श्रेष्ठता की ओर बढ़ते हुए नई ऊँचाइयों को छुएगा।

इस यात्रा में आपके सतत समर्थन की अपेक्षा करता हूँ।

भवदीय



बी. पॉल मुक्ति

(₹ IN CRORE)

Working Results	2014-15	2015-16	% change
Loan Outstanding	1240.14	1235.82	(0.35)
Total Income	146.74	152.42	3.87
Income from Lending & financial Activities	129.45	120.94	(6.57)
Total Expenditure	48.43	56.80	17.28
Profit before tax	98.14	95.57	(2.62)
Profit after tax	75.63	61.67	(18.46)
Net worth	585.09	637.40	8.94
Total Assets	1423.30	1514.35	6.43

Operating Results		2014-15	2015-16
Interest income as percentage to average working funds	(%)	10.80	9.27
Non-interest income as percentage to average working funds	(%)	1.01	1.07
Operating profit as a percentage to average working funds	(%)	8.17	7.33
Return on average assets	(%)	5.89	4.45
Earnings Per Share	(₹)	7.56	6.17
Net profit per employee	(₹ crore)	0.70	0.54
Capital to Risk (Weighted) Assets Ratio (CRAR)	(%)	45.70	46.99

Performance Highlights

Total Sanctions, Disbursements and Number of Projects assisted upto March 31, 2016



NEDFI

An ISO 9001:2008 Company

SANCTIONS

STATE-WISE AMOUNT SANCTIONED (₹ IN LAKH)

Year	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative									
1996-2008	5,858.61	53,360.91	1,703.71	27,845.26	1,538.61	1,843.93	1,084.17	2,849.56	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	3,623.00	15,069.69	4,404.45	4,285.74	681.20	810.00	1,111.30	1,217.97	31,203.35
2015-2016	1,047.00	24,654.63	2,048.50	4,587.50	571.30	488.95	2,096.25	692.05	36,186.18
Total	30,810.43	248,803.07	19,904.93	59,837.36	7,507.21	7,906.73	10,208.29	15,381.92	400,359.93

DISBURSEMENTS

STATE-WISE AMOUNT DISBURSED (₹ IN LAKH)

Year	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative									
1996-2008	4,428.61	35,651.60	1,129.75	13,542.12	1,300.11	1,558.56	686.83	2,208.85	60,506.44
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
2015-2016	1,072.01	17,278.44	2,895.94	5,510.86	556.50	633.23	1,468.25	883.47	30,298.70
Total	22,855.88	184,653.57	16,704.48	47,918.15	5,984.99	6,093.42	7,600.78	9,783.05	301,594.31

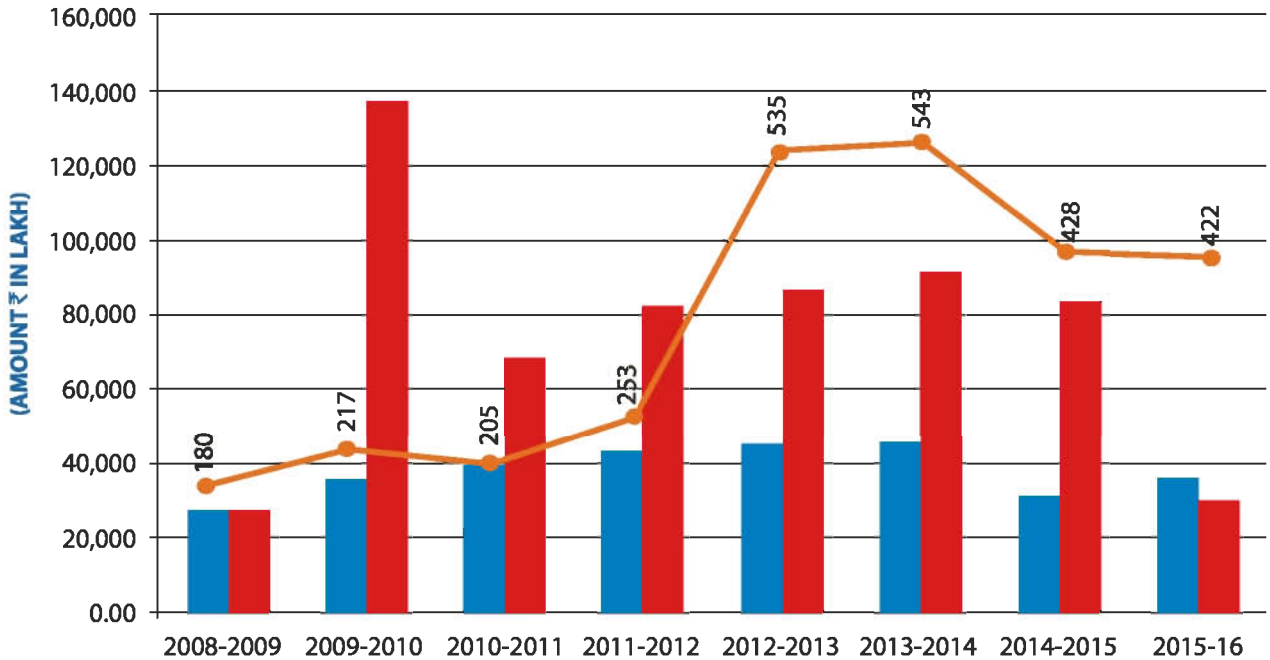
PROJECTS

STATE-WISE NO. OF PROJECTS ASSISTED

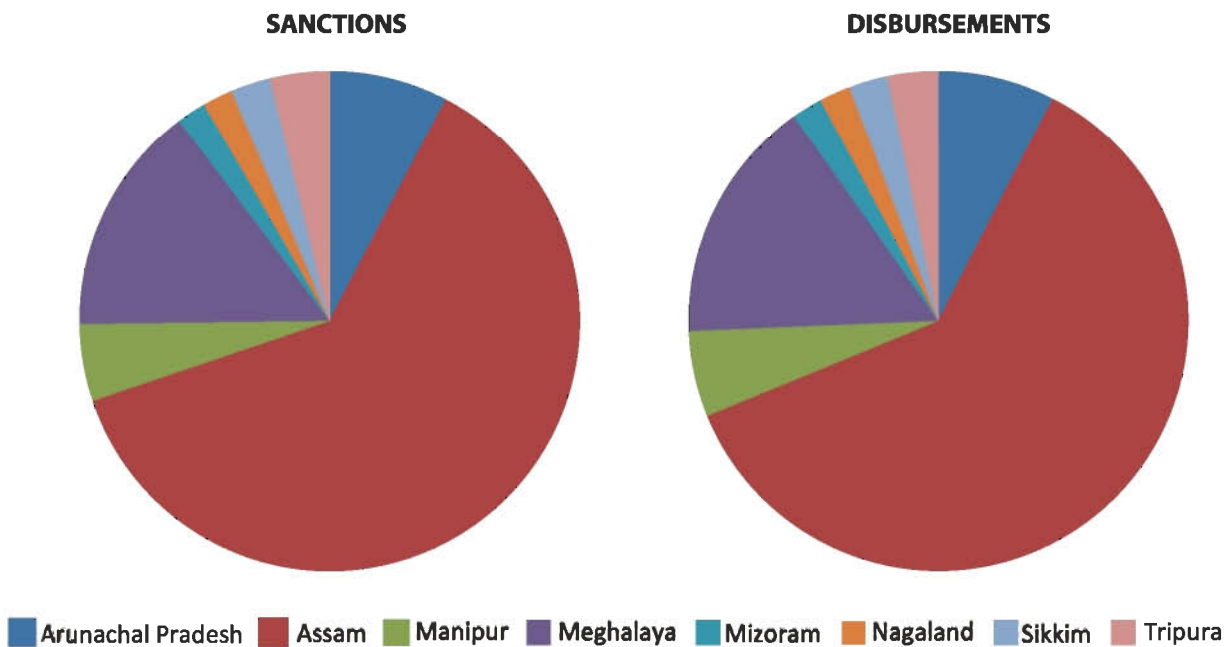
Year	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative									
1996-2008	161	719	121	121	148	118	121	143	1652
2008-2009	16	81	28	9	18	7	9	12	180
2009-2010	17	75	25	23	17	17	17	26	217
2010-2011	32	76	5	18	10	14	17	33	205
2011-2012	10	95	19	13	14	27	44	31	253
2012-2013	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
2015-2016	43	66	68	18	36	45	69	77	422
Total	408	1435	442	275	380	464	519	512	4435

SANCTIONS, DISBURSEMENTS AND PROJECTS

SANCTIONS
DISBURSEMENTS
PROJECTS



STATEWISE CUMULATIVE (AS ON MARCH 31, 2016)



Catalysing Growth

NEDFi is mandated to catalyse economic development of the North Eastern Region by extending financial services with the objective of overall industrial growth, more particularly of Micro, Small & Medium Enterprises and the Micro Finance sectors. For larger projects, NEDFi remains a catalyst for investment. With the operational area consisting of eight states, NEDFi has devised its products which are tailor made for the region. The following are some of the success stories that NEDFi has helped make true.

Excel Foods

Excel Foods was sanctioned Rupee Term Loan (RTL) of ₹1350 lakh for setting up a noodles manufacturing unit at 10th mile, Village Mawsmal, G.S. Road, Ri-Bhoi District, Meghalaya. The unit is selling the product under the brand name of "YUMMY" in the entire north east region.



Hotel Yiga Norling

Hotel Yiga Norling is a 4 Star category hotel located at Middle Sichey, Near District Collectorate Office, Gangtok, East Sikkim. NEDFi Rupee Term Loan (RTL) of ₹800 lakh was sanctioned for the hotel.



Assam Air Products

Assam Air Products Pvt. Ltd. was sanctioned Rupee Term Loan (RTL) of ₹282 lakh for setting up an argon mixture gas manufacturing unit at Samaguri, Nagaon, Assam. This was the 7th loan sanctioned to the company and the earlier ones have been sanctioned for setting up units in different parts of Assam - Sivasagar, North Lakhimpur, Bongaigaon, Silchar, Makum, Dikom & Hatlali, etc.



Ramakrishna Rubber Industry

Ramakrishna Rubber Industry located at Bodhjungnagar Industrial Growth Centre at Agartala, Tripura was sanctioned Rupee Term Loan (RTL) of ₹ 430 lakh for setting up an Indian Standard Natural Rubber (ISNR) manufacturing unit.



Hotel Survorip

Hotel Survorip is a 4 Star category hotel located at Upper Chinzey, Rumteck, East Sikkim. NEDFi sanctioned Rupee Term Loan (RTL) of ₹600 lakh for setting up the hotel.



Hotel Serene Abode

Hotel Serene Abode is located at Pasighat, East Siang district, Arunachal Pradesh. NEDFi sanctioned Rupee Term Loan (RTL) of ₹100 lakh to part finance the project.



Hotel Seb Tower

Hotel Seb Tower is located at Dimapur, Nagaland. NEDFi sanctioned ₹100 lakh under NEDFi Oppurtunity Scheme for Small Enterprise (NOSSE).



Buddha Retreat

Buddha Retreat is a 2 Star category hotel located at Ravangla, South Sikkim. NEDFi sanctioned ₹100 lakh under NEDFi Oppurtunity Scheme for Small Enterprise (NOSSE).



Projects sanctioned by NEDFi

Imphal Heart Institute

Imphal Heart Institute, located at Sagolband, Imphal West, Manipur, is a specialised heart care institute set up to provide both cardiac medical (cardiology) and interventional cardiology (surgery facility) in the region. NEDFi sanctioned ₹100 lakh under NEDFi Opportunity Scheme for Small Enterprise (NOSSE) to the unit for installation of medical equipment.



DH Royal Cars

DH Royal Cars located at Shillong, Meghalaya is the only authorised Chevrolet car servicing centre in the state. NEDFi sanctioned Rupee Term Loan (RTL) of ₹93 lakh for its expansion.



Cosmos Hotel

Cosmos Hotel is located at Upper M.G. Marg, Gangtok, East Sikkim. NEDFi sanctioned ₹90 lakh under NEDFi Opportunity Scheme for Small Enterprise (NOSSE) to set up the hotel.



Sayok Poultry Feed

Sayok Poultry Feed is located at Lamsang, Imphal West, Manipur. NEDFi sanctioned ₹70 lakh under NEDFi Opportunity Scheme for Small Enterprise (NOSSE).



Yargey Ling Residency

Yargey Ling Residency is a 2 Star category hotel located at Chongay, East Sikkim. NEDFi sanctioned ₹50 lakh under NEDFi Opportunity Scheme for Small Enterprise (NOSSE).



Hotel Ono

Hotel Ono is located at Lunglei Town, Mizoram. NEDFi sanctioned ₹40 lakh under NEDFi Opportunity Scheme for Small Enterprise (NOSSE) for its expansion.



Sanctuary Song Resort

Sanctuary Song Resort is based on rural eco tourism concept with focus on local cultures and wilderness activities. It is located at Umsning, Ri-Bhoi District, Meghalaya. NEDFi sanctioned Rupee Term Loan (RTL) of ₹37.50 lakh to set up the Resort.



Kalachand Guest House

Kalachand Guest House, is located at M.S Road, Dharmanagar, North Tripura. The guest house will have 17 rooms in total equipped with all the basic and modern amenities. NEDFi sanctioned ₹34 lakh under North East Entrepreneur's Development Scheme (NEEDS).



Projects sanctioned by NEDFi

Bilsina War Passah Saw Mill cum Veneer

Bilsina War Passah Saw mill cum Veneer is located at Khliehtyrshi Industrial Estate, Jowai, West Jaintia Hills District, Meghalaya. NEDFi sanctioned Rupee Term Loan (RTL) of ₹29 lakh.



Brahmaputra Battery Company

Brahmaputra Battery Company is a lead-acid batteries manufacturing unit at Hijuguni, Tinsukia, Assam. The unit has been assisted by NEDFi for an amount of ₹ 26 lakh under North East Entrepreneur's Development Scheme (NEEDS).



Gamkharu

Gamkharu located at Digboi, Tinsukia, Assam is an Assamese traditional ornaments & garments store. NEDFi sanctioned ₹10 lakh under Women Enterprise Development Scheme (WEDS).



Sreeram Associates

Sreeram Associates located at Agartala, Tripura is a retail garment shop running under brand name "W". NEDFi sanctioned ₹10 lakh under Women Enterprise Development Scheme (WEDS).



Magnus Health Club

Magnus Health Club is a gym cum aerobics training centre at Chanmari, Aizawl, Mizoram. NEDFi sanctioned ₹10 lakh under North East Entrepreneur's Development Scheme (NEEDS).



Prisca War Garments Store

Prisca War Garments Store is an exclusive ladies and kids garments store located at Shillong, Meghalaya. NEDFi sanctioned a term loan of ₹9 lakh out of the total project cost of ₹12.12 lakh under Women Enterprise Development Scheme (WEDS) for its expansion.



Revibes Gym

Revibes Gym is a multi facility gym at Namchi, South Sikkim. NEDFi sanctioned ₹5 lakh under Women Enterprise Development Scheme (WEDS).



Dal Bahadur Chettri

Dal Bahadur Chettri, an animal feed store, is located at Mandi Bazaar, Rangpo, Sikkim. NEDFi sanctioned ₹5 lakh under North East Entrepreneur's Development Scheme (NEEDS).



Projects sanctioned by NEDFi

Silicon Technologies

Silicon Technology, an IT education school, is located at Namchi, South Sikkim. NEDFi sanctioned ₹5 lakh under North East Entrepreneur's Development Scheme (NEEDS).



Ashila Beauty Parlour

Ashila Beauty Parlour is located at Namchi, South Sikkim. NEDFi sanctioned ₹5 lakh under Women Enterprise Development Scheme (WEDS).



Chawngthu Tailoring

Chawngthu Tailoring is located at Aizawl, Mizoram. NEDFi sanctioned ₹5 lakh under Women Enterprise Development Scheme (WEDS).



Bhagaban Medical Hall

Bhagaban Medical Hall is located at Unakoti, Tripura. NEDFi sanctioned ₹5 lakh under Women Enterprise Development Scheme (WEDS).



Sugarcane Rush

Sugarcane Rush is a mobile juice catering service unit in Imphal city with its office located at Singjamei, Imphal West, Manipur providing mobile service of fresh juice mainly that of sugarcane and seasonal fruits. NEDFi sanctioned ₹5 lakh to the unit under North East Entrepreneur's Development Scheme (NEEDS).



Lace

Lace is a garments shop located at Imphal West, Manipur. NEDFi sanctioned ₹5 lakh under Women Enterprise Development Scheme (WEDS).



Pakpi Enterprises

Pakpi Enterprises is a confectionery unit located at Kwakeithel Thokchom Leikal, Imphal, Manipur. NEDFi sanctioned ₹5 lakh to the unit under North East Entrepreneur's Development Scheme (NEEDS).



Rai Enterprise

Rai Enterprise a retail & wholesale unit of food and beverages located at Padmapur, Dharmanagar, North Tripura. NEDFi sanctioned ₹4 lakh under Women Enterprise Development Scheme (WEDS).



Projects sanctioned by NEDFi

Mosquito Mart

Mosquito Mart is a stitching unit of mosquito net located at Dharmanagar, North Tripura. NEDFi sanctioned ₹4 lakh under North East Entrepreneur's Development Scheme (NEEDS).



Christina

Christina is a ready made garments and fashion accessories store located at Aizawl, Mizoram. NEDFi sanctioned ₹3 lakh under Women Enterprise Development Scheme (WEDS) for its expansion.



Café Amore

Café Amore is a fast food outlet located at Half Nagarjan, Dimapur, Nagaland. NEDFi sanctioned ₹2.50 lakh under Women Enterprise Development Scheme (WEDS).



Medongunuo Piggery

Medongunuo Piggery is located at Paraciezie, Kohima, Nagaland. NEDFi sanctioned ₹2.25 lakh under Women Enterprise Development Scheme (WEDS).



Catalysing women's empowerment

To support micro and small borrowers including farmers, NEDFi, under its Micro Finance Scheme, provides wholesale micro credit to Micro Finance Institutions (MFIs) of the North Eastern Region for on lending to the weaker sections for carrying out various types of income generating activities in farm and non-farm sectors. This Scheme has been beneficial to the weaker sections, especially women, in un-served & under-served areas of the region, which can be seen from the following case studies.

Ms. Bandana Sinha

Ms. Bandana Sinha, a resident of Dudhnoi, Goalpara District of Assam availed a loan of ₹7000 in 2009 from Grameen Sahara (a NEDFi assisted MFI) for purchasing a sewing machine. Her family income was not sufficient to manage their household expenditure and educate their daughter.

She started tailoring business at home by stitching neighbour's clothes and repaying the loan. After one year Ms. Sinha availed a 2nd loan to purchase some clothes for expanding her business. Fortunately, she had an opportunity to participate in a training programme on tailoring sponsored by Usha Company organized by Grameen Sahara. She started providing tailoring training to other women with minimum monthly fees to repay her loan. Her consistency and commitment in income generation inspired Grameen Sahara Microfinance to continue to provide financial assistance. She availed 3rd cycle loan for buying a goat, from which she made a satisfactory profit. She availed a 5th cycle loan and invested the loan amount for expanding her business. At present she is earning sufficiently to provide for her family, including meeting the educational needs of her daughter.



Ms. U. Memcha Devi

Ms. U. Memcha Devi, was living in Khurkhul Sebok Leikai, Imphal West, Manipur. After her husband's death, it was difficult for her to look after her two children. With no other option available, she left her children at her mother's place and worked as a domestic helper in nearby localities.

During a field survey, Women's Voluntary Organisation (a NEDFi assisted MFI) came across Ms. U. Memcha Devi and after getting to know her story and the fact that she had undergone training in weaving, formed an SHG that included her and nine other women in her locality and sanctioned ₹29,000 each for running a weaving society. At present, Ms. U. Memcha Devi and her group members are earning a monthly profit of ₹4000-6000 each after repaying loan regularly. WVO has also assisted in marketing their products through Handloom Garden which is a handloom showroom run by them. Ms. U. Memcha Devi is now successfully running her household and meeting her children's needs.



Ms. A. Kunjapati Devi

Ms. A. Kunjapati Devi was living in a small village in Andro Mamang Leikai, Manipur and was selling vegetables door to door in and around her locality. It was her only source of income and it was a huge burden to take care of her three school going children and an ailing husband. Ms. A. Kunjapati had some plans to start a piggery farm and was confident that it would do well, but she did not know how to avail the financial assistance to fulfill her plan. She discussed her plan with like-minded women of her locality and together they agreed to form a self help group and approached Women's Voluntary Organisation (WVO) for financial support. After assessing their business feasibility and market demand, WVO provided financial support of ₹29,000 each. At present Ms. A. kunjapati Devi is earning a monthly profit of ₹6500-₹8000 and also repaying her loan without default. She is happy with the improved standard of living of her family and she can now look after the basic needs of her children.



MoU between Ministry of DoNER and NEDFi

A Memorandum of Understanding (MoU) was signed between the Ministry of DoNER and NEDFi represented by Sr. Economic Advisor, Ministry of DoNER, Government of India and CMD, NEDFi respectively at New Delhi for availing ₹30 crore loan from the Government of India for the financial year 2015-16. The fund has been utilised for achieving the objectives of entrepreneurship development, inclusive geographical growth and overall industrial development of the North Eastern Region, more particularly of MSME and Micro Finance sectors.

The Advisory & Consultancy Division of NEDFi is focussed on providing high quality advisory & consultancy services in the field of infrastructure, industrial and natural resource management, human resource development, corporate restructuring etc. With a core team of professionals having wide experience in the area of project monitoring and evaluation, project management consultancy, engineering services, management



Third party Monitoring of SPA projects in Arunachal Pradesh



Comprehensive Skill Development Study in Sikkim

Some of the prestigious consultancy assignments carried out by the Division during the year 2015-16 are in the area of independent monitoring & evaluation of infrastructure development projects funded under various Centrally Sponsored Schemes such as Special Plan Assistance (SPA) (13-14) & (14-15) In Arunachal Pradesh, Rashtriya Krishi Vikas Yojana (RKVY) projects in Manipur and independent second tier quality monitoring of Pradhan Mantri Gram Sadak Yojana (PMGSY) projects in Arunachal Pradesh. The Division is also involved with some of the major studies relevant to the socio economic development of the region like Comprehensive Skill Development Study in NER, Techno-Economic Viability Study of NERAMAC, Study on Regional Plan & Status of Science Education in Schools in NER and Water Hyacinth Project. The report on “Comprehensive Skill Development Study in Sikkim” published in December 2015 was highly appreciated by the Government of Sikkim as well as agencies/experts involved in the skill development sector.

consultancy, large scale research study, business process reengineering etc. the Division is able to cater to the needs of the region. NEDFi's well established branch network reaching into the remotest location of North East gives the Division a competitive edge in the consultancy arena of the region. Due to its balanced quality service, commitment and Innovation, it is emerging as one of the preferred and trusted consulting agency of the region.



Rashtriya Krishi Vikas Yojana (RKVY) project in Manipur



Concurrent Monitoring (MEL&D) of IWMP in Assam



Integrated Watershed Management Programme (IWMP) project in Meghalaya



SPA project in Arunachal Pradesh

Capacity Building:

The Corporation is committed to upgrade the employability skill of the people belonging to the rural and backward areas of the region by enhancing their skill through capacity building programmes. During FY 16 the Corporation, under its CSR policy, conducted 56 capacity building programmes covering 1366 beneficiaries of the 8 States of the region. The programmes for artisans covered various crafts like water hyacinth craft, designer candle craft, handmade paper craft, doll making craft etc. In addition, programmes on various vocational trades were conducted through Centre for Practical Livelihood Training, a society promoted by NEDFi, in the trades like LMV driving, electrician, beauty parlour management, fabrication and welding, tailoring, cutting & embroidery etc.



Capacity Building Training on Water Hyacinth Craft at Dimu, Kamrup, Assam organized in the month of February 2016



Training programme on Beauty Culture & Wellness at Shillong, Meghalaya

Intervention in Coconut Shell Craft:

Coconut shell is wasted in the region after taking out its pulp. NEDFi conducted two pilot programmes with experts from Puducherry and Bangkok, Thailand to adopt appropriate technology and procedure to utilize the coconut shell in preparation of craft products. The programmes helped artisans to prepare various types of products in segments like jewellery, lampshades and other decorative items.



Product Development Workshop on Coconut Shell Craft with technical expertise from Thailand organized at CFC, Khetri in March 2016

Exposure trip:

The Corporation organized exposure trip for a nine member group of artisans of Namchi Designer Candle Project to Nainital, Uttarakhand, in the month of January 2016, to study the market of designer candle at Nainital, which is a hub for designer candles. The exposure trip was useful to the group, especially to learn about the market demand and also on adoption of strategies to target the visiting tourists.



Namchi Designer candle group at Nainital

Workshop on Organic Candy Development:

The workshop on development of organic candy was held in the month of January 2016 at Singtam, Sikkim with support from NEDFi . Experts from One Cert India conducted the programme which helped the participants to learn preparation of various types of organic candy, using local raw materials like ginger and papaya.



Workshop on development of Organic Candy in Sikkim

Common Facility Centre (CFC) for Bagurumba Weavers Development Trust:

Bagurumba Weavers' Development Trust is an entity nurtured by NEDFi in association with GVM, an NGO at Nalbari, which covers a group of Bodo tribal women belonging to Chatra village, Nalbari district of Assam. Because of the intervention provided by NEDFi since the year 2009, the group members could switch over their means of livelihood from making of country liquor to weaving of handloom.

The indomitable spirit of the group members encouraged NEDFi to scale up their activities by providing a 2000 sq.ft. Common Facility Centre along with looms and other accessories under a joint CSR Project with IDBI Bank. The infrastructure in the Centre now facilitates working on 18 looms alongwith a space for display and office. It was inaugurated on 7th August, 2015 by Dr. Om Prakash, Deputy Commissioner, Nalbari district of Assam coinciding with the 1st National Handloom Day of India, in presence of Shri B. P. Muktieh, CMD, NEDFi and Mr. Ugen Tashi, General Manager, IDBI Bank Ltd.



Dr. Om Prakash, Deputy Commissioner, Nalbari, Assam, Shri B. P. Muktieh, CMD, NEDFi and Shri Ugen Tashi, General Manager, IDBI Bank Ltd. on the day of inauguration of the CFC.

Solar Lamp distribution initiative:

The Corporation took an initiative to distribute solar lamp among girl children of the remote areas of Ukhrul district of Manipur. The project was implemented by Volunteers for Village Development-Micro Finance (VVDMF), a NEDFi assisted MFI, to cover 50 girls in the first phase.



Students of "Scholars Pakshimi High school" with their solar lamps

North East Craft Carnival 2015:



North East Craft Carnival at NEDFi House, Guwahati

On the occasion of the 20th Foundation Day of NEDFi, the North East Craft Carnival 2015 was organized on 9th August, 2015 at NEDFi House, Guwahati to showcase and promote craft along with quality products of MSME sectors produced by NEDFi assisted small enterprises. Participants from various trades like handloom, handicraft, tourism, food processing etc. participated in the five days exclusive event. Around forty entrepreneurs from the region displayed their contemporary products. The craft segment included water hyacinth craft, black pottery from Manipur, handmade paper, sculpture from Tripura, Bamboo cutlery, Assamese Jewellery, cloth mat prepared from scrap fabric etc. The tourism sector included Home stays and Eco Camps from the State of Sikkim, Meghalaya and Assam.

NEDFi Pavilion in 26th Tripura Industries & Commerce Fair:

NEDFi facilitated participation of the artisans and weavers of the region in the 26th Tripura Industries & Commerce Fair held from January 29 to February 10, 2016. NEDFi had instituted NEDFi Trophy in the fair to encourage better display among the participating organizations. This time NEDFi trophy for best overall display was awarded to Tripura Forest Development and Plantation Corporation Ltd. (TFDPC) and Prandeep Blocks Industries in the public and private sector respectively.



NEDFi Pavillion at the Tripura Industrial Fair



Presenting NEDFi Trophy to the winners

Designer Intervention in Water hyacinth Craft:

To explore use of water hyacinth in structural design, NEDFi invited Lexus award winning designer Ms. Abeer Seikaly of Jordan and Dr. Aynur Unal of IIT, Guwahati to NEDFi water hyacinth craft centre at Khetri, during the month of December 2015. They participated in a product development research assignment with eight artisans of water hyacinth craft to develop a model of kiosk structure using water hyacinth and bamboo as primary material.

Marketing Support:

To provide marketing support to the artisans from handloom & handicraft sector including water hyacinth craft, NEDFi facilitated entrepreneurs and artisans for participation in various exhibitions in the region and also in places like New Delhi, Greater Noida and also in neighbouring Bhutan. A total of 330 beneficiaries participated in 44 exhibitions during FY 16.



Bhutan International Trade Fair 2016 at Thimphu



Kaziranga Craft Festival 2015, Kaziranga, Assam



IHGF Autumn 2015 & Spring 2016, Greater Noida



IITF- 2015 , Pragati Maidan, New Delhi

Visits



Honourable Prime Minister of India interacting with beneficiaries promoted by NEDFi under its CSR initiative during 65th Plenary Meet of NEC held at Shillong on May 27, 2016



Ambassador of the Kingdom of Belgium, H.E. Mr. Jan Luykx visited NEDFi on March 9, 2016.



Visit of Secretary, DoNER to R&D Centre, Khetri, Assam & Namchi, South Sikkim

Business Meets



Lunglei, Mizoram



Namthang, S. Sikkim



Nongpoh, Meghalaya



Udaipur, Tripura



Dibrugarh, Assam



Pasighat, Arunachal Pradesh

Business Meets



Aizawl, Mizoram

Entrepreneur's Counseling Camps



Itanagar, Arunachal Pradesh



Gangtok, East Sikkim



Dimapur, Nagaland



Shillong, Meghalaya



NEDFI

An ISO 9001:2008 Company

Independence Day



Independence Day celebration at NEDFI House, Guwahati

Hindi Week



नेडफी ने मनाया हिंदी सप्ताह

हिंदी दिवस समारोह के अवसर पर नेडफी की हिंदी क्रियान्वयन समिति ने कार्यालय में तत्काल लेखन, अंताक्षरी, नाटक मंचन, वाद-विवाद, तत्काल भाषण व एकल गायन जैसे अनेक कार्यक्रम आयोजित किए। इस अवसर पर केंद्रीय गृह मंत्री द्वारा जारी संदेश पढ़कर सुनाया गया। नेडफी के अध्यक्ष एवं प्रबंध निदेशक बी पी मुक्ति तथा कार्यकारी निदेशक एस के बरुआ ने सभी को शुभकामनाएं दी।

Swachh Bharat Abhiyan



NEDFi observed "Mission Swachh Bharat" at its premises on May 27, 2016



Cleanliness drive by NEDFi at Dispur



NEDFi Branches observed "Mission Swachh Bharat" on May 27, 2016

Vigilance Awareness Week



NEDFi observed Vigilance Awareness Week from October 26-31, 2015 at Head Office as well as Branch Offices

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 28 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. 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 V.K. Pipersenia



Shri V.K. Pipersenia, IAS (1980 Batch, Assam-Meghalaya cadre) is the Chief Secretary, Government of Assam. Shri Pipersenia had earlier served as Additional Chief Secretary, Government of Assam. While on deputation, he has also worked with the Government of India in various Ministries such as Home, Industry, Human Resources Development, etc. He has also served as Financial Adviser in the Ministry of Human Resources Development as well as the Financial Commissioner in Employees' State Insurance Corporation under the Ministry of Labour and Employment.

Shri Jitendra Kumar Sinha



Shri Jitendra Kumar Sinha, IAS (1996 Batch, Tripura Cadre), is Joint Secretary in the Ministry of Development of North Eastern Region (DoNER), Government of India. He has served in various capacities with the Government of Tripura and Government of Bihar including as Secretary to Chief Minister of Tripura and Special Secretary to Chief Minister of Bihar. He has also served as District Magistrate & Collector of West Tripura, Agartala and Patna (Bihar) at various points of time. He specializes in Economics and Business Administration. He has deep interests in livelihood issues relating to the underprivileged and marginalised sections of the society.

Shri P.V.S.L.N. Murty



Shri P.V.S.L.N. Murty is the Chief General Manager, State Bank of India, North East Circle. A Graduate in Commerce and Masters in IR & PM, Shri Murty joined the Bank in the year 1980. He has the distinction of holding a variety of challenging assignments in the Bank. Prior to taking over charge as Chief General Manager of the Circle on August 21, 2015, he was posted as General Manager (Network II) in Bhubaneswar. He has vast experience of working in five Circles and also in Bank's Corporate Centre. Shri Murty has worked in operations all throughout his career and has vast knowledge in Credit, NPA Recovery & Monitoring, Basel III Norms etc. He carries with him a rich combination of knowledge and experience which proves to be quite useful in delivering his duties as the flag bearer of the Bank in the North East.

Shri K.S. Nagnyal

Shri K. S. Nagnyal is Zonal Manager (I/C) of Life Insurance Corporation of India (LIC) Eastern Zone. Prior to taking over charge as Zonal Manager (I/C) of the Eastern Zone on May 2, 2016 he was Zonal Manager (I/C) of Central Zone, Bhopal. Born in the year 1962, Sri K.S. Nagnyal is a Direct Recruit Officer of LIC. Shri Nagnyal is a Bachelor of Arts from Ewings Christian College, Allahabad University. He has wide experience in the Corporation having worked in various Zones, handling assignments such as Sr. Divisional Manager, Haldwani and Agra Divisions. During his illustrious career in the Corporation, he has served in various capacities and held prestigious positions at different parts of the country. He was Regional Manager (Mktg) of East Zone, Regional Manager (OS) and Regional Manager (P&IR) of North Zone. He has special interest in sports and inclined towards Social Service.

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 for 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.

The Directors of your Company have pleasure in presenting their 21st Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the financial year ended March 31, 2016.

Financial Reviews

The financial results of the year are highlighted below:

Working Results	(₹ Crore)	
	2014-15	2015-16
Financial Year		
Gross Income	146.74	152.42
Gross Expenditure	48.43	56.80
Profit Before Tax	98.14	95.57
Profit After Tax	75.63	61.67
Earnings Per Share (in Rs.)	7.56	6.17
Dividend	8.00	8.00
Interest income as percentage to average working funds (%)	10.80	9.27
Non-interest income as percentage to average working funds (%)	1.01	1.07
Operating profit as a percentage to average working funds (%)	8.17	7.33
Return on average assets (%)	5.89	4.45
Net profit per employee	0.70	0.54
Capital to Risk (Weighted) Assets Ratio (CRAR) (%)	45.70	46.99
Financial Position		
Authorised Capital	500.00	500.00
Paid up Capital	100.00	100.00
General Reserve	335.38	362.13
Net worth	585.09	637.40
Total Assets	1423.30	1514.35
Sanctions	312.03	361.86
Disbursements	387.20	302.99
Loan Outstanding	1240.14	1235.82
Recovery (%)	81.75	76.45

Performance of the Corporation

During the Financial year 2015-16 (FY 16), the Corporation's key parameters such as gross income and sanctions registered a modest growth despite the prevailing economic scenario. The sanctions and disbursements during the past five years along with cumulative performance as on March 31, 2016 is given below:

(₹ Crore)

Year	Sanctions	Disbursements
2011-12	432.23	334.56
2012-13	453.49	348.73
2013-14	457.51	364.69
2014-15	312.03	387.20
2015-16	361.86	302.99

(₹ Crore)

Cumulative		
Year	As on 31.03.15	As on 31.03.16
Sanctions	3641.73	4003.60
Disbursements	2712.95	3015.94
No. of Projects	4013	4435
Capital Investment Facilitated in NER	11896.48	12903.29
No. of Employment Generated	84430	94330

For the FY 16, operating profit as a percentage to average working funds was 7.33%. Return on average assets was 4.45% in the year under review as compared to 5.89% in FY 15. Net profit of the Corporation stood at ₹61.67 crore as compared to previous year figure of ₹75.63 crore. Capital Adequacy Ratio stood at 46.99% as at March 31, 2016, as against 45.70% recorded during the previous year.

The Board of Directors of the Corporation has recommended a dividend of 8% for the financial year 2015-16. The payout ratio is 12.92% of the net profit and total outgo on account of dividend and tax thereon is ₹9.63 crore.

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 ₹ 1235.82 crore, as compared to ₹1240.14 crore as at March 31, 2015.
- Credit exposure to five largest industrial sectors – hotel & tourism, micro finance, iron & steel, cement & real estate was around 50% of the total loan assets.
- With higher business volume and better loan and interest recovery, the gross earnings of the Corporation increased by 3.87% at ₹152.42 crore.
- Net NPAs to net loans & advances stood at 13.96% as on March 31, 2016 and gross NPA stood at 17.33% as against 6.51% and 8.87% 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, 2016:

Amount transferred to	Rs. Cr.
General Reserve	27.00
Statutory Reserve	12.28
Special Reserve	13.15

During the year, the Corporation received budgetary allocation of ₹30 crore 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 well established NGO/MFIs of the region. As on March 31, 2016, NEDFi sanctioned ₹489.50 crore and disbursed ₹485.37 crore, through which NEDFi has been able to touch more than five lakh lives.

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 undertaking such capacity building programmes. During the year, NEDFi conducted four training programmes in the states of Manipur, Assam, Arunachal Pradesh and Meghalaya through its inhouse faculties.

Business Development Initiatives

The Corporation has taken initiatives to reach out to the first generation potential entrepreneurs 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 20 Business/Entrepreneurs Meets, Workshops and Entrepreneurship Development Programmes (EDPs) with a participation of over 1200 prospective entrepreneurs 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.

Techno Economic Feasibility Studies

NEDFi conducts various techno economic feasibility studies for the North Eastern Region under its Techno Economic Development Fund (TEDF). The area of study presently covers resource mapping of mineral deposits, forest products, livestock development, tourism, software, handloom & handicrafts, etc. Till date 67 studies have been completed and 15 studies are in various stages of progress.

During FY 16, one Advisory Board Meeting and two Executive Committee Meetings were held.

Nodal Agency Role

The Corporation is the nodal agency for disbursement of Central Subsidies under NEIP 1997 & NEIIP 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, and Freight Subsidy Scheme & 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:

(₹ Crore)

Scheme	FY 14-15	FY 15-16	Cumulative as on 31/03/2016
Transport Subsidy (TS)	107.57	56.50	2617.92
Central Capital Investment Subsidy (CCIS)	152.69	238.08	853.94
Central Interest Subsidy (CIS)	25.95	0.01	191.22
Central Comprehensive Insurance Subsidy	1.88	0.02	13.43
TOTAL	288.09	294.61	3676.51

Advisory & Consultancy Services

The Advisory and Consultancy Division of the Corporation has a significant presence in all the North Eastern states. Apart from independent monitoring and evaluation of infrastructure projects, the Division now has a portfolio of assignments in diverse areas such as development planning, project management consultancy, engineering design, business plan preparation and some major studies relevant to the socio-economic development of the region. The Corporation has bagged 9 (nine) numbers of projects with fee value amounting ₹3.89 crore during the financial year 2015-16.

The Division is primarily providing consultancy services to Government Departments and is presently involved with several assignments with the Government of Arunachal Pradesh, Assam, Meghalaya and Manipur. Some of the important projects carried out during FY 16 are as follows:

- Project Monitoring & Evaluation of Special Plan Assistance (SPA) (13-14) & (14-15) projects in Arunachal Pradesh
- Third Party Monitoring of Rashtriya Krishi Vikas Yojana (RKVY) projects in Manipur
- Independent Second Tier Monitoring of Pradhan Mantri Sadak Yojana (PMGSY) projects in Arunachal Pradesh
- Study on Regional Plan & Status of Science Education in Schools in NER
- Comprehensive Study on Skill Development in NER - Arunachal Pradesh, Meghalaya & Nagaland State
- Techno Economic Viability Study Report (TEVR) of NERMAC for revival of the Organisation
- Water Hyacinth Craft Project

Other ongoing projects include:

- Third Party Monitoring of SPA (2011-12) & SPA (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 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 March 31, 2016 is 114 (one hundred and fourteen).

Recruitment: To generate employment opportunities for Scheduled Castes (SC) and Persons With Disability (PWD) category candidates, open advertisement for the post of Assistant Managers was published. The Corporation plans to recruit 8 nos. of Assistant Managers from the above categories.

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. Moreover, in-house trainings were also conducted for the officers of the Corporation through CRISIL.

NEDFi's Convention Centre

A total of 100 numbers of events had taken place in the Convention Centre during the year with participation of organizations like Silk Mark, Indian Oil Corporation, Directorate of Foreign Trade, Gauhati Management Association, FINER, FICCI, etc.

NER Data bank

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 Data bank 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, 32 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.

(ii) Targeting first generation local entrepreneurs through business counselling & networking: The Corporation is facilitating entrepreneurship development and new enterprise creation through its BFCs and organizing a series of business meets/counselling camps and capacity building programmes in all the NE states.

(iii) Skill Development: With major stress on skill development, NEDFi is aligning some of its activities to develop skills among the rural youth for self employment under its CSR initiatives.

(iv) Introduction of new products and services: The Corporation is in the process of developing new products and services to cater to the needs of the entrepreneurs.

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 NEDFi's IT Roadmap prepared by PricewaterhouseCoopers (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 better connectivity and integration with the branch offices. Significant progress has been made and the same is expected to be implemented within FY 17.

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 oversees various types of risks of the Corporation. The policies of the Corporation are reviewed annually.

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:

- Sri B. P. Muktieh - Chairman and Managing Director
- Dr. T. K. Mukhopadhyay - Director
- Dr. R. K. Garg - Director
- Sri P.V.S.L.N. Murty - Director
- Ms. S. Gonsalves - Director
- Sri K.S. Nagnyal - 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 16 is Rs. 2.32 crore against the minimum mandatory norms of Rs. 1.34 crore, being 2% of average net profit of 3 preceding years i.e FY13, FY14 and Fy15.

Break up of CSR Expenditure

Sl. No	Head of expenditure	Amount (Rs in Crores)
1	Capacity Building	0.65
2	Infrastructure	0.67
3	Marketing	0.46
4	Other Developmental Initiatives	0.54
	Total	2.32

Activities taken up under CSR Policy of the Corporation for the period April, 2015 to March, 2016:

(a) Encouraging Entrepreneurship

(i) Business Facilitations Centre (BFC): Mentoring assistance is extended primarily to the first generation entrepreneurs on Managerial, Technical, Financial, Commercial & Marketing, Preparation of DPR and credit linkages through the eight Business Facilitation Centres of the Corporation in each of the NER states. Mentoring assistance to 622 entrepreneurs and credit linkage to 132 entrepreneurs amounting to ₹600.65 lakh were facilitated during the FY 16.

(ii) Facilitating Market Linkage: To provide marketing support to the artisans from handloom & handicraft sector including water hyacinth craft, NEDFi facilitated entrepreneurs' and artisans to participation in various exhibitions in the region and also in places like New Delhi, Greater Noida and also in neighboring Bhutan. A total of 330 beneficiaries participated in 44 exhibitions during the FY 16.

(iii) Exposure trips: The Corporation organized exposure trip for a nine member group of artisans of Namchi Designer Candle Project to Nainital, Uttarakhand, in the month of January 2016, to study the market of designer candle at Nainital, which is a hub for designer candles. The exposure trip was useful to the group, especially to learn about the market demand and also on adoption of strategies to target the the visiting tourists.

(b) Promotion of Sustainable livelihood in the NER

(i) Capacity Building Programmes:- During the FY 16 the Corporation, under its CSR policy, conducted 56 capacity building programmes covering 1366 beneficiaries of the eight States of the region. The programmes for artisans covered various crafts like water hyacinth craft, designer candle craft, handmade paper craft, doll making craft etc. In addition, programmes on various vocational trades were conducted through Centre for Practical Livelihood Training (a Society promoted by NEDFi), in the trades like LMV driving, electrician, beauty parlour management, fabrication and welding, tailoring, cutting & embroidery etc.

(ii) Intervention in Coconut Shell Craft: Coconut shell is wasted in the region after taking out its pulp. NEDFi conducted two pilot programmes in the month of February & March 2016 with experts from Puducherry and Bangkok, Thailand to adopt appropriate technology and procedure to utilize the coconut shell in preparation of craft products. The programme helped artisans to prepare various types of products in segments like jewellery, lampshades and other decorative items.

(iii) Workshop on Organic Candy Development: A workshop on development of organic candy was held in the month of January 2016 at Singtam, South Sikkim with support from NEDFi. Experts from One Cert India conducted the programme which helped the participants to learn preparation of various types of organic candy, using local raw materials like ginger and papaya.

(iv) Common facility Centre for Bagurumba Weavers Development Trust: Bagurumba Weavers' Development Trust is an entity nurtured by NEDFi in association with GVM, Nalbari which covers a group of Bodo tribal women belonging to Chatra village, Nalbari district of Assam. Because of the intervention provided by NEDFi the group members could switch over their means of livelihood from making of country liquor to preparation of handloom. The indomitable spirit of the group encouraged NEDFi to scale up their activities by providing a 2000 sq.ft. Common Facility Centre along with looms and other accessories under a joint CSR Project with IDBI Bank. The infrastructure in the Centre now facilitates working on 18 looms alongwith a space for display and office. It was inaugurated on August 7, 2015 by Dr. Om Prakash, Deputy Commissioner, Nalbari, Assam coinciding with the 1st National Handloom Day of India, in presence of Shri B. P. Muktieh, CMD, NEDFi and Mr. Ugen Tashi, General Manager, IDBI Bank Ltd.

(v) Designer Intervention in Water hyacinth Craft: To explore use of water hyacinth in structural design NEDFi invited Lexus award winning designer Ms. Abeer Seikaly of Jordan and Dr. Aynur Unal of IIT, Guwahati to NEDFi water hyacinth craft centre at Khetri, during the month of December 2015. They participated in a product development research assignment with 8 artisans of water hyacinth craft to develop a model of kiosk structure using water hyacinth and bamboo as primary material.

(vi) Solar Lamp distribution initiative: The Corporation took an initiative to distribute solar lamp among girl children of the remote areas of Ukhrul district of Manipur. The project was implemented by Volunteers for Village Development-Micro Finance (VVDMF), a NEDFi assisted MFI, to cover around 50 nos. of girls in the first phase.

(c) Promotion of entrepreneurship in Medicinal & Aromatic Plant Sector through the NEDFi Centre for Medicinal and Aromatic Plant (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 49,286 kg citronella and lemon grass were supplied by the farmers to the Centre.

The Centre has produced 106 kgs citronella oil and 23 kgs lemongrass oil from its field in addition to 156 Kg of oil processed from citronella and lemon grass herbs from farmers. A total of 1484 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.

To popularize the MAP in the state of Tripura, NEDFi MAP Centre at Nagichera, Tirpura have encouraged more than 300 farmers with 4 hectares of land to grow Citronella plantation and also 2 hectares of land at Belbari, Tripura West to grow lemongrass cultivation. The Centre also propagated and transplanted 12000 nos. of white sandalwood seedlings, 300 nos. of Red Sandalwood seedlings, 200 nos. of Stevia, 200 nos. of Patchouli and other seedlings.

The report on CSR for FY 16 is enclosed as Annexure.

Initiatives have been taken up for experimental cultivation of Indigo in association with Murugappa Chettiar Research Centre (MCRC), Chennai. In this regard, 1 acre land has been prepared in NEDFi R&D Centre, Khetri. The cultivation work has been started under the guidance of MCRC experts.

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 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 Auditor and Audit Report:

M/s. Jhuria & Company, Chartered Accountants, Guwahati, having registration number FRN No 311081E was appointed as Statutory Auditors of the Corporation by the Comptroller and Auditor General of India (C&AG) for the FY 16. 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, March 31, 2016 is annexed herewith.

Secretarial Auditor and Audit Report:

M/s 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 FY 16. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report for the financial year ended March 31, 2016 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.

Company's Policy Relating To Directors Appointment, Payment of Remuneration and discharge of their duties. (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 K.S. Nagnyal	Chairman	Non Executive Non Independent Director
Dr.T.K. Mukhopadhyay	Member	Non Executive Independent Director
Dr. R.K. Garg	Member	Non Executive Independent Director
Sri J.K. Sinha	Member	Non Executive Non 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 16, the Board of Directors met six times viz. on May 5, 2015, June 10, 2015, June 26, 2015, August 24, 2015, November 20, 2015, and February 19, 2016.

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 March 31, 2016, 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, 2016 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 prepared the annual accounts on a going concern basis; and
- (v) 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.

Auditors:

On the advice of the Comptroller and Auditor General of India, Messrs Jhuria & Company, Chartered Accountants, Guwahati, were appointed by the Department of Companies Affairs, Ministry of Law, Justice and Company Affairs, GOI

as Auditors for the financial year 2015-16 under Section 139 of the Companies Act, 2015. They hold office till the end of the ensuing Annual General Meeting.

Subsidiary Joint Ventures and Associate Companies:

The Corporation does not have any Subsidiary, Joint Venture or Associate Companies as on 31.03.2016

Deposits:

The Company has not accepted deposits since its inception.

Details of Directors/ Key Managerial Personnel:

NEDFi's Board has 9 (Nine) Directors of which all except one are Non-Executive Directors. In the last Annual General Meeting held on 28th September 2015, none of the Directors were reappointed.

During the year, Sri Ameising Luikham, IAS, Secretary, North Eastern Council, Shillong, Sri Lalmalsawma, IAS, Chief Secretary, Government of Mizoram, Sri Toshi Aier, IAS, Chief Secretary, Government of Nagaland, Sri S.K. Magoo, Chief General Manager, State Bank of India, Local Head Office, Guwahati, Sri S.N. Brohmo Choudhury, Senior Economic Adviser, Ministry of Development of North Eastern Region and Sri H. Bhargava, Zonal Manager, Life Insurance Corporation of India, Eastern Zonal Office, Kolkata, relinquished their office as Directors. The Board placed on record its appreciation of the services rendered by Sarbasree Ameising Luikham, Lalmalsawma, Toshi Aier, S.K. Magoo, S.N. Brohmo Choudhury and H. Bhargava during their respective tenure at NEDFi.

Sri V.K. Pipersenia, IAS, Chief Secretary, Government of Assam has been appointed as Director on the Board of Directors of NEDFi with effect from September 29, 2015 in place of Sri Lalmalsawma on his relinquishment of Director of NEDFi. Sri V.K. Pipersenia, IAS, will hold office as Director of NEDFi upto the ensuing Annual General Meeting. The Company has received a notice from Life Insurance Corporation of India (member) signifying its intention to propose the candidature of Sri V.K. Pipersenia, IAS, for the office of Director. Necessary resolution in this regard has been incorporated in the notice for Twenty-first Annual General Meeting.

Sri Jitendra Kumar Sinha, IAS, Joint Secretary, Ministry of Development of North Eastern Region, has been appointed as Director on the Board of Directors of NEDFi with effect from July 15, 2016 in place of Sri S.N. Brohmo Choudhury on his relinquishment of Director of NEDFi. In the meantime, the Company has received a notice from Life Insurance Corporation of India (member) signifying its intention to propose the candidature of Sri Jitendra Kumar Sinha, IAS, for the office of Director. Necessary resolution in this regard has been incorporated in the notice for the Twenty-first Annual General Meeting.

Sri P.V.S.L.N. Murty, Chief General Manager, State Bank of India, Local Head Office, NE Circle, Guwahati has been appointed as Director on the Board of Directors of NEDFi with effect from February 19, 2016 in place of Sri S.K. Magoo and will hold office up to the date of ensuing Annual General Meeting of the Company. In the meantime, the Company has received a notice from State Bank of India (member) signifying its intention to propose the candidature of Sri P.V.S.L.N. Murty for the office of Director. Necessary resolution in this regard has been incorporated in the notice for the Twenty-first Annual General Meeting.

Sri K.S. Nagnyal, Zonal Manager, Life Insurance Corporation of India, Eastern Zonal Office, Kolkata will be appointed as Director on the Board of Directors of NEDFi with effect from September 2, 2016 in place of Sri H. Bhargava and will hold office up to the date of the ensuing Annual General Meeting of the Company. In the meantime, the Company has received a notice from Life Insurance Corporation of India (member) signifying its intention to propose the candidature of Sri K.S. Nagnyal for the office of Director. Necessary resolution in this regard has been incorporated in the notice for the Sixteenth Annual General Meeting.

None of the directors will retire by rotation at the ensuing Annual General Meeting.

Sanctioning Committee

The sanction and approval of loan proposals having loan component above ₹2 crore are placed before the Sanctioning Committee for approval. During the year under review, 8 (eight) Sanctioning Committee Meetings were held.

Corporate Credit Committee

The Corporate Credit Committee (I), Corporate Credit Committee (II) and Corporate Credit Committee (III) have been constituted for speedy disposal of proposals. Credit Proposals having loan component upto (i) ₹2 crore (ii) ₹50 lakh and (iii) ₹10 lakh are placed before Corporate Credit Committee (I), Corporate Credit Committee (II) and Corporate Credit Committee (III) respectively. 5 (five) Corporate Credit Committee (I) meetings, 10 (ten) Corporate Credit committee (II) meetings were held during the year and 10 (ten) 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 4 members:

Name of the Director	Position held in the Committee	Category of the Director
Dr.T.K. Mukhopadhyay	Member	Independent Director
Dr.R.K. Garg	Member	Independent Director
Sri P.V.S.L.N. Murty	Member	Non Executive Director
Sri K.S. Nagnyal	Member	Non Executive 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 produced as a part of this report as Annexure.

Management Discussion and Analysis:

The Management Discussion and Analysis Report for the year under review are presented in a separate annexure forming part of this Annual Report.

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.

Annexures

Following statements/reports are set out as Annexure to the Board Report:

- Extract of Annual Return in Form MGT-9
- Secretarial Audit Report
- Statutory Audit Report

Acknowledgments:

The Board of Directors are grateful to the promoters of the Corporation viz., IDBI Bank, 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 2015-16

SI No	Name of Director	99th board meeting held on 05/05/2015	1st Emergent board meeting held on 10/06/2015	100th board meeting held on 26/06/2015	101st board meeting held on 24/08/2015	102nd board meeting held on 20/11/2015	103rd board meeting held on 19/02/2016
1	Sri B. P. Muktieh	Present	Present	Present	Present	Present	Present
2	Sri H. Bhargava	Present	Present	Present	Absent	Present	Absent
3	Sri S. K. Magoo	Present	Absent	Absent	Absent	--	--
4	Sri S. N. Brohmo Choudhury	Present	Present	Present	Present	Present	Present
5	Sri A Luikham, IAS	Absent	Present	--	--	--	--
6	Sri Lalmaisawma, IAS	Absent	Absent	Absent	Absent	--	--
7	Sri Toshi Aier, IAS	Absent	--	--	--	--	--
8	Dr. T. K. Mukhopadhyay	Present	Present	Present	Present	Present	Present
9	Sri R. K. Garg	Absent	Present	Present	Present	Present	Absent
10	Smt S. Gonsalves	--	--	Present	Present	Present	Present
12	Sri V. K. Pipersenia, IAS	--	--	--	--	--	Absent
13	Sri P. B. O. Warjri, IAS	--	--	--	--	--	Absent

Sanctioning Committee Meeting Attendance for the Financial Year 2015-16

SI No	Name of Director	95th Sanctioning Committee Meeting held on 26/06/2015	Adjourned 95th Sanctioning Committee Meeting held on 25/07/2015	96th Sanctioning Committee Meeting held on 28/09/2015	97th Sanctioning Committee Meeting held on 20/11/2015	98th Sanctioning Committee Meeting held on 20/01/2016	99th Sanctioning Committee Meeting held on 19/02/2016	100th Sanctioning Committee Meeting held on 11/03/2016	101st Sanctioning Committee Meeting held on 29/03/2016
1	Sri B. P. Muktieh	Present	Present	Present	Present	Present	Present	Present	Present
2	Sri H. Bhargava	Present	Present	Absent	Present	Present	--	--	--
3	Dr. T. K. Mukhopadhyay	Present	Present	Present	Present	Present	Present	--	Present
4	Sri R. K. Garg	Present	Present	Present	Present	Present	Absent	Present	Present
5	Sri S. N. Brohmo Choudhury	--	Present	Absent	--	--	--	--	--

**Audit Committee Meeting Attendance
for the Financial Year 2015-16**

SI No	Name of Director	52nd Audit Committee Meeting held on 05/05/2015	53rd Audit Committee Meeting held on 26/06/2015	54th Audit Committee Meeting held on 24/08/2015	55th Audit Committee Meeting held on 20/11/2015
1	Sri H. Bhargava	Present	Present	Absent	Present
2	Dr. T. K. Mukhopadhyay	Present	Present	Present	Present
3	Sri R. K. Garg	Absent	Present	Present	Present
4	Sri P. V. S. L. N. Murty	-	-	-	-

**Corporate Credit Committee (I) Meeting Attendance
for the Financial Year 2015-16**

SI No	Name of Director	74th Corporate Credit Committee (I) Meeting held on 26/06/2015	75th Corporate Credit Committee (I) Meeting held on 28/09/2015	76th Corporate Credit Committee (I) Meeting held on 20/11/2015	77th Corporate Credit Committee (I) Meeting held on 20/01/2016	78th Corporate Credit Committee (I) Meeting held on 11/03/2016
1	Sri B. P. Muktieh	Present	Present	Present	Present	Present
2	Sri H. Bhargava	Present	Absent	Present	Present	Absent
3	Dr. T. K. Mukhopadhyay	Present	Present	Present	Present	Absent
4	Sri R. K. Garg	Present	Present	Present	Present	Present

Corporate Social Responsibility Committee Meeting Attendance for the Financial Year 2015-16				
SI No	Name of Director	3rd Corporate Social Responsibility Committee Meeting held on 26/06/2015	4th Corporate Social Responsibility Committee Meeting held on 26/11/2016	5th Corporate Social Responsibility Committee Meeting held on 20/01/2016
1	Sri H. Bhargava	Present	Present	Present
2	Dr. T. K. Mukhopadhyay	Present	Present	Present
3	Sri R. K. Garg	Present	Present	Present
4	Sri S. K. Magoo	Absent	--	--
5	Sri B. P. Muktieh	Present	Present	Present
6	Smt S. Gonsalves	--	--	Absent

Nomination and Remuneration Committee (NRC) Meeting Attendance for the Financial Year 2015-16				
SI No	Name of Director	4th Nomination and Remuneration Committee (NRC) Meeting held on 05/05/2015	5th Nomination and Remuneration Committee (NRC) Meeting held on 26/06/2015	6th Nomination and Remuneration Committee (NRC) Meeting held on 20/11/2015
1	Sri H. Bhargava	Present	Present	Present
2	Sri S. N. Brohmo Choudhury	Present	Present	Present
3	Dr. T. K. Mukhopadhyay	Present	Present	Present
4	Sri R. K. Garg	Absent	Present	Present

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:

The Board of Directors of the Corporation consists of 9 (Nine) 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, 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, 2016 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.N. Brohmo Choudhury	Non Executive Director	Nil	Nil	Nil	Nil
Dr.T.K. Mukhopadhyay	Independent Director	1	1	Nil	Nil
Dr. R.K. Garg	Independent Director	Nil	1	Nil	Nil
Sri V.K. Pipersenia, IAS	Non Executive Director	1	Nil	Nil	Nil
Smt S. Gonsalves	Non Executive Director	Nil	Nil	Nil	Nil
Sri P.B.O Warjri, IAS	Non Executive Director	5	Nil	Nil	Nil
Sri P.V.S.L.N Murty	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	99th Board Meeting	May 5, 2015	9	5
2	Emergent Meeting -1	June 10, 2015	8	6
3	100th Board Meeting	June 26, 2015	8	6
4	101st Board Meeting	August 24, 2015	8	5
5	102nd Board Meeting	November 20, 2015	6	6
6	103rd Board Meeting	February 19, 2016	8	4

- 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. Training 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 March 16, 2015. The Audit Committee as on March 31, March 2016 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	Dr. R.K. Garg Independent Director	Member
4	Sri P.V.S.L.N Murty Nominee Director of SBI	Member

The Committee met 4 (Four) 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	52nd Audit Committee	May 5, 2015	3	2
2	53th Audit Committee	June 26, 2015	3	3
3	54h Audit Committee	August 24, 2015	3	2
4	55th Audit Committee	November 20, 2015	3	3

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 atleast 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 Remuneration Committee was re-constituted with the following members as on March 16, 2015. The Nomination and Remuneration Committee as on March 31, March, 2016 were as follows:

Name	Chairman/Member	Independent/Non-Executive
Sri H. Bhargava	Chairman	Non-Executive / Nominee Director of LICl
Sri S.N.Brohmo Choudhury	Member	Non-Executive / Nominee Director of Ministry of DoNER
Dr. T.K. Mukhopadhyay	Member	Independent Director
Dr. R.K. Garg	Member	Independent Director

The Nomination and Remuneration Committee has been constituted in terms of Section 178 of the Companies Act, 2013.

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 2015-16 are given below:

Director	Designation	Salary (₹)	Perquisites (₹)	Total (₹)
Sri B.P. Muktieh	Chairman & Managing Director	34,82,945	2,25,893	37,08,838

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
2012-13	September 27, 2013	3:00 PM	Guwahati
2013-14	September 24, 2014	3:00 PM	Guwahati
2014-15	September 28, 2015	3.00 PM	Guwahati


1 (one) 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
IDBI Bank Ltd.	250,00002	25%
Life Insurance Corporation of India	150,00001	15%
State Bank of India	150,00001	15%
Industrial Finance Corporation of India	100,00001	10%
ICICI Ltd.	100,00001	10%
Small Industries Development Bank of India	100,00000	10%
Unit Trust of India	100,00001	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

1. 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 craftspeople 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.

The web link to the CSR Policy of the Corporation: <http://www.nedfi.com/node/1074>

Highlights of CSR Initiatives of the Corporation during the FY 2015-16

- Mentoring assistance to 622 entrepreneurs of the region through the 8 Business Facilitation Centres (BFC) of the Corporation, out of which 132 entrepreneurs were provided with Bank Credit Linkage worth ₹6 crore.
- Opening of new Showrooms for craft products at Aizawl, Mizoram and Tawang, Arunachal Pradesh.
- Capacity building programme for 1366 beneficiaries on skill up-gradation in crafts and other vocational trades.
- Infrastructure support to 1218 artisans through common facility service, marketing facilities.
- To promote natural dye in craft sector cultivation and processing of Indigo is taken up at Khetri Campus with expertise from Murugappa Chettiar Research Centre (MCRC), Chennai.

2. CSR Committee:

A. Board Level Committee as on March 31, 2016

Sri B. P. Muktieh	Chairman and Managing Director
Dr. T. K. Mukhopadhyay	Director
H. Bhargava	Director
Dr. R. K. Garg	Director
Sri PVSLN Murty	Director
S. Gonsalves	Director

3. Average net profit of the Company for last three financial years: (Rs. In Cr.)

Year	Net Profit
2012-13	62.05
2013-14	63.87
2014-15	75.63
Total	201.55
Average Net Profit	67.18

4. Prescribed CSR expenditure (two percent, of the amount as in item 3 above):

₹ 1.34 crore

5. Details of CSR spent during the FY 2015-16:

- Total minimum amount to be spent in the financial year: 1.34 Crore i.e 2% of average Net Profit.
- Amount unspent: NIL
- Manner in which the amount spent during the financial year is detailed below;

Sl. No.	Head of expenditure	Expenditure (Rs. In Lakh)
1	Capacity Building Training Programmes on crafts and other vocational skills	65.00
2	Infrastructure Support Annual maintenance of India Exposition Mart Limited, Greater Noida, R&D Centers and other CFCs	66.33
3	Marketing Assistance Facilitating participation in various local, national and international exhibitions	46.33
4	Other Developmental Initiatives Business Facilitation Centers, awareness camps, mentoring service, piggery project, product development workshops etc.	54.33
	Total	231.99

Particulars of Corporate Social Responsibility

Sl no	CSR Projects Identified	Sector	Programmes in the North Eastern Region		Number of Prog.	Amount Outlay and spent (Rs. In Lakhs)		Cumulative Expense (Rs. In Lakhs)	Direct Or through agency
			State	District		Direct Exp	Overheads		
1	Programmes on Capacity Building , Product Development Initiative , Marketing Support	Livelihood Enhancement	Assam	Kamrup	11	41.01	4.56	45.57	Direct
2			Assam	Chirang	1	3.73	0.41	4.14	
3			Assam	Darrang	2	7.46	0.83	8.29	
4			Assam	Dhemaji	1	3.73	0.41	4.14	
5			Assam	Dhubri	2	7.46	0.83	8.29	
6			Assam	Dibrugarh	3	11.19	1.24	12.43	
7			Assam	Goalpara	1	3.73	0.41	4.14	
8			Assam	Jorhat	1	3.73	0.41	4.14	
9			Assam	Kokrajhar	1	3.73	0.41	4.14	
10			Assam	Lakhimpur	1	3.73	0.41	4.14	
11			Assam	Marigaon	1	3.73	0.41	4.14	
12			Assam	Nagaon	4	14.91	1.66	16.57	
13			Assam	Nalbari	2	7.46	0.83	8.29	
14			Assam	Sivsagar	3	11.19	1.24	12.43	
15			Assam	Tinsukia	1	3.73	0.41	4.14	
16			Assam	Udalguri	1	3.73	0.41	4.14	
17			Arunachal Pradesh	Papumpare	1	3.73	0.41	4.14	
18			Manipur	Imphal East	4	14.91	1.66	16.57	
19			Manipur	Thoubal	2	7.46	0.83	8.29	
20			Manipur	Bishnupur	1	3.73	0.41	4.14	
21			Meghalaya	East Garo Hills	1	3.73	0.41	4.14	
22			Meghalaya	East Khasi Hills	1	3.73	0.41	4.14	
23			Mizoram	Lunglei	1	3.73	0.41	4.14	
24			Mizoram	Aizwal	1	3.73	0.41	4.14	
25			Nagaland	Dimapur	1	3.73	0.41	4.14	
26			Sikkim	Namchi	3	11.19	1.24	12.43	
27			Tripura	South Tripura	2	7.46	0.83	8.29	
28			Tripura	West Tripura	2	7.46	0.83	8.29	
			Total		56	208.79	23.20	231.99	

6. Reason for not spending the amount: NIL

7. Responsibility Statement:

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

**Chairman and Managing Director
& Chairman of CSR Committee**

Macro-economic Scenario:

The financial year 2015-16 (FY16) witnessed volatile external environment with renewed risks of weaker global activity. The global recovery remains fragile amidst weak and uneven growth, a slowdown in world trade and prevailing uncertainties in financial and commodities markets. Indian economy at this juncture stands out in terms of growth and investment potential. While stress in the corporate sector showed some signs of moderation in FY16, the risks of lower demand and weaker debt servicing capacity continue.

The business of scheduled commercial banks (SCBs) slowed significantly during FY16. The gross non-performing advances (GNPAs) ratio increased sharply to 7.6 per cent from 5.1 per cent between September 2015 and March 2016, largely reflecting reclassification of restructured standard advances as non-performing due to asset quality review (AQR). The profitability of public sector banks (PSBs) declined significantly during FY 16.

The Growth Environment

As per the Advance Estimates released by the Central Statistics Office (CSO), the growth rate of the gross domestic product (GDP) at constant market prices has been estimated at 7.6 per cent in FY16, which is higher than the growth of 7.2 percent recorded in the previous year. The growth of the gross value added (GVA) at constant basic prices has been estimated at 7.3 per cent in FY16 as opposed to 7.1 per cent in FY15, with agriculture and allied sectors, industrial sector and services sector growing at 1.1 per cent, 7.3 per cent and 9.2 per cent respectively. The growth of GDP at constant basic prices for the first, second and third quarters of FY16 has been estimated at 7.6 percent, 7.7 per cent and 7.3 per cent respectively.

North East Economy

The economy of North East received very low public/ private investment and consequently suffered from a very slow pace of development. The liquidity in the industrial sector was tight, which was reflected by the declining number of IEMs filed with the Department of Industrial Policy & Promotion, Govt. of India.

Financial Performance

Overall sanction & disbursement targets fixed by Corporation for the year were ₹350 crore and ₹300 crore, against which the Corporation achieved ₹361.86 crore and ₹302.99 crore respectively. As on March 31, 2016, total 4435 nos. of projects were assisted with sanctions and disbursements of ₹4003.60 crore and ₹3015.94 crore respectively.

During the year, the income of the Corporation increased by 3.87% to ₹152.42 crore from ₹146.74 crore. Net profit before tax was ₹95.57 crore against ₹98.14 crore in the previous year. Net

profit after tax was ₹61.67 crore against ₹75.63 crore in the previous year. Net profit per employee worked out to ₹54 lakhs against previous year figure of ₹70 lakhs. The Corporation had a net worth of ₹637.40 crore as on March 31, 2016 (₹585.09 crore as on March 31, 2015) and book value per share at ₹63.74 (₹58.50 as on March 31, 2015).

Macro-economic Outlook for FY 17

Although India's economy lost steam during the FY 16, it is still on track to be one of the fastest-growing economies in Asia. Resilient domestic demand and limited reliance on the external sector are expected to fuel pickup in growth during FY 17. Private consumption will be boosted by expected large increases in public wages and declining inflation. Investment is expected to pick up gradually as excess capacity fades, deleveraging continues for corporations and banks, and infrastructure projects mature.

In order to boost liquidity amid easing prices pressures, RBI announced a slew of measures in the beginning of FY 17. In its First Bi-monthly Policy Statement, published on April 5, 2016, the RBI sees growth strengthening slowly in FY 17 amid a return to normal monsoon, accommodative monetary policy and a salary hike for government employees.

Economic scenario in North Eastern Region is also no different from the sentiments prevailing in other parts of India. Under the 'Make-in-India' dream project endorsed by the Prime Minister, the Government of India announced 'Make-in-Northeast' initiative in January 2015, involving Ministry of DoNER and Ministry of Tourism, the Government of India seeks to transform the economic growth story of NER. The initiative, in the long run seeks to promote exclusive Northeast expertise in areas like tea processing, organic farming, food processing, exploitation of wind power through wind mills, AYUSH, wellness therapies. In order to develop Northeast as a destination for investors, holiday seekers and tourists, mega circuit and mega destination projects of Tourism Ministry in the area will also be pursued. However, 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



FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016
*[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 the financial year ended on March 31, 2016 ('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 2016 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 (Regulation) 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 there under 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
- vii. I have also examined compliance with the applicable clauses of the following:
(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board & General Meetings.

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 items 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 C P No.:3844

Place : Guwahati
Date : July18, 2016

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.

To,

North Eastern Development Finance Corporation Limited
NEDFi House, GS 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 examination 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 C P No.:3844

Place : Guwahati
Date : July 18, 2016

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2016

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	U65923AS1995GOI1004529
ii	Registration Date	August 9, 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
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

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NIL				
2					
3					

IV SHAREHOLDING 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		100,000,007.00	100,000,007.00	100.00	-	100,000,007.00	100,000,007.00	100.00			
e) Any other			-								
SUB TOTAL:(A) (1)	-	100,000,007.00	100,000,007.00	100.00	-	100,000,007.00	100,000,007.00	100.00			

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1								
2								
3								
4								

NIL

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Share holding at the beginning of the Year	Share holding at the beginning of the Year		Cumulative Share holding during the year
		No. of Shares	% of total shares of the company	
	At the beginning of the year			
	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			

NIL

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No	Shareholding at the end of the year	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company
	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) **Shareholding of Directors & KMP**

Sl. No	Shareholding at the end of the year	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company
	For Each of the Directors & KMP	No. of shares	% of total shares of the company
	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
Indebtedness at the beginning of the financial year				
i) Principal Amount	45,595,243.00	6,566,775,913.00		6,612,371,156.00
ii) Interest due but not paid	-			-
iii) Interest accrued but not due #	-	3,143,975.00		3,143,975.00
				-
Total (i+ii+iii)	45,595,243.00	6,569,919,888.00		6,615,515,131.00
				-
Change in Indebtedness during the financial year				
				-
Additions	-	410,000,000.00		410,000,000.00
Reduction	32,380,964.00	204,040,287.00		236,421,251.00
Net Change	(32,380,964.00)	205,959,713.00		173,578,749.00
Indebtedness at the end of the financial year				
				-
i) Principal Amount	13,214,279.00	6,772,735,626.00		6,785,949,905.00
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due #	-	2,205,258.00		2,205,258.00
				-
Total (i+ii+iii)	13,214,279.00	6,774,940,884.00		6,788,155,163.00

#Interest accrued but not due is shown seperately in Balance Sheet

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.	3,482,945.00	3,482,945.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	225,893.00	225,893.00
	(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)	3,708,838.00	3,708,838.00
	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 Manegerial Personnal) Rules ,2014

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors				Total Amount
		Dr T.K.Mukhopdhyay	Mr. R.K. Garg	Ms. Shruti Savio Gonsalves		
1	Independent Directors					
	(a) Fee for attending board committee meetings	308,000.00	288,000.00	82,000.00	-	678,000.00
	(b) Commission					
	(c) Others	-	-	-	-	-
	Total (1)	308,000.00	288,000.00	82,000.00	-	678,000.00
2	Other Non Executive Directors					
	Shri H.Bhargav		Mr. S.K. Magoo			
	(a) Fee for attending board committee meetings	193,000.00	7,000.00	-	-	200,000.00
	(b) Commission					
	(c) Others, please specify.					
	Total (2)	193,000.00	7,000.00	-	-	200,000.00
	Total (B)=(1+2)	510,000.00	295,000.00	82,000.00	-	878,000.00
	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			
		CEO	Company Secretary	CFO	Total
1	Gross Salary				
	(a) Salary as per provisions		2,477,219.00	2,988,545.00	5,465,764.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		575,075.00	612,791.00	1,187,866.00
	(c) Profits in lieu of salary under				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				-
	as % of profit				-
	others, specify				-
5	Others, please specify				-
					-
	Total	-	3,052,294.00	3,601,336.00	6,653,630.00

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

1. We have audited the accompanying financial statements of **NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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

2. 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 judgments 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

3. 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 misstatements.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 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.

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

OPINION

6. 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 March 31, 2016;
- ii) In case of statement of Profit and Loss, of the profit for the year ended on that date and
- 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

7. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure- I a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable to the Company.

8. 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.

9. 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 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 March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 Auditor's) 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 statement – Refer Note 25 to the financial statements;
 - (ii) The Company does not have any long-term contracts including derivatives 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 JHURIA AND COMPANY
Chartered Accountants



(R.A. JHURIA)
Proprietor
M.No. 050192
FRN: 311081E

Place : Guwahati
Date : 16.07.2016

Annexure- I to the Independent Auditors' Report



An ISO 9001:2008 Company

As per Annexure-I referred to in our Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended March 31, 2016, we report that:

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the 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.
- (c) The Title Deeds of all Immovable Properties are held in the name of the Company
- (ii) The Company is a Non-Banking Finance Company. Accordingly, it does not hold any physical inventory. Thus, paragraph 3(ii) of the order is not applicable.
- (iii) (a) The Company has not granted or taken loans to /from companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. ("the Act")
- (b) The company has given Loans to all other parties in the ordinary course of business of lending.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the Loans and Investments made.
- (v) The Company has not accepted any deposit from public and therefore, the paragraph 3(v) of the order is not applicable.
- (vi) As Informed to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations 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, service tax, central duty, 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 31.3.2016 for a period of more than 6 months from the date they become payable.
- (b) According to the record of the company and as per the information and explanation given to us, no disputed amount is payable in respect of dues of Income Tax/ Sales Tax / Custom duty / Service Tax/ Excise duty/ cess were outstanding as at 31.3.2016, except a sum of ₹20,32,677 in respect of service tax against which an appeal is pending before the Additional Commissioner of Service Tax and demand against disallowance of ₹3,29,17,292 under section 36(1) (vii) (c) of IT Act 1961 made by CIT for A.Y. 2011-2012 which is not yet settled.
- (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 provision of the Companies Act, 2013, and rules there under.
- (viii) 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.

- (ix) 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.
- (x) According to information and explanations given to us, no material fraud on or by the Company by its officers and employees has been noticed or reported during the course of our audit.
- (xi) The Company has paid Managerial Remuneration during the year in accordance with the requisite approvals mandated by the provisions of Sec. 197 read with schedule-V of the Companies Act, 2013.
- (xii) In our Opinion and according to the information and explanations given to us, the Company is not a NIDHI company. Accordingly paragraph 3(xii) of the Order is not applicable.
- (xiii) According to information and explanations given to us and based on our examination of records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) In our Opinion and according to the information and explanations given to us, the Company is not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our Opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is already registered under section 45-IA of the Reserve Bank of India Act, 1934

For JHURIA AND COMPANY
Chartered Accountants



(R.A. JHURIA)
Proprietor
M.No. 050192
FRN: 311081E

Place : Guwahati
Date : 16.07.2016

Annexure- II to the Independent Auditors' Report

(Referred to in paragraph 8 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 four (4) cases of write off of loans advanced. The total amount of principal write off is ₹6.68 crore and waiver of interest / other expenses of Rs.4.69 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 102nd meeting dated 14/07/2016 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 14 cases of waiver of interest aggregating ₹0.54 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 filed cases against defaulting borrowers for recovery of dues in different forums of laws.

The age wise analysis of such major cases above ₹50 Lakhs are as under:

Period	No of Cases
Upto 1 year	3
1 to 5 years	6
5 to 10 years	3
More than 10 Years	7

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

The Company has adequate system for monitoring expenditure on all local legal cases. There are no foreign legal cases.

For JHURIA AND COMPANY
Chartered Accountants



(R.A. JHURIA)
Proprietor
M.No. 050192
FRN: 311081E

Place :Guwahati
Date :16.07.2016

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 MARCH 31, 2016.

The preparation of financial statements of North Eastern Development Finance Corporation Limited, Guwahati for the year ended March 31, 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor 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 July 16, 2016.

I, on the 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, Guwahati for the year ended March 31, 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on the 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: 31-08-2016

Particulars		Note No.	As at March 31, 2016	As at March 31, 2015
			₹	₹
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	1,000,000,070	1,000,000,070
	(b) Reserves and surplus	2	5,986,838,599	5,442,860,205
	(c) Money received against share warrants		-	-
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings	3	6,534,600,111	6,381,501,332
	(b) Deferred tax liabilities (net)	4	102,877,260	95,568,262
	(c) Other long-term liabilities		-	-
	(d) Long-term provisions	5	651,552,051	489,651,352
4	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables	6	-	-
	(c) Other current liabilities	7	422,736,792	406,115,228
	(d) Short-term provisions	8	444,872,672	417,326,823
	TOTAL		15,143,477,555	14,233,023,272
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	366,304,412	276,245,105
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress	10	15,716,534	19,702,025
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
	(b) Non-current investments	11	50,000,000	50,000,000
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	12	9,664,018,175	9,179,106,808
	(e) Other non-current assets		-	-
2	Current assets			
	(a) Current investments	13	711,104,735	68,048,854
	(b) Inventories		-	-
	(c) Trade receivables		-	-
	(d) Cash and Cash equivalents	14	959,690,151	696,223,797
	(e) Short-term loans and advances	15	2,794,411,518	3,315,603,635
	(f) Other current assets	16	582,232,030	628,093,048
	TOTAL		15,143,477,555	14,233,023,272
	Significant Accounting Policies and Notes on Financial Statements	1 to 33		

In terms of our report of even date annexed

For JHURIA AND COMPANY

Chartered Accountants



(CA R. A. Jhuria)

Proprietor

M. No. 050192

FRN 311081E

Place: Guwahati

Date: July 16, 2016

For and on behalf of the Board of Directors



(B.P. Muktieh)

Chairman and Managing Director

DIN: 00123561

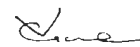


(S.K. Baruah)

Chief Financial Officer

Place: Guwahati

Date: July 15, 2016



(V.K. Agarwal)

Company Secretary

M. No. A39584

Statement of Profit & Loss for the year ended March 31, 2016



An ISO 9001:2008 Company

	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
		₹	₹
CONTINUING OPERATIONS			
Revenue from Operation	17	1,251,170,583	1,340,874,606
Other Income	18	273,057,622	126,509,642
Total Revenue		1,524,228,205	1,467,384,248
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	192,912,839	177,756,636
(e) Finance costs	21	37,663,481	48,906,359
(f) Depreciation and amortisation expense	9	25,561,538	37,290,306
(g) Other expenses	20	288,597,304	198,004,717
(h) CSR Expenses	22	23,220,989	22,342,196
Total expenses		567,956,151	484,300,214
Profit / (Loss) before exceptional and extraordinary items and tax (3- 4)		956,272,054	983,084,034
<u>Exceptional items</u>			
Depreciation on account of transitional provisions of Companies Act, 2013		-	795,958
Profit / (Loss) before extraordinary items and tax		956,272,054	982,288,076
<u>Extraordinary items</u>			
Prior Period Expenses		522,389	857,257
Profit / (Loss) before tax		955,749,665	981,430,819
Tax expense:			
(a) Current tax expense for current year		332,500,000	303,000,000
(b) (Less): MAT credit (where applicable)		-	-
(c) (Less): Current tax expense relating to prior years		(744,516)	(2,012,083)
(d) Net current tax expense		331,755,484	300,987,917
(e) Deferred tax		7,308,998	(75,842,863)
		339,064,482	225,145,054
Profit / (Loss) from continuing operations (A)		616,685,183	756,285,765
		616,685,183	756,285,765
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)		616,685,183	756,285,765

PARTICULARS	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
		₹	₹
Earnings per share (of ₹ 10/- each):	23		
Basic & Diluted			
(i) Continuing operations		6.17	7.56
(ii) Total operations		6.17	7.56
Earnings per share (excluding extraordinary items) (of ₹ 10/- each):			
Basic & Diluted			
(i) Continuing operations		6.17	7.56
(ii) Total operations		6.17	7.56
Significant Accounting Policies and Notes on Financial Statements	1 to 33		

In terms of our report of even date annexed

For JHURIA AND COMPANY

Chartered Accountants



(CA R. A. Jhuria)

Proprietor

M. No. 050192

FRN 311081E

Place: Guwahati

Date: July 16, 2016

For and on behalf of the Board of Directors



(B.P. Muktieh)

Chairman and Managing Director

DIN: 00123561



(S.K. Baruah)

Chief Financial Officer

Place: Guwahati

Date: July 15, 2016



(V.K. Agarwal)

Company Secretary

M. No. A39584

Cash Flow Statement for the year ended March 31, 2016



NEDFI

An ISO 9001:2008 Company

(₹ in '000)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Cash flows from Operating activities		
Net profit before income tax	955,750	981,431
Adjustment for:		
Depreciation charge for the year	25,562	38,086
Loans Provisions & Write offs	219,231	140,270
Fixed Assets written off/Loss on sale	(36)	(33)
Dividend received	(200)	(450)
Provision for Gratuity, Leave Encashment and LTC / LTA	8,756	15,611
Operating profit before working capital changes	1,209,062	1,174,915
Adjustments for:		
(Increase) / Decrease in Advances	(23,652)	(1,413,379)
(Increase) / Decrease in Other Current Assets & Advances	47,859	(82,306)
Increase / (Decrease) in Other liabilities and Provisions	(25,611)	58,955
Cash Flow from operations	1,207,658	(261,816)
Direct Taxes paid (net of refund received)	(306,450)	(331,861)
Net cash flow / (used in) from operating activities	901,208	(593,677)
Cash flows from Investing activities		
(Increase) / Decrease in Capital Advances	-	-
(Increase) / Decrease in Investment	-	(5,000)
(Increase)/Decrease in Capital Work in Progress	(10,382)	(9,237)
Purchase of fixed assets (net of sales)	(101,969)	(25,123)
Dividend Received	200	450
Net cash flow / (used in) from Investing activities	(112,151)	(38,910)
Cash flows from Financing activities		
Dividend and Dividend Tax paid	(96,286)	(93,596)
Increase / (Decrease) in Borrowings	173,579	605,862
Net cash flow / (used in) from financing activities	77,293	512,266
Net increase in cash and cash equivalents from Operating, Investing and Financing Activities	866,350	(120,321)
Cash flows from Nodal Agency and Implementing Agency Activities		
Net Income / (Expenditure) of TEDF	23,097	28,068
(Increase)/Decrease in Investments	24,898	14,976
(Increase)/Decrease in Current Assets	(4,678)	(2,326)
Increase / (Decrease) in Growth Centre, Central Subsidy and other Central Funds	21,753	47,186
Net Increase in cash & cash equivalent from Nodal Agency activity	65,070	87,904
Net increase in cash and cash equivalents	931,420	(32,416)

Cash and cash equivalents at beginning of period		
- Own funds	389,660	463,978
- Nodal Agency and Implementing Agency funds	343,667	301,764
Cash and cash equivalents at end of period		
- Own funds	1,273,963	389,660
- Nodal Agency and Implementing Agency funds	390,785	343,667

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	705,058	37,103
<u>Cash and bank balances</u>		
Cash in hand	149	139
Balance at Bank		
-With Scheduled Bank		
(i) In Current Account	385,871	203,241
(ii) In Fixed Deposits	202,885	151,050
Balance at Bank (TEDF)		
-With Scheduled Bank		
(i) In Current Account	5,722	66,794
(ii) In Fixed Deposits	365,064	275,000
	1,664,749	733,327

In terms of our report of even date annexed

For JHURIA AND COMPANY

Chartered Accountants



(CA R. A. Jhuria)

Proprietor

M. No. 050192

FRN 311081E

Place: Guwahati

Date: July 16, 2016

For and on behalf of the Board of Directors



(B.P. Muktieh)

Chairman and Managing Director

DIN: 00123561

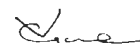


(S.K. Baruah)

Chief Financial Officer

Place: Guwahati

Date: July 15, 2016



(V.K. Agarwal)

Company Secretary

M. No. A39584

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 0.40% is made against Standard Assets, except in case of Commercial Real Estate, where the provision is made @ 1%. A further provision of 5.00% is made against restructured standard accounts 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 banks. As a result, the provision on Standard Assets has increased by ₹ 9,087,724.

There is a change in the provision for restructured standard accounts in order to conform with the RBI guidelines for banks. As a result, the provision on Standard Assets has increased by ₹ 1,104,349.

Advances are stated as Gross Advances without deducting any provisions made on non performing assets. Interest on non performing advances is netted off and not recognized in the profit & loss account until actually received. Provision for standard, sub standard, doubtful and loss assets and floating provisions is included under "Long Term Provisions". Creation of floating provisions are considered by the Corporation as approved by the Board of Directors. Floating provisions are not reversed by credit to Profit & Loss Account and can be used only for contingencies under extra ordinary circumstances for making specific provisions in impaired accounts after obtaining Board approval. Amounts

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

D. Prior Period Adjustments:

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

E. Fixed Assets and Depreciation:

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

Depreciation on Fixed Assets is provided on Written Down Value Method 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.

Note 1 :SHARE CAPITAL

PARTICULARS	As at March 31, 2016		As at March 31, 2015	
	Number of shares	₹	Number of shares	₹
(a) Authorised Equity shares of ₹ 10/- each	500,000,000	5,000,000,000.00	500,000,000	5,000,000,000.00
(b) Issued, Subscribed, Called up & Paid up Capital Equity shares of ₹ 10/- each	100,000,007	1,000,000,070.00	100,000,007	1,000,000,070.00
TOTAL (₹)	100,000,007	1,000,000,070.00	100,000,007	1,000,000,070.00

1.1 The Company has issued only one class of Equity Shares having at par value of Rs.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 March 31, 2016		As at March 31, 2015	
	Number of shares	% held	Number of shares	% held
IDBI Bank Limited	25,000,002	25%	25,000,002	25%
Life Insurance Corporation of India	15,000,001	15%	15,000,001	15%
State Bank of India	15,000,001	15%	15,000,001	15%
Industrial Finance Corporation of India	10,000,001	10%	10,000,001	10%
ICICI Ltd.	10,000,001	10%	10,000,001	10%
Small Industries Development Bank of India	10,000,000	10%	10,000,000	10%
Administrator of Specified Undertaking of Unit Trust of India	10,000,001	10%	10,000,001	10%

Note 2: RESERVES & SURPLUS

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
(i) Other Reserves		
(a) North East Equity Fund		
Fund balance	79,870,500.00	79,870,500.00
Less : Bad Loans written Off	16,766,565.00	16,766,565.00
Less : Provision against Soft Loans under NEEDS	2,938,966.00	4,172,844.00
Closing balance	60,164,969.00	58,931,091.00
(b) Statutory Reserve under RBI Act, 1934		
Opening Balance	864,776,446.00	713,519,311.00
Add: Transferred from P/L Account	122,837,037.00	151,257,135.00
Closing balance	987,613,483.00	864,776,446.00
(c) Special Reserve created and maintained u/s 36(1) (viii) of the Income Tax Act, 1961		
Opening Balance	628,887,328.00	486,041,727.00
Add: Transferred from P/L Account	131,466,611.00	142,845,601.00
Closing balance	760,353,939.00	628,887,328.00
(d) Venture Capital Fund: *		
Fund Balance	70,000,000.00	70,000,000.00
Add: Transferred from General Reserve	45,927,494.00	43,409,979.00
Closing balance	115,927,494.00	113,409,979.00

Notes on Financial Statements For the year ended March 31, 2016

Note 2: RESERVES & SURPLUS (contd.)

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
(e) General Reserve		
Opening balance	3,353,778,396.00	2,986,319,781.00
Add: Transferred from surplus in Statement of Profit and Loss	270,000,000.00	370,000,000.00
Less: Utilised / transferred during the year for:		
Others : Transferred to Venture Capital Fund	2,517,515.00	2,541,385.00
Closing balance	3,621,260,881.00	3,353,778,396.00
(f) India Exposition Mart Stalls		
Opening balance	18,911,602.00	19,701,491.00
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	751,500.00	789,889.00
Closing Balance	18,160,102.00	18,911,602.00
(g) Techno Economic Development Fund		
Opening balance	392,103,826.00	364,036,109.00
Add: Additions / transfers during the year	37,884,180.00	34,132,820.00
Less: Utilisations / transfers during the year	14,786,947.00	6,065,103.00
Closing Balance	415,201,059.00	392,103,826.00
(h) CSR Reserve **		
Opening balance	8,637,099.00	15,886,157.00
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	5,220,989.00	7,249,058.00
	3,416,110.00	8,637,099.00
(ii) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	3,424,438.00	278,751.00
Add: Profit / (Loss) for the year	616,685,183.00	756,285,765.00
Amounts transferred from:		
General reserve	-	-
Other reserves (CSR Reserve)	5,220,989.00	7,249,058.00
Less: Interim dividend	-	-
Dividends proposed to be distributed to equity shareholders (Rs. per share)	80,000,000.00	80,000,000.00
Tax on dividend	16,286,400.00	16,286,400.00
Transferred to:		
CSR Reserve	-	-
General reserve	270,000,000.00	370,000,000.00
Statutory Reserve under RBI Act, 1934	122,837,037.00	151,257,135.00
Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961	131,466,611.00	142,845,601.00
Closing Balance	4,740,562.00	3,424,438.00
Total(₹)	5,986,838,599.00	5,442,860,205.00

* 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 ₹ 5,220,989/- 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 March 31, 2016	As at March 31, 2015	REMARK
	₹	₹	
Term Loan from Other Parties			
<u>Secured</u>			
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (1st Loan)	-	3,214,281.00	1. Secured against FD of Rs.12.50 Crore. 2. Repayable in 17 quarterly instalments starting from September, 2012.
Loan from National Scheduled Tribes Finance & Development Corporation (NSTFDC)	3,333,330.00	9,999,998.00	1. Secured against BG of Rs.2.00 Crore. 2. Repayable in 17 quarterly instalments starting from January, 2015.
	3,333,330.00	13,214,279.00	
<u>Unsecured</u>			
Interest free loan from Govt. of India	6,191,100,000.00	5,891,100,000.00	1. Repayable after 15 years as per instalment received. 2. First instalment due in FY 2017-18.
	-	-	
Loan from National Scheduled Castes Finance & Development Corporation (NSCFDC)** (1st & 2nd Loan)	-	15,900,000.00	1. Repayable in 10 quarterly instalments starting from September, 2014.
Loan from National Scheduled Castes Finance & Development Corporation (NSCFDC)** (3rd Loan)	7,000,000.00	-	1. Repayable in 10 quarterly instalments starting from September, 2016.
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (2nd Loan)	3,571,472.00	32,142,888.00	1. Repayable in 16 quarterly instalments starting from December, 2013.
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (3rd Loan)	26,142,887.00	54,714,303.00	1. Repayable in 18 quarterly instalments starting from September, 2014.
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (4th Loan)	80,714,316.00	127,142,867.00	1. Repayable in 16 quarterly instalments starting from September, 2015.
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (5th Loan)	80,714,291.00	-	1. Repayable in 15 quarterly instalments starting from September, 2016.
Loan From Small Industries Development Bank of India (SIDBI)***	142,023,815.00	247,286,995.00	1. Repayable in 19 quarterly instalments starting from September, 2013.
	6,531,266,781.00	6,368,287,053.00	
Total	6,534,600,111.00	6,381,501,332.00	

* Loan from NBCFDC was ₹ 55 Crore taken on various occasions, out of which ₹ 23.64 Crore has already been repaid. The instalments due within 12 months has been shown under 'Other Current Liabilities' and the balance has been shown above.

** Loan from NSCFDC was ₹ 4.98 Crore taken on various occasions, out of which ₹2.59 Crore has already been repaid. The instalments due within 12 months has been shown under 'Other Current Liabilities' and the balance has been shown above.

*** Loan from SIDBI was ₹ 50 Crore. The instalments 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.

Notes on Financial Statements For the year ended March 31, 2016

NOTE 4: DEFERRED TAX LIABILITY (Net)

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Deferred Tax Asset		
Relating to Provisions of Current Year	39,929,481.00	5,592,748.00
Relating to Provisions of Earlier Years	124,379,857.00	115,513,294.00
Total	164,309,338.00	121,106,042.00
Deferred Tax Liability		
Relating to Fixed Assets	4,043,307.00	2,915,503.00
Relating to Special Reserve	263,143,291.00	213,758,801.00
Total	267,186,598.00	216,674,304.00
Net Deferred Tax Liability	102,877,260.00	95,568,262.00

NOTE 5 :LONG TERM PROVISIONS

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
A. Provision for employee benefits		
Provision for Leave Encashment	63,005,457.00	53,170,506.00
Provision for Gratuity	7,024,749.00	6,149,068.00
	70,030,206.00	59,319,574.00
B. Others		
Provision for Standard Assets	67,404,800.00	89,576,692.00
Floating Provision against Advances	20,000,000.00	20,000,000.00
Provision Against Sub Standard Assets	180,284,108.00	99,923,528.00
Provision Against Doubtful Assets	302,652,632.00	209,326,216.00
Provision Against Loss Assets	8,051,305.00	8,376,342.00
Provision for Diminution in Fair Value of Restructured Advance	3,129,000.00	3,129,000.00
	581,521,845.00	430,331,778.00
Total	651,552,051.00	489,651,352.00

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 March 31, 2016	As at March 31, 2015
	₹	₹
Sundry creditors (for expenses)	59,278,836.00	41,492,702.00
Sundry creditors (for capital expenditure)	4,064,163.00	10,267,553.00
Current maturities of Long Term Loan (NBCFDC)	122,499,946.00	104,999,976.00
Current maturities of Long Term Loan (NSCFDC)	16,920,000.00	13,940,000.00
Current maturities of Long Term Loan (NSTFDC)	6,666,668.00	6,666,668.00
Current maturities of Long Term Loan (SIDBI)	105,263,180.00	105,263,180.00
Other liabilities	15,811,620.00	50,934,458.00
MEFC- R & D Training Fund	1,628,187.00	1,628,187.00
Interest accrued and not due on Loans	2,205,258.00	3,143,975.00
Undisbursed Central Subsidies	79,480,846.00	57,728,472.00
Security Deposit	8,874,320.00	10,006,288.00
NE Trade Expo	43,768.00	43,768.00
Total	422,736,792.00	406,115,228.00

NOTE 8: SHORT TERM PROVISIONS

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
A. Provision for Employee Benefits		
Provision for Leave Travel Concession / Allowance	3,000,000.00	5,800,000.00
Provision for Leave Encashment	8,857,033.00	7,378,568.00
Provision for Gratuity	4,229,239.00	4,861,855.00
	16,086,272.00	18,040,423.00
B. Others		
Proposed Dividend	80,000,000.00	80,000,000.00
Additional Tax on Dividend	16,286,400.00	16,286,400.00
Provision for Income Tax	332,500,000.00	303,000,000.00
	428,786,400.00	399,286,400.00
Total	444,872,672.00	417,326,823.00

Note 9: FIXED ASSETS

Particulars	GROSS BLOCK				Depreciation / Amortisation			NET BLOCK			
	As at March 31, 2015 ₹	Additions ₹	Disposals ₹	As at March 31, 2016 ₹	As at March 31, 2015 ₹	For the Year ₹	For transition Provisions ₹	Eliminated on disposal ₹	Upto March 31, 2016 ₹	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Tangible Assets											
Freehold Land at Dispur	16,969,592.00	-	-	16,969,592.00	-	-	-	-	-	16,969,592.00	16,969,592.00
Freehold Land at Khanapara	-	90,640,000.00	-	90,640,000.00	-	-	-	-	-	90,640,000.00	-
Building *	192,776,520.00	-	-	192,776,520.00	39,959,021.00	7,466,828.00	-	-	47,425,849.00	145,350,671.00	152,817,499.00
Office at Agartala	-	14,367,130.00	-	14,367,130.00	402,591.00	57,508.00	-	-	57,508.00	14,309,622.00	-
RCC Bridge	1,578,377.00	-	-	1,578,377.00	402,591.00	118,872.00	-	-	521,463.00	1,056,914.00	1,175,786.00
Air Conditioning System	44,472,238.00	233,768.00	-	44,706,006.00	19,475,914.00	4,539,907.00	-	-	24,015,821.00	20,690,185.00	24,996,324.00
Electrical Installation	26,412,736.00	-	-	26,412,736.00	16,111,830.00	3,282,244.00	-	-	19,394,074.00	7,018,662.00	10,300,906.00
Fire Alarm System	3,673,341.00	-	-	3,673,341.00	1,960,330.00	332,667.00	-	-	2,292,997.00	1,380,344.00	1,713,011.00
Lift	7,956,378.00	-	-	7,956,378.00	4,246,035.00	720,549.00	-	-	4,966,584.00	2,989,794.00	3,710,343.00
Machineries	8,010,481.00	183,743.00	80,900.00	8,113,324.00	5,982,347.00	465,775.00	-	68,575.00	6,379,547.00	1,733,777.00	2,028,134.00
UPS System	1,490,229.00	-	-	1,490,229.00	1,159,491.00	207,274.00	-	-	1,366,765.00	123,464.00	330,736.00
Water Installation System	1,588,014.00	-	-	1,588,014.00	847,465.00	143,815.00	-	-	991,280.00	596,734.00	740,549.00
Furniture & Fixture	10,265,857.00	1,315,232.00	-	11,581,089.00	8,415,887.00	562,996.00	-	-	8,978,883.00	2,602,207.00	1,849,971.00
Interior Furnishing & Fittings	103,368,316.00	5,417,149.00	-	108,785,465.00	47,409,976.00	6,861,319.00	-	-	54,271,295.00	54,514,170.00	55,958,340.00
Vehicle	1,462,224.00	-	-	1,462,224.00	1,086,161.00	140,239.00	-	-	1,236,400.00	225,824.00	366,063.00
Office Equipments	6,428,814.00	1,065,391.00	69,057.00	7,425,148.00	4,602,570.00	590,436.00	-	65,604.00	5,127,402.00	2,297,746.00	1,826,244.00
Computers	16,601,526.00	3,170,072.00	191,200.00	19,580,398.00	15,139,920.00	822,609.00	-	186,838.00	15,775,691.00	3,804,707.00	1,461,606.00
Total:	443,054,643.00	116,392,485.00	341,157.00	559,105,971.00	166,809,538.00	26,313,036.00	-	321,017.00	192,801,559.00	366,304,412.00	276,245,105.00
Figures for the previous year	401,520,091.00	42,202,653.00	668,101.00	443,054,643.00	128,390,324.00	38,080,195.00	795,958.00	456,939.00	166,809,538.00	276,245,105.00	273,129,767.00

* 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.

Notes on Financial Statements For the year ended March 31, 2016

NOTE 10 :CAPITAL WORK IN PROGRESS

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Software Tripura Office	15,716,534.00	5,334,895.00
	-	14,367,130.00
Total	15,716,534.00	19,702,025.00

Note 11 :NON CURRENT INVESTMENTS

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
<u>Other Investments</u>		
Investments in Equity Instruments		
<u>Quoted</u>		
<u>Premier Cryogenics Ltd.</u>		
Quoted at Cost (Fair value ₹12,158,000/- - Not traded -2015-16) (2,00,000 shares of 10/- each)	2,000,000.00	2,000,000.00
Total (A)	2,000,000.00	2,000,000.00
<u>Unquoted</u>		
<u>Gauhati Neurological Research Centre Ltd.</u>	2,500,000.00	2,500,000.00
(Unquoted at cost 250,000 shares @ 10/- per share, fair value ₹9,420,000/-)		
<u>Konoklota Mahila Urban Co-Op Bank Ltd.</u>	500,000.00	500,000.00
(Unquoted at cost 5,000 shares @ 100/- per share, fair value ₹1,093,000/-)		
<u>RGVN (North East) Microfinance Ltd.</u>	30,000,000.00	30,000,000.00
(Unquoted at cost 3,000,000 Equity Shares @ 10/- per share, fair value ₹67,260,000/-)		
<u>Nightingale Finvest Pvt. Ltd.</u>	5,000,000.00	5,000,000.00
(Unquoted 50,000 Equity Shares of 100/- per share, fair value 6,011,500)		
<u>YVU Financial Services Pvt. Ltd.</u>	5,000,000.00	5,000,000.00
(Unquoted 50,000 Equity Shares of 100/- per share, fair value ₹6,145,500/-)		
<u>Grameen Development & Finance Pvt. Ltd.</u>	5,000,000.00	5,000,000.00
(Unquoted 500,000 Equity Shares of 10/- per share, fair value ₹5,180,000/-)		
Total (B)	48,000,000.00	48,000,000.00
TOTAL(A+B)	50,000,000.00	50,000,000.00

	Amount (₹)	Market Value (₹)	Amount (₹)	Market Value (₹)
Aggregate amount of quoted investments and market value thereof	2,000,000.00	12,158,000.00	2,000,000.00	11,778,000.00
Aggregate amount of unquoted investments	48,000,000.00	NA	48,000,000.00	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 LOAN LOANS AND ADVANCES

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Capital Advances		
Security Deposits		
Secured (Considered Good)	-	-
Unsecured (Considered Good)	2,023,149.00	2,023,149.00
Doubtful	-	-
Loans to Staff		
Secured (Considered Good)	84,162,557.00	76,875,899.00
Unsecured (Considered Good)	-	-
Doubtful	-	-
Trade Loans & Advances		
Term Loans		
Secured (Considered Good)	6,686,841,060.00	6,871,536,717.00
Unsecured (Considered Good)	1,099,539,446.00	1,473,748,479.00
Doubtful	1,787,735,757.00	747,356,434.00
Soft Loan under NEEDS		
Secured (Considered Good)	656,153.00	2,758,157.00
Unsecured (Considered Good)	-	-
Doubtful	3,060,053.00	4,807,973.00
TOTAL(₹)	9,664,018,175.00	9,179,106,808.00

NOTE 12.1: LOAN PORTFOLIO CLASSIFICATION AND PROVISIONING*

Category	2015-16		2014-15	
	Loan Outstanding	Provisioning	Loan Outstanding	Provisioning
	₹	₹	₹	₹
Standard	10,190,036,686.00	67,493,976.00	11,286,469,363.00	89,576,692.00
Sub Standard	1,195,750,552.00	180,284,108.00	657,908,884.00	99,923,528.00
Doubtful	964,375,100.00	302,652,632.00	448,613,984.00	209,326,216.00
Loss	8,051,305.00	8,051,305.00	8,376,342.00	8,376,342.00
Total	12,358,213,643.00	558,482,021.00	12,401,368,573.00	407,202,778.00

* 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 March 31, 2016	As at March 31, 2015
	₹	₹
Investment in Mutual Funds:		
HDFC Mutual Fund - Short Term Opportunities Fund (710,137.609 units, Value as on 31.03.2016 ₹11,787,077/-)	9,000,000.00	9,000,000.00
UTI Mutual Fund - Money Market Mutual Fund (17071.9124 units, Value as on 31.03.2015 ₹26,767,773/-)	-	26,230,290.00
UTI Mutual Fund - Floating Rate Fund (93296.039 units, Value as on 31.03.2016 ₹232,450,291/-)	224,577,308.00	-
Principal Mutual Fund - Debt Opportunities Fund (42612.194 units, Value as on 31.03.2016 ₹101,081,088/-)	100,000,000.00	-
Reliance Mutual Fund - Fixed Horizon Fund (15,000,000 units, Value as on 31.03.2016 ₹151,393,500/-)	150,000,000.00	-

Notes on Financial Statements For the year ended March 31, 2016

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
SBI Mutual Fund - Premier Liquid Fund (86120.849 units, Value as on 31.03.2016 ₹205,050,099/-)	201,480,504.00	-
UTI Mutual Fund - Treasury Advantage Fund (TEDF) (1226.4093 units, Value as on 31.03.2015 ₹2,333,082/-)	-	1,873,310.00
UTI Mutual Fund - Fixed Maturity Plan (TEDF) (655879.6329 units, Value as on 31.03.2015 ₹12,818,511/-)	-	10,945,254.00
UTI Mutual Fund - Fixed Term Income Plan (TEDF) (2,000,000 units, Value as on 31.03.2016 ₹21,095,400/-)	20,000,000.00	-
UTI Mutual Fund - Fixed Term Income Fund (TEDF) (1000000 units, Value as on 31.03.2015 ₹10,763,700/-)	-	10,000,000.00
UTI Mutual Fund - Money Market Mutual Fund (TEDF) (2672.285 units, Value as on 31.03.2016 ₹6,944,099/-)	6,046,923.00	10,000,000.00
Total	711,104,735.00	68,048,854.00

	As at March 31, 2016		As at March 31, 2015	
	₹		₹	
	Amount (₹)	Market Value (₹)	Amount (₹)	Market Value (₹)
Aggregate amount of quoted investments and market value thereof	711,104,735.00	729,801,554.00	68,048,854.00	74,075,119.00
Aggregate amount of unquoted investments	-	NA	-	NA
Aggregate provision for diminution in value of investments	-	-	-	-

NOTE 14 :CASH AND BANK BALANCES

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Cash and Cash Equivalents		
Balance at Bank		
-With Scheduled Bank		
(i) In Current Account	335,871,414.00	203,241,384.00
(ii) In Fixed Deposits	50,000,000.00	-
	385,871,414.00	203,241,384.00
Balance at Bank (TEDF)		
-With Scheduled Bank		
(i) In Current Account	5,721,515.00	6,793,657.00
(ii) In Fixed Deposits	-	60,000,000.00
	5,721,515.00	66,793,657.00
Cash in hand	148,549.00	138,756.00
Other Bank Balances		
In Fixed Deposits pledged as Security against borrowing from NBCFDC	-	125,000,000.00
In Fixed Deposits pledged as Bank Guarantee against borrowing from NSTFDC	21,834,957.00	20,000,000.00
In Fixed Deposits pledged as Bank Guarantee against Consultancy assignments	6,050,000.00	6,050,000.00
In Fixed Deposits with maturity more than 3 months	175,000,000.00	-
In Fixed Deposits with maturity more than 3 months (TEDF)	160,000,000.00	125,000,000.00
In Fixed Deposits with maturity more than 12 months (TEDF)	205,063,716.00	150,000,000.00
	567,948,673.00	426,050,000.00
Total	959,690,151.00	696,223,797.00

NOTE 15: SHORT TERM LOAN AND ADVANCES

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Advance to Others		
Secured (Considered Good)		
Unsecured (Considered Good)	660,915.00	461,415.00
Doubtful		
Advance to Staff		
Secured (Considered Good)		
Unsecured (Considered Good)	2,553,556.00	1,186,122.00
Doubtful		
Loan to Staff		
Secured (Considered Good)	10,815,873.00	12,795,285.00
Unsecured (Considered Good)		
Doubtful		
Trade Loans & Advances		
Secured (Considered Good)	2,406,838,417.00	2,938,426,010.00
Unsecured (Considered Good)		
Doubtful	373,542,757.00	362,734,803.00
Total	2,794,411,518.00	3,315,603,635.00

NOTE 16: OTHER CURRENT ASSETS

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
A. Interest		
Interest Receivable on Loans & Advances	151,028,254.00	169,641,871.00
Interest Receivable on Fixed Deposits	4,517,361.00	47,837,907.00
Interest Receivable on Fixed Deposits (TEDF)	28,537,293.00	23,859,447.00
Interest Receivable on Staff Housing Loan	13,898,194.00	11,326,795.00
B. Others		
Advance Income Tax	297,500,000.00	320,000,000.00
Tax Deducted at Source	9,114,534.00	10,193,742.00
Income Tax Refundable	47,379,079.00	19,605,466.00
Other Receivables	30,257,315.00	25,627,820.00
Total	582,232,030.00	628,093,048.00

NOTE 17: REVENUE FROM OPERATIONS

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
A. INTEREST		
Interest on loans	1,187,183,343.00	1,270,369,724.00
Interest on Fixed Deposits and Bonds	20,621,713.00	26,362,593.00
	1,207,805,056.00	1,296,732,317.00
B. OTHER FINANCIAL SERVICES		
Consultancy Fees	21,163,896.00	19,965,078.00
Upfront Fees	19,894,936.00	23,177,837.00
Prepayment Charges	2,306,695.00	999,374.00
	43,365,527.00	44,142,289.00
Total	1,251,170,583.00	1,340,874,606.00

Notes on Financial Statements For the year ended March 31, 2016

NOTE 18: OTHER INCOME

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Net gain from sale of Investments (other than trade investments)	52,536,731.00	34,587,478.00
Dividend	200,000.00	450,000.00
Other Non Operating Income		
Miscellaneous Receipts	5,507,957.00	4,945,297.00
Profit on sale / disposal of assets	36,360.00	33,338.00
Rental Income	24,217,916.00	22,627,507.00
Maintenance Charges	10,213,320.00	9,428,860.00
Hall Charges	3,747,688.00	4,811,842.00
Bad Loans & Advances Recovered	176,597,650.00	49,625,320.00
Total	273,057,622.00	126,509,642.00

NOTE 19: EMPLOYEES BENEFIT EXPENSES

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Salaries (Director)	3,203,139.00	2,833,380.00
Salaries (Others)	144,678,272.00	126,346,239.00
Employer's Provident Fund	9,625,952.00	8,173,558.00
Medical Reimbursement	3,962,488.00	3,829,100.00
Recruitment / Relocation Expenses	455,469.00	713,418.00
Leave Travel Concession / Allowance	4,661,642.00	7,318,897.00
House Rent	1,761,762.00	1,288,253.00
Leave Encashment	13,734,736.00	14,893,480.00
Gratuity	1,759,905.00	5,393,807.00
Staff Welfare	9,069,474.00	6,966,504.00
Total	192,912,839.00	177,756,636.00

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	28,572,966.00	22,096,778.00	60,549,074.00	48,208,577.00
Current Interest Cost	2,228,691.00	2,010,807.00	4,722,828.00	4,386,981.00
Past Service Cost	-	-	-	-
Current Service Cost	4,042,307.00	3,542,472.00	6,440,891.00	2,051,726.00
Benefit Paid	0.00	(172,395.00)	(2,377,673.00)	(2,549,158.00)
Actuarial (Gain) / Loss	(2,976,376.00)	1,095,304.00	2,527,370.00	8,450,948.00
Closing benefit obligation	31,867,588.00	28,572,966.00	71,862,490.00	60,549,074.00
ii. Change in Plan Assets				
Opening Fair Value of Plan Assets	17,562,043.00	14,056,533.00	-	-
Expected Return on Plan Assets	1,580,584.00	1,229,947.00	-	-
Contribution	1,388,146.00	2,128,127.00	-	-
Benefit paid	-	-	-	-
Actuarial Gain / (Loss)	82,828.00	147,436.00	-	-
Closing Fair Value of Plan Assets	20,613,601.00	17,562,043.00	-	-

iii. Reconciliation of present value of obligation and fair value of plan assets				
Closing present value of obligation	31,867,588.00	28,572,966.00	71,862,490.00	60,549,074.00
Closing fair value of plan assets	20,613,601.00	17,562,043.00	-	-
Deficit / (surplus)	(11,253,987.00)	(11,010,923.00)	(71,862,490.00)	(60,549,074.00)
Net Liability / (Asset)	11,253,987.00	11,010,923.00	71,862,490.00	60,549,074.00
Net Liability recognised in Balance Sheet	11,253,987.00	11,010,923.00	71,862,490.00	60,549,074.00

iv. Net Cost recognized in Profit & Loss Account				
Current Service cost	4,042,307.00	3,542,472.00	6,440,891.00	2,051,726.00
Past Service cost	-	-	-	-
Interest Cost	2,228,691.00	2,010,807.00	4,722,828.00	4,386,981.00
Expected return on plan assets	(1,580,584.00)	(1,229,947.00)	-	-
Net Actuarial (Gain) / Loss recognized	(3,059,204.00)	947,868.00	2,527,370.00	8,450,948.00
Expenses recognized in Profit & Loss Account	1,631,210.00	5,271,200.00	13,691,089.00	14,889,655.00

v. Reconciliation of opening and closing net liability recognized in Balance Sheet				
Opening Net Liability	11,010,923.00	8,040,245.00	60,549,074.00	48,208,577.00
Expenses recognized in Profit & Loss Account	1,631,210.00	5,271,200.00	13,691,089.00	14,889,655.00
Benefit paid by Corporation	-	(172,395.00)	(2,377,673.00)	(2,549,158.00)
Contribution paid	(1,388,146.00)	(2,128,127.00)	-	-
Closing Net Liability	11,253,987.00	11,010,923.00	71,862,490.00	60,549,074.00

vi. Investments under Plan Assets of Gratuity and Leave Encashment as on March 31, 2014 are as under:		
Category of Plan Assets	Gratuity % of Plan Assets	Leave Encashment % 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	7.90%	7.80%	7.90%	7.80%
Rate of increase in compensation levels	15.00%	15.00%	15.00%	15.00%
Rate of return on Plan Assets	8.35%	9.00%	-	-

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 ₹ 96.26 Lac (Previous Year ₹ 81.73 Lac) has been charged to Profit & Loss Account.

Notes on Financial Statements For the year ended March 31, 2016

NOTE 20: OTHER EXPENSES

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
A. Administrative & Other Expenses		
Advertisement Expenses	435,212.00	851,871.00
Audit Expenses	927,417.00	495,178.00
Bank charges	108,264.00	112,379.00
BOD Meeting Expenses	3,032,811.00	639,438.00
Books & Periodicals	272,005.00	275,667.00
Business Promotion	2,189,519.00	799,829.00
Car hire Expenses	3,741,005.00	2,707,071.00
Centre for Practical Livelihood Training	120,000.00	-
Consultancy Expenses	4,488,406.00	3,129,667.00
Conveyance	443,788.00	365,797.00
Electricity Charges & Electrical Expenses	6,925,315.00	7,768,884.00
Filing Fees & Expenses	41,360.00	31,167.00
Honararium	6,000.00	93,618.00
Insurance charges	386,700.00	417,462.00
Legal & Professional Fees and Expenses	5,059,592.00	3,250,978.00
Licence & Registration Fees	1,501,393.00	1,255,913.00
Misc Expenses	159,298.00	72,002.00
Printing & Stationery	3,071,257.00	2,759,623.00
Rent	3,961,784.00	3,684,368.00
Repairs & Maintenance (Machine)	3,382,548.00	2,797,450.00
Repairs & Maintenance (Security Service Charges & Others)	17,242,028.00	12,698,986.00
Seminar & Conference Expenses	2,383,181.00	1,014,691.00
Software Maintenance Expenses	22,800.00	-
Service Tax	216,230.00	145,867.00
Swachh Bharat Cess	45,170.00	
Telephone Charges & Postage	2,776,290.00	1,985,749.00
Training Expenses	1,050,953.00	1,604,451.00
Travelling Expenses (Director)	345,312.00	150,589.00
Travelling Expenses (Others)	4,650,095.00	4,680,021.00
Internal Audit Fees	200,500.00	110,000.00
Auditors' Remuneration:		
Tax Audit Fees	30,000.00	20,000.00
Statutory Audit Fees	150,000.00	110,000.00
Total (A)	69,366,233.00	54,028,716.00
B. Provisions and Write Off	219,231,071.00	143,976,001.00
Total (B)	219,231,071.00	143,976,001.00
Total (A+B)	288,597,304.00	198,004,717.00

NOTE 20.1: Provisions and Write Offs

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Provisions		
Provision on Standard / Non Performing Assets	152,423,945.00	(3,741,999.00)
Provision on Diminution in Fair Value of Restructured Advance	-	3,129,000.00
Write Offs		
Bad Loans & Advances	66,807,126.00	144,589,000.00
Total	219,231,071.00	143,976,001.00

NOTE 21: FINANCE COST

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
INTEREST		
Interest on Loan		
- NBCFDC	4,749,581.00	5,488,507.00
- NSCFDC	245,381.00	339,808.00
- NSTFDC	426,165.00	309,863.00
- SIDBI	32,242,354.00	42,768,181.00
Total	37,663,481.00	48,906,359.00

NOTE 22: CSR EXPENSES

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
India Exposition Mart Expenses	5,734.00	(40,098.00)
R & D Expenses (net)	4,826,642.00	4,988,500.00
Skill & Market Development Expenses	18,388,613.00	17,393,794.00
Total	23,220,989.00	22,342,196.00

NOTE 22.1

a. Gross amount required to be spent: Rs.18,000,000/-. 2% of the average profit of last three financial years i.e. 2% of ₹ 671,814,289/- = ₹ 13,436,286/-. The Corporation has actually spent ₹ 23,220,989/- on CSR. However, the excess amount of ₹ 5,220,989/- has been transferred from CSR Reserve Account to Profit & Loss Account.

b. Amount Spent during the year on

	In Cash	Yet to be paid in Cash	Total
i. Construction / acquisition of any asset	-	-	-
ii. On purposes other than i. above	23,220,989.00	-	23,220,989.00

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 March 31, 2016	As at March 31, 2015
	₹	₹
Net Profit after tax as per Statement of Profit and Loss attributable to Equity	616,685,183.00	756,285,764.95
No. of Equity shares used as denominator for calculating EPS	100,000,007.00	100,000,007.00
Basic and Diluted Earnings Per Share	6.17	7.56
Face Value per Equity Share	10.00	10.00

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 ₹ 37,06,342/- (previous year: ₹ 31,19,164/-) was paid as remuneration.

Notes on Financial Statements For the year ended March 31, 2016

Note 25: CONTINGENT LIABILITIES AND COMMITMENTS

- a. The Service Tax authorities had raised a demand of ₹ 2,032,677/- towards alleged short payment of Service Tax, alleged excess credit of cenvat, penalties / Interest thereon, etc. The Corporation has already filed its reply to the Show Cause Notice issued and 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 ₹ 210.50 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.
- e. The Principal Commissioner of Income Tax had issued a Notice u/s 263 of the Income Tax Act, 1961 for the FY 2010-11 (AY 2011-12) disallowing ₹ 32,917,292/- towards excess claim u/s 36(1)(vii)(c) to which the Corporation filed its reply justifying its claims for deductions. The Principal CIT, in his Order, has referred the matter back to the Assessing Officer. The Corporation has filed its reply with the Assessing Officer also. After interpretation of the relevant Act and rules thereon, the Corporation is of the view that the re-examination is based on wrong facts and figures and is likely to be deleted, and accordingly no provision has been made.

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

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

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

Note 29: The Provisioning Coverage Ratio of the Corporation is 23.57%.

Note 30: SEGMENT REPORTING

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

(₹ in Crore)

1.	Segment Revenue	2015 – 16	2014 – 15
	Lending and Financing Activities	138.60	134.42
	Management of Surplus Funds	7.32	6.14
	Others	2.12	2.00
	Total	148.04	142.56
2.	Segments Results		
	Lending and Financing Activities	82.26	86.14
	Management of Surplus Funds	7.33	6.14
	Others	1.67	1.69
	Total	91.24	93.97
	Unallocated Income	4.38	4.17
	Unallocated Expenses	0.05	0.00
3.	Operating Profit	95.57	98.14
	Income Tax	33.90	22.51
4.	Net Profit	61.67	75.63
5.	Other Information		
	Segment Assets		
	Lending and Financing Activities	1250.92	1257.10
	Management of Surplus Funds	132.83	42.96
	Others	2.29	2.01
	Total	1386.05	1302.07
	Unallocated Assets	128.31	121.23
	Total	1514.35	1423.30
	Segment Liabilities		
	Lending and Financing Activities	789.25	753.56
	Management of Surplus Funds	0.00	0.00
	Others	0.00	0.00
	Unallocated Liabilities	87.70	84.65
	Total	876.95	828.58
	Net Capital Employed	637.40	585.09

Note 31: Additional information is disclosed in terms of RBI guidelines vide DBS. FID No.c-18/01.02.2000-01 issued on 23.03.2001.

(₹ in Crore)

A	Capital	
a)	CRAR CORE CRAR & Supplementary CRAR	46.99%
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: ₹ 1370.66 Off the Balance Sheet: Nil
d)	The Shareholding pattern as on 31.03.2016	Equity shares: No of Shares % FI's 55,000,004 55 Bank 15,000,001 15 Insurance Co. 20,000,001 20 Mutual Fund 10,000,001 10 Total 10,000,007 100
B	Asset quality and credit concentration	
e)	Percentage of net NPA's to net loans & advances, (floating provisions of Rs.2 Crore has not been netted from Gross NPA to arrive at net NPA)	13.96%
f)	Amount and percentage of net NPA's to net advances under the prescribed asset classification categories,	<u>Category</u> % Sub Standard Assets: ₹ 101.55 9.82

**Notes on
Financial Statements
For the year ended March 31, 2016**

		Doubtful debts : ₹ 66.17 6.40%	
		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	₹ (-)2.21
		NPA Loans	₹ 17.46
		Soft loan Assistance	₹ (-)12.34
		Investments	₹ Nil
		Income Tax	₹ 33.25
h)	i) Movement in NPAs (Gross) of loans including soft loans.	Opening Balance	₹ 111.49
		Deletions incl. upgradation	₹ 14.25
		Additions during the year	₹ 119.58
		Closing Balance	₹ 216.82
	ii) Movement of Provisions for NPAs against loans including soft loan assistance.	Opening Balance	₹ 31.76
		Less: write off / waiver/Write back	0.00
		Additions during the year	₹ 17.34
		Closing Balance	₹ 49.10
	ii) Movement of Provisions for Investments	Opening Balance	₹ 0.00
		Additions during the year	₹ 0.00
		Write Back	₹ 0.00
		Closing Balance	₹ 0.00
l)	Restructured Accounts		
	Total amount of standard assets which have been subjected to restructuring / rescheduling	Nil	
	Total sub standard assets which have been subjected to restructuring / rescheduling	₹ 0.06 Crore	
	Total doubtful / Loss assets which have been subjected to restructuring / rescheduling	Nil	
	Total	₹ 0.06 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	5.37	2.29
	The largest borrower group	7.65	3.27
	The 10 largest single borrowers		
	No.1	5.37	2.29
	No.2	4.64	1.98
	No.3	4.17	1.78
	No.4	3.87	1.65
	No.5	3.85	1.64
	No.6	3.56	1.52
	No.7	3.46	1.48
	No.8	3.44	1.47
	No.9	3.28	1.40
	No.10	3.27	1.40
	The 10 largest borrower groups		
	No.1	7.65	3.27
	No.2	6.66	2.84
	No.3	5.37	2.29
	No.4	4.79	2.05
	No.5	4.64	1.98

	No.6	3.87	1.65
	No.7	3.85	1.64
	No.8	3.72	1.59
	No.9	3.71	1.58
	No.10	3.56	1.52
k)	Credit exposure to the five largest industrial sectors (if applicable) as percentage to total loan assets	1. Hotel & Tourism	:15.76
		2. Micro Finance	:11.87
		3. Iron & Steel	:10.05
		4. Cement	: 6.91
		5. Real Estate	: 6.37

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 year	More than 3 years up to 5 years	More than 5 years up to 7 years
	Rupees Asset	93.18	Nil	0.61	Nil
	Total Assets	93.18	Nil	0.61	Nil
	Total Liabilities	25.13	64.80	46.83	91.48
m)	Maturity pattern of foreign currency assets & liabilities				Nil
D	Operating results				
n)	Interest income as percentage to average working funds				9.27
o)	Non-interest income as a percentage to average working funds				1.07
p)	Operating profit as a percentage to average working funds				7.33
q)	Return on average assets (%)				4.45
r)	Net profit per employee (₹ in Crore)				0.54

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

Particulars		Amount outstanding	Amount overdue
Liabilities side:			
(1)	Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:		
(a)	Debentures :Secured :Unsecured (other than falling within the meaning of public deposit*)	NIL	NIL
(b)	Deferred Credits		
(c)	Term Loans	5948	NIL
(d)	Inter-corporate loans and borrowing	NIL	NIL
(e)	Commercial Paper		
(f)	Other Loans (specify nature) – GOI Loan	61911	NIL
* Please see Note 1 below			

Notes on Financial Statements For the year ended March 31, 2016



An ISO 9001:2008 Company

	Assets side:	Amount outstanding		
(2)	Break-up to Loans and Advances including bills receivable other than those included in (4) below]: (a) Secured (b) Unsecured	(₹ Lakh)		
		112556		
		11026		
(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	NIL		
	(i) Lease assets incl. lease rentals under sundry debtors: a) Financial lease b) Operating lease (ii) Stock on hire including hire charges under sundry debtors a) Assets on hire b) Repossessed Assets (iii) Other loans counting towards AFC activities a) Loans where assets have been repossessed b) Loans other than (a) above	NIL		
(4)	Break-up of Investments: 1. Quoted: (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify)	20		
		-		
		7111		
	2. Unquoted: (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify)	480		
		7611		
(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	112556	11026	123582
	Total	112556	11026	123582
(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	Book Value	
		fair value or NAV	(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	1073	500	
	Total	1073	500	

**As per Accounting Standard of ICAI

(7) Other information

	Particulars	Amount (₹ Lakh)
(i)	Gross Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	21682
(ii)	Net Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	16772
(iii)	Assets acquired in satisfaction of debt	

(8) Exposure to Real Estate Sector

(₹ Crore)

	Items	31/03/2016	31/03/2015
a)	Direct Exposure		
	(i) Residential Mortgages [all individual housing loans]	5.39	4.96
	(ii) Commercial Real Estate	79.71	89.01
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures:		
	a) Residential		
	b) Commercial		
	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
		Nil	Nil
	Total Real Estate Exposure	85.10	93.97

Note 33: Additional information as required in terms of Notification No. DNBR.019/CGM (CDS)-2015 dated 10/04/2015

a. Capital

(₹ Crore)

Particulars	Current Year	Previous Year
i. CRAR	46.99%	45.70%
ii. CRAR – Tier I Capital	46.50%	45.01%
iii. CRAR – Tier II Capital	0.49%	0.69%
iv. Amount of subordinated debt raised as Tier II Capital	-	-
v. Amount raised by issue of Perpetual Debt Instruments	-	-

Notes on Financial Statements For the year ended March 31, 2016

b. Investments

Particulars	Current Year (₹ Crore)	Previous Year (₹ Crore)
1. Value of Investments		
i. Gross value of Investments		
a. In India	76.11	11.80
b. Outside India	-	-
ii. Provisions for Depreciation		
a. In India	-	-
b. Outside India	-	-
iii. Net value of Investments		
a. In India	76.11	11.80
b. Outside India	-	-
2. Movement of provisions held towards depreciation on investments		
i. Opening Balance	-	-
ii. Add: Provision made during year	-	-
iii. Less: Write off/ Write back	-	-
iv. Closing Balance	-	-

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

(₹ Crore)

	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	31.80	26.92	13.56	83.02	123.32	421.39	298.31	237.50	1235.82
Investments	53.50	20.00	-	7.50	12.18	-	0.61	-	93.79
Borrowings	-	2.63	3.65	6.28	12.92	64.80	46.83	541.48	678.59
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

d. Provisions and Contingencies

	(₹ 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	15.24	-0.93
Provision made towards Income Tax	33.25	30.30
Other Provision and Contingencies		
Leave Encashment	1.37	1.49
Gratuity	0.18	0.53
LTC	(-)0.28	0.58
Diminution in Fair Value of Restructured Advance	0.00	0.31
Provision for Standard Assets	(-)2.21	0.55

e. Concentration of Advances

	Amount in ₹ Crore
Total Advances to twenty largest borrowers	407.07
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	32.94%

f. Concentration of NPAs

	Amount in ₹ Crore
Total Exposure to top four NPA accounts	91.57

g. Sector wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that Sector
1	Agriculture & allied activities	3.46%
2	Commercial Real Estate	26.87%
3	Construction	10.94%
4	Infrastructure	27.04%
5	Micro finance	9.06%
6	Medium & Large	25.13%
7	Micro, Small & Others	8.83%

h. Movement of NPAs

(Amount in ₹ Crore)

Particulars	Current Year	Previous Year
i. Net NPAs to Net Advances (%)	13.96%	6.51%
ii. Movement of NPAs (gross)		
a. Opening balance	111.49	70.56
b. Additions during the year	119.58	65.79
c. Reductions during the year	14.25	24.82
d. Closing balance	216.82	111.49
iii. Movement of net NPAs		
a. Opening balance	79.73	37.55
b. Additions during the year	101.55	55.80
c. Reductions during the year	13.56	13.62
d. Closing balance	167.72	79.73
iv. Movement of provisions for NPAs		
a. Opening balance	31.76	33.02
b. Provisions made during the year	17.34	5.15
c. Write off / Write backs	0.00	6.41
d. Closing balance	49.10	31.76

Notes on Financial Statements For the year ended March 31, 2016



I. Customer Complaints

a.	No. of complaints pending at the beginning of the year	0
b.	No. of complaints received during the year	1
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 JHURIA AND COMPANY

Chartered Accountants

(CA R. A. Jhuria)

Proprietor

M. No. 050192

FRN 311081E

Place: Guwahati

Date: July 16, 2016

For and on behalf of the Board of Directors

(B.P. Muktieh)

Chairman and Managing Director

DIN: 00123561

(S.K. Baruah)

Chief Financial Officer

Place: Guwahati

Date: July 15, 2016

(V.K. Agarwal)

Company Secretary

M. No. A39584

We have examined the books of accounts and other records of North Eastern Development Finance Corporation Ltd. (Name of company) for the Financial Year ending March 31, 2016 On the basis of the information submitted to us, we certify the following:

Sl. No.	Particulars	Details
1	Name of the Company	North Eastern Development Finance Corporation Ltd.
2	Certificate of Registration No.	GHT00162
3	Registered office Address	NEDFi House, G.S. Road, Dispur, Guwahati-781006
4	Corporate office Address	NEDFi House, G.S. Road, Dispur, Guwahati-781006
5	The company has been classified by RBI as: (Investment Company / Loan Company / AFC/NBFC-MFI/NBFC-Factor / IFC / IDF-NBFC)	Loan Company
6	Net Owned Fund (In Rs. Crore) (Calculation of the same is given in the Annex)	637.40
7	Total Assets (In Rs. Crore)	1514.35
8	Assets-Income pattern: (in terms of RBI Press Release 1998-99/1269 dated April 8, 1999) a) % of Financial Assets to Total Assets b) % of Financial Income to Gross Income (NBFC-Factor / NBFC-MFI / AFC / IFC may also report separately below)	 78.37 79.24
9	Whether the company was holding any Public Deposits, as on March 31, 2016? If Yes, the amount in Rs. Crore	No
10	Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? (In terms of Sec 45-IC of the RBI Act, 1934)	Yes
11	Has the company received any FDI? If Yes, did the company comply with the minimum capitalization norms for the FDI?	No

12	If the company is classified as an NBFC-Factor; a) % of Factoring Assets to Total Assets b) % of Factoring Income to Gross Income	No NA NA
13	If the company is classified as an NBFC-MFI; % of Qualifying Assets to Net Assets (refer to Notification DNBS.PD.No.234 CGM(US) 2011 dated December 02, 2011)	No NA
14	If the company is classified as an AFC; a) % of Advances given for creation of physical / real assets supporting economic activity to Total Assets b) % of income generated out of these assets to Total Income	No NA NA
15	If the company is classified as an NBFC-IFC % of infrastructure Loans to Total Assets	No NA
16	Has there been any takeover/acquisition of control/ change in shareholding/ Management during the year which required prior approval from RBI? (please refer to per <u>DNBR (PD) CC. No. 065/03.10.001/2015-16</u> dated July 09, 2015 on the subject for details)	No If Yes, please specify.

In terms of paragraph 2 of Notification No. DNBS.201/DG(VL)-2008 dated September 18, 2008, a separate report to the Board of Directors of the company has been made.

I have read and understood paragraph 5 of Notification No. DNBS.201/DG(VL)-208 dated September 18, 2008.

Place: Guwahati
Date: 18.07.2016

For JHURIA AND COMPANY
Chartered Accountants



(CA R. A. Jhuria)
Proprietor
M. No. 050192
FRN 311081E

JHURIA AND COMPANY
Chartered Accountants

SECOND FLOOR, BABU BAZAR,
S.S. Road, Guwahati -781001
MOB. +91-7895704977

	Capital Funds – Tier I	(₹ In Crore)
1	Paid up Equity Capital	100.00
2	Pref. shared to be compulsorily converted into equity	0.00
3	Free Reserves:	
	a. General Reserve	362.13
	b. Share premium	0.00
	c. Capital Reserve	0.00
	d. Debenture Redemption Reserve	0.00
	e. Capital Redemption Reserve	0.00
	f. Credit Balance in P&L Account	0.47
	g. Other free reserves (may be specified)	76.04
4	Special Reserves	98.76
	Total of 1 to 4	637.40
5	Less: i. Accumulates balance of loss	0.00
	ii. Deferred Revenue Expenditure	0.00
	iii. Deferred Tax Assets (Net)	0.00
	iv. Other intangible Assets	0.00
6	Owned Fund	637.40
	Investment in shares of	
	(i) Companies in the same group	0.00
	(ii) Subsidiaries	0.00
	(iii) Wholly Owned Subsidiaries	0.00
	(iv) Other NBFCs	4.50
7	Book value of debentures, bonds outstanding loans and advances, bills purchased and is counted (including H.P. and lease finance) made to, and deposits with	
	(i) Companies in the same group	0.00
	(ii) Subsidiaries	0.00
	(iii) Wholly Owned Subsidiaries/Joint Ventures Abroad	0.00
8	Total of 6 and 7	4.50
9	Amount in item 8 in excess of 10% of Owned Fund	0.00
10	Net Owned Fund	637.40



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