

ANNUAL REPORT

2016 - 2017



Promoting Entrepreneurship
Partnering Progress



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



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

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





Promoting Entrepreneurship, Partnering Progress

Entrepreneurship has turned into the new buzzword in today's world, and rightly so! Its impact on the world economy is for all to see. Over the last few years the country has also seen a boost towards entrepreneurship development – apparent in the government's push in the area, which has given rise to numerous opportunities that need to be identified and tapped.

However, compared to forerunning business states in India, the states of North Eastern Region lag behind – yet to create a sustainable ecosystem that fosters entrepreneurship development. One of the primary causes for this slow pace is lack of finance. It is in this aspect that NEDFi plays a pivotal role: not just giving entrepreneurs access to finance, but also mentoring them to create better business models and achieve organic growth.

The cover of the Annual Report 2016-17 is an artistic depiction of NEDFi's 'push towards progress through entrepreneurship development'. The graphic elements convey the essence of NEDFi's assistance to entrepreneurs – encouraging them to develop ideas, helping them to visualise business models and promoting their venture through much needed finance. All towards ensuring that the Region progresses positively into the future.

Inside

• From the desk of the CMD	2
• अध्यक्ष एवं प्रबंध निदेशक की कलम से	4
• Financial Highlights	7
• Performance Highlights	8
• Promoting Entrepreneurship, Partnering Progress	10
• Micro finance	15
• Advisory & Consultancy	17
• Northeast Venture Fund	18
• Corporate Social Responsibility	19
• Board of Directors	26
• Directors' Report	28
• Board Meeting Attendance for the Financial Year 2016-17	37
• Report on Corporate Governance	39
• Particulars of Corporate Social Responsibility	44
• Management's Discussion & Analysis	46
• Secretarial Audit Report	48
• Extract of Annual Return	51
• Standalone	
- Auditors' Report	59
- Financial Accounts	67
• Consolidated	
- Auditors' Report	97
- Financial Accounts	105



From the desk of the Chairman and Managing Director

Dear Shareholders,

The year 2016–17 (FY 17) was a challenging year for your Corporation. In the midst of these challenges, your Corporation strived to tap the emerging opportunities while at the same time taking steps to address challenges plaguing the operating environment. It gives me great pleasure to place before you the highlights of your Corporation's performance during the financial year 2016–17.

Performance Highlights

Business

During FY 17, the Sanctions increased by 9.12% to ₹394.88 crore from ₹361.86 crore in the previous year while Disbursements increased by 15.22% to ₹349.09 crore from ₹ 302.99 crore. Till March 31, 2017, the Corporation had extended financial assistance to 4907 projects with cumulative Sanctions & Disbursements of ₹4398.48 crore & ₹3365.03 crore respectively. The portfolio of loans outstanding at the end of the financial year increased by a modest 3.07% to ₹1273.75 crore from ₹1235.82 crore, total assets increased by 8.56% to ₹1644.02 crore from ₹1514.35 crore and net-worth increased by 5.59% to ₹673.06 crore from ₹637.40 crore.

Income and Earnings

During FY 17 gross income of the Corporation decreased by 4.67% to ₹145.30 crore from ₹152.42 crore in the

previous year, primarily due to reduction in the lending rates in the banking sector and increase in non-performing assets. Profit before tax decreased to ₹70.67 crore from ₹ 95.57 crore while net profit after tax decreased to ₹45.46 crore from ₹61.67 crore in the previous year.

The Board of Directors of the Corporation has recommended dividend of 8% for FY 17. The payout ratio is 17.60% of the net profit and total outgo on account of dividend and tax thereon is ₹9.63 crore.

Asset Quality

The slowdown in the industrial growth particularly in the steel and infrastructure sectors had impacted the ability of the borrowers in the Region to service debt which in turn had adversely affected the asset quality of banks and financial institutions. Against this backdrop, the gross non-performing assets (NPAs) of the Corporation at the end of the year increased to ₹305.13 crore (23.77%) as against ₹216.82 crore (17.33%) in the previous year. The net NPAs at the end of the year was ₹221.04 crore (18.42%) as against ₹167.72 crore (13.96%) in the previous year. The Corporation has laid special emphasis on improving the asset quality through strengthening of the credit appraisal & monitoring system and recoveries from non-performing assets through rigorous follow-ups, recovery drives, settlements, proceedings at Lok Adalats and Debt Recovery Tribunals(DRTs) and action under the SARFAESI Act.

Advisory & Consultancy Services

The Advisory & Consultancy Division has expanded its portfolio & range of services and has a significant presence in all the States of North East India. 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, revival of sick unit and some major studies relevant to the socio-economic development of the Region.

North East Venture Fund

To encourage start-up ventures and entrepreneurship in the North Eastern Region, the Corporation in collaboration with the Ministry of Development of North Eastern Region (M-DoNER) had set up North East Venture Fund (NEVF), with a corpus of ₹100 crore. The Fund is registered with Securities and Exchange Board of India (SEBI). Two subsidiary companies of the Corporation viz. NEDFi Venture Capital Ltd (NVCL) and NEDFi Trustee Ltd. (NTL), were incorporated for carrying out investment manager and trusteeship functions respectively.

The Fund which was set up in line with the Start-up India initiative of Government of India, will act as an enabler to stimulate innovation & entrepreneurship and thereby contribute towards creation of the eco-system required for nurturing and development of startups in the Region. The Fund so far has been able to generate a lot of enthusiasm among the startups from the Region.

Promotional & Developmental Services

Entrepreneurship Development & New Enterprise Creation

During the year, the Business Facilitation Centres at the Corporation's branch offices had provided mentoring assistance to 533 entrepreneurs in the Region, out of which 96 entrepreneurs were provided credit linkages aggregating ₹5.57 crore. The Business Facilitation Centres are manned by experienced mentors who effectively mould the first generation entrepreneurs by providing free advisory services, inter-alia, including preparation of detailed project reports (DPRs), assistance in getting credit linkages, etc.

The Corporation had conducted 16 business meets, workshops and entrepreneurship development programmes with a participation of over 920 prospective entrepreneurs for dissemination of information on its schemes. The Corporation also assisted NGOs/MFIs to continuously upgrade the knowledge and skill sets of their functionaries & staff through capacity building and specialized training programmes.

Techno-Economic Development Fund (TEDF)

The Corporation conducts various techno- economic studies funded under TEDF to map the resources available in the Region for setting up industrial and infrastructural

projects suitable to the Region. A total of 70 studies have been completed under TEDF and 19 studies are at various stages of progress. During the year, 3 study reports have been completed and 4 new studies have been added to the ongoing list.

NER Databank

The Corporation is maintaining a web based portal called "NER Databank" which is a storehouse of updated statistical information/data about the North Eastern States. The details can be browsed at <http://db.nedfi.com>.

In addition, the Corporation also publishes "NEDFi Databank Journals", which provides sector-specific analytical statistics of the Region on various sectors. The Journals are intended to attract investments to the Region as well as be of use for researchers and policy makers. So far 36 sector-specific journals have been published.

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 & backward areas through promotion of entrepreneurship. During the year, a total of 1393 beneficiaries were covered in 56 training programmes in various trades like water hyacinth, decorative candles, coconut shell craft, banana fibre, natural dye & other vocational skills.

The Corporation is also facilitating marketing support to the artisans of NER through participation in exhibitions and sales from its various showrooms. During the year, a total of 1015 artisans benefitted from the marketing support initiative.

Acknowledgement

I would like to acknowledge with gratitude, the unstinting support from the shareholders, Ministry of Development of North Eastern Region (M-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, Administrator of the specified undertaking of the Unit Trust of India, GIC & Subsidiaries for their wholehearted support and trust in the Corporation. I am confident that with our talent pool of young, professionally qualified & committed employees and continued support & patronage of all the stakeholders, your Corporation will continue to march towards excellence and will scale new heights.

I look forward to your continued support in this journey.

With best wishes,



(B Paul Muktieh)



अध्यक्ष एवं प्रबंध निदेशक की कलम से

प्रिय शेयरधारकों,

यह वित्त वर्ष 2016-17 आपके निगम के लिए चुनौतीपूर्ण वर्ष रहा है। इन चुनौतियों के मध्य आपके निगम ने जहाँ एक ओर विकास के अवसरों को भुनाने में ध्यान केंद्रित किया वहीं दूसरी ओर ऐसे कदम उठाने पर ध्यान दिया जिससे संचालन के वातावरण को नुकसान पहुँचाने वाली चुनौतियों का सामना किया जा सके। वित्त वर्ष 2016-17 के दौरान आपके निगम के प्रदर्शन के कुछ शीर्ष बिंदुओं का ब्यौरा आप सभी के सामने रखते हुए मैं अत्यंत आनंद का अनुभव कर रहा हूँ।

प्रदर्शन के मुख्य बिंदु

व्यापार

वित्तीय वर्ष 2016-17 में संस्वीकृत ऋण राशि पिछले वर्ष की तुलना में 9.12% की बढ़त के साथ 361.86 करोड़ रुपए से बढ़कर 394.88 करोड़ रुपए हो गई है, जबकि संवितरित ऋण राशि 15.22% की बढ़त

के साथ 302.99 करोड़ रुपए से बढ़कर 349.09 करोड़ रुपए हो गई है। 31 मार्च 2017 तक निगम ने 4907 परियोजनाओं को ऋण सहायता प्रदान की है जिसमें कुल संचयी संस्वीकृत ऋण राशि 4398.48 करोड़ रुपए व कुल संचयी संवितरित ऋण राशि 3365.03 करोड़ रुपए है। वित्त वर्ष के अंत में गत वर्ष की तुलना में कुल प्राप्य ऋण राशि मामूली रूप से 3.07% बढ़कर 1235.82 करोड़ रुपए से 1273.75 करोड़ रुपए हो गई है। निगम की कुल परिसंपत्ति 8.56% बढ़कर 1514.35 करोड़ रुपए से 1644.02 करोड़ रुपए हो गई है और निगम का शुद्ध मूल्य 5.59% बढ़कर 637.40 करोड़ रुपये से 673.06 करोड़ रुपए हो गया है।

आय और लाभ

वित्त वर्ष 2016-17 के दौरान निगम की आय, बैंकिंग क्षेत्र में ब्याज दरों में कटौती एवं गैर निष्पादित आस्तियों (एन पी ए) में वृद्धि के कारण, 4.67% की गिरावट के साथ 152.42 करोड़ रुपए से घटकर

145.30 करोड़ रुपये हो गई है। कर पूर्व लाभ पिछले वर्ष के 95.57 करोड़ रुपये से घटकर 70.67 करोड़ रुपए हो गया है जबकि कर के बाद निगम का शुद्ध लाभ 61.67 करोड़ रुपए से घटकर 45.46 करोड़ रुपए हो गया है।

निगम के निदेशक मंडल ने वित्त वर्ष 2016-17 के लिए 8 प्रतिशत लाभांश की अनुशंसा की है। लाभांश में दी जाने वाली राशि शुद्ध लाभ का 17.60% है जो कि कर सहित 9.63 करोड़ रुपए है।

परिसंपत्ति गुणवत्ता (एसेट क्वालिटी)

औद्योगिक विकास में मंदी खास तौर से इस्पात एवं विनिर्माण के क्षेत्र में मंदी के चलते ऋण सेवाओं के तहत ऋण लेने वालों की क्षमता पर असर पड़ा है फलस्वरूप बैंकों और वित्तीय संस्थानों की संपत्ति की गुणवत्ता भी प्रभावित हुई है। इस पृष्ठभूमि में वित्त वर्ष की समाप्ति पर निगम की सकल गैर-निष्पादित परिसंपत्तियों (एनपीए) पिछले वर्ष के 216.82 (17.33%) करोड़ रुपये की तुलना में इस वर्ष बढ़कर 305.13 (23.77%) करोड़ रुपये हो गई है। इस वित्त वर्ष की समाप्ति पर नेट एनपीए 221.04 करोड़ रुपये (18.42%) रहा जबकि यह पिछले वर्ष 167.72 करोड़ रुपये (13.96%) था। निगम लगातार उचित ऋण मूल्यांकन, निगरानी प्रणाली, प्राप्य ऋण की वसूली के द्वारा अच्छी गुणवत्ता की संपत्ति बनाए रखने के लिए ओटीएस / लोक अदालतों के माध्यम से मामलों के निराकरण और सरफेसी और डीआरटी के माध्यम से ऋण वसूली कार्रवाई पर विशेष जोर दे रहा है।

सलाहकारी और परामर्श विभाग

निगम के सलाहकारी और परामर्श विभाग ने अपने काम के दायरे को विस्तार देते हुए पूर्वोत्तर के सभी राज्यों में उल्लेखनीय उपस्थिति दर्ज की 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, बीमार इकाइयों का पुनरुद्धार और इस क्षेत्र के सामाजिक व आर्थिक विकास संबंधित कुछ वृहद् अध्ययन आदि को निष्पादित करना।

नॉर्थ ईस्ट वेंचर फंड

पूर्वोत्तर क्षेत्र में स्टार्ट-अप उद्यमों और उद्यमशीलता को बढ़ावा देने के लिए निगम ने पूर्वोत्तर क्षेत्र विकास मंत्रालय (डोनर मंत्रालय) के सहयोग से 100 करोड़ रुपए के कोष के साथ नॉर्थ ईस्ट वेंचर

फंड (NEVF), की स्थापना की है। यह फंड, भारतीय प्रतिभूति एवं विनियम बोर्ड (सेबी) के साथ पंजीकृत है। निगम की दो सहायक कंपनियाँ नेड्फी वेंचर कैपिटल लिमिटेड (NVCL) और नेड्फी ट्रस्टी लिमिटेड (NTL) क्रमशः विनिवेश प्रबंधन और ट्रस्टीशिप कार्यों के प्रबंधन के लिए स्थापित की गई हैं।

यह फंड जो भारत सरकार की स्टार्ट अप इंडिया पहल की तरह ही स्थापित किया गया है, वह नवाचार और उद्यमिता के लिए एक प्रेरक के रूप में काम करेगा जो पूर्वोत्तर क्षेत्र में स्टार्टअप के पोषण और विकास के लिए आवश्यक ईको-सिस्टम के निर्माण की दिशा में योगदान करेगा। अब तक यह फंड क्षेत्र के स्टार्टअप के बीच एक नया उत्साह पैदा करने में सक्षम हो गया है।

विकास और प्रमोशनल सेवाएँ

उद्यमिता विकास और नए उद्यमों का सृजन

वित्तीय वर्ष 2016-17 के दौरान, निगम ने अपने आठ व्यापार सुविधा केंद्रों के माध्यम से क्षेत्र के 533 उद्यमियों को सलाह-सहायता प्रदान की जिनमें से 96 उद्यमियों को लगभग 5.57 करोड़ रुपए के बैंक क्रेडिट लिंकेज प्रदान किए गए हैं। निगम के व्यापार सुविधा केंद्र अनुभवी परामर्शदाताओं द्वारा संचालित हैं जो पहली पीढ़ी के उद्यमियों को विस्तृत परियोजना रिपोर्ट (डी पी आर) बनाने, बैंक क्रेडिट लिंकेज प्राप्त करने में सहायता प्रदान करने सहित मुफ्त परामर्श सेवाओं के माध्यम से उनकी सहायता कर रहे हैं।

निगम ने उद्यमियों को अपनी ऋण संबंधी योजनाओं की जानकारी देने के लिए 16 व्यापार मेलों, कार्यशालाओं एवं उद्यमिता विकास कार्यक्रमों का आयोजन किया। इन कार्यक्रमों में कुल 920 संभावित उद्यमियों ने इसमें भाग लिया। निगम ने क्षमता निर्माण और विशेष प्रशिक्षण कार्यक्रमों के माध्यम से कई एनजीओ / एमएफआई की भी सहायता की है ताकि उनके संचालकों और कर्मचारियों के ज्ञान और कौशल को लगातार उन्नत किया जा सके।

तकनीकी आर्थिक विकास निधि (TEDF)

निगम, पूर्वोत्तर राज्यों की सरकारों, पूर्वोत्तर परिषद आदि के अनुरोध पर क्षेत्र में उपयुक्त औद्योगिक और ढाँचागत परियोजनाओं की स्थापना के लिए इस क्षेत्र में उपलब्ध संसाधनों की मैपिंग करने के लिए, TEDF के तहत वित्त पोषित विभिन्न तकनीकी आर्थिक अध्ययन आयोजित करता है। अब तक 70 अध्ययनों को TEDF के तहत पूरा किया गया

है और 19 अध्ययन प्रगति के विभिन्न चरणों में हैं। इस वर्ष के दौरान 3 अध्ययन पूरे किए जा चुके हैं एवं 4 नए अध्ययनों को चल रहे अध्ययनों में जोड़ा गया 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 अद्यतन सांख्यिकीय जानकारी का भंडार 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 जो कि पूर्वोत्तर क्षेत्र के किसी सेक्टर विशेष का सांख्यिकीय विश्लेषण प्रदान करती है। इन पत्रिकाओं के प्रकाशन का मुख्य लक्ष्य क्षेत्र में निवेश को आकर्षित करना तथा शोधकर्ता एवं नीति निर्माता इसके आंकड़ों का सदुपयोग कर सकें। अब तक पूर्वोत्तर के 36 विशिष्ट क्षेत्रों के बारे में समस्त जानकारी 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 जैसे जलकुंभी कारीगरी, केला फायबर क्रॉफ्ट, प्राकृतिक रंग, डिजायनर मोमबत्ती निर्माण, नारियल सेल-क्रॉफ्ट और अन्य वोकेशनल प्रशिक्षण 1393 प्रशिक्षुओं के लिए आयोजित किए गए।

निगम ने पूर्वोत्तर क्षेत्र में और क्षेत्र के बाहर की विभिन्न प्रदर्शनियों में उद्यमियों को सहभागिता दिलाने एवं इसके विभिन्न शो-रूम से बिक्री के माध्यम से कारीगरों को मार्केटिंग समर्थन भी प्रदान किया है। इस वित्त वर्ष के दौरान कुल 1015 कारीगरों को मार्केटिंग समर्थन की पहल से लाभ मिला है।

आभार

मैं कृतज्ञता के साथ शेयर धारकों, 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 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
बी. पॉल मुक्ति

Financial Highlights

(₹ crore)

Working Results	2015-16	2016-17	% Change
Loan Outstanding	1235.82	1273.75	3.07
Total Income	152.42	145.30	(4.67)
Income from Lending & Financial Activities	120.94	112.63	(6.87)
Total Expenditure	56.80	74.63	31.39
Profit before Tax	95.57	70.67	(26.05)
Profit after Tax	61.67	45.46	(26.28)
Net worth	637.40	673.06	5.59
Total Assets	1514.35	1644.02	8.56

Operation Results		2015-16	2016-17
Interest Income as Percentage to Average Working Funds	%	9.27	8.11
Non-Interest Income as Percentage to Average Working Funds	%	1.07	1.94
Operating Profit as a Percentage to Average Working Funds	%	7.33	5.12
Return on Average Assets	%	4.45	3.10
Earnings per Share	₹	6.17	4.55
Net Profit per Employee	₹ crore	0.54	0.39
Capital to Risk (Weighted) Assets Ratio (CRAR)	%	46.99	44.93

Performance Highlights

Total Sanctions, Disbursements and Number of Projects assisted up to March 31, 2017

(₹ lakh)

SANCTIONS

Year	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative 1996-2008	5858.61	53360.91	1703.71	27845.26	1538.61	1843.93	1084.17	2849.56	96084.75
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
2016-2017	3,273.00	21,091.03	3,299.85	7,166.81	490.33	623.10	2,117.00	1,427.10	39,488.22
Total	34,083.43	2,69,894.09	23,204.78	67,004.17	7,997.54	8,529.83	12,325.29	16,809.02	4,39,848.15

(₹ lakh)

DISBURSEMENTS

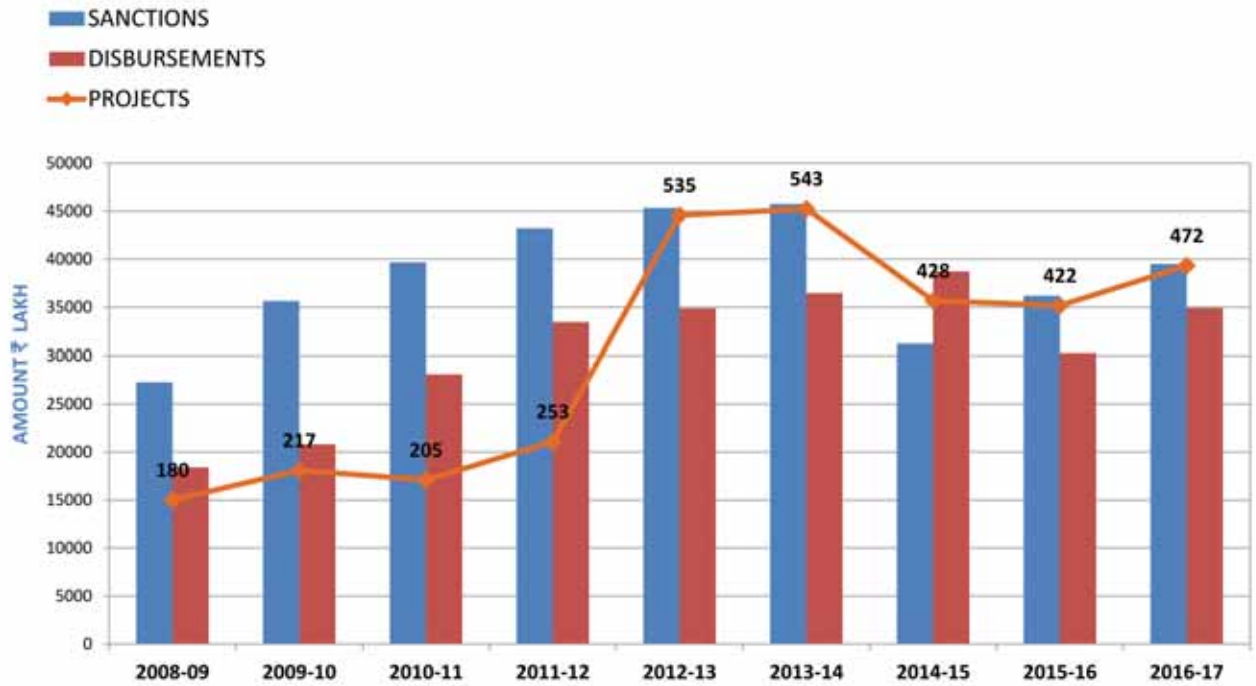
Year	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative 1996-2008	4428.61	35651.60	1129.75	13542.12	1300.11	1558.56	686.83	2208.85	60506.44
2008-2009	265.05	13,202.35	497.97	3,832.88	41.97	320.81	76.31	152.84	18,390.17
2009-2010	3,031.17	14,351.22	508.04	2,364.94	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
2016-2017	2,371.70	18,527.08	4,644.26	4,463.30	474.83	553.89	2,436.00	1,437.90	34,908.97
Total	25,227.58	2,03,180.65	21,348.74	52,381.45	6,459.82	6,647.31	10,036.78	11,220.95	3,36,503.28

(No.)

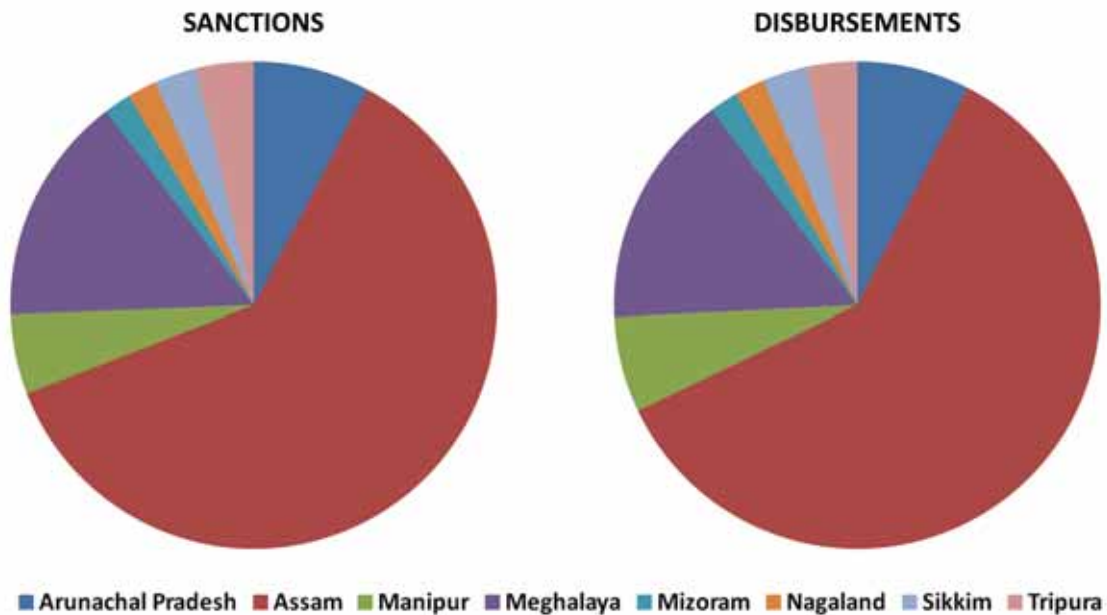
PROJECTS

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
2016-2017	35	77	71	21	32	41	120	75	472
Total	443	1,512	513	296	412	505	639	587	4,907

Sanctions, Disbursements and Projects



Statewise Cumulative (As on March 31, 2017)



Promoting Entrepreneurship, Partnering Progress

NEDFi has been an integral part of North-East India's ecosystem, playing its role of facilitating, nurturing, financing & promoting the entrepreneurship and partnering progress. The following are some of the success stories that NEDFi has helped make true.

Nemcare Hospitals Pvt. Ltd.



Nemcare Hospitals Pvt. Ltd., located at Bhangagarh, Guwahati, Assam, has set up a 200 bedded multi-specialty hospital with super-specialty services and a cardio-vascular unit with investment of ₹87.16 crore. NEDFi sanctioned ₹20 crore under Rupee Term Loan (RTL) Scheme.

Ayursundra Healthcare Pvt. Ltd.



Ayursundra Healthcare Pvt. Ltd. (AHPL), located at Ahom Gaon, Guwahati, Assam, is a new 256 bedded super-specialty hospital with the latest medical facilities/technologies in the areas of neurology, critical care, radiology, OTs etc. with an investment of ₹158.12 crore. NEDFi sanctioned ₹20 crore under Rupee Term Loan (RTL) Scheme for setting up the hospital.

JDB Steel LLP



JDB Steel LLP, a partnership firm, located at Industrial Growth Centre, Chhaygaon, Kamrup, Assam, has entered into a co-packing arrangement with PepsiCo India Holdings Pvt. Ltd. and has set up a snack food manufacturing unit to manufacture PepsiCo's popular snack brands namely 'Uncle Chipps' and 'Kurkure' with investment of ₹63.22 crore. NEDFi sanctioned ₹20 crore under Rupee Term Loan (RTL) Scheme.

Supercare Hospital



Supercare Hospital located at Sawlad, Demithring, Shillong, Meghalaya, is a 209 bedded multi-specialty hospital set up to provide interventional cardiology, critical care, radiology, OTs etc. in the Region. NEDFi sanctioned ₹15 crore under Rupee Term Loan (RTL) Scheme for setting up the hospital.

Him International School



Him International School (a unit of 'Wahge Educational Trust') is a residential school located at Jullang village, Itanagar, Arunachal Pradesh, with a proposed capacity of 300 boarders and 840 students on roll. At present, the school has provisions for classes from I to XII. NEDFi sanctioned ₹5 crore under Rupee Term Loan (RTL) Scheme.

Shija Hospitals and Research Institute Pvt. Ltd.



Shija Hospitals and Research Institute Pvt. Ltd. located at Langol, Imphal West District, Manipur, is 176 bedded hospital. NEDFi sanctioned ₹15 crore under Rupee Term Loan (RTL) Scheme to the unit for increasing bed capacity from 176 to 212 and installation of various modern equipments like CT scan, MRI, cathlab, dialysis machine, modern OT etc. The hospital will serve not only the people of Manipur, but also neighbouring states like Nagaland and Mizoram including neighbouring country, Myanmar.

Tashiling Residency

Tashiling Residency is a 4 star category hotel located at Rongyeck, East Sikkim. The hotel has in-house spa, gym, restaurants offering local delicacy, activity rooms and



travel desk. NEDFi sanctioned ₹6.30 crore under Rupee Term Loan (RTL) Scheme for setting up the hotel.

Elora hotel



Elora hotel is a 2 star category hotel located at Moreh, Manipur, with a capacity of 21 rooms. NEDFi sanctioned ₹2.60 crore under Rupee Term Loan (RTL) Scheme for setting up the hotel.

Marchak Manufacturing Pvt. Ltd.



Marchak Manufacturing Pvt. Ltd. is a 3000 MTPA corrugated box manufacturing unit, located at Growth Center, Ranipool, East Sikkim. NEDFi sanctioned ₹1 crore under NEDFi Opportunity Scheme for Small Enterprise (NOSSE) for setting up the unit.

Letz Go



Letz Go is a restaurant-cum-bakery & confectionery unit located at H.S. Road, Dibrugarh, Assam. NEDFi sanctioned ₹99 lakh under NEDFi Opportunity Scheme for Small Enterprise (NOSSE).

Classic Grande



Classic Grande is a first 4 star category hotel in Imphal, Manipur with a capacity of 171 rooms promoted by Babina Hospitalities Pvt. Ltd., a concern of Babina Group of Companies. NEDFi sanctioned ₹23 crore under Rupee Term Loan (RTL) Scheme for setting up the hotel.

SM JDB Estate Pvt. Ltd.



SM JDB Estate Pvt. Ltd. promoted jointly by SM and JDB groups, is a 4-star hotel-cum-commercial complex at G.S.

Road, Guwahati (Opp. to Pantaloons), Assam, to cater to the city's business & corporate sector and leisure/health tourists. The hotel provides star facilities of premium standards to guests under the 'Novotel' Brand. It comprises of 116 rooms along with other facilities like banquet hall, restaurant, spa & health club etc. NEDFi sanctioned ₹29.15 crore under Rupee Term Loan (RTL) Scheme for setting up the hotel.

M. G. Broiler Farm



M.G. Broiler Farm located at Lohari Kachari village, Tinsukia, Assam, is a poultry farm unit. NEDFi sanctioned ₹50.50 lakh under North East Entrepreneurs Development Scheme (NEEDS).

Dakini Clothing Shop



Dakini Clothing Shop is a ready-made garments shop, located at Sunshine Plaza, Zero Point Tinali, Itanagar, Arunachal Pradesh. NEDFi sanctioned ₹5 lakh under Women Enterprises Development Scheme (WEDS).

MRK3 Tyrchi Inn, Khliehtyrshi



MRK3 Tyrchi Inn is a hotel located at Jowai, West Jaintia Hills, Meghalaya. The hotel has five rooms and a restaurant with a banquet hall. NEDFi sanctioned ₹60 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the hotel.

Laitkynsew Resort



Laitkynsew Resort is a guest house located at Laitkynsew village, East Khashi Hills, Meghalaya, overseeing the beautiful plains of Bangladesh. NEDFi sanctioned ₹15 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the guest house.

Cafe Déjà vu



The Cafe Déjà vu is one of the leading bakery units located

at Upper Khatla, Aizawl, Mizoram. NEDFi sanctioned ₹22 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

Kaizun Bed and Breakfast



Kaizun Bed and Breakfast is a homestay with four rooms with all the modern amenities, located at Lachauchiere, Shillong, Meghalaya. NEDFi sanctioned ₹17 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

Staple Foods



Staple Foods is a departmental store located at Padampukhuri, Dimapur, Nagaland. NEDFi sanctioned ₹15 lakh under Entrepreneurs Development Scheme (EDS).

Universal Gym



Universal Gym is a gym-cum-training centre located

at Zeliangrong village 'A', Dimapur, Nagaland. NEDFi sanctioned ₹5 lakh under Women Enterprises Development Scheme (WEDS).

R. Zoliana Memorial Farm



R. Zoliana Memorial Farm is a dairy unit located at Lunglei town, Mizoram. The unit was sanctioned ₹1.50 lakh in the year 2013; after liquidation of the first loan, the unit was again sanctioned ₹4.83 lakh for its expansion.

RC Bag Works



RC Bag Works is a school bag manufacturing unit located at Lunglei town, Mizoram. NEDFi sanctioned ₹1.50 lakh in the year 2014 under North East Entrepreneurs Development Scheme (NEEDS). After liquidation of the first loan, the unit was again sanctioned ₹2 lakh for its expansion.

Kshis Plastic Industry

Kshis Plastic Industry located at Plastic Industrial Estate, Takyelpat Complex, Imphal West, Manipur, is



manufacturing plastic bottles caps. NEDFi assisted ₹48 lakh to the unit under NEDFi Opportunity Scheme for Small Enterprises (NOSSE).

T.L. Paint House



T.L. Paint House located at Langjing Achouba, Patsoi Part I, Imphal West, Manipur, deals in retailing of paints and other misc. paint items. NEDFi sanctioned ₹5 lakh under Women Enterprises Development Scheme (WEDS).

Galaxy Boys Boarding



Galaxy Boys Boarding is a boys' hostel located at Sagolband Tera Lukram Leirak, Imphal West, Manipur. At present the hostel has 30 students from nearby schools. NEDFi sanctioned ₹5 lakh under North East Entrepreneurs Development Scheme (NEEDS).

Micro Finance

Partnering Women's Empowerment

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 for weaker sections, especially women, in un-served & under-served areas of the Region, which can be seen from the following case studies.

Ms. Radha Das



Ms. Radha Das of Navagraha, Guwahati, Assam is widow and sole earner of the family. She is mother of three, one boy and two girls. She runs a pan shop. The little income earned from the shop was not enough to manage the family. Further, she could not afford to borrow from local money lenders as they were charging high interest rate. Then she came to know about YVU Financial Services Pvt. Ltd. (an MFI assisted by NEDFi) from one of her friends and approached them for financial help. She underwent group training along with six other members. On seeing her hard work & dedication, prevailing group condition and joint liability nature of the group, YVU Financial provided first term loan of ₹10,000/- to her along with other remaining group members. After receiving the first term loan, she expanded her business by adding some more items. Since she used the entire loan amount in the business activity, she could repay the loan without much difficulty. Before availing the credit facility, she could hardly earn ₹150/- – ₹200/- per day as profit.

Currently, she is in 3rd loan cycle in which she received ₹25,000/-. Now she can easily earn a profit of ₹250/- – ₹350/- per day which enables her to manage the educational expenses of her children. Her condition has improved and she has become more confident.

Ms. Ningombam Sunibala Devi



Ms. Ningombam Sunibala Devi of Thoubal Okram runs a Clothes Vendor. She is mother of three, two boys and a girl. Her husband, a mason was the sole earner but they could not manage the household expenses with the erratic mode of payment of labour charge as payment was made on monthly basis. So she decided to run a clothes vendor. Initially she was dealing with less costly items such as inner wear, blouse etc. but income from the activity was not enough to manage her household expenses. Then she decided to expand her business and borrow a sum of ₹25,000/- from local money lender. In spite of these, her economic condition could not be improved as she had to repay the borrowed money at high interest and she almost lost hope. Then she came to know about YVU Financial Services Pvt. Ltd. (an MFI assisted by NEDFi).

She was provided a first term loan of ₹25,000/-. Then she added various ready-made lady garments such as wrappers (phaneks) of various kinds, chunni etc. After that her business gets a big boost and from then onwards, there was no turning back. Now she is availing 7th term loan of ₹1 lakh.

The continuing relationship with YVU Financial enabled her to become one of the main players of women's readymade garments dealer in the market. Nowadays, she is able to send her children to better educational institution and her socio economic status in the locality has improved a lot. She also inspired others in the locality to start their own business.

Ms. Sagolsem Ongbi Sadhana Devi

Ms. Sagolsem Ongbi Sadhana Devi is 24 years old woman of Sekta Makha Leikai, Manipur. Since, meagre income of her husband could not provide them the financial security, she had been looking-out desperately for an opportunity which can improve their financial



status. With her sincere effort, she came to know about VVDMF (a NEDFi assisted MFI of Manipur) granting loan to poor women like her.

However, due to certain circumstances she could not avail the loan and had to wait for three more years. Finally, she got her first loan of ₹10,000/-. With the loan, she bought 70 ducklings at the rate of ₹ 32/- each along with a small handloom machine & threads started her income generation activities.

Gradually her efforts paid off and she could repay the loan timely.

In the 2nd term, she got another ₹15000/-, which she invested in her business. She was able to make a good turnover with remarkable profit. With the profit she bought material to construct her house. She could also send her only daughter to an English Medium School.

Ms. S. Ralema



Ms. S. Ralema is 48 years old woman and a mother of four. Presently, three children are in college and the youngest is studying in high school. She had to face a lot of hardships in maintaining the family.

As there was no other means, she borrowed some money from her parents & brother and started traditional wine brewery. With the little income she started to manage her family daily needs and also could save some money, which helped her to start a variety store. Since the capital was not sufficient, she could not continue it.

In the meantime, she heard about VVDMF (an MFI

assisted by NEDFi) from her friends in the village and with an aim to get some financial help from VVDMF to start up her enterprise, she along with some of her friends formed an SHG under VVDMF.

Subsequently, she got a loan from VVDMF, which she invested along with her savings of ₹30,000/-, started the variety store again. This time, she decided to invest some amount in buying raw materials for making detergent soaps, which has high demand locally.

Now, she is earning adequate profit from her business, which made her economically self-reliant and able to support her four children in their academic pursuit. She feels proud that she is the only woman who runs a variety shop in the locality and has big plans for expanding her shop.

Ms. V.L. Vuaniisa



Ms. V.L. Vuaniisa is 50 years old woman from Kolasib, Mizoram. Her economic conditions started worsening soon after her husband's sudden death. She is mother of three, two boys and one girl.

She planned to open a grocery shop, but did not have enough money and there was no one to help her.

She started looking for some financial support. She got information from her friend about UNACCO Financial Services Pvt. Ltd. (an MFI assisted by NEDFi), a company that provides small ticket loans to women for carrying out income generating activities.

She received her 1st loan of ₹10,000/- in 2015 to set up a small grocery shop in her house. She was able to manage her business well and she repaid the loan successfully. Due to her good repayment record and need for expanding her grocery shop, she was provided with 2nd loan of ₹15,000/-. With the small income generated from her grocery shop she could afford to send her children to school.

Advisory and Consultancy Services

The Corporation is providing Advisory & Consultancy Services in the fields of Management Consultancy involving strategy & operations consulting, monitoring & evaluation of developmental projects and Project Management Consultancy related to engineering projects. With a core team of experienced professionals, a well established branch network spread across the North East and its continued commitment to quality the Corporation is emerging as one of the preferred and trusted institution providing consultancy services in the Region.



Shri Pema Khandu, Hon'ble Chief Minister of Arunachal Pradesh (2nd from right) & CMD, NEDFi (centre) releasing "Comprehensive Report on Skill Development in Arunachal Pradesh"

The Corporation is also providing consultancy services to Government Departments & presently involved in several assignments with the Government of Arunachal Pradesh,



Workshop on "Regional Plan & Status of Science Education in Schools in NER" at NEDFi House

Assam, Manipur & Meghalaya. Some of the ongoing assignments include -

- Project Monitoring & Evaluation of SPA (13-14) & (14-15) projects in Arunachal Pradesh;
- Concurrent Monitoring, Evaluation, Learning & Documentation (MEL&D) of IWMP projects in the states of Assam, Manipur & Meghalaya;

- Comprehensive Study on Skill Development in NER;
- Regional Plan & Status of Science Education in Schools in NER;
- Third Party Monitoring of Projects implemented under RKVY in the state of Manipur.

During FY 17, the Corporation has undertaken various assignments in diverse fields such as Preparation of Strategic Reforms Roadmap for Skill Development Sector in North Eastern States, Preparation of Regional Plan for Science Education in Schools of NER, Techno-Economic Feasibility Study on E-Commerce Platform for products produced by Rural Artisans & Craftspersons of Assam, Techno-Commercial Feasibility Study on E-commerce Platform for marketing of handloom and handicraft products of the North Eastern Region, State Specific MSME Project Profile 2017 and Study on Assessment of the Utility of TEDF Studies to the stakeholders. During the year, the Corporation was awarded several number of projects with fee value amounting ₹2.02 crore.

The Corporation has also continued with its work in the area of independent monitoring & evaluation of development



Quality Monitoring of PMGSY roads in Arunachal Pradesh

projects funded under Central & State Sponsored Schemes viz. concurrent process monitoring, evaluation, learning & documentation of projects under Integrated Watershed Management Programme (IWMP) in the States of Assam, Manipur and Meghalaya; concurrent evaluation of projects funded under Flood Management Program (FMP) pertaining to North Lakhimpur Water Resource Division etc.



Monitoring of IWMP Projects in Meghalaya & Manipur

North East Venture Fund

To encourage startup ventures in the Region, NEDFi in collaboration with the Ministry of DoNER, set up the “North East Venture Fund”, a dedicated Venture Capital Fund for the Region, with corpus of ₹100 crore, registered on December 15, 2016 with Securities and Exchange Board of India (SEBI). The Fund will target to provide equity assistance to startups, early stage and growth stage companies registered in India. The primary objective of North East Venture Fund would be to invest in enterprises focused on and not limited to food processing, healthcare, tourism, aggregation of services companies and IT & ITES.

Two wholly owned subsidiary companies of the Corporation, viz. NEDFi Venture Capital Ltd (NVCL) and NEDFi Trustee Ltd. (NTL) have been incorporated for



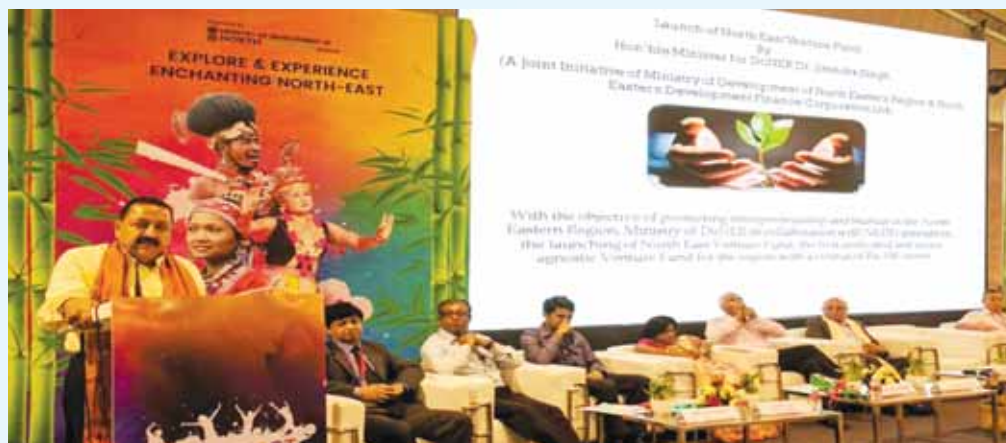
(From left to right) CMD, NEDFi; V.C., Tezpur University; Secretary, M-DoNER & HoD, Deptt. of Business Admin., Tezpur University

carrying out the functions of investment manager and trusteeship respectively.

In order to promote the Fund, the Ministry of DoNER and NEDFi co-hosted an event “Pioneering Business Idea Challenge” at Tezpur University on March 3, 2017, as part of the University’s Sampark-2017, which is an industry-academia interaction aimed at providing a platform for the students/ budding entrepreneurs of the North Eastern Region. The Secretary, M-DoNER; CMD, NEDFi; CGM, SBI (NE Circle); CGM, NABARD; Regional Head, North East, IDBI Bank Ltd. were the prominent dignitaries to grace the event.



(From left to right) CMD, NEDFi; V.C., Tezpur University & HoD, Deptt. of Business Admin., Tezpur University



Launch of North East Venture Fund by Dr Jitendra Singh, Union Minister of State (Independent Charge), Ministry of Development of North Eastern Region (M-DoNER)

Corporate Social Responsibility

NEDFi organized Capacity Building Programmes on various trades for providing alternative sustainable livelihood to the artisans. Through such initiatives NEDFi covered 1393 beneficiaries during the FY17 where more than 80% beneficiaries are women. This way NEDFi is trying to contribute to the national mission for women empowerment.

Moreover, NEDFi is also working with premier organizations

like All India Artisans and Craftworkers Welfare Association (AIACA), New Delhi, for creating awareness on quality certification mark i.e. "Craftmark" among the artisans.

The Corporation facilitated marketing support to 1015 artisans of NER through exhibition participation and also marketing their product through various showrooms at Guwahati & Khetri, Assam; Imphal, Manipur; Aizawl, Mizoram; Namchi, Sikkim and Tawang, Arunachal Pradesh.

Capacity Building



Training Programme on Natural Dye & Handloom at Kokrajhar, Assam



Advanced Training on water Hyacinth Craft at Majuli, Assam



Training programme on Traditional Mask Making at Majuli, Assam



Training Programme on Doll Making at Agartala, Tripura



Training Programme on Bamboo Laquer Bowl Making at Aizawl, Mizoram



Training Programme on value addition of Handloom Products at Imphal, Manipur



Training Programme on vocational skills (Beauty Parlour Management) at Namchi, South Sikkim

Infrastructure for Marketing Support



NEDFi Pavillion at India Exposition Mart Limited, Greater Noida, UP



Craft Showroom at Namchi, Sikkim



Craft Showroom at Aizawl, Mizoram



Craft Showroom at Guwahati, Assam



Craft Showroom, Khetri, Assam



Craft Showroom at Tawang, Arunachal Pradesh



Craft Showroom at Imphal, Manipur

Marketing Assistance at Domestic and International Platform



Indian Handicraft and Gift Fair, India Expo Mart Ltd., Noida, UP



India International Trade Fair Pragati Maidan, New Delhi



Natural dye Bazar, Chennai



Indo-Bhutan Regional Friendship Trade Fair, Gelephu, Bhutan

Visits



Dr. Jitendra Singh, Hon'ble Minister of State (IC), M-DoNER;
Shri N. Biren Singh, Hon'ble Chief Minister, Govt. of Manipur;
Shri Biswajit Singh, Hon'ble Minister, Works Industry & Commerce,
Govt. of Manipur visiting the exhibition of NEDFi assisted units at Imphal



Shri SN Brahma Choudhury, former Sr. Economic Adviser,
M-DoNER, inaugurating the 5th North East Craft Carnival during
the 22nd NEDFi Foundation Day celebration, at NEDFi House,
Guwahati

Business Meets



Arunachal Pradesh



Meghalaya



Nagaland



Manipur



Mizoram



Sikkim



North East Craft Conclave 2017



The North East Craft Conclave 2017 involved workshop on e-marketing, quality control, logistics as well as exhibition of NER craft products. Shri Naveen Verma, IAS, Secretary, M-DoNER and Shri Pradyumna Vyas, Director, NID, Ahmedabad, among others participated in the event.

Independence Day



Independence Day celebration at NEDFi House, Guwahati, Assam

Hindi week



नेड्फी ने मनाया हिंदी सप्ताह

हिंदी सप्ताह के अवसर पर नेड्फी 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। नेड्फी 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 Head Office as well as Branch Offices

Vigilance Awareness Week



NEDFi observed Vigilance Awareness Week from October 31 to November 5, 2016 at Head Office as well as Branch Offices.

Board of Directors



Shri B.P. Muktieh

Shri B. Paul Muktieh, B. Tech (Electrical & Electronics), PGDM (IIM, Ahmedabad) is the Chairman & Managing Director of NEDFi and has over 29 years of development banking experience in diverse 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, IAS

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, IAS

Shri Jitendra Kumar Sinha, IAS (1996 Batch, Tripura Cadre), is Joint Secretary in the Ministry of Development of North Eastern Region (M-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 interest in livelihood issues relating to the underprivileged and marginalised sections of the society.



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, Shri 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.



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, Besel 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.

Board of Directors



Shri Krishnendu Banerjee

Shri Krishnendu Banerjee is Chief General Manager, IDBI Bank and Heads East-I (Kolkata) Zone, encompassing West Bengal, Bihar and the entire North-East. He majored in Economics from Presidency College, Calcutta and completed his Post-Graduation from Calcutta University. He has rich experience in different areas of operations like Economics & Market Research, Corporate Strategy, Corporate Communications & CSR, Project Finance, Monitoring & Follow-up, Retail Banking etc.



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



Ms. Shruti Gonsalves

Ms. Shruti Gonsalves is Chief Executive Officer, SEWA Grih Rin Limited, a housing finance company, which provides housing loans to low income households in India. She is a Post Graduate in Finance and Management with over 17 years of experience in Project Finance, Appraisal, Monitoring & Evaluation Systems and Development Financing, mostly in the area of Microfinance & capacity building of Member Organisations and their staff.

Directors' Report

The Directors of your Company have pleasure in presenting their 22nd Annual Report on the affairs of the Company together with the Audited Statements of Account for the financial year ended 31st March, 2017.

Financial Reviews

The financial results of the Corporation for FY 16 & FY 17 are highlighted below :

Working Results	(₹ crore)	
Financial Year	2015-16	2016-17
Gross Income	152.42	145.30
Gross Expenditure	56.80	74.63
Profit Before Tax	95.57	70.67
Profit After Tax	61.67	45.46
Earnings Per Share (in ₹)	6.17	4.55
Dividend	8.00	8.00
Interest income as percentage to average working funds (%)	9.27	8.11
Non-interest income as percentage to average working funds (%)	1.07	1.94
Operating profit as a percentage to average working funds (%)	7.33	5.12
Return on average assets (%)	4.45	3.10
Net profit per employee	0.54	0.39
Capital to Risk (Weighted) Assets Ratio (CRAR) (%)	46.99	44.93
Financial Position		
Authorised Capital	500.00	500.00
Paid up Capital	100.00	100.00
General Reserve	362.13	375.87
Net worth	637.40	673.06
Total Assets	1514.35	1644.02
Sanctions	361.86	394.88
Disbursements	302.99	349.09
Loan Outstanding	1235.82	1273.75
Recovery (%)	76.45	67.88

Performance of the Corporation

During the financial year 2016-17 (FY17), sanctions & disbursements of the Corporation registered a modest growth. For the FY17, operating profit as a percentage to average working funds was 5.12%. Return on average assets was 3.10% in the year under review as compared to 4.45% in FY 16. Net profit of the Corporation stood at ₹45.46 Crore as compared to previous year figure of ₹61.67 Crore. Capital Adequacy Ratio stood at 44.93% as at March 31, 2017, as against 46.99% recorded during the previous year.

The Board of Directors of the Corporation has recommended a dividend of 8% for the financial year 2016-17. The payout ratio is 17.60% 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

The financial year 2016-17 (FY17) witnessed unusual volatility in the international economic environment. Stagnant global trade, subdued investment, and heightened policy uncertainty marked another difficult year for the world economy. India stood out as a country taking major policy initiatives on several fronts and laid a strong foundation for the country's future

growth. The corporate sector experienced continued challenges during the year arising out of global as well as domestic issues, leading to inadequate cash flow generation from investments made in the past. This led to continued stress on the asset quality of banks.

During the year, the economy of North East received low private investment, primarily due to concerns over discontinuation of North East Industrial and Investment Promotion Policy (NEIIPP), 2007. The core sector was not contributing to growth and the capital goods segment was not growing.

Despite the adverse macro-economic headwinds and best efforts, the Corporation fell marginally short of the targets fixed by the Board for FY 2016-17. Overall sanction & disbursement targets fixed by Corporation for the year was ₹400 Crore and ₹350 Crore, against which the Corporation achieved ₹394.88 Crore and ₹349.09 Crore respectively.

During the year under review—

- the Corporation had cumulative book size i.e., net portfolio of loans and other credit facilities aggregating to ₹1273.75 Crore as at 31st March, 2017, as compared to ₹1235.82 Crore in the previous year.
- credit exposure to five largest industrial sectors – hotel & tourism, micro finance, iron & steel, cement & real estate was around 50% of the total loan assets.
- gross earnings of the Corporation decreased by 4.67% at ₹145.30 Crore from ₹152.42 Crore.
- gross NPA was ₹305.13 Crore (23.77%) as against the previous financial year's ₹216.82 Crore (17.33%) and net NPA was ₹221.04 Crore (18.42%) as against the previous financial year's ₹167.72 Crore (13.96%).
- 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, 2017:

Amount transferred to	₹ crore
General Reserve	14.00
Statutory Reserve	9.11
Special Reserve	12.61

During the year, the Corporation received budgetary allocation of ₹30 Crore as interest free loan from the Government of India through the Ministry of Development of North Eastern Region (DoNER). The fund has been utilised in terms of the Memorandum of Understanding (MoU) with the Ministry of DoNER for onlending 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.

The Corporation, on 12th August, 2016, signed a Memorandum of Understanding (MoU) with M-DoNER for setting up North East Venture Fund, a dedicated venture fund for the North East with a corpus of ₹100 Crore, wherein M-DoNER has committed subscription of ₹45 Crore to the fund. The Board of Directors of the Corporation approved balance contribution of ₹55 Crore (subscription: ₹30 Crore and underwriting: ₹25 Crore). The amount of ₹45 Crore has already been received by the Corporation from M-DoNER and the Corporation has approached SIDBI/ SBI and NEC for the underwritten amount of ₹25 Crore. The first closure of the fund has taken place on 31st March, 2017.

Micro Finance

The Micro Finance Scheme is an effective instrument for financial outreach where credit is given to SHGs/ JLGs & individuals through established and good NGO/MFIs of the Region. As on 31st March 2017, NEDFi sanctioned ₹589.80 Crore and disbursed ₹570.72 Crore, through which NEDFi has been able to touch more than six lakh lives.

Capacity Building Support to NGOs/MFIs

In Micro Finance, Capacity Building is a continuous exercise and to cope up with the changes & developments in the sector, the functionaries and staff of NGOs/ MFIs need to continuously upgrade their knowledge and skill sets. NEDFi assist these NGOs/ MFIs by providing such capacity building programmes. During the year, NEDFi conducted four training programmes

in this area in the states of Assam, Sikkim & Tripura.

Business Development Initiatives

The Corporation has taken initiatives to reach out to the young generation by organizing business/ entrepreneur meets in all NE states, with the objective of helping and encouraging entrepreneurs of the Region. During the financial year, NEDFi conducted a total number of 16 Business/ Entrepreneurs Meets, Workshops and Entrepreneurship Development Programmes (EDPs) with a participation of over 920 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. Till date, 70 studies have been completed and 19 studies are at various stages of progress.

Nodal Agency Role

The Corporation is the nodal agency for disbursement of Central Subsidies under North East Industrial Policy (NEIP) 1997 & North East Industrial & Investment Promotion Policy (NEIIPP) 2007, which is administered by the Department of Industrial Policy & Promotion, Ministry of Commerce, GoI. The Corporation is thus facilitating disbursement of subsidies under the Transport Subsidy Scheme, Central Capital Investment Subsidy Scheme, Central Interest Subsidy Scheme, 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:

(₹ crore)

Scheme	FY 16	FY 17	Cumulative as on 31/03/2017
Transport Subsidy (TS)	56.50	53.79	2671.71
Central Capital Investment Subsidy (CCIS)	238.08	123.54	977.48
Central Interest Subsidy (CIS)	0.01	40.13	231.35
Central Comprehensive Insurance Subsidy	0.02	6.73	20.16
Freight Subsidy	0	18.84	18.84
Total	294.61	243.03	3919.53

Advisory & Consultancy Services

The Advisory and Consultancy Division of the Corporation has a significant presence in all the states of North East India. 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.

HRD Initiatives

The total strength of employees in all categories in the organization as on 31st March, 2017 was 118. During the year under review, a total 28 number of Officers, Executives and Staff from Grade B to Executive Grade-II and office assistants were promoted.

A total of 19 training programmes were arranged for the officers (in house and outstation including overseas) during the year, covering 81 employees.

NEDFi's Convention Centre

A total of 105 events had taken place in the Convention centre during the year with participation of organizations like Silk Mark, FINER, NABARD, Indian Federation of Green Energy etc. and total collection received during the year aggregated to ₹43.87 lakh.

NER Databank

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

NEDFi Databank Journal

The Corporation publishes “NEDFi Databank Journal” – which supplies analytical statistics on various sectors of the North Eastern Region. NEDFi Databank Journal is intended 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, 36 issues of the journal have been published.

Thrust Areas

The Corporation has drawn up a number of initiatives for special attention:

- (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 Business Facilitation Centres (BFCs) and organising 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 utilising the CSR funds 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 continuous process of developing new products and services to cater to the customised needs of the entrepreneurs.
- (v) Venture Fund: The Corporation, in line with the Start-up India initiative of Government of India, has collaborated with the Ministry of DONER, and other institutions, to promote entrepreneurs / ventures including startups and existing units in the Region by providing assistance in the form of equity capital.

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 this 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.

Risk Management Policy

The Corporation has put in place a risk management system to mitigate various risks such as credit, operation, market risks, etc. The Risk Management Committee (RMC), Asset Liability Management Committee (ALCO) and Risk Management Department oversees various types of risks of the Corporation. The Risk Management Policy of the Corporation is reviewed annually.

Corporate Social Responsibility

In accordance with section 135 of Companies Act 2013, the Corporation constituted a Corporate Social Responsibility (CSR) Committee of the Board as under:

- 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 is 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 FY 17 was ₹2.04 Crore against the minimum mandatory norm of ₹1.96 Crore, being 2% of average net profit of three preceding financial years i.e FY14, FY15 and FY16. Sector wise summary of these expenditures is as under:

Sl. No.	Head of expenditure	Amount (₹ Lakh)
1	Capacity Building	77.70
2	Marketing Assistance	82.77
3	Other Developmental Initiatives	18.53
4	Corpus Fund for NE-SHILP (formerly known as CPLT)	25.00
	Total	204.00

Details of CSR and Developmental activities undertaken during the period from April 2016 to March 2017 are as under:

1. CSR Activities

- 1.1 NE-SHILP Society:** The major challenge faced by NEDFi in promoting the artisans handloom & handicraft sector is the marketing. There is a need for direct intervention, to ensure better income to the beneficiaries by marketing their produce and making their products competitive through innovation, skill up-gradation and adoption of appropriate tools and technologies. In view of this, the Corporation restructured the Centre for Practical Livelihood Training (CPLT), a society promoted by the Corporation for marketing as well as capacity building / vocational skill development into NE-SHILP (North East - Society for Handicraft Incubation and Livelihood Promotion) for marketing as well as capacity building of the artisans in September, 2016. NE-SHILP received a sanction of ₹29.68 lakh and conducted 28 nos. of training programmes on Natural Fibre (water hyacinth, bamboo etc.), Vocational Skill and Handloom and its Costing, Pricing and Marketing covering 753 beneficiaries. In addition, the society marketed the products of the artisans of NER, through NEDFi's market assistance programme which benefitted 105 artisans and provided business of more than ₹6.50 lakh.
- 1.2 Capacity Building:** A total of 28 training programmes has been executed directly by the Corporation (till FY 17) covering 640 beneficiaries. In addition, 28 programmes have been organised through NE-SHILP society covering 753 beneficiaries. Thus a total of 1393 beneficiaries have been covered in 56 training programmes covering various trades like water hyacinth craft, decorative candles, coconut shell craft, banana fibre, natural dye and other vocational skills, etc.
- 1.3 Awareness Camp:** In addition to the capacity building programmes, 21 awareness camps / drives on MAP and Water Hyacinth craft were organized by R & D Centre, Khetri and Nagicherra, covering 670 beneficiaries.
- 1.4 Facilitating Market Support:** The Corporation facilitated participation of 423 artisans in 37 various national and international exhibitions like India Handicraft and Gift Fair, India International Trade Fair, Tripura Industry Fair, Indo-Bhutan Regional Friendship Trade Fair, etc. Moreover, 592 artisans were given marketing support through 6 craft showrooms promoted by the Corporation. Thus a total of 1015 artisans benefitted from the marketing support initiative of the Corporation during FY 2016-17.
- 1.5 Facilitating Exhibition Participation:** The Corporation organized the North East Craft Conclave 2017 at NEDFi House, Guwahati from 2nd to 5th March 2017. This was an initiative of the Corporation to facilitate online market linkage to the craft persons of the Region. NE- SHILP organized the exhibition in the event where 100 artisans of NER participated for display and sale of their products. Online market players like Gocoop, Craftsvilla, Weavesmart, iShippo, Giskka, Chasingsun etc. also took part in the event and interacted with the artisans directly for B2B linkage.

2. Developmental Activities

- 2.1 Business Facilitation Centre:** The Corporation, through its eight Business Facilitation Centres, provided mentoring assistance to 533 first generation entrepreneurs on Managerial, Technical, Financial, Commercial & Marketing, Preparation of DPR and credit linkage etc. and 96 entrepreneurs were provided credit linkages amounting to ₹5.57 Crore.

2.2 R&D Centre Nagicherra: The Centre initiated a project in the state of Tripura for popularizing Medicinal & Aromatic Plants (MAP) products in 5 villages covering around 10 beneficiaries each with one specific variety of crops like Naga Chilly, Bach Rhizome, Stevia Kalmegh and Assam lemon. A total of 150 farmers utilized the distillation facility of the centre for citronella distillation and 121 farmers were covered under awareness drives for MAP.

2.3 R&D Centre Khetri: A Bamboo Hut Showroom of 30 ft. X 20 ft. has been completed at R&D Centre Khetri. The showroom will not only promote the craft products developed and marketed by NE-SHILP but also other crafts of the NE Region so that rural artisans and their indigenous crafts can get market exposure. The center also housed capacity building training on various craft during the FY 2016-17 and in addition to that covered 131 farmers under Cluster farming of MAP.

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 in-house Committee for prevention and expeditious 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 order 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 FY17. There are no qualifications or adverse remarks in the Statutory Auditors' Report, which require any clarification/ explanation. The Notes on financial statements are self-explanatory and needs no further explanation. The Auditors' Report for the financial year ended, 31st March, 2017 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 17. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report for the financial year ended March 31, 2017 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
Dr. T.K.Mukhopadhyay	Member	Non Executive Independent Director
Dr. R.K.Garg	Member	Non Executive Independent Director
Sri K.S. Nagnyal	Member	Non Executive Non 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 17, the Board of Directors met five times viz. on 22nd April, 2016, 15th July, 2016, 2nd September, 2016, 17th December and 2016, 28th February, 2017.

Directors' Responsibility Statement

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

- (i) in the preparation of the annual accounts for the financial year ended 31st March, 2017, 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, 2017 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
- (vi) 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 2016-17 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:

Sl. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary / associate	% of shares held	Applicable section
1.	NEDFi Trustee Limited	U65999AS2016GOI017525	Subsidiary	98.80%	2(87)(ii)
2.	NEDFi Venture Capital Limited	U65999AS2016GOI017522	Subsidiary	98.80%	2(87)(ii)

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 26th September 2016, none of the Directors were liable to retire by rotation.

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, 7 (seven) 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 up to (i) ₹2 Crore (ii) ₹50 lakh and (iii) ₹10 lakh are placed before Corporate Credit Committee (I), Corporate Credit Committee (II) and Corporate Credit Committee (III) respectively. 7 (seven) Corporate Credit Committee (I) meetings, 9 (Nine) Corporate Credit committee (II) meetings were held during the year and 9 (Nine) 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 four members:

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

The responsibilities of the Audit Committee comprise, 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 is 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 structures 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, 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, co-operation and guidance for its sustainable economic growth. Lastly, the Board also acknowledges the contribution of the staff & members of the Corporation for their untiring efforts towards the growth of the Corporation

By order of the Board

Place: Guwahati

Dated: 30th August, 2017



(Chairman & Managing Director)

Board Meeting Attendance for the Financial Year 2016-2017

Sl. No.	Name of Director	104 th Board Meeting held on 22/04/2016	105 th Board Meeting held on 15/07/2016	106 th Board Meeting held on 02/09/2016	107 th Board Meeting held on 17/12/2016	108 th Board Meeting held on 28/02/2017
1	Sri B.P. Muktieh	Present	Present	Present	Present	Present
2	Sri V.K. Pipersenia, IAS	Present	Present	Absent	Absent	Absent
3	Sri J.K. Sinha, IAS	-----	Present	Present	Absent	Absent
4	Sri K.S. Nagyal	-----	-----	Present	Present	Present
5	Sri P.V.S.L.N. Murty	Present	Absent	Present	Present	Present
6	Sri K. Banerjee	-----	-----	-----	Present	Absent
7	Dr. T.K. Mukhopadhyay	Present	Present	Present	Absent	Present
8	Dr. R.K. Garg	Present	Present	Present	Present	Present
9	Smt. S. Gonsalves	Present	Present	Present	Present	Present
10	Sri H. Bhargava	Present	-----	-----	-----	-----

Sanctioning Committee Meeting Attendance for the Financial Year 2016-2017

Sl. No.	Name of Director	102 nd Sanctioning Committee Meeting Held on 14/07/2016	103 rd Sanctioning Committee Meeting Held on 02/09/2016	104 th Sanctioning Committee Meeting Held on 26/09/2016	105 th Sanctioning Committee Meeting Held on 26/11/2016	106 th Sanctioning Committee Meeting Held on 16/12/2016	107 th Sanctioning Committee Meeting Held on 30/01/2017	108 th Sanctioning Committee Meeting Held on 28/02/2017	109 th Sanctioning Committee Meeting Held on 27/03/2017
1	Sri B.P. Muktieh	Present	Present	Present	Present	Present	Present	Present	Present
2	Dr. R.K. Garg	Present	Present	Present	Present	Present	Present	Present	Absent
3	Dr. T.K. Mukhopadhyay	Present	Present	Absent	Present	Absent	Present	Present	Present
4	Sri K.S. Nagyal	-----	Present	Present	Present	Absent	Present	Present	Absent
5	Sri H. Bhargava	-----	-----	-----	-----	-----	-----	-----	-----

Audit Committee Meeting Attendance for the Financial Year 2016-2017

Sl. No.	Name of Director	56 th Audit Committee Meeting held on 22/04/2016	57 th Audit Committee Meeting held on 15/07/2016	58 th Audit Committee Meeting held on 02/09/2016	59 th Audit Committee Meeting held on 25/11/2016	60 th Audit Committee Meeting held on 28/02/2017
1	Sri H. Bhargava	Present	-----	-----	-----	-----
2	Dr. R.K. Garg	Present	Present	Present	Present	Present
3	Dr. T.K. Mukhopadhyay	Present	Present	Present	Present	Present
4	Sri P.V.S.L.N. Murty	Absent	Absent	Present	Present	Present
5	Sri K.S. Nagyal	-----	-----	Present	Present	Present

Corporate Credit Committee Meeting Attendance for the Financial Year 2016-2017

Sl. No.	Name of Director	79 th Corporate Credit Committee Meeting held on 14/07/2016	80 th Corporate Credit Committee Meeting held on 02/09/2016	81 st Corporate Credit Committee Meeting held on 26/09/2016	82 nd Corporate Credit Committee Meeting held on 25/11/2016	83 rd Corporate Credit Committee Meeting held on 16/12/2016	84 th Corporate Credit Committee Meeting held on 30/01/2017	85 th Corporate Credit Committee Meeting held on 28/02/2017
1	Sri B.P. Muktieh	Present	Present	Present	Present	Present	Present	Present
2	Dr. R.K. Garg	Present	Present	Present	Present	Present	Present	Present
3	Dr. T.K. Mukhopadhyay	Present	Present	Absent	Present	Absent	Present	Present
4	Sri H. Bhargava	Absent	-----	-----	-----	-----	-----	-----
5	Sri K.S. Nagyal	-----	Present	Present	Present	Absent	Present	Present

Corporate Social Responsibility Committee Meeting Attendance for the Financial Year 2016-2017

Sl. No.	Name of Director	06 th Corporate Social Responsibility Committee Meeting held on 22/04/2016	07 th Corporate Social Responsibility Committee Meeting held on 15/07/2016	08 th Corporate Social Responsibility Committee Meeting held on 26/09/2016	09 th Corporate Social Responsibility Committee Meeting held on 17/12/2016
1	Sri B.P. Muktieh	Present	Present	Present	Present
2	Dr. R.K. Garg	Present	Present	Present	Present
3	Dr. T.K. Mukhopadhyay	Present	Present	Absent	Absent
4	Sri P.V.S.L.N. Murty	Absent	Absent	Present	Absent
5	Sri H. Bhargava	Present	-----	-----	-----
6	Smt. S. Gonsalves	Present	Present	Absent	Absent

Report on Corporate Governance

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

Philosophy on Code of Governance

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

1. Composition of Board and Particulars of Directors :

(i) Composition of Board:

The Board of Directors of the Corporation consists of 9 (Nine) Directors, including 1(one) Whole-time Director, 3(three) nominee Directors from State Bank of India, LIC of India and IDBI Bank, Chief Secretary 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, 2017 is as under:

Name	Executive / Non – Executive / Independent	No. of Directorships held		No. of other committee membership held	
		Public	Private	Public	Private
Sri B.P.Muktieh	Chairman & Managing Director	3	Nil	Nil	Nil
Sri K.S .Nagnyal	Non Executive Director	3	Nil	Nil	Nil
Sri J.K.Sinha, IAS	Non Executive Director	4	Nil	Nil	Nil
Dr. T.K. Mukhopadhyay	Independent Director	3	1	Nil	Nil
Dr. R.K. Garg	Independent Director	1	1	Nil	Nil
Sri V.K. Pipersenia, IAS	Non Executive Director	3	Nil	Nil	Nil
Smt S. Gonsalves	Woman Director	1	Nil	Nil	Nil
Sri K. Mukherjee	Non Executive Director	4	Nil	Nil	Nil
Sri P.V.S.L.N Murty	Non Executive Director	1	Nil	Nil	Nil

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

The Non-Executive Directors of the Corporation have 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. 5 (five) 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	104 th Board Meeting	22 nd April, 2016	7	7
3	105 th Board Meeting	15 th July, 2016	7	6
4	106 st Board Meeting	2 nd September, 2016	8	7
5	107 th Board Meeting	17 th December, 2016	9	6
6	108 th Board Meeting	28 th February, 2017	9	6

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 16th March, 2015. The Audit Committee as on 31st March 2017 were as follows :

Sl. No.	Name of the Director & Category	Chairman / Member
1	Sri K.S. Nagnyal Nominee Director of LIC of India	Member
2	Dr. T.K. Mukhopadhyay Independent Director	Member
3	Sri PVSLN Murty Nominee Director of State Bank of India	Member
4	Dr.R.K. Garg Independent Director	Member

The Committee met 5 (Five) 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	56 th Audit Committee	22 nd April, 2016	4	3
2	57 th Audit Committee	15 th July, 2016	4	3
3	58 th Audit Committee	2 nd September, 2016	4	4
4	59 th Audit Committee	25 th November, 2016	4	4
5	60 th Audit Committee	28 th February, 2017	4	4

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 16th March 2015. The Nomination and Remuneration Committee as on 31st March, 2017 were as follows:

Name	Chairman/Member	Independent/Non-Executive
Sri K.S. Nagnyal	Member	Non-Executive / Nominee Director of LIC
Sri J.K. Sinha, IAS	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 2016-17 are given below:

Director	Designation	Salary (₹)	Perquisites (₹)	Total (₹)
Sri B.P. Muktieh	Chairman & Managing Director	36,41,300	7,97,652	44,38,952

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
2013-14	24 th September 2014	3:00 PM	NEDFi House Guwahati
2014-15	28 th September,2015	3.00 PM	NEDFi House Guwahati
2015-16	26 th September,2016	3.00 PM	NEDFi House 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
Industrial Development Bank of India	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%
Administrator of specified undertaking of 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

Date: 30-08-2017

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.

Headlights of CSR initiatives of the Corporation during the FY 2016-17

- Capacity Building Programme for 1393 beneficiaries on skill up-gradation in crafts and other vocational trades
- Infrastructure support to 1488 artisans through common facility centers, marketing facilities.
- Opening of new bamboo hut craft showroom at R&D Centre, Khetri.
- Mentoring assistance to 533 entrepreneurs of the Region through the 8 Business Facilitation Center (BFC) of the Corporation, out of which 96 were provided with Bank Credit Linkage worth ₹5.57 crore.
- Initiate utilization of NE-SHILP (*North East Society for Handicraft Incubation and Livelihood Promotion*) to market the products of the craftspeople of NER.

CSR Committee

A. Board Level Committee as on 31st March 2017

- Shri B. P. Muktieh - Chairman and Managing Director
- Dr. T. K. Mukhopadhyay - Independent Director
- Dr. R. K. Garg - Independent Director
- Shri P.V.S.L.N Murty - Director
- Ms. S. Gonsalves - Independent Director
- Shri K. S. Nagnyal - Director

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

Average Net Profit of Last three Financial Years: (₹ crore)

Year	Net Profit (PAT)
2013-14	63.87
2014-15	75.63
2015-16	61.67
Total	201.17

CSR Budget allocation for the FY 2016-17 : ₹1.68 crore

CSR Expenditure made during FY 2016-17 : ₹2.04 crore.

Details of CSR spent during the FY 2016-17:

- Total minimum amount to be spent in the financial year: ₹1.34 crore i.e 2% of average Net Profit of last three financial years as detailed in item 3 above

- ii. Amount unspent: NIL
iii. Manner in which the amount spent during the financial year is detailed below;

Sl. No.	Head of expenditure	Expenditure (₹ lakh)
1	Capacity Building Training Programmes on crafts and other vocational skills	77.70
3	Marketing Assistance Facilitating participation in various local, national and international exhibitions	82.77
3	Other Developmental Initiatives Business Facilitation Centers, product development workshops etc.	18.53
4	Corpus Fund for NE-SHILP (formerly known as CPLT)	25.00
Total		204.00

CSR Projects

(₹ lakh)

Sl. No.	CSR Projects Identified	Sector	State and District of Project Coverage		Project wise outlay	Amount spent		Cumulative Expense	Direct Or through agency
			State	District		Direct Exp	Over head		
1	Capacity Building, Product Development Initiative, Marketing Support	Livelihood Enhancement	Assam	Kamrup	19	61.19	6.80	67.99	Direct
2			Assam	Majuli	2	6.44	0.72	7.16	
3			Assam	Darrang	6	19.32	2.15	21.47	
4			Assam	Dhemaji	1	3.22	0.36	3.58	
5			Assam	Dhubri	2	6.44	0.72	7.16	
6			Assam	Goalpara	1	3.22	0.36	3.58	
7			Assam	Jorhat	1	3.22	0.36	3.58	
8			Assam	Kokrajhar	1	3.22	0.36	3.58	
9			Assam	Nagaon	2	6.44	0.72	7.16	
10			Assam	Nalbari	1	3.22	0.36	3.58	
11			Assam	Sivsagar	1	3.22	0.36	3.58	
12			Assam	Baksa	1	3.22	0.36	3.58	
13			Arunachal Pradesh	Papumpare	1	3.22	0.36	3.58	
14			Manipur	Imphal East	1	3.22	0.36	3.58	
15			Meghalaya	East Khasi Hills	1	3.22	0.36	3.58	
16			Mizoram	Aizwal	1	3.22	0.36	3.58	
17			Nagaland	Dimapur	1	3.22	0.36	3.58	
18			Nagaland	Phek	1	3.22	0.36	3.58	
19			Nagaland	Kohima	1	3.22	0.36	3.58	
20			Sikkim	South Sikkim	5	16.10	1.79	17.89	
21			Sikkim	East Sikkim	1	3.22	0.36	3.58	
22			Tripura	North Tripura	2	6.44	0.72	7.16	
23			Tripura	Gomati	1	3.22	0.36	3.58	
23	Tripura	West Tripura	4	12.88	1.43	14.31			
Total					57	183.57	20.40	203.96	

Reason for not spending the amount: NIL

Responsibility Statement:

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

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

Management's Discussion & Analysis

Macro-economic Scenario

Indian Economy

The Economic Survey 2016-17 Volume-2 presented on August 11, 2017 notices a rekindled optimism on structural reforms in Indian economy. Various factors such as launch of the GST, positive impacts of demonetization, decision in principle to privatize Air India, further rationalization of energy subsidies and actions taken to address the Twin Balance Sheet (TBS) challenge contribute to this optimism. The document also observes that macro-economic stability has become entrenched is evident because of a series of government and RBI actions and because of structural changes in the oil market have reduced the risk of sustained price increases.

However, it cautions that anxiety reigns because a series of deflationary impulses are weighing in on the economy, yet to gather its full momentum and still away from its potential. These include stressed farm revenues, as non-cereal food prices have declined, farm loan waivers and the fiscal tightening they will entail, and declining profitability in the power and telecommunication sectors, further exacerbating the TBS problem.

As regards Review of Economic Developments 2016-17

- Real economy grew by 7.1 per cent in 2016-17 compared with 8 percent in the previous year. This performance was higher than the range predicted in the Economic Survey (Volume I) in February, 2017.
- This suggests that the economy was relatively resilient to the large liquidity shock of demonetization which reduced cash in circulation by 22.6 percent in the second half of 2016-17. The apparent resilience was even more marked in nominal growth magnitudes because both nominal GVA and GDP growth accelerated by over 1 percentage point in 2016-17 compared with 2015-16.
- Average inflation was 5.9 per cent in 2014-15, has since declined to 4.5 per cent in FY 2016. More dramatic have been developments in the recent past- inflation declined sharply from 6.1 percent in July 2016 to 1.5 percent in June 2017.
- The sharp dip in WPI inflation in late FY 2015 and throughout FY 2016 owed to the deceleration in global commodities prices, especially crude oil prices. With

global commodity prices recovering and on account of the 'base effect' (low inflation in the previous year) giving an upward push, wholesale inflation perked up during FY 2017

- With the green shoots slowly becoming visible in merchandise trade, and robust capital flows, the external position appears robust, reflected inter alia in rising reserves and a strengthening exchange rate.
- The current account deficit narrowed in 2016-17 to 0.7 percent of GDP, down from 1.1 percent of GDP the previous year, led by the sharp contraction in trade deficit which more than outweighed the decline in net invisibles
- Export growth turned positive after a gap of two years and imports contracted marginally, so that India's trade deficit narrowed to 5.0 per cent of GDP (US \$ billion) in FY 2017 as compared to 6.2 per cent (US\$ 130.1 billion) in the previous year.

The Banking sector also witnessed a sharp spike in gross non-performing assets, which has adversely impacted the profitability, capitalization and solvency level of Indian banks. De-growth in advances, increasing operating costs, weak asset quality and elevated credit costs are few factors resulting in weak net profitability for the banks. Saddled with high bad debt and weak corporate demand, credit growth plunged drastically.

North East Economic Review

During the year under review, the states of North East received low private investment, primarily due to concerns over discontinuation of North East Industrial and Investment Promotion Policy (NEIIPP), 2007. The core sector was not contributing to growth and the capital goods segment was not growing. The liquidity in the industrial sector was tight. The DIPP, Ministry of Commerce & Industry, which conducted a study in partnership with the World Bank Group, released the results of the Assessment of State Implementation of Business Reforms 2016. Based on implementation of reforms, the states were divided into four categories - leaders, aspiring leaders, acceleration required and jump start needed. All the north-eastern states were clubbed in the "jump start needed" category.

Financial Performance

Despite the adverse macro-economic headwinds, the Corporation focused on capitalising on growth opportunities while at the same time taking steps to address challenges plaguing the operating environment. Overall sanction & disbursement targets fixed by Corporation for the year was ₹400 crore and ₹350 crore, against which the Corporation achieved ₹394.88 crore and ₹349.09 crore respectively. Till March 31, 2017, the Corporation facilitated capital investment of ₹13855 crore in the Region, extending financial assistance to 4907 nos. of projects with total sanctions & disbursements of ₹4398.48 crore & ₹3365.03 crore respectively. During FY17, the gross income of the Corporation decreased by 4.67% to ₹145.30 crore from ₹152.42 crore. Profit before tax was ₹70.67 crore against ₹95.57 crore in the previous year. Net profit after tax was ₹45.46 crore against ₹61.67 crore in the previous year. Net profit per employee worked out to ₹39 lakh against figure of ₹54 lakh in the previous year.

Macro-economic Outlook for FY 18

As regards Indian Economic Outlook 2017-18, the Economic Survey (Volume I) had, in February, 2017 forecast real GDP growth ranging between 6.75 percent and 7.5 percent for FY 2018. Regarding Prices & Inflation during 2017-18, the Survey notes the outlook for inflation in the near-term will be determined by a number of proximate factors, including:

- The outlook for capital flows and exchange rate which in turn will be influenced by the outlook and policy in advanced economies, especially the US;
- the recent nominal exchange rate appreciation;
- the monsoon;
- the introduction of the GST;
- the 7th Pay Commission awards;
- likely farm loan waivers; and
- the output gap

The document states that current inflation is running well below the 4 percent target, and suggests that inflation by March 2018 is likely to be below the RBI's medium term target of 4 percent.

North Eastern States Economic Outlook

As regards North East, to address the deficit of

physical infrastructure of connectivity, power and telecommunication, the Central and State Governments are giving special attention to infrastructure development projects, such as, road, rail, communication, and telecom network in the North Eastern Region. The Ministry of DoNER is taking various steps towards assimilation of North Eastern Region, viz. organizing Destination North East event, funding Business Summits, Seminars, Buyers & Sellers meets, to encourage investment in priority sectors like Tourism, Handloom, Handicrafts, Food processing etc. During the year, the Ministry in collaboration with NEDFi, set up the "North East Venture Fund", with a corpus of ₹100 crore, a dedicated venture capital fund for the Region, to encourage start-up ventures in the North East Region.

Besides, in order to boost industrialization, respective State Governments have rolled out enabling industrial policies. In addition to large industries, the focus of the state Governments in the Region has been on the promotion and development of Micro, Small & Medium Enterprise (MSME) segment. It will help in generation of employment and impart training for skill development and motivate the youth to take up self-employment ventures.

Against this backdrop, the Corporation's focus would continue to be on the MSME segment by extending financial assistance on concessional terms, mentoring entrepreneurs, capacity building etc. to the units for generating higher employment. The Corporation will also explore more funding from institutions to provide assistance to backward and disadvantaged groups at competitive rates. The Corporation will take innovative measures and prompt legal action to prevent further slippages in asset quality and strengthen credit monitoring and recovery processes to bring about substantial reduction of its gross NPA during FY18.

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.

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017

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

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

We 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 us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March 2017** ('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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- 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.

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.

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company.

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

We 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.

We 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.

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

For Narayan Sharma & Associates
Company Secretaries



Narayan Sharma
(Proprietor)

FCS No. 5117 CP No.: 3844

Place: Guwahati

Date: 25th August 2017

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever 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 CP No.: 3844

Place: Guwahati
Date: 25th August 2017

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

as on financial year ended on 31-03-2017

*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	9 th August, 1995
iii	Name of the Company	North Eastern Development Finance Corporation Limited
iv	Category/Sub-category of the Company	NBFC - LOAN COMPANY
v	Address of the Registered office & contact details	NEDFI House, G.S. Road, Dispur, Guwahati-781006 Telephone No.: 0361-2222200, Fax No.: 0361-2237733
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	NEDFI TRUSTEE LIMITED	U65999AS2016GOI017525	SUBSIDIARY	98.80%	2(87)(ii)
2	NEDFI VENTURE CAPITAL LIMITED	U65999AS2016GOI017522	SUBSIDIARY	98.80%	2(87)(ii)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)
(i) CATEGORY-WISE SHARE HOLDING

Category wise Share Holding	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
A. Promoters								
(1) Indian			-					
a) Individual/HUF			-					
b) Central Govt. or State Govt.			-					
c) Bodies Corporates			-					
d) Bank/Fl	10,00,00,007.00	10,00,00,007.00	10,00,00,007.00	100.00	-	10,00,00,007.00	10,00,00,007.00	100.00
e) Any other			-					
SUB TOTAL: (A) (1)	-	10,00,00,007.00	10,00,00,007.00	100.00	-	10,00,00,007.00	10,00,00,007.00	100.00
(2) Foreign								
a) NRI- Individuals								
b) Other Individuals								
c) Bodies Corp.								
d) Banks/Fl								
e) Any other...								
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	10,00,00,007.00	10,00,00,007.00	100.00	-	10,00,00,007.00	10,00,00,007.00	100.00
B. PUBLIC SHAREHOLDING								
(1) Institutions								
a) Mutual Funds	-	-	-	-	-	-	-	-
b) Banks/Fl	-	-	-	-	-	-	-	-

(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		NIL						

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

Sl. No.	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		

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS)

Sl. No	Shareholding at the beginning of the year		Shareholding pattern at the end of the year	
	No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	25000002	25%	25000002	25%
2	15000001	15%	15000001	15%
3	15000001	15%	15000001	15%

4	INDUSTRIAL FINANCE CORPORATION OF INDIA	100000001	10%	100000001	10%
5	ICICI LTD	100000001	10%	100000001	10%
6	SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	100000000	10%	100000000	10%
7	ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA	100000001	10%	100000001	10%
8	GENERAL INSURANCE CORPORATION OF INDIA	10000000	1%	10000000	1%
9	UNITED INDIA INSURANCE CO. LTD	10000000	1%	10000000	1%
10	THE NEW INDIA ASSURANCE CO. LTD	10000000	1%	10000000	1%

(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		
	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)	NIL	
	At the end of the year		

in ₹

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	1,32,14,279.00	6,77,27,35,626.00		6,78,59,49,905.00	
ii) Interest due but not paid	-			-	
iii) Interest accrued but not due #	-	22,05,258.00		22,05,258.00	
	Total (i+ii+iii)	6,77,49,40,884.00		6,78,81,55,163.00	
Change in Indebtedness during the financial year					
Additions	-	84,00,00,000.00		84,00,00,000.00	
Reduction	98,80,949.00	24,14,68,909.00		25,13,49,858.00	
Net Change	(98,80,949.00)	59,85,31,091.00		58,86,50,142.00	
Indebtedness at the end of the financial year					
i) Principal Amount	33,33,330.00	7,37,12,66,717.00		7,37,46,00,047.00	
ii) Interest due but not paid	-	-		-	
iii) Interest accrued but not due #	-	12,66,541.00		12,66,541.00	
	Total (i+ii+iii)	7,37,25,33,258.00		7,37,58,66,588.00	
#Interest accrued but not due is shown separately 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 in ₹
		Shri B.P. Muktieh (CMD)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	36,41,300.00	36,41,300.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	7,97,652.00	7,97,652.00
	(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)	44,38,952.00	44,38,952.00
	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 in ₹
		Dr. T. K. Mukhopdhyay	Dr. R.K. Garg	Smt. Shruti Savio Gonsalves	Shri K Banerjee	
1	Independent Directors					
	(a) Fee for attending board committee meetings	3,05,000.00	4,15,000.00	1,25,000.00	-	8,45,000.00
	(b) Commission	-	-	-	-	-
	(c) Others, (Sitting fees for Promotion Interview)	-	-	-	-	-
	Total (1)	3,05,000.00	4,15,000.00	1,25,000.00	-	8,45,000.00
2	Other Non Executive Directors	Shri H.Bhargav	Shri K S Nagnyal	Shri K Banerjee	Shri PVSLN Murthy	
	(a) Fee for attending board committee meetings	50,000.00	2,55,000.00	20,000.00	70,000.00	3,95,000.00
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	Total (2)	50,000.00	2,55,000.00	20,000.00	70,000.00	3,95,000.00
	Total (B)=(1+2)	3,55,000.00	6,70,000.00	1,45,000.00	70,000.00	12,40,000.00
	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 Manegerial Personnal) Rules, 2014						

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD					
Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
1	Gross Salary	CEO	Company Secretary	CFO	Total in ₹
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		20,64,372.00	36,47,028.00	57,11,400.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		7,21,867.00	10,06,841.00	17,28,708.00
	(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	-	27,86,239.00	46,53,869.00	74,40,108.00

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					
Penalty		NIL			
Punishment					
Compounding					
B. DIRECTORS					
Penalty		NIL			
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty		NIL			
Punishment					
Compounding					

Independent Auditors' Report

To

The members of
North Eastern Development Finance Corporation limited
Guwahati

On the basis of audit queries on Independent Auditors' Report made by Comptroller & Auditor General of India, the revised report has been prepared in lieu of the earlier report dated 12th July, 2017 to comply with the queries issued by the Comptroller & Auditor General of India.

Revised Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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

Our responsibility is to express an opinion on these standalone 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 standalone financial statements are free from material misstatements.

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.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March 2017;
- 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

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.

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.

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 relating to preparation of standalone financial statements have been kept so far as it appears from our examination of those books.
- c) The standalone Balance Sheet, the standalone Statement of Profit and Loss and the standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone 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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure – III.
- g) 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 standalone financial statement – Refer Note 25 to the standalone 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.
 - (iv) The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 – Refer Note 35 to the standalone financial statements.

For Jhuria & Company
Chartered Accountants



(R.A. JHURIA)

Partner

M. No. 050192

FRN: 311081E

Place : Guwahati

Date : 21-08-2017

Annexure-I to the Independent Auditors' Report

As per Annexure-I referred to in our Independent Auditors' Report to the members of the Company on the standalone Financial Statements for the year ended 31 March 2017, 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 31.3.2017 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 31.3.2017.
 - (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 has 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 & Company
Chartered Accountants**



(R.A. JHURIA)

Partner

M. No. 050192

FRN: 311081E

**Place : Guwahati
Date : 21-08-2017**

Annexure – II to the Independent Auditors’ Report

(Referred to in “Report on Other Legal and Regulatory requirements” of our Report of even date)

ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED, GUWAHATI, ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT 2013

Sl. No.	DIRECTIONS	COMMENTS
1	Whether the Company has clear title/ lease deeds for freehold and leasehold land respectively. If not please state the area of freehold land for which title/lease deed are not available?	The Company has clear title / lease deeds of freehold and leasehold land respectively.
2	Whether there are any cases of waiver/ writeoff of debts/loans/interest etc. If yes the reason there for and amount involved.	As informed by the management and based on the records examined, there are no cases of write off of loans advanced. Further, as informed by the management and based on the records examined, there are 5 cases of waiver of interest aggregating ₹0.36 Crore in respect of OTS cases, wherein the settlement amount has been received.
3	Whether proper records maintained for inventories lying with third parties & assets received as gift/ grant(s) from the Govt 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.

For Jhuria & Company
Chartered Accountants



(R.A. JHURIA)

Partner

M. No. 050192

FRN: 311081E

Place : Guwahati
Date : 21-08-2017

Annexure – III to the Independent Auditors' Report

(Referred to in "Report on Other Legal and Regulatory requirements" of our Report of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED as on 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement including the assessment of the risk of material misstatement of financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial control system over financial reporting.

Meaning of Internal Financial Control over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertaining to maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Control over Financial Reporting

Because of the inherent limitations of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not to be detected. Also, projection of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risks that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**For Jhuria And Company
Chartered Accountants**



(R.A. JHURIA)

Partner

M. No. 050192

FRN: 311081E

Place : Guwahati

Date : 21-08-2017

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, GUWAHATI FOR THE YEAR ENDED 31 MARCH 2017.

The preparation of financial statements of North Eastern Development Finance Corporation Limited, Guwahati for the year ended 31 March 2017 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 the 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 21 August 2017.

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 31 March 2017. 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



(Reena Saha)

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

Place: Kolkata
Date : 07-09-2017

Balance Sheet as at 31st March, 2017

Particulars		Note No.	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	1,00,00,00,070	1,00,00,00,070
	(b) Reserves and surplus	2	6,35,09,30,176	5,98,68,38,599
	(c) Money received against share warrants		-	-
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings	3	6,98,85,63,612	6,53,46,00,111
	(b) Deferred tax liabilities (net)	4	2,37,40,377	10,28,77,260
	(c) Other long-term liabilities		-	-
	(d) Long-term provisions	5	1,03,21,53,564	65,15,52,051
4	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables	6	-	-
	(c) Other current liabilities	7	60,04,50,931	42,27,36,792
	(d) Short-term provisions	8	44,42,98,123	44,48,72,672
	TOTAL		16,44,01,36,853	15,14,34,77,555
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	34,28,16,760	36,63,04,412
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress	10	2,59,16,874	1,57,16,534
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
	(b) Non-current investments	11	5,09,88,000	5,00,00,000
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	12	10,06,74,68,429	9,66,40,18,175
	(e) Other non-current assets		-	-
2	Current assets			
	(a) Current investments	13	1,87,01,89,103	71,11,04,735
	(b) Inventories		-	-
	(c) Trade receivables		-	-
	(d) Cash and Cash equivalents	14	78,36,13,103	95,96,90,151
	(e) Short-term loans and advances	15	2,77,31,30,442	2,79,44,11,518
	(f) Other current assets	16	52,60,14,142	58,22,32,030
	TOTAL		16,44,01,36,853	15,14,34,77,555
Significant Accounting Policies and Notes on Financial Statements		1 to 35		

In terms of our report of even date annexed

For and on behalf of the Board of Directors

For Jhuria and Company
Chartered Accountants



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



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



(S.K. Baruah)
Chief Financial Officer



(V. K. Agarwal)
Company Secretary

Place : Guwahati
Date : 12-07-2017

Place : Guwahati
Date : 27th June, 2017

Statement of Profit and Loss for the year ended 31st March, 2017

	Note No.	For the year ended 31 st March, 2017 (₹)	For the year ended 31 st March, 2016 (₹)
CONTINUING OPERATIONS			
Revenue from Operation	17	1,17,38,28,807	1,25,11,70,583
Other Income	18	27,92,11,535	27,30,57,622
Total Revenue		1,45,30,40,342	1,52,42,28,205
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	22,08,62,378	19,29,12,839
(e) Finance costs	21	2,46,12,003	3,76,63,481
(f) Depreciation and amortisation expense	9	3,20,86,844	2,55,61,538
(g) Other expenses	20	44,83,36,913	28,85,97,304
(h) CSR Expenses	22	2,03,96,212	2,32,20,989
Total expenses		74,62,94,350	56,79,56,151
Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		70,67,45,991	95,62,72,054
Exceptional items		-	-
Profit / (Loss) before extraordinary items and tax		70,67,45,991	95,62,72,054
Extraordinary items			
Prior Period Expenses		-	5,22,389
Profit / (Loss) before tax		70,67,45,991	95,57,49,665
Tax expense:			
(a) Current tax expense for current year		33,00,00,000	33,25,00,000
(b) (Less): MAT credit (where applicable)		-	-
(c) (Less): Current tax expense relating to prior years		12,49,681	(7,44,516)
(d) Net current tax expense		33,12,49,681	33,17,55,484
(e) Deferred tax		(7,91,36,882)	73,08,998
		25,21,12,799	33,90,64,482
Profit / (Loss) from continuing operations before minority interest (A)		45,46,33,192	61,66,85,183
		45,46,33,192	61,66,85,183
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)		45,46,33,192	61,66,85,183

Statement of Profit and Loss for the year ended 31st March, 2017 (contd.)

Particulars	Note No.	For the year ended 31 st March, 2017 (₹)	For the year ended 31 st March, 2016 (₹)
Earnings per share (of ₹10/- each):	23		
Basic & Diluted			
(i) Continuing operations		4.55	6.17
(ii) Total operations		4.55	6.17
Earnings per share (excluding extraordinary items) (of ₹10/- each):			
Basic & Diluted			
(i) Continuing operations		4.55	6.17
(ii) Total operations		4.55	6.17
Significant Accounting Policies and Notes on Financial Statements	1 to 35		

In terms of our report of even date annexed

**For Jhuria and Company
Chartered Accountants**



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

Place : Guwahati
Date : 12-07-2017

For and on behalf of the Board of Directors



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



(S.K. Baruah)
Chief Financial Officer

Place : Guwahati
Date : 27th June, 2017



(V. K. Agarwal)
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2017

(₹in '000)

	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Cash flows from Operating activities		
Net profit before income tax	7,06,746	9,55,750
Adjustment for:		
Depreciation charge for the year	32,087	25,562
Loans Provisions & Write offs	3,65,397	2,19,231
Fixed Assets written off/Loss on sale	(19)	(36)
Dividend received	(200)	(200)
Provision for Gratuity, Leave Encashment and LTC / LTA	17,763	8,756
Operating profit before working capital changes	11,21,773	12,09,063
Adjustments for:		
(Increase) / Decrease in Advances	(3,79,306)	(23,652)
(Increase) / Decrease in Other Current Assets & Advances	36,904	47,859
Increase / (Decrease) in Other liabilities and Provisions	71,049	(25,611)
Cash Flow from operations	8,50,420	12,07,658
Direct Taxes paid (net of refund received)	(3,16,445)	(3,06,450)
Net cash flow / (used in) from operating activities	5,33,975	9,01,208
Cash flows from Investing activities		
(Increase) / Decrease in Capital Advances		-
(Increase) / Decrease in Investment in Subsidiaries	(988)	-
(Increase) / Decrease in Capital Work in Progress	(10,200)	(10,382)
Purchase of fixed assets (net of sales)	(9,295)	(1,01,969)
Dividend Received	200	200
Net cash flow / (used in) from Investing activities	(20,283)	(1,12,151)
Cash flows from Financing activities		
Dividend and Dividend Tax paid	(96,286)	(96,286)
Increase / (Decrease) in Borrowings	5,88,650	1,73,579
Net cash flow / (used in) from financing activities	4,92,364	77,293
Net increase in cash and cash equivalents from Operating, Investing and Financing Activities	10,06,056	8,66,350
Cash flows from Nodal Agency and Implementing Agency Activities		
Net Income / (Expenditure) of TEDF	5,827	23,097
(Increase) / Decrease in Investments	-	24,898
(Increase) / Decrease in Current Assets	(855)	(4,678)
Increase / (Decrease) in Growth Centre, Central Subsidy and other Central Funds	(28,021)	21,753
Net Increase in cash & cash equivalent from Nodal Agency activity	(23,048)	65,070
Net increase in cash and cash equivalents	9,83,007	9,31,420

Cash and cash equivalents at beginning of period		
- Own funds	12,73,963	3,89,660
- Nodal Agency and Implementing Agency funds	3,90,785	3,43,667
Cash and cash equivalents at end of period		
- Own funds	21,70,612	12,73,963
- Nodal Agency and Implementing Agency funds	4,57,143	3,90,785

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	18,44,142	7,05,058
<u>Cash and bank balances</u>		
Cash in hand	180	149
Balance at Bank		
-With Scheduled Bank		
(i) In Current Account	2,95,134	3,85,871
(ii) In Fixed Deposits	31,156	2,02,885
Balance at Bank (TEDF)		
-With Scheduled Bank		
(i) In Current Account	82,079	5,722
(ii) In Fixed Deposits	3,75,064	3,65,064
Total	26,27,755	16,64,749

In terms of our report of even date annexed

For and on behalf of the Board of Directors

For Jhuria and Company
Chartered Accountants


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

Place : Guwahati
Date : 12-07-2017



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



(S.K. Baruah)
Chief Financial Officer

Place : Guwahati
Date : 27th June, 2017



(V. K. Agarwal)
Company Secretary

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

Interest income and charges on loan and other assistance portfolio is accounted for on accrual basis except where interest and/or installment of principal is due for more than 90 days as on the date of Balance Sheet, as per RBI Prudential norms for income recognition applicable to banks / financial institutions. Interest income and other charges in respect of such loans is taken credit on actual receipt basis.

Upfront Fees, Loan Syndication Charges, Appraisal Fees, Dividend, and other miscellaneous receipts are accounted for on cash basis.

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.

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 provision of 5.00% is made against restructured standard accounts as per extant RBI guidelines.

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. In pursuant to Schedule – II of the Companies Act, 2013, the fixed assets of significant values are componentized with separate useful life. The cut off limit of component value to capitalize separately with different useful life is considered as ₹1 Crore.

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. The components of property, plant and equipment whose value is ₹1 Crore or more and whose life is assessed to be different has been recorded and depreciated separately. The indentified components are depreciated over their assessed useful life.

There is a change in the useful life of Interior Furnishings & Fittings in view of the observations raised by the audit team from O/o the Principal Director of Commercial Audit & Ex-officio Member, Audit Board-1. Accordingly, the useful life has been changed from 15 years to 10 years. As a result, the depreciation on Interior Furnishings & Fittings has increased by ₹6,765,859/-.

F. Investments

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

- i. Government Securities

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

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

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

G. Impairment of Assets

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

H. Employee Benefits

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

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

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

I. Segment Reporting

The Corporation operates in three segments of business:

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

The segments have been identified and reported taking into account the nature, returns and risks involved. The organization structure and internal reporting structure are taken into

account for the purpose of determining segment results.

The revenues reported under “Lending and Financing Activities” segment include interest income and other charges on lending. The said segment being the major segment of business of the Corporation, all expenses of the Corporation is classified as expenses against the aforesaid segment.

The revenues reported under “Management of Surplus Funds” segment consist of interest income and profit / (Loss) on sale of investments of surplus funds.

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

J. Government Grants

In terms of AS 12 issued by the ICAI, Government grants are recognized as and when it is actually received. Revenue grants are recognized in the Profit and Loss Account. Other grants are credited to the fund accounts / carried over as Deferred Grant against which expenses and provisions & losses for diminution in value of assets representing the fund / depreciation on assets created out of the grant is charged / recouped.

K. Taxation

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from “timing differences” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax assets is recognized and carried forward to the extent that there is a virtual certainty that the assets will be realized in future.

L. Earnings per Share

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

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

M. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes on Financial Statements for the Year ended 31st March, 2017

Note 1 : SHARE CAPITAL

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	Number of shares	(₹)	Number of shares	(₹)
(a) Authorised Equity shares of ₹10/- each	50,00,00,000	5,00,00,00,000	50,00,00,000	5,00,00,00,000
(b) Issued, Subscribed, Called up & Paid up Capital Equity shares of ₹10/- each	10,00,00,007	1,00,00,00,070	10,00,00,007	1,00,00,00,070
TOTAL (₹)	10,00,00,007	1,00,00,00,070	10,00,00,007	1,00,00,00,070

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

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

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

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

Name of the Shareholder	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	% held	Number of shares	% held
IDBI Bank Limited	2,50,00,002	25%	2,50,00,002	25%
Life Insurance Corporation of India	1,50,00,001	15%	1,50,00,001	15%
State Bank of India	1,50,00,001	15%	1,50,00,001	15%
Industrial Finance Corporation of India	1,00,00,001	10%	1,00,00,001	10%
ICICI Ltd.	1,00,00,001	10%	1,00,00,001	10%
Small Industries Development Bank of India	1,00,00,000	10%	1,00,00,000	10%
Administrator of Specified Undertaking of Unit Trust of India	1,00,00,001	10%	1,00,00,001	10%

Note 2: RESERVES & SURPLUS

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
(i) Other Reserves		
(a) North East Equity Fund		
Fund balance	7,98,70,500	7,98,70,500
Less : Bad Loans written Off	1,67,66,565	1,67,66,565
Less : Provision against Soft Loans under NEEDS	23,06,478	29,38,966
Closing balance	6,07,97,457	6,01,64,969
(b) Statutory Reserve under RBI Act, 1934		
Opening Balance	98,76,13,483	86,47,76,446
Add: Transferred from P/L Account	9,10,59,374	12,28,37,037
Closing balance	1,07,86,72,857	98,76,13,483
(c) Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961		
Opening Balance	76,03,53,939	62,88,87,328
Add: Transferred from P/L Account	12,60,63,776	13,14,66,611
Closing balance	88,64,17,715	76,03,53,939
(d) Venture Capital Fund: *		
Fund Balance	7,00,00,000	7,00,00,000
Add: Transferred from General Reserve	4,84,45,009	4,59,27,494
Closing balance	11,84,45,009	11,59,27,494

(e) General Reserve		
Opening balance	3,62,12,60,881	3,35,37,78,396
Add: Transferred from surplus in Statement of Profit and Loss	14,00,00,000	27,00,00,000
Less: Utilised / transferred during the year for:		
Others : Transferred to Venture Capital Fund	25,17,515	25,17,515
Closing balance	3,75,87,43,366	3,62,12,60,881
(f) India Exposition Mart Stalls		
Opening balance	1,81,60,102	1,89,11,602
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	7,14,977	7,51,500
Closing Balance	1,74,45,125	1,81,60,102
(g) Techno Economic Development Fund		
Opening balance	41,52,01,059	39,21,03,826
Add: Additions / transfers during the year	3,29,37,116	3,78,84,180
Less: Utilisations / transfers during the year	2,71,09,842	1,47,86,947
Closing Balance	42,10,28,333	41,52,01,059
(h) CSR Reserve **		
Opening balance	34,16,110	86,37,099
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	8,06,481	52,20,989
	26,09,629	34,16,110
(ii) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	47,40,562	34,24,438
Add: Profit / (Loss) for the year	45,46,33,192	61,66,85,183
Amounts transferred from:		
General reserve		
Other reserves (CSR Reserve)	8,06,481	52,20,989
Less: Interim dividend	-	-
Dividends proposed to be distributed to equity shareholders (₹ per share)	8,00,00,000	8,00,00,000
Tax on dividend	1,62,86,400	1,62,86,400
Transferred to:		
CSR Reserve	-	-
General reserve	14,00,00,000	27,00,00,000
Statutory Reserve under RBI Act,1934	9,10,59,374	12,28,37,037
Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961	12,60,63,776	13,14,66,611
Closing Balance	67,70,685	47,40,562
Total (₹)	6,35,09,30,176	5,98,68,38,599

* 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 ₹806,481/- has been transferred from CSR Reserve to Skill & Market Development Expenses as the same is no longer required since CSR obligation to that extent is met.

NOTE 3: LONG TERM BORROWINGS

Borrowed from	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)	Remark
Term Loan from Other Parties			
Secured			
Loan from National Scheduled Tribes Finance & Development Corporation (NSTFDC)	-	33,33,330	1. Secured against BG of ₹2.00 Crore. 2. Repayable in 17 quarterly instalments starting from January, 2015.
	-	33,33,330	
Unsecured			
Interest free loan from Govt. of India	6,33,71,00,000	6,19,11,00,000	1. Repayable after 15 years as per instalment received. 2. First instalment due in FY 2017-18.
Interest free loan from Govt. of India for Venture	45,00,00,000	-	1. Repayable after 15 years 2. Due in FY 2031-32.
Loan from National Scheduled Castes Finance & Development Corporation (NSCFDC)** (3rd Loan)	85,60,000	70,00,000	1. Repayable in 10 quarterly instalments starting from September, 2016.
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (2nd Loan)	-	35,71,472	1. Repayable in 16 quarterly instalments starting from December, 2013.
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (3rd Loan)	25,71,214	2,61,42,887	1. Repayable in 18 quarterly instalments starting from September, 2014.
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (4th Loan)	3,78,57,396	8,07,14,316	1. Repayable in 16 quarterly instalments starting from September, 2015.
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (5th Loan)	5,21,42,871	8,07,14,291	1. Repayable in 15 quarterly instalments starting from September, 2016.
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (6th Loan)	6,35,71,433	-	1. Repayable in 15 quarterly instalments starting from September, 2017.
Loan From Small Industries Development Bank of India (SIDBI)***	3,67,60,698	14,20,23,815	1. Repayable in 19 quarterly instalments starting from September, 2013.
	6,98,85,63,612	6,53,12,66,781	
Total	6,98,85,63,612	6,53,46,00,111	

* Loan from NBCFDC was ₹63 Crore taken on various occasions, out of which ₹35.89 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 ₹3.28 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.

NOTE 4: DEFERRED TAX LIABILITY (Net)

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Deferred Tax Asset		
Relating to Provisions of Current Year	11,61,98,119	3,99,29,481
Relating to Provisions of Earlier Years	16,49,93,174	12,43,79,857
Total	28,11,91,293	16,43,09,338
Deferred Tax Liability		
Relating to Fixed Assets	(18,39,772)	40,43,307
Relating to Special Reserve	30,67,71,442	26,31,43,291
Total	30,49,31,670	26,71,86,598
Net Deferred Tax Liability	2,37,40,377	10,28,77,260

NOTE 5 :LONG TERM PROVISIONS

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
A. Provision for employee benefits		
Provision for Leave Encashment	7,67,47,244	6,30,05,457
Provision for Gratuity	91,20,446	70,24,749
	8,58,67,690	7,00,30,206
B. Others		
Provision for Standard Assets	8,22,79,521	6,74,04,800
Floating Provision against Advances	2,00,00,000	2,00,00,000
Provision Against Sub Standard Assets	18,16,51,477	18,02,84,108
Provision Against Doubtful Assets	65,22,27,106	30,26,52,632
Provision Against Loss Assets	69,98,770	80,51,305
Provision for Diminution in Fair Value of Restructured Advance	31,29,000	31,29,000
	94,62,85,874	58,15,21,845
Total	1,03,21,53,564	65,15,52,051

NOTE 6 :TRADE PAYABLE

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

NOTE 7: OTHER CURRENT LIABILITIES

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Sundry creditors (for expenses)	6,78,30,811	5,92,78,836
Sundry creditors (for capital expenditure)	12,88,676	40,64,163
Current maturities of Long Term Loan (NBCFDC)	11,49,99,988	12,24,99,946
Current maturities of Long Term Loan (NSCFDC)	84,40,000	1,69,20,000
Current maturities of Long Term Loan (NSTFDC)	33,33,330	66,66,668
Current maturities of Long Term Loan (SIDBI)	10,52,63,117	10,52,63,180
Current maturities of Long Term Loan (GOI)	15,40,00,000	-
Other liabilities	8,20,22,467	1,58,11,620
MEFC- R & D Training Fund	16,28,187	16,28,187
Interest accrued and not due on Loans	12,66,541	22,05,258
Undisbursed Central Subsidies	5,14,59,725	7,94,80,846
Security Deposit	88,74,320	88,74,320
NE Trade Expo	43,768	43,768
Total	60,04,50,931	42,27,36,792

NOTE 8: SHORT TERM PROVISIONS

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
A. Provision for Employee Benefits		
Provision for Leave Travel Concession / Allowance	30,00,000	30,00,000
Provision for Leave Encashment	1,05,24,873	88,57,033
Provision for Gratuity	44,86,850	42,29,239
	1,80,11,723	1,60,86,272
B. Others		
Proposed Dividend	8,00,00,000	8,00,00,000
Additional Tax on Dividend	1,62,86,400	1,62,86,400
Provision for Income Tax	33,00,00,000	33,25,00,000
	42,62,86,400	42,87,86,400
Total	44,42,98,123	44,48,72,672

Note 9: FIXED ASSETS

Particulars	GROSS BLOCK			Depreciation / Amortisation					NET BLOCK	
	As at 31 st Mar, 2016 (₹)	Additions (₹)	Disposals (₹)	As at 31 st Mar, 2017 (₹)	As at 31 st Mar, 2016 (₹)	For the Year (₹)	Eliminated on disposal (₹)	Up to 31 st Mar, 2017 (₹)	As at 31 st Mar, 2017 (₹)	As at 31 st Mar, 2016 (₹)
Tangible Assets										
Freehold Land at Dispur	1,69,69,592	-	-	1,69,69,592	-	-	-	-	1,69,69,592	1,69,69,592
Freehold Land at Khanapara	9,06,40,000	17,60,000	-	9,24,00,000	-	-	-	-	9,24,00,000	9,06,40,000
Building *	19,27,76,520	-	-	19,27,76,520	4,74,25,849	71,02,563	-	5,45,28,412	13,82,48,108	14,53,50,671
Office at Agartala	1,43,67,130	-	-	1,43,67,130	57,508	6,96,879	-	7,54,387	1,36,12,743	1,43,09,622
RCC Bridge	15,78,377	-	-	15,78,377	5,21,463	1,06,854	-	6,28,317	9,50,060	10,56,914
Air Conditioning System	4,47,06,006	-	-	4,47,06,006	2,40,15,821	36,97,234	-	2,77,13,055	1,69,92,951	2,06,90,185
Electrical Installation	2,64,12,736	-	-	2,64,12,736	1,93,94,074	22,34,897	-	2,16,28,971	47,83,765	70,18,662
Fire Alarm System	36,73,341	-	-	36,73,341	22,92,997	2,68,201	-	25,61,198	11,12,143	13,80,344
Lift	79,56,378	-	-	79,56,378	49,66,584	5,80,917	-	55,47,501	24,08,877	29,89,794
Machineries	81,13,324	1,48,815	-	82,62,139	63,79,547	4,02,586	-	67,82,133	14,80,006	17,33,777
UPS System	14,90,229	-	-	14,90,229	13,66,765	47,953	-	14,14,718	75,511	1,23,464
Water Installation System	15,88,014	-	-	15,88,014	9,91,280	1,15,945	-	11,07,225	4,80,789	5,96,734
Furniture & Fixture	1,15,81,089	2,06,739	-	1,17,87,828	89,78,883	7,01,427	-	96,80,310	21,07,519	26,02,207
Interior Furnishing & Fittings	10,87,85,465	18,98,974	-	11,06,84,439	5,42,71,295	1,37,23,352	-	6,79,94,647	4,26,89,792	5,45,14,170
Vehicle	14,62,224	-	-	14,62,224	12,36,400	86,604	-	13,23,004	1,39,220	2,25,824
Office Equipments	74,25,148	6,25,748	-	80,50,896	51,27,402	7,54,081	-	58,81,483	21,69,413	22,97,746
Computers	1,95,80,398	46,83,450	2,77,075	2,39,86,773	1,57,75,691	22,82,328	2,67,518	1,77,90,501	61,96,272	38,04,707
Total:	55,91,05,971	93,23,726	2,77,075	56,81,52,622	19,28,01,559	3,28,01,821	2,67,518	22,53,35,862	34,28,16,760	36,63,04,412
Figures for the previous year	44,30,54,643	11,63,92,485	3,41,157	55,91,05,971	16,68,09,538	2,63,13,038	3,21,017	19,28,01,559	36,63,04,412	27,62,45,105

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

NOTE 10 :CAPITAL WORK IN PROGRESS

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Software	2,55,01,074	1,57,16,534
Computer	4,15,800	-
Total	2,59,16,874	1,57,16,534

Note 11 :NON CURRENT INVESTMENTS

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Other Investments		
Investments in Equity Instruments		
Quoted		
Premier Cryogenics Ltd.		
Quoted at Cost (Fair value ₹14,636,000/- - Not traded - 2016-17) (2,00,000 shares of 10/- each)	20,00,000	20,00,000
Total (A)	20,00,000	20,00,000
Unquoted		
Gauhati Neurological Research Centre Ltd.	25,00,000	25,00,000
(Unquoted at cost 250,000 shares @ 10/- per share, fair value ₹8,817,500/-)		
Konoklota Mahila Urban Co-Op Bank Ltd.	5,00,000	5,00,000
(Unquoted at cost 5,000 shares @ 100/- per share, fair value ₹1,308,700/-)		
RGVN (North East) Microfinance Ltd.	3,00,00,000	3,00,00,000
(Unquoted at cost 3,000,000 Equity Shares @ 10/- per share, fair value ₹77,760,000/-)		
Nightingale Finvest Pvt. Ltd.	50,00,000	50,00,000
(Unquoted 50,000 Equity Shares of 100/- per share, fair value ₹7,034,500/-)		
YVU Financial Services Pvt. Ltd.	50,00,000	50,00,000
(Unquoted 50,000 Equity Shares of 100/- per share, fair value ₹6,499,500/-)		
Grameen Development & Finance Pvt. Ltd.	50,00,000	50,00,000
(Unquoted 500,000 Equity Shares of 10/- per share, fair value ₹5,450,000/-)		
NEDFi Venture Capital Ltd.	4,94,000	-
(Unquoted 49,400 Equity Shares of 10/- per share, fair value ₹494,000/-)		
NEDFi Trustee Ltd.	4,94,000	-
(Unquoted 49,400 Equity Shares of 10/- per share, fair value ₹494,000/-)		
Total (B)	4,89,88,000	4,80,00,000
TOTAL (A+B)	5,09,88,000	5,00,00,000

	Amount (₹)	Market Value (₹)	Amount (₹)	Market Value (₹)
Aggregate amount of quoted investments and market value thereof	20,00,000	1,46,36,000	20,00,000	1,21,58,000
Aggregate amount of unquoted investments	4,89,88,000	NA	4,80,00,000	NA

In respect of shares / scrips / bonds quoted in recognised stock exchange, latest quotation nearest to the balance sheet date is taken to ascertain the market value. Where the scrip is not traded during the year or no quotation is available, fair value is ascertained in respect of shares and cost is taken for debt instruments as fair value. In respect of unquoted shares / scrips / bonds, fair value is ascertained by dividing the net worth with the number of shares as per the latest Balance Sheet. In case of investments in mutual funds, fair value is taken as the declared NAV of the said scheme / fund, nearest to the balance sheet date.

NOTE 12: LONG TERM LOAN LOANS AND ADVANCES

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Capital Advances		
Security Deposits		
Secured (Considered Good)	-	-
Unsecured (Considered Good)	20,23,149	20,23,149.00
Doubtful	-	-
Loans to Staff		
Secured (Considered Good)	8,46,49,984	8,41,62,557.00
Unsecured (Considered Good)	-	-
Doubtful	-	-
Trade Loans & Advances		
Term Loans		
Secured (Considered Good)	6,27,76,78,741	6,68,68,41,060
Unsecured (Considered Good)	1,16,48,94,660	1,09,95,39,446
Doubtful	2,53,46,88,546	1,78,77,35,757
Soft Loan under NEEDS		
Secured (Considered Good)	11,67,664	6,56,153
Unsecured (Considered Good)	-	-
Doubtful	23,65,685	30,60,053
TOTAL (₹)	10,06,74,68,429	9,66,40,18,175

NOTE 12.1: LOAN PORTFOLIO CLASSIFICATION AND PROVISIONING*

Category	2016-17		2015-16	
	Loan Outstanding (₹)	Provisioning (₹)	Loan Outstanding (₹)	Provisioning (₹)
Standard	9,68,62,19,263	8,22,79,521	10190036686	6,74,93,976
Sub Standard	1,19,03,26,679	18,16,51,478	1,19,57,50,552	18,02,84,108
Doubtful	1,85,39,74,541	65,22,27,105	96,43,75,100	30,26,52,632
Loss	69,98,770	69,98,770	80,51,305	80,51,305
Total	12,73,75,19,253	92,31,56,874	12,35,82,13,643	55,84,82,021

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

NOTE 13: CURRENT INVESTMENT

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Investment in Mutual Funds:		
HDFC Mutual Fund - Short Term Opportunities Fund (497897.765 units, Value as on 31.03.2017 ₹9,012,198/-)	90,00,000	90,00,000
LIC Mutual Fund - Savings Plus Fund (6615712.707 units, Value as on 31.03.2017 ₹170,360,556/-)	17,00,00,000	-
UTI Mutual Fund - Floating Rate Fund (144112.505 units, Value as on 31.03.2017 ₹391,710,888/-)	39,00,00,000	22,45,77,308
Principal Mutual Fund - Low Duration Fund (41627.781 units, Value as on 31.03.2017 ₹110,600,081/-)	11,00,00,000	10,00,00,000
Reliance Mutual Fund - Fixed Horizon Fund (15,000,000 units, Value as on 31.03.2016 ₹151,393,500/-)	-	15,00,00,000
SBI Mutual Fund - Premier Liquid Fund (133436.718 units, Value as on 31.03.2017 ₹340,572,870/-)	34,00,00,000	20,14,80,504
Reliance Mutual Fund - Liquid Fund (98588.047 units, Value as on 31.03.2017 ₹391,134,047/-)	39,00,00,000	-
Canara Robeco Mutual Fund - Savings Plus Fund (3907455.816 units, Value as on 31.03.2017 ₹100,288,761/-)	10,00,00,000	-
UTI Mutual Fund - Fixed Term Income Plan (TEDF) (2,000,000 units, Value as on 31.03.2017 ₹23,349,400/-)	2,00,00,000	2,00,00,000
HDFC Mutual Fund - Floating Rate Income Fund (9190906.638 units, Value as on 31.03.2017 ₹260,649,516/-)	26,01,42,179	-
UTI Mutual Fund - Money Market Mutual Fund (TEDF) (4087.728 units, Value as on 31.03.2017 ₹7,456,926/-)	60,46,924	60,46,923
North East Venture Fund (750 units, Value as on 31.03.2017 ₹75,000,000/-)	7,50,00,000	-
Total	1,87,01,89,103	71,11,04,735

	As at 31 st March, 2017		As at 31 st March, 2016	
	Amount (₹)	Market Value (₹)	Amount (₹)	Market Value (₹)
Aggregate amount of quoted investments and market value thereof	1,87,01,89,103	1,88,01,35,243	71,11,04,735	72,98,01,554
Aggregate amount of unquoted investments	-	NA	-	NA
Aggregate provision for diminution in value of investments	-	-	-	-

NOTE 14 :CASH AND BANK BALANCES

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Cash and Cash Equivalents		
Balance at Bank		
-With Scheduled Bank		
(i) In Current Account	29,51,34,123	33,58,71,414
(ii) In Fixed Deposits	17,38,145	5,00,00,000
	29,68,72,268	38,58,71,414
Balance at Bank (TEDF)		
-With Scheduled Bank		
(i) In Current Account	8,20,79,128	57,21,515
(ii) In Fixed Deposits	3,50,63,716	-
	11,71,42,844	57,21,515
Cash in hand	1,80,266	1,48,549
Other Bank Balances		
In Fixed Deposits pledged as Bank Guarantee against borrowing from NSTFDC	2,33,67,725	2,18,34,957
In Fixed Deposits pledged as Bank Guarantee against Consultancy assignments	60,50,000	60,50,000
In Fixed Deposits with maturity more than 3 months	-	17,50,00,000
In Fixed Deposits with maturity more than 3 months (TEDF)	5,00,00,000	16,00,00,000
In Fixed Deposits with maturity more than 12 months (TEDF)	29,00,00,000	20,50,63,716
	36,94,17,725	56,79,48,673
Total	78,36,13,103	95,96,90,151

NOTE 15: SHORT TERM LOAN AND ADVANCES

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Advance to Others		
Secured (Considered Good)		
Unsecured (Considered Good)	8,39,843	6,60,915
Doubtful		
Advance to Staff		
Secured (Considered Good)		
Unsecured (Considered Good)	19,68,172	25,53,556
Doubtful		
Loan to Staff		
Secured (Considered Good)	1,35,98,470	1,08,15,873
Unsecured (Considered Good)		
Doubtful		
Trade Loans & Advances		
Secured (Considered Good)	2,24,24,78,198	2,40,68,38,417
Unsecured (Considered Good)		
Doubtful	51,42,45,759	37,35,42,757
Total	2,77,31,30,442	2,79,44,11,518

NOTE 16: OTHER CURRENT ASSETS

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
A. Interest		
Interest Receivable on Loans & Advances	10,05,32,763	15,10,28,254
Interest Receivable on Fixed Deposits	19,59,432	45,17,361
Interest Receivable on Fixed Deposits (TEDF)	2,93,91,916	2,85,37,293
Interest Receivable on Staff Housing Loan	1,70,95,624	1,38,98,194
B. Others		
Advance Income Tax	30,80,00,000	29,75,00,000
Tax Deducted at Source	90,47,386	91,14,534
Income Tax Refundable	1,96,41,675	4,73,79,079
Other Receivables	4,03,45,346	3,02,57,315
Total	52,60,14,142	58,22,32,030

NOTE 17: REVENUE FROM OPERATIONS

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
A. INTEREST		
Interest on loans	1,10,36,98,476	1,18,71,83,343
Interest on Fixed Deposits and Bonds	1,69,98,380	2,06,21,713
	1,12,06,96,856	1,20,78,05,056
B. OTHER FINANCIAL SERVICES		
Consultancy Fees	3,05,35,668	2,11,63,896
Upfront Fees	2,12,67,896	1,98,94,936
Prepayment Charges	13,28,387	23,06,695
	5,31,31,951	4,33,65,527
Total	1,17,38,28,807	1,25,11,70,583

NOTE 18: OTHER INCOME

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Net gain from sale of Investments (other than trade investments)	17,04,31,824	5,25,36,731
Dividend	2,00,000	2,00,000
<u>Other Non Operating Income</u>		
Miscellaneous Receipts	58,67,877	55,07,957
Profit on sale / disposal of assets (net)	19,444	36,360
Rental Income	2,45,45,960	2,42,17,916
Maintenance Charges	1,02,39,860	1,02,13,320
Hall Charges	38,17,063	37,47,688
Bad Loans & Advances Recovered	6,40,89,507	17,65,97,650
Total	27,92,11,535	27,30,57,622

NOTE 19: EMPLOYEES BENEFIT EXPENSES

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Salaries (Director)	38,32,253	32,03,139
Salaries (Others)	15,29,31,206	14,46,78,272
Employer's Provident Fund	1,10,19,542	96,25,952
Medical Reimbursement	52,31,543	39,62,488
Recruitment / Relocation Expenses	10,98,704	4,55,469
Leave Travel Concession / Allowance	1,03,64,404	46,61,642
House Rent	25,25,448	17,61,762
Leave Encashment	1,91,15,130	1,37,34,736
Gratuity	37,81,791	17,59,905
Staff Welfare	1,09,62,357	90,69,474
Total	22,08,62,378	19,29,12,839

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	3,18,67,588	2,85,72,966	7,18,62,490	6,05,49,074
Current Interest Cost	25,17,539	22,28,691	56,77,137	47,22,828
Past Service Cost	-	-	-	-
Current Service Cost	43,26,691	40,42,307	86,08,723	64,40,891
Benefit Paid	-	-	(37,05,503)	(23,77,673)
Actuarial (Gain) / Loss	(14,93,333)	(29,76,376)	48,29,270	25,27,370
Closing benefit obligation	3,72,18,485	3,18,67,588	8,72,72,117	7,18,62,490
ii. Change in Plan Assets				
Opening Fair Value of Plan Assets	2,06,13,601	1,75,62,043	-	-
Expected Return on Plan Assets	17,21,236	15,80,584	-	-
Contribution	12,19,009	13,88,146	-	-
Benefit paid	-	-	-	-
Actuarial Gain / (Loss)	57,344	82,828	-	-
Closing Fair Value of Plan Assets	2,36,11,190	2,06,13,601	-	-
iii. Reconciliation of present value of obligation and fair value of plan assets				
Closing present value of obligation	3,72,18,485	3,18,67,588	8,72,72,117	7,18,62,490
Closing fair value of plan assets	2,36,11,190	2,06,13,601	-	-
Deficit / (surplus)	(1,36,07,295)	(1,12,53,987)	(8,72,72,117)	(7,18,62,490)
Net Liability / (Asset)	1,36,07,295	1,12,53,987	8,72,72,117	7,18,62,490
Net Liability recognised in Balance Sheet	1,36,07,295	1,12,53,987	8,72,72,117	7,18,62,490
iv. Net Cost recognized in Profit & Loss Account				
Current Service cost	43,26,691	40,42,307	86,08,723	64,40,891
Past Service cost	-	-	-	-
Interest Cost	25,17,539	22,28,691	56,77,137	47,22,828
Expected return on plan assets	(17,21,236)	(15,80,584)	-	-
Net Actuarial (Gain) / Loss recognized	(15,50,677)	(30,59,204)	48,29,270	25,27,370
Expenses recognized in Profit & Loss Account	35,72,317	16,31,210	1,91,15,130	1,36,91,089
v. Reconciliation of opening and closing net liability recognized in Balance Sheet				
Opening Net Liability	1,12,53,987	1,10,10,923	7,18,62,490	6,05,49,074
Expenses recognized in Profit & Loss Account	35,72,317	16,31,210	1,91,15,130	1,36,91,089
Benefit paid by Corporation	-	-	(37,05,503)	(23,77,673)
Contribution paid	(12,19,009)	(13,88,146)	-	-
Closing Net Liability	1,36,07,295	1,12,53,987	8,72,72,117	7,18,62,490
vi. Investments under Plan Assets of Gratuity and Leave Encashment as on 31st March, 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	7.40%	7.90%	7.40%	7.90%
Rate of increase in compensation levels	15.00%	15.00%	15.00%	15.00%
Rate of return on Plan Assets	8.21%	8.35%	-	-

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 ₹110.19 Lac (Previous Year ₹96.26 Lac) has been charged to Profit & Loss Account.

NOTE 20: OTHER EXPENSES

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
A. Administrative & Other Expenses		
Advertisement Expenses	2,09,476	4,35,212
Audit Expenses	7,65,586	9,27,417
Bank charges	1,59,596	1,08,264
BOD Meeting Expenses	33,39,779	30,32,811
Books & Periodicals	2,75,629	2,72,005
Business Facilitation Centre Expenses	6,88,407	-
Business Promotion	23,47,788	21,89,519
Car hire Expenses	29,32,166	37,41,005
Centre for Practical Livelihood Training	-	1,20,000
Consultancy Expenses	14,62,264	44,88,406
Conveyance	3,82,100	4,43,788
Electricity Charges & Electrical Expenses	55,54,268	69,25,315
Honarium	1,00,570	6,000
India Exposition Mart Expenses	5,40,757	-
Insurance charges	4,73,822	3,86,700
Krishi Kalyan Cess	91,961	-
Legal & Professional Fees and Expenses	1,13,09,638	51,00,952
Licence & Registration Fees	14,52,623	15,01,393
Misc Expenses	2,08,925	1,59,298
Printing & Stationery	30,52,803	30,71,257
Rent	38,71,980	39,61,784
Repairs & Maintenance (Machine)	32,87,361	33,82,548
Repairs & Maintenance (Security Service Charges & Others)	1,76,78,772	1,72,42,028
Research & Developmental Expenses (net)	96,80,461	-
Seminar & Conference Expenses	23,99,003	23,83,181
Software Maintenance Expenses	23,000	22,800
Service Tax	5,31,785	2,16,230
Swachh Bharat Cess	99,932	45,170
Telephone Charges & Postage	31,55,328	27,76,290
Training Expenses	13,42,116	10,50,953
Travelling Expenses (Director)	2,96,256	3,45,312
Travelling Expenses (Others)	47,98,620	46,50,095
Internal Audit Fees	2,11,625	2,00,500
Auditors' Remuneration:		
Tax Audit Fees	36,000	30,000
Statutory Audit Fees	1,80,000	1,50,000
Total (A)	8,29,40,397	6,93,66,233
B. Provisions and Write Off		
	36,53,96,516	21,92,31,071
Total (B)	36,53,96,516	21,92,31,071
Total (A+B)	44,83,36,913	28,85,97,304

NOTE 20.1: Provisions and Write Offs

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Provisions		
Provision on Standard / Non Performing Assets	36,53,96,516	15,24,23,945
Provision on Diminution in Fair Value of Restructured Advance	-	-
Write Offs		
Bad Loans & Advances	-	6,68,07,126
Total	36,53,96,516	21,92,31,071

NOTE 21: FINANCE COST

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
INTEREST		
Interest on Loan		
- NBCFDC	32,98,921	47,49,581
- NSCFDC	2,13,033	2,45,381
- NSTFDC	1,91,873	4,26,165
- SIDBI	2,09,08,176	3,22,42,354
Total	2,46,12,003	3,76,63,481

NOTE 22: CSR EXPENSES

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
India Exposition Mart Expenses	-	5,734
R & D Expenses (net)	-	48,26,642
Skill & Market Development Expenses	2,03,96,212	1,83,88,613
Total	2,03,96,212	2,32,20,989

NOTE 22.1

a. Gross amount required to be spent: ₹16,800,000/- . 2% of the average profit of last three financial years i.e. 2% of ₹979,486,558/- = ₹19,589,731/-. The Corporation has actually spent ₹20,396,212/- on CSR. However, the excess amount of ₹806,481/- 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	2,03,96,212	-	2,03,96,212

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

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

NOTE 23: EARNINGS PER SHARE (EPS)

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	45,46,33,192	61,66,85,183
No. of Equity shares used as denominator for calculating EPS	10,00,00,007	10,00,00,007
Basic and Diluted Earnings Per Share	4.55	6.17
Face Value per Equity Share	10	10

Notes on Financial Statements for the Year ended 31st March, 2017

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 ₹44,36,456/- (previous year: ₹37,06,342/-) was paid as remuneration.

Note 25: CONTINGENT LIABILITIES AND COMMITMENTS

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.

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 ₹104.32 Crore, which shall be disbursed in due course, subject to compliance of requisite formalities.

The DIPP had raised a demand of ₹13.42 Crore towards refund of interest earned on unspent central subsidy funds received. The DIPP had taken a decision on March 22, 2000 to allow the Corporation to earn interest out of the unspent funds as no service charge was being paid to the Corporation. Hence, the refund of interest earned

was against the decision of DIPP taken on March 22, 2000. The matter is under consideration by the DIPP. If any interest needs to be paid, in that case, the Corporation will be entitled to receive service charges retrospectively, which will be higher than the interest refundable to the DIPP. Hence, no provision has been made in the books of accounts of the Corporation.

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

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

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

Note 29: The Provisioning Coverage Ratio of the Corporation is 28.21%.

Note 30: During the year the Corporation in association with the Ministry of Development of North Eastern Region (M-DoNER) has set up the first dedicated Venture Capital Fund for the NER, namely "North East Venture Fund (NEVF)". The fund is a unit scheme under North East Venture Trust (NEVT), an umbrella trust, wherein the Corporation is the settlor. The trust has been registered under the Indian Registration Act, 1908 on 13th October 2016. The corpus of the fund is ₹100 cr. NEVF has been registered with Securities and Exchange Board of India (SEBI). The first close of the fund has also been declared on 31st March, 2017. To operate and manage the fund, two wholly owned subsidiaries namely NEDFi Venture Capital Limited (NVCL) and NEDFi Trustee Limited (NTL) have been incorporated by the Corporation.

Note 31: SEGMENT REPORTING

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

		(₹ in Crore)	
1.	Segment Revenue	2016 – 17	2015 – 16
	Lending and Financing Activities	119.04	138.60
	Management of Surplus Funds	18.76	7.32
	Others	3.05	2.12
	Total	140.85	148.04
2.	Segments Results		
	Lending and Financing Activities	44.56	82.26
	Management of Surplus Funds	18.76	7.33
	Others	2.90	1.67
	Total	66.22	91.24
	Unallocated Income	4.45	4.38
	Unallocated Expenses	0.00	0.05
3.	Operating Profit	70.67	95.57
	Income Tax	25.21	33.90
4.	Net Profit	45.46	61.67
5.	Other Information		
	Segment Assets		
	Lending and Financing Activities	1283.81	1250.92
	Management of Surplus Funds	222.37	132.83
	Others	3.29	2.29
	Total	1509.47	1386.05
	Unallocated Assets	134.54	128.31
	Total	1644.01	1514.35
	Segment Liabilities		
	Lending and Financing Activities	890.25	789.25
	Management of Surplus Funds	0.00	0.00
	Others	0.00	0.00
	Unallocated Liabilities	80.70	87.70
	Total	970.95	876.95
	Net Capital Employed	673.06	637.40

Note 32: Additional information is disclosed in terms of RBI guidelines vide DBS. FID No.c-18/01.02.2000-01 issued on 23.03.2001.

		(₹ in Crore)	
A	Capital		
a)	CRAR CORE CRAR & Supplementary CRAR		44.93%
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: ₹1516.48	Off the Balance Sheet: Nil
d)	The Shareholding pattern as on 31.03.2017	Equity shares:	
		No of Shares	%
		FI's	55,000,004 55
		Bank	15,000,001 15
		Insurance Co.	20,000,001 20
		Mutual Fund	10,000,001 10
		Total	10,000,007 100

B	Asset quality and credit concentration											
e)	Percentage of net NPA's to net loans & advances, (floating provisions of ₹2 Crore has not been netted from Gross NPA to arrive at net NPA)	18.42%										
f)	Amount and percentage of net NPA's to net advances under the prescribed asset classification categories	<table border="0"> <thead> <tr> <th><u>Category</u></th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Sub Standard Assets :</td> <td>₹100.87 10.31</td> </tr> <tr> <td>Doubtful debts :</td> <td>₹120.17 12.28</td> </tr> <tr> <td>Loss assets :</td> <td>₹ Nil</td> </tr> </tbody> </table>	<u>Category</u>	%	Sub Standard Assets :	₹100.87 10.31	Doubtful debts :	₹120.17 12.28	Loss assets :	₹ Nil		
<u>Category</u>	%											
Sub Standard Assets :	₹100.87 10.31											
Doubtful debts :	₹120.17 12.28											
Loss assets :	₹ Nil											
g)	Amount of provisions made during the year towards standard assets, NPA's loans and investments (other than those in the nature of an advance), in income tax.	<table border="0"> <tbody> <tr> <td>Standard Assets :</td> <td>₹1.49</td> </tr> <tr> <td>NPA Loans :</td> <td>₹34.99</td> </tr> <tr> <td>Soft loan Assistance :</td> <td>₹(-)0.06</td> </tr> <tr> <td>Investments :</td> <td>₹Nil</td> </tr> <tr> <td>Income Tax :</td> <td>₹33.00</td> </tr> </tbody> </table>	Standard Assets :	₹1.49	NPA Loans :	₹34.99	Soft loan Assistance :	₹(-)0.06	Investments :	₹Nil	Income Tax :	₹33.00
Standard Assets :	₹1.49											
NPA Loans :	₹34.99											
Soft loan Assistance :	₹(-)0.06											
Investments :	₹Nil											
Income Tax :	₹33.00											
h)	i) Movement in NPAs (Gross) of loans including soft loans.	<table border="0"> <tbody> <tr> <td>Opening Balance :</td> <td>₹216.82</td> </tr> <tr> <td>Deletions incl. upgradation :</td> <td>₹30.72</td> </tr> <tr> <td>Additions during the year :</td> <td>₹119.03</td> </tr> <tr> <td>Closing Balance :</td> <td>₹305.13</td> </tr> </tbody> </table>	Opening Balance :	₹216.82	Deletions incl. upgradation :	₹30.72	Additions during the year :	₹119.03	Closing Balance :	₹305.13		
Opening Balance :	₹216.82											
Deletions incl. upgradation :	₹30.72											
Additions during the year :	₹119.03											
Closing Balance :	₹305.13											
	ii) Movement of Provisions for NPAs against loans including soft loan assistance.	<table border="0"> <tbody> <tr> <td>Opening Balance:</td> <td>₹49.10 Less: write off / waiver/Write back</td> <td>0.00</td> </tr> <tr> <td>Additions during the year :</td> <td>₹34.99</td> <td></td> </tr> <tr> <td>Closing Balance :</td> <td>₹84.09</td> <td></td> </tr> </tbody> </table>	Opening Balance:	₹49.10 Less: write off / waiver/Write back	0.00	Additions during the year :	₹34.99		Closing Balance :	₹84.09		
Opening Balance:	₹49.10 Less: write off / waiver/Write back	0.00										
Additions during the year :	₹34.99											
Closing Balance :	₹84.09											
	ii) Movement of Provisions for Investments	<table border="0"> <tbody> <tr> <td>Opening Balance :</td> <td>₹0.00</td> </tr> <tr> <td>Additions during the year :</td> <td>₹0.00</td> </tr> <tr> <td>Write Back :</td> <td>₹0.00</td> </tr> <tr> <td>Closing Balance :</td> <td>₹0.00</td> </tr> </tbody> </table>	Opening Balance :	₹0.00	Additions during the year :	₹0.00	Write Back :	₹0.00	Closing Balance :	₹0.00		
Opening Balance :	₹0.00											
Additions during the year :	₹0.00											
Write Back :	₹0.00											
Closing Balance :	₹0.00											
i)	Restructured Accounts											
	Total amount of standard assets which have been subjected to restructuring / rescheduling	Nil										
	Total sub standard assets which have been subjected to restructuring / rescheduling	₹17.96 Crore										
	Total doubtful / Loss assets which have been subjected to restructuring / rescheduling	₹1.67 Crore										
	Total	₹19.63 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		4.93	2.02
	The largest borrower group		6.40	2.62
	The 10 largest single borrowers			
	No.1		4.93	2.02
	No.2		4.01	1.64
	No.3		3.67	1.50
	No.4		3.65	1.49
	No.5		3.62	1.48
	No.6		3.30	1.35
	No.7		3.29	1.35
	No.8		3.20	1.31
	No.9		3.15	1.29
	No.10		3.14	1.29
	The 10 largest borrower groups			
	No.1		6.40	2.62
	No.2		6.19	2.53
	No.3		4.93	2.02
	No.4		4.13	1.69
	No.5		3.73	1.53
	No.6		3.67	1.50
	No.7		3.65	1.49
	No.8		3.62	1.48
	No.9		3.30	1.35
	No.10		3.29	1.35
k)	Credit exposure to the five largest industrial sectors (if applicable) as percentage to total loan assets			
			1. Hotels	: 14.95
			2. Micro Finance	: 12.01
			3. Iron & Steel	: 8.50
			4. Hospitals	: 6.54
			5. Cement	: 6.52
C Liquidity				
l)	Maturity pattern of Rupee assets & liabilities w.r.t. investments incl. Fixed Deposits (₹in Crore)			
	Items	Less than or equal to 1 year	More than 1 year up to 3 years	More than 3 years up to 5 years
	Rupees Asset	179.42	0.61	Nil
	Total Assets	179.42	0.61	Nil
	Total Liabilities	38.60	60.05	53.81
m)	Maturity pattern of foreign currency assets & liabilities			Nil
D Operating results				
n)	Interest income as percentage to average working funds			8.11
o)	Non-interest income as a percentage to average working funds			1.94
p)	Operating profit as a percentage to average working funds			5.12
q)	Return on average assets (%)			3.10
r)	Net profit per employee (₹in Crore)			0.39

(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	115726	11649	127375
Total	115726	11649	127375
(6) Investor group-wise classification of all investments in shares and securities (both quoted and unquoted): Please see note 3 below			
Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)	
1. Related Parties**		NIL	NIL
(a) Subsidiaries		NIL	NIL
(b) Companies in the same group		NIL	NIL
(c) Other related parties		NIL	NIL
2. Other than related parties		1225	510
Total		1225	510

**As per Accounting Standard of ICAI

(7) Other information

	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	30513
(ii)	Net Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	22104
(iii)	Assets acquired in satisfaction of debt	

(8) Exposure to Real Estate Sector

(₹in Crore)

Items	31 st March, 2017	31 st March, 2016
a) Direct Exposure		
(i) Residential Mortgages [all individual housing loans]	5.61	5.39
(ii) Commercial Real Estate	77.60	79.71
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures:		
a) Residential	Nil	Nil
b) Commercial	Nil	Nil
c) Indirect Exposure	Nil	Nil
b) Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil
Total Real Estate Exposure	83.21	85.10

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

a. Capital

₹in Crore

Particulars	Current Year	Previous Year
i. CRAR	44.93%	46.99%
ii. CRAR – Tier I Capital	44.38%	46.50%
iii. CRAR – Tier II Capital	0.54%	0.49%
iv. Amount of subordinated debt raised as Tier II Capital	-	-
v. Amount raised by issue of Perpetual Debt Instruments	-	-

b. Investments

Particulars	Current Year (₹In Crore)	Previous Year (₹In Crore)
1. Value of Investments		
i. Gross value of Investments		
a. In India	187.02	76.11
b. Outside India	-	-
ii. Provisions for Depreciation		
a. In India	-	-
b. Outside India	-	-
iii. Net value of Investments		
a. In India	187.02	76.11
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

(₹in Crore)

	Up to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	29.78	31.53	15.81	58.22	140.33	466.70	270.60	260.78	1273.75
Investments	177.09	-	-	-	2.34	0.60	-	-	180.03
Borrowings	-	2.63	3.05	6.29	26.63	60.05	53.81	585.00	737.46
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

d. Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit & Loss Account	Amount in ₹Crore	
	Current Year	Previous Year
Provisions for depreciation on Investment	-	-
Provision towards NPA	36.54	15.24
Provision made towards Income Tax	33.00	33.25
Other Provision and Contingencies		
Leave Encashment	1.91	1.37
Gratuity	0.38	0.18
LTC	0.00	(-)0.28
Diminution in Fair Value of Restructured Advance	0.00	0.00
Provision for Standard Assets	1.49	(-)2.21

e. Concentration of Advances

	Amount in ₹Crore
Total Advances to twenty largest borrowers	417.96
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	32.81%

f. Concentration of NPAs

	Amount in ₹Crore
Total Exposure to top four NPA accounts	95.13

g. Sector wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that Sector
1	Agriculture & allied activities	77.21%
2	Commercial Real Estate	37.03%
3	Construction	8.14%
4	Infrastructure	17.18%
5	Micro finance	8.15%
6	Medium & Large	40.05%
7	Micro, Small & Others	17.95%

h. Movement of NPAs

Particulars	Amount in ₹Crore	
	Current Year	Previous Year
i. Net NPAs to Net Advances (%)	18.42%	13.96%
ii. Movement of NPAs (gross)		
a. Opening balance	216.82	111.49
b. Additions during the year	119.03	119.58
c. Reductions during the year	30.72	14.25
d. Closing balance	305.13	216.82
iii. Movement of net NPAs		
a. Opening balance	167.72	79.73
b. Additions during the year	100.87	101.55
c. Reductions during the year	47.55	13.56
d. Closing balance	221.04	167.72

iv. Movement of provisions for NPAs		
a. Opening balance	49.10	31.76
b. Provisions made during the year	34.99	17.34
c. Write off / Write backs	0.00	0.00
d. Closing balance	84.09	49.10

j. Customer Complaints

a.	No. of complaints pending at the beginning of the year	0
b.	No. of complaints received during the year	4
c.	No. of complaints redressed during the year	4
d.	No. of complaints pending at the end of the year	0

Note 35: Disclosure as envisaged in MCA Notification: GSR No.308E dated 30/03/2017 for Specified Bank Notes (500 and 1000) held and transacted during the period 08/11/2016 to 30/12/2016:

	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08/11/2016	68500	10814	79314
(+) Permitted receipts	Nil	562887	562887
(-) Permitted payments	Nil	519147	519147
(-) Amount deposited in Banks	68500	Nil	68500
Closing cash in hand as on 30.12.2016	Nil	54554	54554

In terms of our report of even date annexed

For and on behalf of the Board of Directors

For Jhuria and Company
Chartered Accountants



(CA R.A. Jhuria)

Partner

M. No. 050192

FRN: 311081E

Place : Guwahati

Date : 12-07-2017



(B.P. Muktieh)


Chairman and Managing Director

DIN No. 00123561



(S.K. Baruah)

Chief Financial Officer



(V. K. Agarwal)

Company Secretary

Place : Guwahati

Date : 27th June, 2017

Information in respect of Subsidiaries, Associates & Joint Ventures

(Pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part A - Subsidiaries

Sl. No.	Particulars	1	2
1	Name of the Subsidiary	NEDFi Trustee Ltd.	NEDFi Venture Capital Ltd.
2	Reporting period for the Subsidiary concerned, if different from the holding Company's reporting period	NA	NA
3	Reporting Currency and Exchange Rate as on the last date of the relevant Financial Year in the case of foreign subsidiary	INR	INR
4	Share Capital	500,000	500,000
5	Reserves & Surplus	7,641	6,141
6	Total Assets	517,641	517,641
7	Total Liabilities	10,000	11,500
8	Investments	-	-
9	Turnover	17,641	17,641
10	Profit before Taxation / (Loss)	7,641	6,141
11	Provision for Taxation	-	-
12	Profit after Taxation / (Loss)	7,641	6,141
13	Proposed Dividend	-	-
14	% of shareholding	98.80%	98.80%

Part B - Associates and Joint Ventures - Nil

Note:

1. None of the subsidiaries have been liquidated or sold during the year.

In terms of our report of even date annexed


For Jhuria and Company
Chartered Accountants


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

Place : Guwahati
Date : 12-07-2017

For and on behalf of the Board of Directors


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


(S.K. Baruah)
Chief Financial Officer


(V. K. Agarwal)
Company Secretary

Place : Guwahati
Date : 27th June, 2017

Independent Auditors' Report

To

The members of
North Eastern Development Finance Corporation limited, Guwahati

On the basis of audit queries on Independent Auditors' Report made by Comptroller & Auditor General of India, the revised report has been prepared in lieu of the earlier report dated 12th July, 2017 to comply with the queries issued by the Comptroller & Auditor General of India.

Revised Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED ("the holding Company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the group"), which comprise the consolidated Balance Sheet as at 31 March 2017, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated Cash Flows of the group 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 group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding 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 Holding Company's directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2017;
- ii) In case of consolidated statement of Profit and Loss, of the consolidated profit for the year ended on that date and
- iii) In the case of consolidated Cash Flow statement, of the consolidated Cash Flows for the year ended on that date.

Other Matter

We have not audited the financial statements of the 2 subsidiaries whose figures are consolidated by the management as follows:
NEDFI Venture Capital Limited whose Net Worth is ₹506141 as on 31.03.2017 and
NEDFI Trustee Limited whose Net Worth is ₹507641 as on 31.03.2017.

The financial statements of the above said two subsidiaries are being subjected to audit by other auditors duly appointed by CAG of India. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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.

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.

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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid consolidated 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, 2017, taken on record by the Board of Directors of the Holding company and the reports of the statutory auditors of its subsidiaries, none of the directors of the group are disqualified as on March 31, 2017, from being appointed as director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company and the operating effectiveness of such controls, refer to our separate report in Annexure – III.
- g) 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 Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group in its financial statement – Refer Note 25 to the consolidated financial statements;
 - (ii) The group does not have any long-term contracts including derivatives contracts; hence no provision for the material foreseeable losses has been made by the Holding 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 group.
 - (iv) The group has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 – Refer Note 35 to the consolidated financial statements.

For Jhuria & Company
Chartered Accountants



(R.A. JHURIA)

Partner

M. No. 050192

FRN: 311081E

Place : Guwahati
Date : 21-08-2017

Annexure-I to the Independent Auditors' Report

As per Annexure-I referred to in our Independent Auditors' Report to the members of the Holding Company on the Consolidated Financial Statements for the year ended 31 March 2017, we report that:

- (i) (a) The group 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 group have been physically verified by the Management during the year which in our opinion is reasonable having regard to the size of the group 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 Holding Company
- (ii) The Holding 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 Holding 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 Holding 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 group has complied with the provisions of Section 185 and 186 of the Act, with respect to the Loans and Investments made.
- (v) The group 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 group.
- (vii) (a) According to the information and explanations given to us by the management and according to the records of the holding 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 31.3.2017 for a period of more than 6 months from the date they become payable.

(b) According to the record of the Holding company and the reports of the statutory auditors of its subsidiaries 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 31.3.2017.

(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 group did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- (ix) The Holding 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 group by its officers and employees has been noticed or reported during the course of our audit.
- (xi) The Holding 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 Holding 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, 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 group has 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 group 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 Holding Company is already registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Guwahati
Date : 21-08-2017

For Jhuria & Company
Chartered Accountants



(R.A. JHURIA)

Partner

M. No. 050192

FRN: 311081E

Annexure-II to the Independent Auditors' Report

(Referred to in "Report on Other Legal and Regulatory requirements" of our Report of even date)

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED, GUWAHATI, ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

REPORT ON THE DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT 2013

According to the information and explanation given to us by the management and on the basis of our examination of books and records of the holding company and reports of the other auditors and information furnished by the management of subsidiaries, we report that:

Sl. No.	DIRECTIONS	COMMENTS
1	Whether the company and its subsidiaries have clear title/ lease deeds for freehold and leasehold land respectively. If not please state the area of freehold land for which title/lease deed are not available?	The Company including its subsidiaries have clear title / lease deeds of freehold and leasehold land respectively.
2	Whether there are any cases of waiver/ writeoff of debts/loans/interest etc. If yes the reason there for and amount involved.	As informed by the management and based on the records examined, there are no cases of write off of loans advanced. Further, as informed by the management and based on the records examined, there are 5 cases of waiver of interest aggregating ₹0.36 Crore in respect of OTS cases, wherein the settlement amount has been received.
3	Whether proper records maintained for inventories lying with third parties & assets received as gift/ grant(s) from the Govt 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.

Our reports under Section 143 (5) of the Act on the consolidated financial statements of North Eastern Development Finance Corporation Limited, in so far as it relates to its subsidiaries, is based on the corresponding reports of the auditors of such subsidiaries (hereinabove mentioned as the "other auditors") and information furnished by the management of such subsidiaries. The Company has 2 subsidiaries.

For Jhuria & Company
Chartered Accountants



(R.A. JHURIA)

Partner

M. No. 050192

FRN: 311081E

Place : Guwahati
Date : 21-08-2017

Annexure – III to the Independent Auditors' Report

(Referred to in "Report on Other Legal and Regulatory requirements" of our Report of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED (hereinafter referred to as "the company") and its subsidiaries, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its subsidiaries which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both issued by the ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement including the assessment of the risk of material misstatement of financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial control system over financial reporting.

Meaning of Internal Financial Control over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertaining to maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention

or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Control over Financial Reporting

Because of the inherent limitations of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not to be detected. Also, projection of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risks that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company and its subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under section 143 (3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to its subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

Place : Guwahati
Date : 21-08-2017

For Jhuria & Company
Chartered Accountants



(R.A. JHURIA)

Partner

M. No. 050192

FRN: 311081E

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED, GUWAHATI FOR THE YEAR ENDED 31 MARCH 2017.

The preparation of Consolidated Financial Statements of North Eastern Development Finance Corporation Limited, Guwahati for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act, based on independent audit in accordance with the 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 21-08-2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of North Eastern Development Finance Corporation Limited, Guwahati for the year ended 31 March 2017. We conducted supplementary audit of the financial statements of North Eastern Development Finance Corporation Limited, Guwahati and its subsidiaries viz. NEDFi Trustee Limited and NEDFi Venture Capital Limited. 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



(Reena Saha)

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

Place: Kolkata
Date : 07-09-2017

Consolidated Balance Sheet as at 31st March, 2017

Particulars	Note No.	As at 31 March, 2017 (₹)	As at 31 March, 2016 (₹)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	1,00,00,00,070	1,00,00,00,070
(b) Reserves and surplus	2	6,35,09,43,793	5,98,68,38,599
(c) Money received against share warrants		-	-
(d) Minority Interest		12,165	-
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	3	6,98,85,63,612	6,53,46,00,111
(b) Deferred tax liabilities (net)	4	2,37,40,377	10,28,77,260
(c) Other long-term liabilities		-	-
(d) Long-term provisions	5	1,03,21,53,564	65,15,52,051
4 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	6	-	-
(c) Other current liabilities	7	60,04,72,431	42,27,36,792
(d) Short-term provisions	8	44,42,98,123	44,48,72,672
TOTAL		16,44,01,84,134	15,14,34,77,555
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	34,28,16,760	36,63,04,412
(ii) Intangible assets		-	-
(iii) Capital work-in-progress	10	2,59,16,874	1,57,16,534
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale		-	-
(b) Non-current investments	11	5,00,00,000	5,00,00,000
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	12	10,06,74,68,429	9,66,40,18,175
(e) Other non-current assets		-	-
2 Current assets			
(a) Current investments	13	1,87,01,89,103	71,11,04,735
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and Cash equivalents	14	78,46,13,103	95,96,90,151
(e) Short-term loans and advances	15	2,77,31,30,442	2,79,44,11,518
(f) Other current assets	16	52,60,49,424	58,22,32,030
TOTAL		16,44,01,84,134	15,14,34,77,555
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)
Partner
M. No. 050192
FRN: 311081E

Place : Guwahati
Date : 12-07-2017

For and on behalf of the Board of Directors


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


(S.K. Baruah)
Chief Financial Officer


(V. K. Agarwal)
Company Secretary

Place : Guwahati
Date : 27th June, 2017

Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

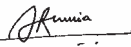
	Note No.	For the year ended 31 st March, 2017 (₹)	For the year ended 31 st March, 2016 (₹)
CONTINUING OPERATIONS			
Revenue from Operation	17	1,17,38,64,089	1,25,11,70,583
Other Income	18	27,92,11,535	27,30,57,622
Total Revenue		1,45,30,75,624	1,52,42,28,205
Expenses			
(a) Cost of materials consumed		-	-
(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	22,08,62,378	19,29,12,839
(e) Finance costs	21	2,46,12,003	3,76,63,481
(f) Depreciation and amortisation expense	9	3,20,86,844	2,55,61,538
(g) Other expenses	20	44,83,58,413	28,85,97,304
(h) CSR Expenses	22	2,03,96,212	2,32,20,989
Total expenses		74,63,15,850	56,79,56,151
Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		70,67,59,773	95,62,72,054
Exceptional items		-	-
Profit / (Loss) before extraordinary items and tax		70,67,59,773	95,62,72,054
Extraordinary items			
Prior Period Expenses		-	5,22,389
Profit / (Loss) before tax		70,67,59,773	95,57,49,665
Tax expense:			
(a) Current tax expense for current year		33,00,00,000	33,25,00,000
(b) (Less): MAT credit (where applicable)		-	-
(c) (Less): Current tax expense relating to prior years		12,49,681	(7,44,516)
(d) Net current tax expense		33,12,49,681	33,17,55,484
(e) Deferred tax		(7,91,36,882)	73,08,998
		25,21,12,799	33,90,64,482
Profit / (Loss) from continuing operations before minority interest (A)		45,46,46,974	61,66,85,183
		45,46,46,974	61,66,85,183
Less: Minority Interest		165	-
Profit / (Loss) from continuing operations after minority interest (A)		45,46,46,809	61,66,85,183
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)		45,46,46,809	61,66,85,183

Consolidated Statement of Profit and Loss for the year ended 31st March, 2017 (contd.)

Particulars	Note No.	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Earnings per share (of ₹10/- each):	23		
Basic & Diluted			
(i) Continuing operations		4.55	6.17
(ii) Total operations		4.55	6.17
Earnings per share (excluding extraordinary items) (of ₹10/- each):			
Basic & Diluted			
(i) Continuing operations		4.55	6.17
(ii) Total operations		4.55	6.17
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)
Partner
M. No. 050192
FRN: 311081E

Place : Guwahati
Date : 12-07-2017

For and on behalf of the Board of Directors


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


(S.K. Baruah)
Chief Financial Officer

Place : Guwahati
Date : 27th June, 2017


(V. K. Agarwal)
Company Secretary

Consolidated Cash Flow Statement for the Year Ended 31-03-2017

(₹ in '000)

	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Cash flows from Operating activities		
Net profit before income tax	7,06,759	9,55,750
Adjustment for:		
Interest Income	(35)	
Depreciation charge for the year	32,087	25,562
Loans Provisions & Write offs	3,65,397	2,19,231
Fixed Assets written off/Loss on sale	(19)	(36)
Dividend received	(200)	(200)
Provision for Gratuity, Leave Encashment and LTC / LTA	17,763	8,756
Operating profit before working capital changes	11,21,751	12,09,063
Adjustments for:		
(Increase) / Decrease in Advances	(3,79,306)	(23,652)
(Increase) / Decrease in Other Current Assets & Advances	36,904	47,859
Increase / (Decrease) in Other liabilities and Provisions	71,072	(25,611)
Cash Flow from operations	8,50,421	12,07,658
Direct Taxes paid (net of refund received)	(3,16,445)	(3,06,450)
Net cash flow / (used in) from operating activities	5,33,976	9,01,208
Cash flows from Investing activities		
(Increase) / Decrease in Capital Advances		-
(Increase) / Decrease in Investment in subsidiaries		-
(Increase)/Decrease in Capital Work in Progress	(10,200)	(10,382)
Purchase of fixed assets (net of sales)	(9,295)	(1,01,969)
Dividend Received	200	200
Net cash flow / (used in) from Investing activities	(19,295)	(1,12,151)
Cash flows from Financing activities		
Dividend and Dividend Tax paid	(96,286)	(96,286)
Increase / (Decrease) in Borrowings	5,88,650	1,73,579
Net cash flow / (used in) from financing activities	4,92,364	77,293
Net increase in cash and cash equivalents from Operating, Investing and Financing Activities	10,07,045	8,66,350
Cash flows from Nodal Agency and Implementing Agency Activities		
Net Income / (Expenditure) of TEDF	5,827	23,097
(Increase)/Decrease in Investments	-	24,898
(Increase)/Decrease in Current Assets	(855)	(4,678)
Increase / (Decrease) in Growth Centre, Central Subsidy and other Central Funds	(28,021)	21,753
Net Increase in cash & cash equivalent from Nodal Agency activity	(23,048)	65,070
Net increase in cash and cash equivalents	9,83,996	9,31,420

Cash and cash equivalents at beginning of period		
- Own funds	12,73,963	3,89,660
- Nodal Agency and Implementing Agency funds	3,90,785	3,43,667
Cash and cash equivalents at end of period		
- Own funds	21,71,600	12,73,963
- Nodal Agency and Implementing Agency funds	4,57,143	3,90,785

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	18,44,142	7,05,058
Cash and bank balances		
Cash in hand	180	149
Balance at Bank		
-With Scheduled Bank		
(i) In Current Account	2,95,134	3,85,871
(ii) In Fixed Deposits	31,156	2,02,885
Balance at Bank (TEDF)		
-With Scheduled Bank		
(i) In Current Account	82,079	5,722
(ii) In Fixed Deposits	3,75,064	3,65,064
	26,27,755	16,64,749

In terms of our report of even date annexed


For Jhuria and Company
Chartered Accountants


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

Place : Guwahati
Date : 12-07-2017

For and on behalf of the Board of Directors


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


(S.K. Baruah)
Chief Financial Officer


(V. K. Agarwal)
Company Secretary

Place : Guwahati
Date : 27th June, 2017

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. Basis of Consolidation

Consolidated financial statements of the Group (comprising of 2 subsidiaries) have been prepared on the basis of:

- i) Audited financial statements of North Eastern Development Finance Corporation Ltd. (Parent).
- ii) Line by line aggregation of each item of asset/liability/income/expense of the subsidiaries with the respective item of the parent, and after eliminating all material intra group balances/transactions, unrealized profit/loss, and making necessary adjustments wherever required for non-uniform accounting policies as per AS 21 issued by the ICAI.

C. 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) Management Fees are accounted on the basis of capital commitments received by funds as defined under the agreements entered into with respective funds.

iii) Interest income is accounted for on a time proportion basis taking into account the amount outstanding and the rate applicable.

iv) Upfront Fees, Loan Syndication Charges, Appraisal Fees, Dividend, and other miscellaneous receipts are accounted for on cash basis.

v) 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.

vi) 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.

D. 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 provision of 5.00% is made against restructured standard accounts as per extant RBI guidelines.

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.

E. Prior Period Adjustments

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

F. 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. In pursuant to Schedule – II of the Companies Act, 2013, the fixed assets of significant values are componentized with separate useful life. The cut off limit of component value to capitalize separately with different useful life is considered as ₹1 Crore.

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.

There is a change in the useful life of Interior Furnishings & Fittings in view of the observations raised by the audit team from O/o the Principal Director of Commercial Audit & Ex-officio Member, Audit Board-1. Accordingly, the useful life has been changed from 15 years to 10 years As a result, the depreciation on Interior Furnishings & Fittings has increased by ₹6,765,859/-.

G. 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.

H. 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.

I. 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.

J. 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.

K. 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.

L. 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.

M. 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.

N. 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.

O. Distribution and scheme expenses

New fund offer expenses: Expenses related to new fund offer are charged to the Statement of Profit & Loss in the year in which they are incurred.

P. Fund received in the capacity of custodian

The amount of contribution received in the capacity of custodian is considered as liabilities in the books of accounts till the time the same is disbursed to respective fund.

Interest/dividend income received from temporary investment of contribution will be considered as a part of initial contribution received by the Company and will be distributed to respective contributors along with income received from Fund as per their instruction.

Q. Operating Lease

Lease, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset during the lease term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit & Loss on a straight line basis over the lease term.

Notes on Financial Statements for the Year ended 31st March, 2017

Note 1 :SHARE CAPITAL

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹10/- each	50,00,00,000	5,00,00,00,000	50,00,00,000	5,00,00,00,000
(b) Issued, Subscribed, Called up & Paid up Capital				
Equity shares of ₹10/- each	10,00,00,007	1,00,00,00,070	10,00,00,007	1,00,00,00,070
TOTAL (₹)	10,00,00,007	1,00,00,00,070	10,00,00,007	1,00,00,00,070

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

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

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

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

Name of the Shareholder	As at 31 st March, 2017		As at 31 st March, 2016	
	Number of shares	% held	Number of shares	% held
IDBI Bank Limited	2,50,00,002	25%	2,50,00,002	25%
Life Insurance Corporation of India	1,50,00,001	15%	1,50,00,001	15%
State Bank of India	1,50,00,001	15%	1,50,00,001	15%
Industrial Finance Corporation of India	1,00,00,001	10%	1,00,00,001	10%
ICICI Ltd.	1,00,00,001	10%	1,00,00,001	10%
Small Industries Development Bank of India	1,00,00,000	10%	1,00,00,000	10%
Administrator of Specified Undertaking of Unit Trust of India	1,00,00,001	10%	1,00,00,001	10%

Note 2: RESERVES & SURPLUS

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
(i) Other Reserves		
(a) North East Equity Fund		
Fund balance	7,98,70,500	7,98,70,500
Less : Bad Loans written Off	1,67,66,565	1,67,66,565
Less : Provision against Soft Loans under NEEDS	23,06,478	29,38,966
Closing balance	6,07,97,457	6,01,64,969
(b) Statutory Reserve under RBI Act,1934		
Opening Balance	98,76,13,483	86,47,76,446
Add: Transferred from P/L Account	9,10,59,374	12,28,37,037
Closing balance	1,07,86,72,857	98,76,13,483
(c) Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961		
Opening Balance	76,03,53,939	62,88,87,328
Add: Transferred from P/L Account	12,60,63,776	13,14,66,611
Closing balance	88,64,17,715	76,03,53,939
(d) Venture Capital Fund: *		
Fund Balance	7,00,00,000	7,00,00,000
Add: Transferred from General Reserve	4,84,45,009	4,59,27,494
Closing balance	11,84,45,009	11,59,27,494

Note 2: RESERVES & SURPLUS (contd.)

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
(e) General Reserve		
Opening balance	3,62,12,60,881	3,35,37,78,396
Add: Transferred from surplus in Statement of Profit and Loss	14,00,00,000	27,00,00,000
Less: Utilised / transferred during the year for:		
Others : Transferred to Venture Capital Fund	25,17,515	25,17,515
Closing balance	3,75,87,43,366	3,62,12,60,881
(f) India Exposition Mart Stalls		
Opening balance	1,81,60,102	1,89,11,602
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	7,14,977	7,51,500
Closing Balance	1,74,45,125	1,81,60,102
(g) Techno Economic Development Fund		
Opening balance	41,52,01,059	39,21,03,826
Add: Additions / transfers during the year	3,29,37,116	3,78,84,180
Less: Utilisations / transfers during the year	2,71,09,842	1,47,86,947
Closing Balance	42,10,28,333	41,52,01,059
(h) CSR Reserve **		
Opening balance	34,16,110	86,37,099
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	8,06,481	52,20,989
	26,09,629	34,16,110
(ii) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	47,40,562	34,24,438
Add: Profit / (Loss) for the year	45,46,46,809	61,66,85,183
Amounts transferred from:		
General reserve	-	-
Other reserves (CSR Reserve)	8,06,481	52,20,989
Less: Interim dividend	-	-
Dividends proposed to be distributed to equity shareholders (₹ per share)	8,00,00,000	8,00,00,000
Tax on dividend	1,62,86,400	1,62,86,400
Transferred to:		
CSR Reserve	-	-
Capital Reserve		
General reserve	14,00,00,000	27,00,00,000
Statutory Reserve under RBI Act,1934	9,10,59,374	12,28,37,037
Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961	12,60,63,776	13,14,66,611
Closing Balance	67,84,302	47,40,562
Total (₹)	6,35,09,43,793	5,98,68,38,599

* 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 ₹806,481/- has been transferred from CSR Reserve to Skill & Market Development Expenses as the same is no longer required since CSR obligation to that extent is met.

NOTE 3: LONG TERM BORROWINGS

Borrowed from	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)	Remark
Term Loan from Other Parties			
Secured	-		
Loan from National Scheduled Tribes Finance & Development Corporation (NSTFDC)	-	33,33,330	1. Secured against BG of ₹2.00 Crore. 2. Repayable in 17 quarterly instalments starting from January, 2015.
-	-	33,33,330	
Unsecured	-		
Interest free loan from Govt. of India	6,33,71,00,000	6,19,11,00,000	1. Repayable after 15 years as per instalment received. 2. First instalment due in FY 2017-18.
Interest free loan from Govt. of India for Venture	45,00,00,000	-	1. Repayable after 15 years 2. Due in FY 2031-32.
Loan from National Scheduled Castes Finance & Development Corporation (NSCFDC)** (3 rd Loan)	85,60,000	70,00,000	1. Repayable in 10 quarterly instalments starting from September, 2016.
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (2 nd Loan)	-	35,71,472	1. Repayable in 16 quarterly instalments starting from December, 2013.
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (3 rd Loan)	25,71,214	2,61,42,887	1. Repayable in 18 quarterly instalments starting from September, 2014.
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (4 th Loan)	3,78,57,396	8,07,14,316	1. Repayable in 16 quarterly instalments starting from September, 2015.
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (5 th Loan)	5,21,42,871	8,07,14,291	1. Repayable in 15 quarterly instalments starting from September, 2016.
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)* (6 th Loan)	6,35,71,433	-	1. Repayable in 15 quarterly instalments starting from September, 2017.
Loan From Small Industries Development Bank of India (SIDBI)***	3,67,60,698	14,20,23,815	1. Repayable in 19 quarterly instalments starting from September, 2013.
Total	6,98,85,63,612	6,53,12,66,781	

* Loan from NBCFDC was ₹63 Crore taken on various occasions, out of which ₹35.89 Crore has already been repaid. The installments due within 12 months has been shown under 'Other Current Liabilities' and the balance has been shown above.

** Loan from NSCFDC was ₹4.98 Crore taken on various occasions, out of which ₹3.28 Crore has already been repaid. The installments due within 12 months has been shown under 'Other Current Liabilities' and the balance has been shown above.

*** Loan from SIDBI was ₹50 Crore. The installments due within 12 months has been shown under 'Other Current Liabilities' and the balance has been shown above.

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

NOTE 4: DEFERRED TAX LIABILITY (Net)

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Deferred Tax Asset		
Relating to Provisions of Current Year	11,61,98,119	3,99,29,481
Relating to Provisions of Earlier Years	16,49,93,174	12,43,79,857
Total	28,11,91,293	16,43,09,338
Deferred Tax Liability		
Relating to Fixed Assets	(18,39,772)	40,43,307
Relating to Special Reserve	30,67,71,442	26,31,43,291
Total	30,49,31,670	26,71,86,598
Net Deferred Tax Liability	2,37,40,377	10,28,77,260

NOTE 5 : LONG TERM PROVISIONS

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
A. Provision for employee benefits		
Provision for Leave Encashment	7,67,47,244	6,30,05,457
Provision for Gratuity	91,20,446	70,24,749
	8,58,67,690	7,00,30,206
B. Others		
Provision for Standard Assets	8,22,79,521	6,74,04,800
Floating Provision against Advances	2,00,00,000	2,00,00,000
Provision Against Sub Standard Assets	18,16,51,477	18,02,84,108
Provision Against Doubtful Assets	65,22,27,106	30,26,52,632
Provision Against Loss Assets	69,98,770	80,51,305
Provision for Diminution in Fair Value of Restructured Advance	31,29,000	31,29,000
	94,62,85,874	58,15,21,845
Total	1,03,21,53,564	65,15,52,051

NOTE 6 : TRADE PAYABLE

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

NOTE 7: OTHER CURRENT LIABILITIES

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Sundry creditors (for expenses)	6,78,52,311	5,92,78,836
Sundry creditors (for capital expenditure)	12,88,676	40,64,163
Current maturities of Long Term Loan (NBCFDC)	11,49,99,988	12,24,99,946
Current maturities of Long Term Loan (NSCFDC)	84,40,000	1,69,20,000
Current maturities of Long Term Loan (NSTFDC)	33,33,330	66,66,668
Current maturities of Long Term Loan (SIDBI)	10,52,63,117	10,52,63,180
Current maturities of Long Term Loan (GOI)	15,40,00,000	-
Other liabilities	8,20,22,467	1,58,11,620
MEFC- R & D Training Fund	16,28,187	16,28,187
Interest accrued and not due on Loans	12,66,541	22,05,258
Undisbursed Central Subsidies	5,14,59,725	7,94,80,846
Security Deposit	88,74,320	88,74,320
NE Trade Expo	43,768	43,768
Total	60,04,72,431	42,27,36,792

NOTE 8: SHORT TERM PROVISIONS

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
A. Provision for Employee Benefits		
Provision for Leave Travel Concession / Allowance	30,00,000	30,00,000
Provision for Leave Encashment	1,05,24,873	88,57,033
Provision for Gratuity	44,86,850	42,29,239
	1,80,11,723	1,60,86,272
B. Others		
Proposed Dividend	8,00,00,000	8,00,00,000
Additional Tax on Dividend	1,62,86,400	1,62,86,400
Provision for Income Tax	33,00,00,000	33,25,00,000
	42,62,86,400	42,87,86,400
Total	44,42,98,123	44,48,72,672

Note 9: FIXED ASSETS

Particulars	GROSS BLOCK			Depreciation / Amortisation			NET BLOCK		
	As at 31 st Mar, 2016 (₹)	Additions (₹)	Disposals (₹)	As at 31 st Mar, 2016 (₹)	For the Year (₹)	Eliminated on disposal (₹)	Up to 31 st Mar, 2017 (₹)	As At 31 st Mar, 2017 (₹)	As At 31 st Mar, 2016 (₹)
Tangible Assets									
Freehold Land at Dispur	1,69,69,592	-	-	1,69,69,592	-	-	-	1,69,69,592	1,69,69,592
Freehold Land at Khanapara	9,06,40,000	17,60,000	-	9,24,00,000	-	-	-	9,24,00,000	9,06,40,000
Building *	19,27,76,520	-	-	19,27,76,520	4,74,25,849	-	5,45,28,412	13,82,48,108	14,53,50,671
Office at Agartala	1,43,67,130	-	-	1,43,67,130	57,508	-	7,54,387	1,36,12,743	1,43,09,622
RCC Bridge	15,78,377	-	-	15,78,377	5,21,463	-	6,28,317	9,50,060	10,56,914
Air Conditioning System	4,47,06,006	-	-	4,47,06,006	2,40,15,821	-	2,77,13,055	1,69,92,951	2,06,90,185
Electrical Installation	2,64,12,736	-	-	2,64,12,736	1,93,94,074	-	2,16,28,971	47,83,765	70,18,662
Fire Alarm System	36,73,341	-	-	36,73,341	22,92,997	-	25,61,198	11,12,143	13,80,344
Lift	79,56,378	-	-	79,56,378	49,66,584	-	55,47,501	24,08,877	29,89,794
Machineries	81,13,324	1,48,815	-	82,62,139	63,79,547	-	67,82,133	14,80,006	17,33,777
UPS System	14,90,229	-	-	14,90,229	13,66,765	-	14,14,718	75,511	1,23,464
Water Installation System	15,88,014	-	-	15,88,014	9,91,280	-	11,07,225	4,80,789	5,96,734
Furniture & Fixture	1,15,81,089	2,06,739	-	1,17,87,828	89,78,883	-	96,80,310	21,07,519	26,02,207
Interior Furnishing & Fittings	10,87,85,465	18,98,974	-	11,06,84,439	5,42,71,295	-	1,37,23,352	4,26,89,792	5,45,14,170
Vehicle	14,62,224	-	-	14,62,224	12,36,400	-	13,23,004	1,39,220	2,25,824
Office Equipments	74,25,148	6,25,748	-	80,50,896	51,27,402	-	58,81,483	21,69,413	22,97,746
Computers	1,95,80,398	46,83,450	2,77,075	2,39,86,773	1,57,75,691	2,67,518	1,77,90,501	61,96,272	38,04,707
Total:	55,91,05,971	93,23,726	2,77,075	56,81,52,622	19,28,01,559	2,67,518	22,53,35,862	34,28,16,760	36,63,04,412
Figures for the previous year	44,30,54,643	11,63,92,485	3,41,157	55,91,05,971	16,68,09,538	3,21,017	19,28,01,559	36,63,04,412	27,62,45,105

* Building includes ₹1,99,51,364/- (previous year ₹199,51,364/-) towards Permanent Stalls at India Exposition Mart, Noida, acquired out of grant received from the North Eastern Council, Shillong. As per AS-12, the asset has been taken at cost in the books and the corresponding depreciation is charged to the fund every year.

NOTE 10 : CAPITAL WORK IN PROGRESS

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Software	2,55,01,074	1,57,16,534
Computer	4,15,800	-
Total	2,59,16,874	1,57,16,534

Note 11 : NON CURRENT INVESTMENTS

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Other Investments		
Investments in Equity Instruments		
Quoted		
Premier Cryogenics Ltd.		
Quoted at Cost (Fair value ₹14,636,000/- - Not traded - 2016-17) (2,00,000 shares of ₹10/- each)	20,00,000	20,00,000
Total (A)	20,00,000	20,00,000
Unquoted		
Gauhati Neurological Research Centre Ltd.	25,00,000	25,00,000
(Unquoted at cost 250,000 shares @ 10/- per share, fair value ₹8,817,500/-)		
Konoklota Mahila Urban Co-Op Bank Ltd.	5,00,000	5,00,000
(Unquoted at cost 5,000 shares @ 100/- per share, fair value ₹1,308,700/-)		
RGVN (North East) Microfinance Ltd.	3,00,00,000	3,00,00,000
(Unquoted at cost 3,000,000 Equity Shares @ 10/- per share, fair value ₹77,760,000/-)		
Nightingale Finvest Pvt. Ltd.	50,00,000	50,00,000
(Unquoted 50,000 Equity Shares of 100/- per share, fair value ₹7,034,500/-)		
YVU Financial Services Pvt. Ltd.	50,00,000	50,00,000
(Unquoted 50,000 Equity Shares of 100/- per share, fair value ₹6,499,500/-)		
Grameen Development & Finance Pvt. Ltd.	50,00,000	50,00,000
(Unquoted 500,000 Equity Shares of 10/- per share, fair value ₹5,450,000/-)		
Total (B)	4,80,00,000	4,80,00,000
TOTAL (A+B)	5,00,00,000	5,00,00,000

	Amount (₹)	Market Value (₹)	Amount (₹)	Market Value (₹)
Aggregate amount of quoted investments and market value thereof	20,00,000	1,46,36,000	20,00,000	1,21,58,000
Aggregate amount of unquoted investments	4,80,00,000	NA	4,80,00,000	NA

In respect of shares / scrips / bonds quoted in recognised stock exchange, latest quotation nearest to the balance sheet date is taken to ascertain the market value. Where the scrip is not traded during the year or no quotation is available, fair value is ascertained in respect of shares and cost is taken for debt instruments as fair value. In respect of unquoted shares / scrips / bonds, fair value is ascertained by dividing the net worth with the number of shares as per the latest Balance Sheet. In case of investments in mutual funds, fair value is taken as the declared NAV of the said scheme / fund, nearest to the balance sheet date.

NOTE 12: LONG TERM LOAN LOANS AND ADVANCES

Particulars	As at 31 March, 2017 (₹)	As at 31 March, 2016 (₹)
Capital Advances		
Security Deposits		
Secured (Considered Good)	-	-
Unsecured (Considered Good)	20,23,149	20,23,149.00
Doubtful	-	-
Loans to Staff		
Secured (Considered Good)	8,46,49,984	8,41,62,557.00
Unsecured (Considered Good)	-	-
Doubtful	-	-
Trade Loans & Advances		
Term Loans		
Secured (Considered Good)	6,27,76,78,741	6,68,68,41,060
Unsecured (Considered Good)	1,16,48,94,660	1,09,95,39,446
Doubtful	2,53,46,88,546	1,78,77,35,757
Soft Loan under NEEDS		
Secured (Considered Good)	11,67,664	6,56,153
Unsecured (Considered Good)	-	-
Doubtful	23,65,685	30,60,053
TOTAL (₹)	10,06,74,68,429	9,66,40,18,175

NOTE 12.1: LOAN PORTFOLIO CLASSIFICATION AND PROVISIONING*

Category	2016-17		2015-16	
	Loan Outstanding (₹)	Provisioning (₹)	Loan Outstanding (₹)	Provisioning (₹)
Standard	9,68,62,19,263	8,22,79,521	10,19,00,36,686	6,74,93,976
Sub Standard	1,19,03,26,679	18,16,51,478	1,19,57,50,552	18,02,84,108
Doubtful	1,85,39,74,541	65,22,27,105	96,43,75,100	30,26,52,632
Loss	69,98,770	69,98,770	80,51,305	80,51,305
Total	12,73,75,19,253	92,31,56,874	12,35,82,13,643	55,84,82,021

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

NOTE 13: CURRENT INVESTMENT

Particulars	As at 31 March, 2017 (₹)	As at 31 March, 2016 (₹)
Investment in Mutual Funds:		
HDFC Mutual Fund - Short Term Opportunities Fund (497897.765 units, Value as on 31.03.2017 ₹9,012,198/-)	90,00,000	90,00,000
LIC Mutual Fund - Savings Plus Fund (6615712.707 units, Value as on 31.03.2017 ₹170,360,556/-)	17,00,00,000	-
UTI Mutual Fund - Floating Rate Fund (144112.505 units, Value as on 31.03.2017 ₹391,710,888/-)	39,00,00,000	22,45,77,308
Principal Mutual Fund - Low Duration Fund (41627.781 units, Value as on 31.03.2017 ₹110,600,081/-)	11,00,00,000	10,00,00,000
Reliance Mutual Fund - Fixed Horizon Fund (15,000,000 units, Value as on 31.03.2016 ₹151,393,500/-)	-	15,00,00,000
SBI Mutual Fund - Premier Liquid Fund (133436.718 units, Value as on 31.03.2017 ₹340,572,870/-)	34,00,00,000	20,14,80,504
Reliance Mutual Fund - Liquid Fund (98588.047 units, Value as on 31.03.2017 ₹391,134,047/-)	39,00,00,000	-
Canara Robeco Mutual Fund - Savings Plus Fund (3907455.816 units, Value as on 31.03.2017 ₹100,288,761/-)	10,00,00,000	-
UTI Mutual Fund - Fixed Term Income Plan (TEDF) (2,000,000 units, Value as on 31.03.2017 ₹23,349,400/-)	2,00,00,000	2,00,00,000
HDFC Mutual Fund - Floating Rate Income Fund (9190906.638 units, Value as on 31.03.2017 ₹260,649,516/-)	26,01,42,179	-
UTI Mutual Fund - Money Market Mutual Fund (TEDF) (4087.728 units, Value as on 31.03.2017 ₹7,456,926/-)	60,46,924	60,46,923
North East Venture Trust (750 units, Value as on 31.03.2017 ₹75,000,000/-)	7,50,00,000	-
Total	1,87,01,89,103	71,11,04,735

	As at 31 st March, 2017		As at 31 st March, 2016	
	Amount (₹)	Market Value (₹)	Amount (₹)	Market Value (₹)
Aggregate amount of quoted investments and market value thereof	1,87,01,89,103	1,88,01,35,243	71,11,04,735	72,98,01,554
Aggregate amount of unquoted investments	-	NA	-	NA
Aggregate provision for diminution in value of investments	-	-	-	-

NOTE 14 : CASH AND BANK BALANCES

Particulars	As at 31 March, 2017 (₹)	As at 31 March, 2016 (₹)
Cash and Cash Equivalents		
Balance at Bank		
-With Scheduled Bank		
(i) In Current Account	29,51,54,123	33,58,71,414
(ii) In Fixed Deposits	27,18,145	5,00,00,000
	29,78,72,268	38,58,71,414
Balance at Bank (TEDF)		
-With Scheduled Bank		
(i) In Current Account	8,20,79,128	57,21,515
(ii) In Fixed Deposits	3,50,63,716	-
	11,71,42,844	57,21,515
Cash in hand	1,80,266	1,48,549
Other Bank Balances		
In Fixed Deposits pledged as Bank Guarantee against borrowing from NSTFDC	2,33,67,725	2,18,34,957
In Fixed Deposits pledged as Bank Guarantee against Consultancy assignments	60,50,000	60,50,000
In Fixed Deposits with maturity more than 3 months	-	17,50,00,000
In Fixed Deposits with maturity more than 3 months (TEDF)	5,00,00,000	16,00,00,000
In Fixed Deposits with maturity more than 12 months (TEDF)	29,00,00,000	20,50,63,716
	36,94,17,725	56,79,48,673
Total	78,46,13,103	95,96,90,151

NOTE 15: SHORT TERM LOAN AND ADVANCES

Particulars	As at 31 March, 2017 (₹)	As at 31 March, 2016 (₹)
Advance to Others		
Secured (Considered Good)		
Unsecured (Considered Good)	8,39,843	6,60,915
Doubtful		
Advance to Staff		
Secured (Considered Good)		
Unsecured (Considered Good)	19,68,172	25,53,556
Doubtful		
Loan to Staff		
Secured (Considered Good)	1,35,98,470	1,08,15,873
Unsecured (Considered Good)		
Doubtful		
Trade Loans & Advances		
Secured (Considered Good)	2,24,24,78,198	2,40,68,38,417
Unsecured (Considered Good)		
Doubtful	51,42,45,759	37,35,42,757
Total	2,77,31,30,442	2,79,44,11,518

NOTE 16: OTHER CURRENT ASSETS

Particulars	As at 31 March, 2017 (₹)	As at 31 March, 2016 (₹)
A. Interest		
Interest Receivable on Loans & Advances	10,05,32,763	15,10,28,254
Interest Receivable on Fixed Deposits	19,91,186	45,17,361
Interest Receivable on Fixed Deposits (TEDF)	2,93,91,916	2,85,37,293
Interest Receivable on Staff Housing Loan	1,70,95,624	1,38,98,194
B. Others		
Advance Income Tax	30,80,00,000	29,75,00,000
Tax Deducted at Source	90,50,914	91,14,534
Income Tax Refundable	1,96,41,675	4,73,79,079
Other Receivables	4,03,45,346	3,02,57,315
Total	52,60,49,424	58,22,32,030

NOTE 17: REVENUE FROM OPERATIONS

Particulars	As at 31 March, 2017 (₹)	As at 31 March, 2016 (₹)
A. INTEREST		
Interest on loans	1,10,36,98,476	1,18,71,83,343
Interest on Fixed Deposits and Bonds	1,70,33,662	2,06,21,713
	1,12,07,32,138	1,20,78,05,056
B. OTHER FINANCIAL SERVICES		
Consultancy Fees	3,05,35,668	2,11,63,896
Upfront Fees	2,12,67,896	1,98,94,936
Prepayment Charges	13,28,387	23,06,695
	5,31,31,951	4,33,65,527
Total	1,17,38,64,089	1,25,11,70,583

NOTE 18: OTHER INCOME

Particulars	As at 31 March, 2017 (₹)	As at 31 March, 2016 (₹)
Net gain from sale of Investments (other than trade investments)	17,04,31,824	5,25,36,731
Dividend	2,00,000	2,00,000
Other Non Operating Income		
Miscellaneous Receipts	58,67,877	55,07,957
Profit on sale / disposal of assets (net)	19,444	36,360
Rental Income	2,45,45,960	2,42,17,916
Maintenance Charges	1,02,39,860	1,02,13,320
Hall Charges	38,17,063	37,47,688
Bad Loans & Advances Recovered	6,40,89,507	17,65,97,650
Total	27,92,11,535	27,30,57,622

NOTE 19: EMPLOYEES BENEFIT EXPENSES

Particulars	As at 31 March, 2017 (₹)	As at 31 March, 2016 (₹)
Salaries (Director)	38,32,253	32,03,139
Salaries (Others)	15,29,31,206	14,46,78,272
Employer's Provident Fund	1,10,19,542	96,25,952
Medical Reimbursement	52,31,543	39,62,488
Recruitment / Relocation Expenses	10,98,704	4,55,469
Leave Travel Concession / Allowance	1,03,64,404	46,61,642
House Rent	25,25,448	17,61,762
Leave Encashment	1,91,15,130	1,37,34,736
Gratuity	37,81,791	17,59,905
Staff Welfare	1,09,62,357	90,69,474
Total	22,08,62,378	19,29,12,839

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	3,18,67,588	2,85,72,966	7,18,62,490	6,05,49,074
Current Interest Cost	25,17,539	22,28,691	56,77,137	47,22,828
Past Service Cost	-	-	-	-
Current Service Cost	43,26,691	40,42,307	86,08,723	64,40,891
Benefit Paid	-	-	(37,05,503)	(23,77,673)
Actuarial (Gain) / Loss	(14,93,333)	(29,76,376)	48,29,270	25,27,370
Closing benefit obligation	3,72,18,485	3,18,67,588	8,72,72,117	7,18,62,490
ii. Change in Plan Assets				
Opening Fair Value of Plan Assets	2,06,13,601	1,75,62,043	-	-
Expected Return on Plan Assets	17,21,236	15,80,584	-	-
Contribution	12,19,009	13,88,146	-	-
Benefit paid	-	-	-	-
Actuarial Gain / (Loss)	57,344	82,828	-	-
Closing Fair Value of Plan Assets	2,36,11,190	2,06,13,601	-	-
iii. Reconciliation of present value of obligation and fair value of plan assets				
Closing present value of obligation	3,72,18,485	3,18,67,588	8,72,72,117	7,18,62,490
Closing fair value of plan assets	2,36,11,190	2,06,13,601	-	-
Deficit / (surplus)	(1,36,07,295)	(1,12,53,987)	(8,72,72,117)	(7,18,62,490)
Net Liability / (Asset)	1,36,07,295	1,12,53,987	8,72,72,117	7,18,62,490
Net Liability recognised in Balance Sheet	1,36,07,295	1,12,53,987	8,72,72,117	7,18,62,490
iv. Net Cost recognized in Profit & Loss Account				
Current Service cost	43,26,691	40,42,307	86,08,723	64,40,891
Past Service cost	-	-	-	-
Interest Cost	25,17,539	22,28,691	56,77,137	47,22,828
Expected return on plan assets	(17,21,236)	(15,80,584)	-	-
Net Actuarial (Gain) / Loss recognized	(15,50,677)	(30,59,204)	48,29,270	25,27,370
Expenses recognized in Profit & Loss Account	35,72,317	16,31,210	1,91,15,130	1,36,91,089
v. Reconciliation of opening and closing net liability recognized in Balance Sheet				
Opening Net Liability	1,12,53,987	1,10,10,923	7,18,62,490	6,05,49,074
Expenses recognized in Profit & Loss Account	35,72,317	16,31,210	1,91,15,130	1,36,91,089
Benefit paid by Corporation	-	-	(37,05,503)	(23,77,673)
Contribution paid	(12,19,009)	(13,88,146)	-	-
Closing Net Liability	1,36,07,295	1,12,53,987	8,72,72,117	7,18,62,490

vi. Investments under Plan Assets of Gratuity and Leave Encashment as on 31st March, 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	7.40%	7.90%	7.40%	7.90%
Rate of increase in compensation levels	15.00%	15.00%	15.00%	15.00%
Rate of return on Plan Assets	8.21%	8.35%	-	-

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 ₹110.19 Lac (Previous Year ₹96.26 Lac) has been charged to Profit & Loss Account.

NOTE 20: OTHER EXPENSES

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
A. Administrative & Other Expenses		
Advertisement Expenses	2,09,476	4,35,212
Audit Expenses	7,65,586	9,27,417
Bank charges	1,59,596	1,08,264
BOD Meeting Expenses	33,39,779	30,32,811
Books & Periodicals	2,75,629	2,72,005
Business Facilitation Centre Expenses	6,88,407	
Business Promotion	23,47,788	21,89,519
Car hire Expenses	29,32,166	37,41,005
Centre for Practical Livelihood Training	-	1,20,000
Consultancy Expenses	14,62,264	44,88,406
Conveyance	3,82,100	4,43,788
Electricity Charges & Electrical Expenses	55,54,268	69,25,315
Honararium	1,00,570	6,000
India Exposition Mart Expenses	5,40,757	-
Insurance charges	4,73,822	3,86,700
Krishi Kalyan Cess	91,961	
Legal & Professional Fees and Expenses	1,13,09,638	51,00,952
Licence & Registration Fees	14,52,623	15,01,393
Misc Expenses	2,08,925	1,59,298
Printing & Stationery	30,52,803	30,71,257
Rent	38,71,980	39,61,784
Repairs & Maintenance (Machine)	32,87,361	33,82,548
Repairs & Maintenance (Security Service Charges & Others)	1,76,78,772	1,72,42,028
Research & Developmental Expenses (net)	96,80,461	-
Seminar & Conference Expenses	23,99,003	23,83,181
Software Maintenance Expenses	23,000	22,800
Service Tax	5,31,785	2,16,230
Swachh Bharat Cess	99,932	45,170
Telephone Charges & Postage	31,55,328	27,76,290
Training Expenses	13,42,116	10,50,953
Travelling Expenses (Director)	2,96,256	3,45,312
Travelling Expenses (Others)	47,98,620	46,50,095
Internal Audit Fees	2,11,625	2,00,500
Auditors' Remuneration:		
Tax Audit Fees	36,000	30,000
Statutory Audit Fees	2,01,500	1,50,000
Total (A)	8,29,61,897	6,93,66,233
B. Provisions and Write Off		
Total (B)	36,53,96,516	21,92,31,071
Total (A+B)	44,83,58,413	28,85,97,304

NOTE 20.1: Provisions and Write Offs

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Provisions		
Provision on Standard / Non Performing Assets	36,53,96,516	15,24,23,945
Provision on Diminution in Fair Value of Restructured Advance	-	-
Write Offs		
Bad Loans & Advances	-	6,68,07,126
Total	36,53,96,516	21,92,31,071

NOTE 21: FINANCE COST

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
INTEREST		
Interest on Loan		
- NBCFDC	32,98,921	47,49,581
- NSCFDC	2,13,033	2,45,381
- NSTFDC	1,91,873	4,26,165
- SIDBI	2,09,08,176	3,22,42,354
Total	2,46,12,003	3,76,63,481

NOTE 22: CSR EXPENSES

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
India Exposition Mart Expenses	-	5,734
R & D Expenses (net)	-	48,26,642
Skill & Market Development Expenses	2,03,96,212	1,83,88,613
Total	2,03,96,212	2,32,20,989

NOTE 22.1

a. Gross amount required to be spent: ₹16,800,000/- . 2% of the average profit of last three financial years i.e. 2% of ₹979,486,558/- = ₹19,589,731/-. The Corporation has actually spent ₹20,396,212/- on CSR. However, the excess amount of ₹806,481/- 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	2,03,96,212	-	2,03,96,212

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

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

NOTE 23: EARNINGS PER SHARE (EPS)

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	45,46,46,974	61,66,85,183
No. of Equity shares used as denominator for calculating EPS	10,00,00,007	10,00,00,007
Basic and Diluted Earnings Per Share	4.55	6.17
Face Value per Equity Share	10	10

Notes on Consolidated Financial Statements for the Year ended 31st March, 2017

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 ₹44,36,456/- (previous year: ₹37,06,342/-) was paid as remuneration.

Note 25: CONTINGENT LIABILITIES AND COMMITMENTS

- a. 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.
- b. 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 ₹104.32 Crore, which shall be disbursed in due course, subject to compliance of requisite formalities.
- c. The DIPP had raised a demand of ₹13.42 Crore towards refund of interest earned on unspent central subsidy funds received. The DIPP had taken a decision on March 22,2000 to allow the Corporation to earn interest out of the unspent funds as no service charge was being

paid to the Corporation. Hence, the refund of interest earned was against the decision of DIPP taken on March 22,2000. The matter is under consideration by the DIPP. If any interest needs to be paid, in that case, the Corporation will be entitled to receive service charges retrospectively, which will be higher than the interest refundable to the DIPP. Hence, no provision has been made in the books of accounts of the Corporation.

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

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

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

Note 29: The Provisioning Coverage Ratio of the Corporation is 28.21%.

Note 30: During the year the Corporation in association with the Ministry of Development of North Eastern Region (M-DoNER) has set up the first dedicated Venture Capital Fund for the NEER, namely "North East Venture Fund (NEVF)". The fund is a unit scheme under North East Venture Trust (NEVT), an umbrella trust, wherein the Corporation is the settlor. The trust has been registered under the Indian Registration Act, 1908 on 13th October 2016. The corpus of the fund is ₹100 cr. NEVF has been registered with Securities and Exchange Board of India (SEBI). The first close of the fund has also been declared on 31st March, 2017. To operate and manage the fund, two wholly owned subsidiaries namely NEDFi Venture Capital Limited (NVCL) and NEDFi Trustee Limited (NTL) have been incorporated by the Corporation.

Note 31: SEGMENT REPORTING

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

(₹in Crore)

1.	Segment Revenue	2016 – 17	2015 – 16
	Lending and Financing Activities	119.04	138.60
	Management of Surplus Funds	18.77	7.32
	Others	3.05	2.12
	Total	140.86	148.04
2.	Segments Results		
	Lending and Financing Activities	44.56	82.26
	Management of Surplus Funds	18.77	7.33
	Others	2.90	1.67
	Total	66.23	91.24
	Unallocated Income	4.45	4.38
	Unallocated Expenses	0.00	0.05
3.	Operating Profit	70.68	95.57
	Income Tax	25.21	33.90
4.	Net Profit	45.46	61.67
5.	Other Information		
	Segment Assets		
	Lending and Financing Activities	1283.81	1250.92
	Management of Surplus Funds	222.38	132.83
	Others	3.29	2.29
	Total	1509.48	1386.05
	Unallocated Assets	134.54	128.31
	Total	1644.02	1514.35
	Segment Liabilities		
	Lending and Financing Activities	890.25	789.25
	Management of Surplus Funds	0.00	0.00
	Others	0.00	0.00
	Unallocated Liabilities	80.71	87.70
	Total	970.96	876.95
	Net Capital Employed	673.06	637.40

Note 32: Additional information is disclosed in terms of RBI guidelines vide DBS. FID No.c-18/01.02.2000-01 issued on 23.03.2001.

(₹in Crore)

A	Capital	
a)	CRAR CORE CRAR & Supplementary CRAR	44.93%
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: ₹1516.48 Off the Balance Sheet: Nil
d)	The Shareholding pattern as on 31.03.2017	Equity shares: No of Shares % FI's 55,000,004 55 Bank 15,000,001 15 Insurance Co. 20,000,001 20 Mutual Fund 10,000,001 10 Total 10,000,007 100

B	Asset quality and credit concentration	
e)	Percentage of net NPA's to net loans & advances, (floating provisions of ₹2 Crore has not been netted from Gross NPA to arrive at net NPA)	18.42%
f)	Amount and percentage of net NPA's to net advances under the prescribed asset classification categories,	<p>Category %</p> <p>Sub Standard Assets: ₹100.87 10.31</p> <p>Doubtful debts: ₹120.17 12.28</p> <p>Loss assets: ₹Nil</p>
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.	<p>Standard Assets ₹1.49</p> <p>NPA Loans ₹34.99</p> <p>Soft loan Assistance ₹(-)0.06</p> <p>Investments ₹Nil</p> <p>Income Tax ₹33.00</p>
h)	i) Movement in NPAs (Gross) of loans including soft loans.	<p>Opening Balance ₹216.82</p> <p>Deletions incl. upgradation ₹30.72</p> <p>Additions during the year ₹119.03</p> <p>Closing Balance ₹305.13</p>
	ii) Movement of Provisions for NPAs against loans including soft loan assistance.	<p>Opening Balance ₹49.10</p> <p>Less: write off / waiver/Write back 0.00</p> <p>Additions during the year ₹34.99</p> <p>Closing Balance ₹84.09</p>
	iii) Movement of Provisions for Investments	<p>Opening Balance ₹0.00</p> <p>Additions during the year ₹0.00</p> <p>Write Back ₹0.00</p> <p>Closing Balance ₹0.00</p>
i)	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	₹17.96 Crore
	Total doubtful / Loss assets which have been subjected to restructuring / rescheduling	₹1.67 Crore
	Total	₹19.63 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	4.93	2.02
	The largest borrower group	6.40	2.62
	The 10 largest single borrowers		
	No.1	4.93	2.02
	No.2	4.01	1.64
	No.3	3.67	1.50
	No.4	3.65	1.49
	No.5	3.62	1.48
	No.6	3.30	1.35
	No.7	3.29	1.35
	No.8	3.20	1.31
	No.9	3.15	1.29
	No.10	3.14	1.29
	The 10 largest borrower groups		
	No.1	6.40	2.62
	No.2	6.19	2.53
	No.3	4.93	2.02
	No.4	4.13	1.69
	No.5	3.73	1.53
	No.6	3.67	1.50
	No.7	3.65	1.49
	No.8	3.62	1.48
	No.9	3.30	1.35
	No.10	3.29	1.35
k)	Credit exposure to the five largest industrial sectors (if applicable) as percentage to total loan assets		
		1. Hotels	: 14.95
		2. Micro Finance	: 12.01
		3. Iron & Steel	: 8.50
		4. Hospitals	: 6.54
		5. Cement	: 6.52

(7) Other information

Particulars		Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	30513
(ii)	Net Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	22104
(iii)	Assets acquired in satisfaction of debt	

(8) Exposure to Real Estate Sector

(₹ in Crore)

Items		31 st March, 2017	31 st March, 2016
a)	Direct Exposure		
(i)	Residential Mortgages [all individual housing loans]	5.61	5.39
(ii)	Commercial Real Estate	77.60	79.71
(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
Total Real Estate Exposure		83.21	85.10

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

a. Capital

(₹ in Crore)

Particulars	Current Year	Previous Year
i. CRAR	44.93%	46.99%
ii. CRAR – Tier I Capital	44.38%	46.50%
iii. CRAR – Tier II Capital	0.54%	0.49%
iv. Amount of subordinated debt raised as Tier II Capital	-	-
v. Amount raised by issue of Perpetual Debt Instruments	-	-

b. Investments

Particulars	Current Year (₹ In Crore)	Previous Year (₹ In Crore)
1. Value of Investments		
i. Gross value of Investments		
a. In India	187.02	76.11
b. Outside India	-	-
ii. Provisions for Depreciation		
a. In India	-	-
b. Outside India	-	-
iii. Net value of Investments		
a. In India	187.02	76.11
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

(₹ in Crore)

	Up to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	29.78	31.53	15.81	58.22	140.33	466.70	270.60	260.78	1273.75
Investments	177.19	-	-	-	2.34	0.60	-	-	180.13
Borrowings	-	2.63	3.05	6.29	26.63	60.05	53.81	585.00	737.46
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

d. Provisions and Contingencies

(Amount in ₹Crore)		
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit & Loss Account	Current Year	Previous Year
Provisions for depreciation on Investment	-	-
Provision towards NPA	36.54	15.24
Provision made towards Income Tax	33.00	33.25
Other Provision and Contingencies		
Leave Encashment	1.91	1.37
Gratuity	0.38	0.18
LTC	0.00	(-)0.28
Diminution in Fair Value of Restructured Advance	0.00	0.00
Provision for Standard Assets	1.49	(-)2.21

e. Concentration of Advances

	Amount in ₹Crore
Total Advances to twenty largest borrowers	417.96
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	32.81%

f. Concentration of NPAs

	Amount in ₹Crore
Total Exposure to top four NPA accounts	95.13

g. Sector wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that Sector
1	Agriculture & allied activities	77.21%
2	Commercial Real Estate	37.03%
3	Construction	8.14%
4	Infrastructure	17.18%

5	Micro finance	8.15%
6	Medium & Large	40.05%
7	Micro, Small & Others	17.95%

h. Movement of NPAs

Particulars	(Amount in ₹Crore)	
	Current Year	Previous Year
i. Net NPAs to Net Advances (%)	18.42%	13.96%
ii. Movement of NPAs (gross)		
a. Opening balance	216.82	111.49
b. Additions during the year	119.03	119.58
c. Reductions during the year	30.72	14.25
d. Closing balance	305.13	216.82
iii. Movement of net NPAs		
a. Opening balance	167.72	79.73
b. Additions during the year	100.87	101.55
c. Reductions during the year	47.55	13.56
d. Closing balance	221.04	167.72
iv. Movement of provisions for NPAs		
a. Opening balance	49.10	31.76
b. Provisions made during the year	34.99	17.34
c. Write off / Write backs	0.00	0.00
d. Closing balance	84.09	49.10

j. Customer Complaints

a.	No. of complaints pending at the beginning of the year	0
b.	No. of complaints received during the year	4
c.	No. of complaints redressed during the year	4
d.	No. of complaints pending at the end of the year	0

Note 35: Disclosure as envisaged in MCA Notification: GSR No.308E dated 30/03/2017 for Specified Bank Notes (500 and 1000) held and transacted during the period 08/11/2016 to 30/12/2016:

	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08/11/2016	68500	10814	79314
(+) Permitted receipts	Nil	562887	562887
(-) Permitted payments	Nil	519147	519147
(-) Amount deposited in Banks	68500	Nil	68500
Closing cash in hand as on 30.12.2016	Nil	54554	54554

In terms of our report of even date annexed

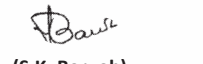
For and on behalf of the Board of Directors

For Jhuria & Company
Chartered Accountants


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



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


(S.K. Baruah)
Chief Financial Officer


(V. K. Agarwal)
Company Secretary

Place : Guwahati
Date : 12-07-2017

Place : Guwahati
Date : 27th June, 2017

Additional Information to Consolidated Financial Statements for the year ended 31-03-2017

Name of the Entity in the Group	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As a % of Consolidated Net Assets	Amount (₹)	As a % of Consolidated Profit or Loss	Amount (₹)
Parent	99.9862%	7,349,942,246	99.9970%	454,633,192
Subsidiaries				
Indian				
NEDFi Trustee Ltd.	0.0068%	501,549	0.0017%	7,549
NEDFi Venture Capital Ltd.	0.0068%	500,067	0.0013%	6,067
Foreign				
Minority Interest in all subsidiaries Associates (Investment as per equity method)				
Indian				
NEDFi Trustee Ltd.	0.0001%	6,092	0.0000%	92
NEDFi Venture Capital Ltd.	0.0001%	6,074	0.0000%	74
Foreign				
Joint Ventures (as per proportionate consolidation / investment as per equity method)				
Indian				
	-	-	-	-
Foreign				
	-	-	-	-
Total		7,350,956,028	-	454,646,974

Disclosure of interests in Subsidiaries and Joint Ventures

Name of Subsidiary / Joint Venture Company	Nature of Relationship	Proportion of Shareholding	Country of Incorporation
NEDFi Trustee Ltd.	Subsidiary	98.80%	India
NEDFi Venture Capital Ltd.	Subsidiary	98.80%	India

Note: The accounting year of all aforesaid companies is the financial year.



Branch Offices

Agartala

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

Dharmanagar

M. B. Unit Complex, Rajbari
Dharmanagar - 799253
North Tripura
Mobile: +91 9612155421

Udaipur

C/o Shanti Mohan Rakshit
Ramesh Chowmuhani
Jagannath Dighi & Vidyasagar Road
Udaipur - 799120
Gomati Tripura
Mobile: +91 9856034495

Aizawl

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

Lunglei

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

Dimpaur

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

Kohima

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

Imphal

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

Itanagar

NEDFI, NH 415, E-Sector
Itanagar - 791 113
Arunachal Pradesh
Telefax: +91 360 2217694

Pasighat

1st Floor, M.M. Complex
Upper Banskota, N.H. 52
Pasighat - 791102
Arunachal Pradesh
Phone: 0368-2222280

Shillong

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

Gangtok

Ground Floor, Yangthang House
Sovam Tschering (Kazi Road)
Gangtok - 737101
East Sikkim
Telefax: +91 3592 208269

Namchi

Agam Singh Marg
Bhanjyang Road
Namchi - 737126
South Sikkim
Phone: +91 3595263494

Tinsukia

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

Silchar

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

Representative Offices

Kokrajhar

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

Agia

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

Sivasagar

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

Tura

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

Churachandpur

Rural Aid Services (RAS), Happy Valley
Tuiuong, Opposite oil pump
Near KBC Church, Churachandpur - 795128
Manipur, Phone: +91 9862000469



North Eastern Development Finance Corporation Limited
"NEDFi HOUSE"

G. S. Road, Dispur, Guwahati-781006, Assam, PIN - 781006

Phone: +91 361 222 2200, Fax: +91 361 223 7733/34

Visit us: www.nedfi.com