



**YEARS OF CHAMPIONING THE
ENTREPRENEURIAL SPIRIT OF THE NORTH EAST**

ANNUAL REPORT 2019-20

नॉर्थ ईस्टर्न डेवलपमेंट फायनेंस कॉर्पोरेशन लिमिटेड
**NORTH EASTERN DEVELOPMENT
FINANCE CORPORATION LIMITED**



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

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

VISION

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

CORE VALUES

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

MISSION

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

MOTTO

"Championing the entrepreneurial spirit of the North East".

QUALITY POLICY

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

Annual Report 2019-20



This year, NEDFI completes 25 years of gratifying existence in the service of contributing to the industrial development of the Northeastern region of India. Aptly, the cover of the Annual Report this time visually reflects this momentous occasion.

The specially designed '25' emblem has found its rightful place on the cover. This 3D designed digit stands tall followed by the line that completes the ethos of the organisation- "25 years of championing the entrepreneurial spirit of the North East". Keeping in mind the Silver Jubilee year, the digit is in a dazzling silver colour.

The steely background reflects NEDFI's strength in terms of resources, resolve and character. The colour of the text is in NEDFI's corporate blue.

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Years of Championing the Entrepreneurial Spirit of the North East



An ISO 9001:2015 Company



FROM THE DESK OF THE CHAIRMAN AND MANAGING DIRECTOR

Dear Shareholders,

It gives me great pleasure to welcome you all to the 25th Annual General Meeting of your Corporation. This year, your Corporation celebrated its Silver Jubilee. I take this opportunity to thank our stakeholders for their encouragement, trust and generous support which have enabled the Corporation to work towards achieving its mandate to be a pacesetter in the economic development of the North Eastern Region. I am happy to state that your Corporation has been making uninterrupted profits since its inception.

On behalf of the Board of Directors and the Management team of NEDFi, I now place before you, the highlights of your Corporation's performance during the financial year 2019-20 (FY 20).



Years of Championing the Entrepreneurial Spirit of the North East

Performance Highlights

Business

During the year under review, total sanctions increased year-on-year by 22.58 % to Rs.440.73 crore and disbursements by 11.39 % to Rs.319.43 crore. Financial assistance during the year was extended to 691 projects as against 693 in the previous year. As on March 31, 2020, the Corporation extended financial assistance to 6844 projects with cumulative sanctions and disbursements of Rs.5487.92 crore and Rs.4222.64 crore respectively.

Income and Earnings

The gross income of the Corporation fell by 14.73 % in FY 20 to Rs. 158.03 crore from Rs. 185.33 crore, mainly due to fall in interest and investment incomes as well

as very low recovery from written-off accounts. The Corporation's gross profit decreased by 31.59% to Rs.55.71 crore and net profit decreased by 44.93 % to Rs.34.11 crore against the previous year's figure of Rs.81.43 crore & Rs.61.94 crore respectively.

The Board of Directors of the Corporation has recommended dividend of 8% for FY 20. The payout ratio is 23.45% of the net profit.

Asset Quality

The asset quality of the Corporation has improved in FY 20 on the back of all-round efforts in managing stressed accounts. In terms of amounts, the gross non-performing assets (NPA) of the Corporation fell year-on-year by 36.05% to Rs.130.14 crore in FY 20 and the net NPA fell by 53.23% to Rs.64.20 crore. As on March 31, 2020, the gross NPA of the Corporation as percentage of gross loans & advances reduced to 12.32% from 18.97 % in the previous financial year, while the net NPA as percentage of net loans & advances reduced sharply to 6.48 % from 13.64 %.

North East Venture Fund

The North East Venture Fund, set up jointly with the Ministry of DoNER and SIDBI with a corpus of Rs. 100 crore, is operated and managed by our subsidiary viz. NEDFi Venture Capital Ltd (NVCL). The Fund promotes and supports start-ups, early stage and growth stage Companies with new products and technologies or innovative business models. As on

March 31, 2020, the Fund had committed investments of Rs.44.52 crore to 22 start-up Companies.

Corporate Social Responsibility

The Corporate Social Responsibility (CSR) initiatives of the Corporation focuses on women empowerment, livelihood enhancement projects, employment enhancing vocational skills and development of craft sector in the rural & backward areas through promotion of entrepreneurship. During the year, a total of 453 beneficiaries were covered in 20 training programmes in various trades.

The Corporation is also facilitating marketing support to the artisans of the region through participation in exhibitions, trade fairs and sales through its various showrooms. During the year, a total of 1539 artisans had benefitted from the marketing support initiatives of the Corporation.

Way Forward

The spread of COVID-19 across the globe has resulted in decline in economic activity and increase in volatility in financial markets. In this situation, though the challenges continue to unfold, the Corporation is bracing itself on all fronts to meet the same. The Corporation's focus would continue to be on the micro & small enterprises and micro finance segments by extending financial assistance at concessional rate of interest, mentoring assistance, capacity building etc. New products & services have

been introduced to cater to the customised needs of the entrepreneurs.

In order to prevent slippages in asset quality and strengthen credit monitoring & recovery processes, prompt corrective actions will be taken to bring about further reduction in NPA.

With major stress on skill development, the Corporation will take up programmes for promotion of employment enhancing vocational skills, livelihood enhancement projects, women empowerment and promotion of traditional arts, handloom & handicraft sectors.

Acknowledgement

I take this opportunity to thank the members of the Board for their valuable guidance, support and counsel. I would like to acknowledge with gratitude, the unstinting support from the M-DoNER, the State Governments of the region, Banks and Financial

Institutions and other organisations in the North East. I also place on record our appreciation for the trust and support of all our shareholders- IDBI Bank, LIC, SBI, SIDBI, ICICI Bank, IFCI, SUUTI, GIC & Subsidiaries.

I am confident that driven by dedication and commitment of young, enthusiastic and professionally qualified employees, your Corporation will live up to the expectations of the stakeholders of the North Eastern Region to fulfill the catalytic role in economic development of the region.

I look forward to your continued support in this journey.

With best wishes,



(B Paul Muktieh)



अध्यक्ष एवं प्रबंध निदेशक की कलम से

प्रिय शेयरधारको,

आपके निगम की 25वीं वार्षिक आम बैठक में आप सभी का स्वागत करते हुए मुझे अत्यंत प्रसन्नता हो रही है। इस वर्ष, आपके निगम ने अपनी रजत जयंती मनाई। मैं इस अवसर पर अपने हितधारकों को उनके प्रोत्साहन, विश्वास और उदार समर्थन के लिए धन्यवाद करना चाहता हूँ, जिन्होंने निगम को उत्तर पूर्वी क्षेत्र के आर्थिक विकास में अपने लक्ष्य को प्राप्त करने की दिशा में काम करने में सक्षम बनाया है। मुझे यह बताते हुए खुशी हो रही है कि आपके निगम ने अपनी स्थापना के बाद से अबाध मुनाफा कमाया है।

नेड्फी के निदेशक मंडल एवं प्रबंधन टीम की और से मैं वित्त वर्ष 2019-20 के दौरान आपके निगम के प्रदर्शन के कुछ शीर्ष बिंदुओं का ब्योरा आप सभी के सामने रख रहा हूँ।

प्रदर्शन के मुख्य बिंदु

व्यापार

समीक्षाधीन वित्तीय वर्ष 2019-20 में संस्वीकृत ऋण राशि पिछले वर्ष के तुलना में 22.58% की बढ़त के साथ 440.73 करोड़ रुपए हो गई है, जबकि संवितरित ऋण राशि 11.39% की बढ़त के साथ 319.43 करोड़ रुपए हो गई है। वर्ष के दौरान वित्तीय सहायता 691 परियोजनाओं तक पहुँची है जबकि पिछले वर्ष कुल 693 परियोजनाओं को वित्तीय सहायता दी गई थी। 31 मार्च 2020 तक निगम ने 6844 परियोजनाओं को ऋण सहायता प्रदान की है जिसमें कुल संचयी संस्वीकृत ऋण राशि 5487.92 करोड़ रुपए व कुल संचयी संवितरित ऋण राशि 4222.65 करोड़ रुपए है।

वित्त वर्ष 2019-20 के दौरान निगम की सकल आय 14.33% घटकर 185.33 करोड़ रुपए से 158.03 करोड़ रुपए रह गई, जिसका मुख्य कारण ब्याज और निवेश आय में गिरावट और साथ ही बट्टा खातों से बहुत कम वसूली है। निगम का सकल लाभ गत वर्ष की तुलना में 31.59% घटकर 81.43 करोड़ से 55.71 करोड़ हो गया है जबकि कर के बाद शुद्ध लाभ गत वर्ष की तुलना में 44.93% घटकर 61.94 करोड़ से 34.11 करोड़ रुपए हो गया है।

निगम के निदेशक मंडल ने वित्त वर्ष 2019-20 के लिए 8 प्रतिशत लाभांश की अनुशंसा कि है। लाभांश में दी जाने वाली राशि शुद्ध लाभ का 23.45% है।

परिसंपत्ति गुणवत्ता (एसेट क्वालिटी)

निगम की एसेट क्वालिटी में स्ट्रेख्ख खातों के प्रबंधन में किए गए चौतरफा प्रयासों के कारण वित्त वर्ष 2019-20 में सुधार हुआ है। वित्त वर्ष के समाप्ति पर निगम की सकल गैर-निष्पादित परिसंपत्ति (एन पि ए) पिछले वर्ष की तुलना में 36.05% घटकर 130.14 करोड़ रुपए हो गई है तथा शुद्ध गैर-निष्पादित परिसंपत्ति (एन पि ए) पिछले वर्ष की तुलना में 53.23% घटकर 64.20 करोड़ रुपए हो गई है। सकल ऋण व एडवांस के प्रतिशत के रूप में निगम का सकल एन पि ए पिछले वर्ष के तुलना में 31 मार्च 2020 को 18.97% से घटकर 12.32% हो गया है, जबकि नेट एन पि ए पिछले वर्ष के तुलना में 13.64% से घटकर 6.48% हो गया है।

नॉर्थ ईस्ट वेंचर फंड

आपके निगम ने, संयुक्त रूप से उत्तर पूर्वी क्षेत्र विकास मंत्रालय (डोनर मंत्रालय) और सिड्बी के साथ मिलकर 100 करोड़ रुपए के कॉर्पस के साथ नॉर्थ ईस्ट वेंचर फंड की स्थापना की है। नॉर्थ ईस्ट वेंचर फंड का संचालन और प्रबंधन हमारी सहायक कंपनी नेड्फी वेंचर कैपिटल लिमिटेड द्वारा किया जाता है। नॉर्थ ईस्ट वेंचर फंड के तहत निवेश आम तौर पर नए उत्पादों और प्रौद् योगिकियों या अभिनव व्यापार मॉडल के साथ स्टार्ट-अप, प्रारंभिक चरण और विकास चरण वाली कंपनियों को लक्षित करता है। 31 मार्च 2020 तक फंड ने पहले ही 22 स्टार्ट-अप कंपनियों को 44.52 करोड़ रुपए की राशि दे दी है।

निगम की सामाजिक जिम्मेदारी (सी एस आर)

निगम की कॉरपोरेट सामाजिक जिम्मेदारी (सी एस आर) पहल महिला सशक्तिकरण, आजीविका संवर्द्धन परियोजनाओं, रोजगार बढ़ाने वाले व्यवसायिक कौशल, शिल्प क्षेत्र के विकास और उद्यमशीलता को बढ़ावा देने के माध्यम से ग्रामीण और पिछड़े क्षेत्रों पर केंद्रित है। खेत्री में क्राफ्ट इन्क्यूबेशन सेंटर ने प्राकृतिक रेशों जैसे केले के रेशे, इलायची के तने आदि पर आधारित उत्पादों का विकास किया है। इस वर्ष के दौरान, विभिन्न ट्रेडों में 20 प्रशिक्षण कार्यक्रमों में कुल 453 लाभार्थियों को शामिल किया गया।

निगम अपने विभिन्न शोरूमों से प्रदर्शनियों, व्यापार मेलों और बिक्री में भागीदारी के माध्यम से क्षेत्र के कारीगरों को विपणन सहायता प्रदान कर रहा है। वर्ष के दौरान, निगम ने रुपनगर, गुवाहाटी में 'नेड्फी हाट' और गुवाहाटी के कारीगरों, जमीनी

स्तर के उत्पादकों और पहली पीढ़ी के उद्यमियों के उत्पादों के विपणन को बढ़ावा देने के लिए गुवाहाटी के नेड्फी हाऊस में एक क्राफ्ट गैलरी की स्थापना की। वर्ष के दौरान, विपणन सहायता पहले से कुल 1539 कारीगर लाभान्वित हुए।

आगे का रास्ता

दुनिया भर में कोविड-19 के प्रसार से आर्थिक गतिविधियों में गिरावट और वित्तीय बाजारों में अस्थिरता में भी वृद्धि हुई है। इस स्थिति में, हालांकि चुनौतियां अभी सामने नहीं आ रही हैं, लेकिन निगम खुद को इन भावी चुनौतियों से निपटने के लिए पूरे तरीके से सभी मोर्चों पर कसर कस रहा है। निगम का ध्यान ब्याज की रियायती दर पर वित्तीय सहायता प्रदान करने, सहायता, क्षमता निर्माण आदि की वित्तीय सहायता प्रदान करके सूक्ष्म और लघु उद्यमों और माइक्रो फायनेंस क्षेत्रों पर रहेगा। उद्यमियों की अनुकूलित जरूरतों को पूरा करने के लिए, नए उत्पादों और सेवाओं को पेश किया गया है।

परिसंपत्ति की गुणवत्ता में कमी को रोकने और ऋण निगरानी और वसूली प्रक्रियाओं को मजबूत करने के लिए, एन पि ए में और कमी लाने के लिए त्वरित सुधारात्मक कार्रवाई की जाएगी। कौशल विकास पर प्रमुखतया जोर देने के साथ, निगम, रोजगार को बढ़ावा देने के लिए व्यावसायिक कौशल, आजीविका वृद्धि परियोजनाओं, महिला सशक्तीकरण, पारंपरिक कला को बढ़ावा देने और हथकरघा और हस्तशिल्प क्षेत्रों के लिए कार्यक्रम चलाएगा।

आभार

मैं इस अवसर पर बोर्ड के सभी सदस्यों के द्वारा दिए गए मार्गदर्शन, समर्थन और सलाह के लिए उनका आभारी हूँ। मैं कृतज्ञता के साथ पूर्वोत्तर क्षेत्र विकास मंत्रालय, सभी पूर्वोत्तर राज्यों की सरकारों व पूर्वोत्तर क्षेत्र के विभिन्न वित्तीय संस्थानों व अन्य संगठनों की ओर से दिए गए पूर्ण व अबाधित समर्थन के प्रति आभार प्रकट करता हूँ। मैं अपने सभी शेयर धारकों आई डी बी आई, एस बी आई, एल आई सी आई, सिडबी, आई सी आई सी 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 करता हूँ।

मुझे विश्वास है कि एक युवा, उत्साही और पेशेवर रूप से योग्य कर्मचारियों के समर्थन और प्रतिबद्धता से प्रेरित, आपका यह निगम क्षेत्र के आर्थिक विकास में उत्प्रेरक की भूमिका को पूरा करने के लिए उत्तर पूर्वी क्षेत्र के हितधारकों की उम्मीदों पर खरा उतरेगा।

मैं इस यात्रा में आपके निरंतर समर्थन की आशा करता हूँ।

शुभकामनाओं सहित,



बी पॉल मुक्ति

WORKING RESULTS

(Rs. Crore)

	2019-20	2018-19	% Change
Loan outstanding	1056.34	1072.50	(1.51)
Total Income	158.03	185.33	(14.73)
Income from lending & Financial Activities	93.17	95.18	(2.11)
Total Expenditure	102.32	103.91	(1.53)
Profit before Tax	55.71	81.43	(31.59)
Profit after Tax	34.11	61.94	(44.93)
Net Worth	800.72	775.61	3.24
Total/Assets	1791.89	1833.90	(2.29)

OPERATING RESULTS

		2019-20	2018-19
Interest income as percentage to average working funds	(%)	6.20	6.41
Non-Interest income as percentage to average working funds	(%)	2.27	2.78
Operating profit as a percentage to average working funds	(%)	3.65	5.51
Return on average assets	(%)	2.06	3.71
Earnings per Share	(₹)	3.41	6.19
Net profit per employee	(₹ crore)	0.30	0.53
Capital to Risk (Weighted) Assets Ratio (CRAR)	(%)	53.91	52.85



PERFORMANCE HIGHLIGHTS



An ISO 9001:2015 Company

SANCTIONS

(Rs. lakh)

Financial Year	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative 1996-2008	5,858.61	53,360.91	1,703.71	27,845.26	1,538.61	1,843.93	1,084.17	2,849.56	96,084.75
2008-2009	253.54	22,929.06	540.09	1,993.94	87.82	431.88	713.13	317.50	27,266.95
2009-2010	5,820.04	23,384.85	308.06	2,342.52	85.39	942.90	191.37	2,568.62	35,643.74
2010-2011	3,295.88	31,129.12	273.00	2,874.15	284.19	344.85	580.03	871.43	39,652.64
2011-2012	3,499.60	26,543.78	1,496.50	6,656.45	2,578.24	673.25	356.88	1,418.05	43,222.75
2012-2013	2,334.25	26,046.92	6,232.14	2,820.36	914.38	1,344.53	1,669.69	3,986.76	45,349.02
2013-2014	5,078.51	25,684.12	2,898.48	6,431.44	766.10	1,026.44	2,405.50	1,459.98	45,750.56
2014-2015	3,623.00	15,069.69	4,404.45	4,285.74	681.20	810.00	1,111.30	1,217.97	31,203.35
2015-2016	1,047.00	24,654.63	2,048.50	4,587.50	571.30	488.95	2,096.25	692.05	36,186.18
2016-2017	3,273.00	21,091.03	3,299.85	7,166.81	490.33	623.10	2,117.00	1,427.10	39,498.22
2017-2018	1,599.50	15,087.53	3,957.72	1,463.05	623.50	1,174.50	1,322.00	3,688.00	28,915.80
2018-2019	1,549.50	18,882.45	4,900.62	4,945.07	780.30	716.00	1,443.50	2,737.80	35,955.24
2019-2020	1,620.00	27,330.35	5,792.70	2,049.25	2408.00	1,300.90	1,748.50	1,823.75	44,073.45
Total	38,852.43	3,31,194.44	37,855.82	75,461.54	11,809.36	11,721.23	16,839.32	25,058.57	548,792.65

DISBURSEMENTS

(Rs. lakh)

Financial Year	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative 1996-2008	4,428.61	35,651.60	1,129.75	13,542.12	1,300.11	1,558.56	686.83	2,208.85	60,506.44
2008-2009	265.05	13,202.35	497.97	3,832.88	41.97	320.81	76.31	152.84	18,390.17
2009-2010	3,031.17	14,351.22	508.04	2,364.94	22.18	229.62	77.91	211.77	20,796.87
2010-2011	2,649.00	20,259.20	460.50	3,372.30	60.52	499.05	282.53	500.75	28,083.84
2011-2012	1,792.50	23,853.82	718.50	3,907.02	1,797.42	294.82	467.87	624.26	33,456.20
2012-2013	1,870.16	20,842.13	3,151.63	4,233.33	803.65	966.54	1,110.75	1,894.58	34,872.76
2013-2014	3,947.53	18,488.41	3,483.36	5,165.63	700.73	865.79	1,630.55	2,187.12	36,469.12
2014-2015	3,799.85	20,726.39	3,858.78	5,989.06	701.92	725.00	1,799.80	1,119.42	38,720.22
2015-2016	1,072.01	17,278.44	2,895.94	5,510.86	556.50	633.23	1,468.25	883.47	30,298.70
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
2017-2018	1,780.50	15,671.70	2,636.80	1,290.25	478.53	916.50	1,252.50	1,114.65	25,141.43
2018-2019	803.70	15,518.35	4,372.30	3,506.77	794.75	753.50	1,244.50	1,683.15	28,677.02
2019-2020	795.00	16,818.78	6,496.39	1,726.90	1,859.84	1,060.90	1,285.89	1,899.00	31,942.70
Total	28,606.78	2,51,189.47	34,854.22	58,905.36	9,592.95	9,378.21	13,819.69	15,917.76	42,226.44

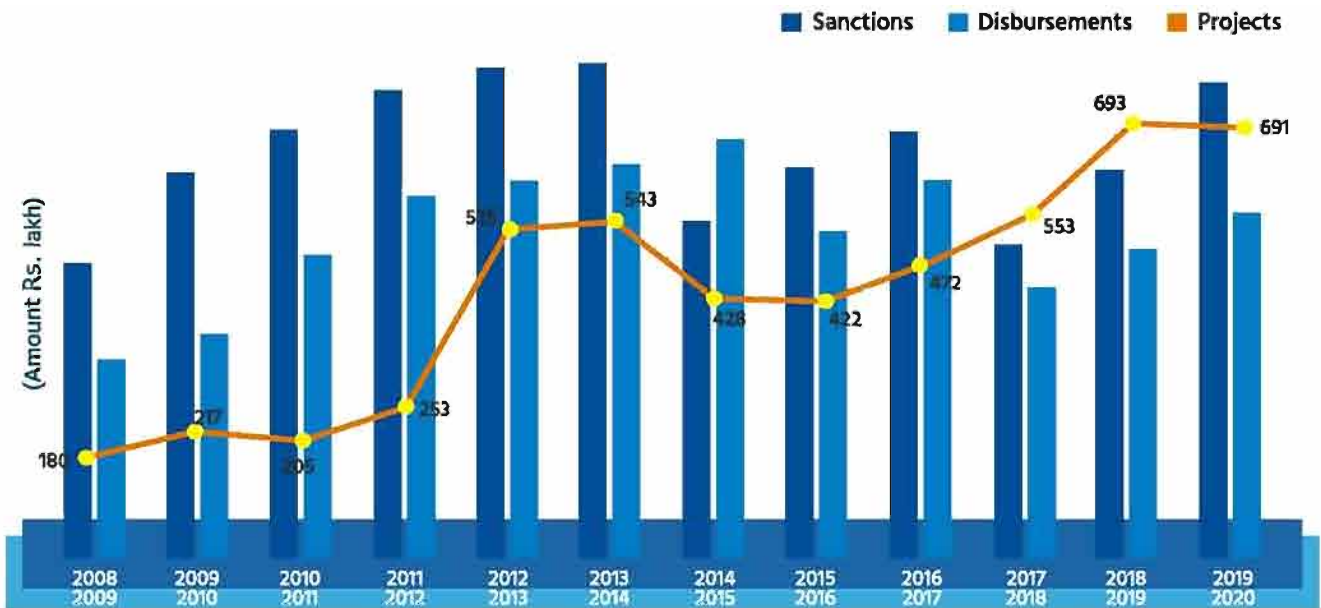
PROJECTS

(No.)

Financial Year	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative 1996-2008	161	719	121	121	148	118	121	143	1,652
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
2017-2018	32	98	113	18	48	35	121	88	553
2018-2019	32	123	102	22	41	75	152	146	693
2019-2020	36	144	79	27	77	94	111	123	691
Total	543	1877	807	363	578	709	1023	944	6844



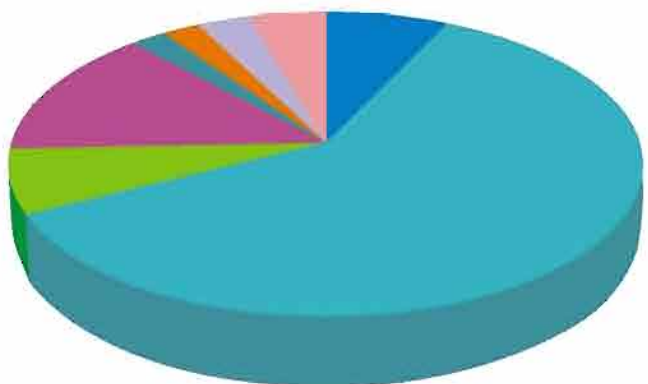
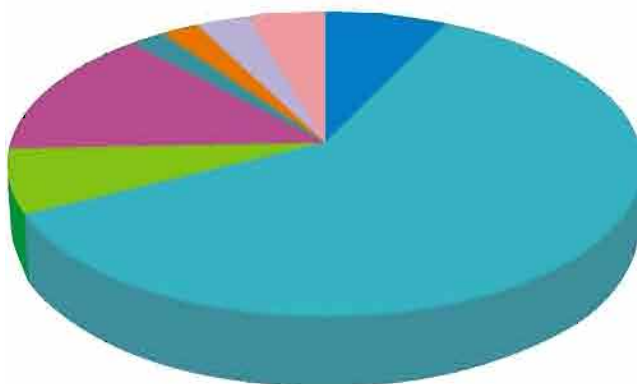
SANCTIONS, DISBURSEMENTS AND PROJECTS



STATEWISE CUMULATIVE (AS ON MARCH 31, 2020)

SANCTIONS

DISBURSEMENTS



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



SUCCESS STORIES

of Projects sanctioned by NEDFi



NEDFi has in place various Schemes that are tailor-made for Micro, Small & Medium Enterprises (MSME) segment in the North Eastern Region. These Schemes operate on the principle of nurturing the entrepreneurs who have a business idea and want to take them forward. In essence, NEDFi helps these entrepreneurs write their success stories. Presented below are a few success stories that NEDFi has played a role in crafting – some of them big, while some of them small; some start-ups while others are expansion of existing units; some creating wealth & employment in a small way while some making appreciable impact; but all of them standing testimony to how the entrepreneurial spirit is provided with the wind beneath its wings.

Barak Valley Infrastructure

Barak Valley Infrastructure is an Autoclaved Aerated Concrete (AAC) block manufacturing unit located at Rampur, Borkhola, Cachar, Assam. NEDFi sanctioned Rs.1650.00 lakh under Rupee Term Loan (RTL) Scheme for setting up the unit.



Babina Oncology and Super Speciality Hospital

Babina Oncology and Super Speciality Hospital is a Cancer Superspeciality Hospital located at Khabeisoi, Imphal East District, Manipur. NEDFi sanctioned Rs.1500.00 lakh under Rupee Term Loan (RTL) Scheme.



Trinity Hospital

Trinity Hospital, located at Silaimual, Melthum, Aizawl, Mizoram. NEDFi sanctioned Rs.1000.00 lakh under Rupee Term Loan (RTL) Scheme for setting up the multispeciality hospital.



IMP Cinemas

IMP Cinemas is a multiplex cinema hall, promoted by Pushpanjali Vanijya Pvt. Ltd., located at Main Road, Tezpur, Assam. NEDFi sanctioned Rs.170.00 lakh under Rupee Term Loan (RTL) Scheme for setting up the unit.



The Mandala Hotel

The Mandala Hotel is located at Dirang, West Kameng District, Arunachal Pradesh. NEDFi sanctioned Rs.100.00 lakh under Rupee Term Loan (RTL) Scheme for setting up the hotel.



The Castle Hotel

The Castle Hotel is located at Palace Compound, Imphal East, Manipur. NEDFi sanctioned Rs.100.00 lakh under Rupee Term Loan (RTL) Scheme for setting up the hotel.



JC Lang Enterprises

JC Lang Enterprises is a colour coated roofing sheet production unit located at Imphal West, Manipur. NEDFi sanctioned Rs.100.00 lakh under Rupee Term Loan (RTL) Scheme for setting up the unit.



Champhai Cable Network

Champhai Cable Network is an auditorium located at Champhai town, Mizoram. NEDFi sanctioned Rs.100.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.



SUCCESS STORIES

of Projects sanctioned by NEDFi



Royale Lalawi Hotel

Royale Lalawi Hotel is located at Khatla, Aizawl, Mizoram. NEDFi sanctioned Rs.100.00 lakh under Rupee Term Loan (RTL) Scheme for setting up the hotel.



Gangtok Resort

Gangtok Resort is located at Luing Perbing GPU, Gangtok, East Sikkim. NEDFi sanctioned Rs.100.00 lakh under Rupee Term Loan (RTL) Scheme for setting up the resort.



Hotel Tea City

Hotel Tea City is located at H.S. Road, Dibrugarh, Assam. NEDFi sanctioned Rs.98.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the hotel.



Sidhartha Wisdom English School

Sidhartha Wisdom English School is located at Dirang, West Kameng District, Arunachal Pradesh. NEDFi sanctioned Rs.75.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE).



Zoonskaya Resort

Zoonskaya Resort is a restaurant cum resort unit, located at Bhatiapara, Sivasagar, Assam. NEDFi sanctioned Rs.50.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE).



Chetia Commercial Complex

Chetia Commercial Complex is located at Mancotta Road, Dibrugarh, Assam. NEDFi sanctioned Rs.50.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE).



Choe-Wang's Kitchen

Choe-Wang's Kitchen is a premium casual dining restaurant unit, located at Itanagar, Arunachal Pradesh. NEDFi sanctioned Rs.50.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE).



Partha Enterprise

Partha Enterprise is a package drinking water unit located at Huplong, Dharmanagar, North Tripura. NEDFi sanctioned Rs.50.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.



SUCCESS STORIES

of Projects sanctioned by NEDFi



Kunden Village Resort and Homestay

Kunden Village Resort and Homestay is located at Gangtok, East Sikkim. NEDFi sanctioned Rs.50.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.



Impact Hub Institute

Impact Hub Institute is a residential coaching centre located at United Colony, Dimapur, Nagaland. NEDFi sanctioned Rs.50.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the centre.



AK Industries

AK industries is an interlocking paver block unit located at Sovima, Dimapur, Nagaland. NEDFi sanctioned Rs.50.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.



JN Motors LLP

JN Motors LLP is a Suzuki Motorcycle dealership located at Shillong, Meghalaya. NEDFi sanctioned Rs.45.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE).



Bharat Enterprise

Bharat Enterprise is a stone crusher unit located at Churaibari, Dharmanagar, North Tripura. NEDFi sanctioned Rs.37.50 lakh under the North East Entrepreneurs Development Scheme (NEEDS).



Parkview Shopping Complex

Parkview Shopping Complex is located at Chanmari, Lunglei, Mizoram. NEDFi sanctioned Rs. 35.00 lakh under the North East Entrepreneurs Development Scheme (NEEDS).



ICS Boarding

ICS Boarding is a boarding house located at Thoubal Achouba, Thoubal Dist, Manipur. NEDFi sanctioned Rs.18.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.



Exotic Spice

Exotic Spice is a restaurant cum cafe located at G.D. Road, Kokrajhar, Assam. NEDFi sanctioned Rs.15.00 lakh under the North East Entrepreneurs Development Scheme (NEEDS).



SUCCESS STORIES

of Projects sanctioned by NEDFi



New Datta Rubber

New Datta Rubber is a rubber sheet production unit located at Matai, Belonia, South Tripura. NEDFi sanctioned Rs.15.00 lakh under North East Entrepreneurs Development Scheme (NEEDS).



Saanvi Enterprise

Saanvi Enterprise is a poultry and fishery unit located near Changsari, Kamrup District, Assam. NEDFi sanctioned Rs.10.00 lakh under Women Enterprise Development Scheme (WEDS) for setting up the unit.



Kakoti Opticals

Kakoti Opticals is located at Temple Road, Sivasagar, Assam. NEDFi sanctioned Rs.10.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for expansion of the shop.



Elmata Wash

Elmata Wash is a Laundry located at Durtlang, Aizawl, Mizoram. NEDFi sanctioned Rs.10.00 lakh under North East Entrepreneurs Development Scheme (NEEDS).



Malsawm Chow Industry

Malsawm Chow Industry is a noodles making unit located at Pukpui, Lunglei, Mizoram. NEDFi sanctioned Rs.10.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for expansion of the unit.



Identity by Lata's

Identity by Lata's is a Hair and Beauty Saloon located at Gangtok, East Sikkim. NEDFi sanctioned Rs.10.00 lakh under the Women Enterprise Development Scheme (WEDS) for its expansion.



Adventure Zone

Adventure Zone is an adventure sport kits unit located at Lower Luing, East Sikkim. NEDFi sanctioned Rs.10.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for expansion of the unit.



Saha TVS

Saha TVS is an authorized sub dealer of TVS two wheeler with service centre at Sonamura, Sepahijala Tripura. NEDFi sanctioned Rs.10.00 lakh under the North East Entrepreneurs Development Scheme (NEEDS).



SUCCESS STORIES

of Projects sanctioned by NEDFi

Hukpa Medical Store

Hukpa Medical Store is located at Namchi market, Namchi, Sikkim. NEDFi sanctioned Rs.10.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.



Ladies Lair

Ladies Lair is a tailoring and bridal boutique located at Bazar Veng, Lunglei, Mizoram. NEDFi sanctioned Rs.8.00 lakh under Women Enterprise Development Scheme (WEDS) for its expansion.



D&Z Restaurant

D&Z Restaurant is located at Serkawn, Lunglei, Mizoram. NEDFi sanctioned Rs.7.00 Lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.



NHMP Multy Production Industries

NHMP Multy Production Industries is a rubber band manufacturing unit located at Belonia, South Tripura. NEDFi sanctioned Rs.6.50 lakh under North East Entrepreneurs Development Scheme (NEEDS).



Café Sola

Café Sola is a Restaurant cum Cafe located at Shillong, Meghalaya. NEDFi sanctioned Rs.6.00 lakh under North East Entrepreneurs Development Scheme (NEEDS).



The Party Starters

The Party Starters is a Party Decor & Rental Store located at Shillong, Meghalaya. NEDFi sanctioned Rs.5.50 lakh under Women Enterprises Development Scheme (WEDS) for setting up the unit.



Chimax Unisex Salon & Spa

Chimax Unisex Salon & Spa is located at Viewland, Ukhrul district, Manipur. NEDFi sanctioned Rs.5.00 lakh under Women Enterprises Development Scheme (WEDS) for its expansion.



M Vanyuin Bou Enterprise

M Vanyuin Bou Enterprise is a variety store located at Kamphasom, Ukhrul District, Manipur. NEDFi sanctioned Rs.5.00 lakh under Enterprise Development Scheme (EDS) for its expansion.



SUCCESS STORIES

of Projects sanctioned by NEDFi



An ISO 9001:2015 Company

TZ hood works

TZ hood works is a hood works unit located at Aizawl, Mizoram. NEDFi sanctioned Rs.5.00 lakh under Enterprise Development Scheme (EDS) for expansion of the unit.



Hingba Saw Mill Carpentry

Hingba Saw Mill Carpentry is located at Senapati District, Manipur. NEDFi sanctioned Rs.5.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for expansion of the unit.



Pana Fish Nursery

Pana Fish Nursery is located at Champhai town, Mizoram. NEDFi sanctioned Rs.5.00 lakh under North East Entrepreneurs Development Scheme (NEEDS).



Snack Menu

Snack Menu is a variety store located at Pfitrero, Phek District, Nagaland. NEDFi sanctioned Rs.5.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for expansion of the shop.



Carzone

Carzone is an automobile spare parts and accessories store located at Namchi, Sikkim. NEDFi sanctioned Rs.5.00 lakh under the Enterprise Development Scheme (EDS).



Khagen Rai

Khagen Rai (Kulucha Restaurant) is a multi cuisine restaurant located at Namchi, Sikkim. NEDFi sanctioned Rs.5.00 Lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.



Arghya Dress

Arghya Dress is a retail unit of readymade garments located at Damdama, Sabroom, South Tripura. NEDFi sanctioned Rs.5.00 lakh under the Women Enterprise Development Scheme (WEDS).



Total Fitness

Total Fitness is a Fitness Centre cum Gym located at Gangtok, East Sikkim. NEDFi sanctioned Rs.5.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.



Mrs. Sinam Soniya Devi

Ms. Sinam Soniya Devi of Imphal West, Manipur, is a micro entrepreneur engaged in incense stick-making business. Previously a home-maker, Ms. Sinam was compelled to come out and explore livelihood opportunities after her husband's sudden deteriorating health condition. To start her activity, she availed her 1st cycle loan of Rs. 5,000/- from Chanura Microfin Manipur (a NEDFi assisted NGO-MFI). With dedication to work and subsequent cycle of loans from the MFI, her stick-making business increased. At present, she is an inspiration to many women in her locality.



Mrs. Ruma Poddar

Ms. Ruma Poddar, from Udalguri district (BTAD), Assam, is running a tailoring unit for which she availed 1st cycle loan of Rs.30,000/-, in the year 2019 from SATRA Development Finance Pvt. Ltd. (a NEDFi assisted NBFC-MFI). After liquidating the loan, she expanded the business and added other items, such as plastic household items, for which she availed 2nd cycle loan of Rs.50,000/-. The business is going on smoothly and her income level has also been increased.



Ms. Rumi Debbarma

Ms. Rumi Debbarma, a resident of Madhya Battali, East Ramchandraghat, Khowai district, Tripura, is running a grocery shop near her house. She started the business by availing 1st cycle loan of Rs.25,000/- from YVU Financial Services Pvt. Ltd., Khowai Branch (a NEDFi assisted NBFC-MFI). At present, she is able to generate more profit than before and provide financial support to her family.



Ms. Tainla

Ms. Tainla, a resident of Dimapur, Nagaland, is a client of Grameen Development and Finance Pvt. Ltd (a NEDFi assisted NBFC-MFI) since 2016. With the micro credit loan availed from Grameen, she started a tailoring unit out of her house. By seeing the opportunity on increasing demand of face masks, she started stitching face masks. At present, she stitches around 25/30 masks every day and could earn profit of about Rs.5,000/- to Rs.7,000/- in a month.



Mrs. Vanmawii

Ms. Vanmawii, a vegetable vendor in Aizawl, Mizoram availed her 1st cycle loan of Rs.10,000/- in the year 2019 from Grameen Development & Finance Pvt. Ltd. (a NEDFi assisted NBFC-MFI) to start a vegetable shop. After successfully completing the repayment of 1st cycle, she got another loan of Rs.30,000/- as 2nd cycle. At present, she is not only servicing the loan regularly, but is also able to provide financial support to her family and meet the educational needs of her children.



Mrs. Suman Pabin

Ms. Suman Pabin, a resident of village Mirbuk, P.O. Pasighat, Arunachal Pradesh is running a grocery shop. She availed 1st cycle micro-credit loan of Rs.15,000/- in the year 2016 from Nightingale Finvest Private Ltd. (a NEDFi assisted NBFC-MFI). After liquidating 1st cycle loan, she availed 2nd cycle loan of Rs 25,000/- and 3rd cycle loan of Rs.45,000/-. At present she is running the grocery shop successfully and also providing financial support to her family.



ADVISORY AND CONSULTANCY SERVICES



An ISO 9001:2015 Company

The Advisory & Consultancy Services of the Corporation, has consolidated its position as one of the key quality solution providers for the Advisory & Consulting requirements of State Governments of the North Eastern Region along with Central Ministries /Institutions and Public Sector Undertakings working in the region. The Corporation is mainly executing consultancy projects/assignments in the functional areas of Strategy Consulting, Monitoring & Evaluation of Infrastructure & Natural Resource Management Projects, Programme Management & Implementation Support and Capacity Building & Institutional Strengthening. The domains in which these services offered are Agriculture & Allied Sectors, Food Processing, Handloom, Textile & Handicrafts, Tourism & Hospitality, Urban Infrastructure, Water Resources, Natural Resources Management, Environment & Forest, Education & Skill Development and IT & ITES.

Strategy Consulting

Strategic Consulting services of the Corporation are aimed at delivering solutions related to high level strategic issues faced by the State Governments of the region and the Union Government Ministries and Agencies working in the region on strategic topics such as Public Sector Policy & Governance Strategy, Techno-Economic Strategy, Corporate Strategy, Organizational Strategy and Functional Strategy. During the year, the Corporation has carried out certain prestigious Strategy Consulting Assignments such as “Preparation of Business Plan for NE-SHILP (A society promoted by NEDFI for the Marketing of Handloom & Handicraft Products of NER)”, “ Study on Startup Ecosystem of North East India”, “Thematic Study on Financial Inclusion Interventions, Challenges and Lessons under NERLP”, “Feasibility Study and Fixation of Modalities of Flats under Rental Housing Scheme (RHS) to Ownership Mode for Assam State Housing Board”, “Credit Linkage Strategy for Sustainable Livelihood Improvement with reference to NERCORMP”, “Power Tariff Vetting for the Proposed Gas Based Power Plant of Oil India Limited”, “Study on Cold Storage Facilities for Potato in Assam” and “Bringing Investors from South East Asia (CLMV & Thailand) through Seed Project Approach”.



Project Review Meeting of a study on “Bringing Investors from South East Asia (CLMV&T) through Seed Project Approach”

MoU signing between NEDFI and RITES Ltd. for jointly undertaking infrastructure consultancy projects in NER

Monitoring & Evaluation of Infrastructure & Natural Resource Management Projects:

Monitoring, Evaluation, Impact Assessment and Performance Audit of Infrastructure & Natural Resource Management Projects have been a forte of the Corporation’s Advisory & Consultancy business since its inception. During the year, consulting work has been carried out on “Concurrent Process Monitoring, Evaluation, Learning &

Documentation (MEL&D) of Projects under Integrated Watershed Management Programme (IWMP) in the states of Assam, Meghalaya & Manipur”, “Independent Monitoring of Pradhan Mantri Gram Sadak Yojana (PMGSY) Projects in Arunachal Pradesh and Meghalaya”, “Performance Audit of PMGSY Projects in Meghalaya”, “Third Party Monitoring of Projects under Border Area Development Programme (BADP) in Arunachal Pradesh” and “Independent Verification of the Achievements of Disbursement Linked Indicators (DLIs) under the World Bank Financed Assam Citizen Centric Service Delivery Project (ACCSDP)”.



Monitoring of projects under BADP in Arunachal Pradesh



Monitoring of PMGSY Roads in Meghalaya

Programme Management & Implementation Support

Programme Management & Implementation Support Services of the Corporation are specially designed for Government Ministries, Departments and Institutions both at Central and State level primarily deals with setting up of Programme Management Units (PMUs) for implementation of the projects and schemes, providing policy, programme and knowledge management support along with support in designing and implementation of day-to-day activities. During the year, the Corporation has worked on two major Programmes of Government of India. One is Mission Organic Value Chain Development for North Eastern Region (MOVCDNER), Ministry of Agriculture & Farmers Welfare, Govt. of India and the other National Scheduled Caste / Scheduled Tribe Hub Scheme (NSSH) Programme.



Awareness Programme on National SC/ST Hub Scheme conducted in Assam



Interaction with the SHG members in Sikkim for “Thematic Study on Financial Inclusion Interventions, Challenges and Lessons under NERLP”.

Capacity Building & Institutional Strengthening

Capacity Building & Institutional Strengthening Service focuses on Capacity building and upgrading the operational capabilities of clients for implementing various projects, regular training of various departments to improve their operational capabilities, advising policy makers, central and state government and its agencies in developing systems to create responsive institutional and administrative structures. The Corporation is working on projects such as "Weed to Wealth"- Integrated Project on Water Hyacinth in 6 nos. of Project Blocks in Assam under Assam State Rural Livelihood Mission Society (ASRLMS), Project on Market Linkage Programme for SHG Craft Clusters of Assam under Assam State Rural Livelihood Mission (ASRLM) and Training program on Sital Pati based Craft.



Hon'ble CM of Assam using Yoga Mat prepared from water hyacinth by Women SHG members of ASRLM on International Yoga Day 2019



Skill Development Programme of Women SHG members under "Weed to Wealth" project of ASRLM

During the year, the Corporation also started working on few other strategic assignments such as Setting up of Bamboo Test Lab at BCDI, Tripura, Preparation of DPR for Bamboo University, Third Party Quality Monitoring of PMAY Housing for all (Urban) in the state of Meghalaya, Project Completion Report of NERCORMP-III, DPR for Sericulture Model Village and State Quality Monitoring of Projects in Arunachal Pradesh.

North Eastern Development Finance Corporation Ltd (NEDFi) jointly with the Ministry of Development of the North Eastern Region (M-DoNER), set up the North East Venture Fund (NEVF), a dedicated Venture Fund for the Region. The corpus of the fund is Rs.100 crore.

Investment under North East Venture Fund (NEVF) typically targets start-ups, early stage and growth stage companies with new products and technologies or innovative business models. NEVF will be targeting to fill the much felt gap of equity faced by the entrepreneurs of the region, especially the first generation entrepreneurs. As on March 31, 2020, the Fund has already provided in principle commitment of Rs.4452 lakh to 22 portfolio companies.

Parking Rhino Online Services Pvt Ltd

Parking Rhino Online Services is a global smart parking solutions platform that enables real-time search of available parking spots using their patented algorithm. Its smart parking SaaS software helps parking providers in managing their parking lots remotely with revenue analytics, smart alerts, auditing tools, etc.

The company is working towards contributing in the smart cities initiative across India including the North East. The company has expanded its services to ten cities in India managing nearly 2 lakh parking spaces as of March 2020.



Thangvung Privilege Services Private Limited

Thangvung Privilege Services Pvt Ltd (TPS) provides Privilege Membership Card (Qonect Privilege Card) which offers privilege discount benefits to its member cardholders.

The company through the card helps healthcare providers and other business partners such as restaurants, salons etc. to build their presence, grow and establish in the market in return for a commission and making healthcare more accessible, affordable and convenient. Till date, the company has approx. 2350 membership cardholders.

MEMBERSHIP BENEFITS

- 10-50% OFF ON MEDICAL BILLS
- INSTANT LOAN (M&E)
- 21% OFF ON MEDICINES
- NO COST EMI WITHOUT CREDIT CARD
- 24/7 ROADSIDE ASSISTANCE

Izake Design & Consultancy Private Limited

Izake Design & Consultancy is specialised in designing and selling of gift items, customized memorabilia, mementos and souvenirs etc. with design focus from Northeast culture.

Each product showcase ethnicity and cultural identity of the North Eastern Region or a particular state, thus promoting North East to its customers. The products are mainly targeted towards tourists and for gifting purpose. The raw materials are procured from third party and converted in-shop at their facility at IIT- Guwahati and NEDFI Craft Gallery.



Olatus Systems Private Limited

Olatus Systems is engaged in trading of electrical and electronics components. The Company is primarily engaged in trading of imported electronics components such as PCB boards, robot motors, booster, semi conductors etc. for schools, colleges and other institutions through B2B channel throughout India.

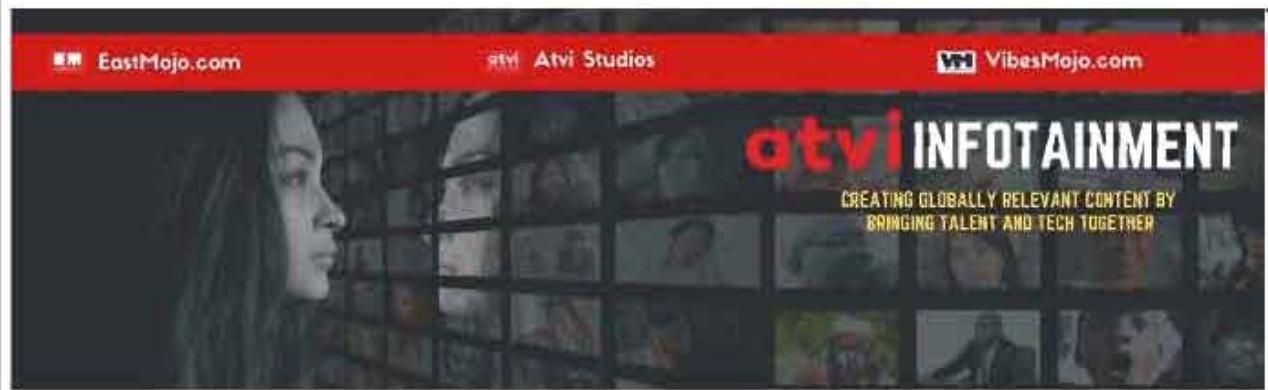
The Company has now come up with a sensor based home security device, which will alert the user of an intruder via mobile. The Company is incubated in "Assam Start Up-NEST" under the Government of Assam in collaboration with IIM Calcutta Innovation Park.



Atvi Infotainment Private Limited

Atvi Infotainment is a content generation and aggregation company engaged with promoting north east through its infotainment platform. They broadcast through internet videos, articles, news from the region.

The focus of the Company is to leverage the talent pool of the region to generate world class contents from the region. Apart from the traditional modes of reporting, the Company adopts new media technologies that to tell stories from the region. The Company builds content in various styles i.e. documentaries, docudramas, short films, feature films, web series, travel shows, music videos, audio series and live streaming of events.



EVENTS

NEVF has been acting as an enabler to stimulate innovation & entrepreneurship and thereby contributing towards creation of the eco-system required for nurturing and development of startups and early-stage companies in the region. The Fund has been organising and participating in various Business Summits and Workshops to reach entrepreneurs of the region.



NRL IDEATION STARTUP Conclave, 2019 was organised by NRL in Guwahati on June 8, 2019. The

Conclave was inaugurated by Shri B. Paul Muktieh, CMD, NEDFi, in the presence of Shri S. K. Barua, MD NRL, Shri B. J. Phukan, Director (Technical) NRL, along with senior officials from NRL, NEDFi and a host of entrepreneurs selected under NRL IDEATION. NEVF team was also part of the jury panel during the pitching session to select the promising startups.



NORTH EAST VENTURE FUND



An ISO 9001:2015 Company

SIDBI Investors' Day: SIDBI celebrated the 2nd Investors' Day at Bengaluru on January 16, 2020 where 20 startups were selected from a pool of 200 applicants and they were introduced to various fund managers for making a pitch for raising funds. The startups pitched with their next level of growth plans



and made a case for investment in their company. The funds evaluated and evinced interest to take the investee companies to the next ladder of investment cycle. NEVF team was part of the event led by Shri B. Paul Muktieh, CMD, NEDFI.

Chief Minister's E-Champion Challenge, Meghalaya: A 3-day diagnostic boot camp session for top 50 Entrepreneurs/ Incubatees comprising of the first cohort was held at Meghalaya Administrative Training Institute (MATI) in Mawdingdiang, Shillong from February 25- 27, 2020.



The programme was initiated by the Meghalaya Basin Management Agency (MBMA) in association with Indian Institute of Management- Calcutta Innovation Park (IIM-CIP) as the knowledge partner. It may be mentioned that the boot camp sessions held under Chief Minister's E-Champion Challenge was a part of Promotion and Incubation of Market Driven Enterprises (PRIME) programme of Meghalaya Entrepreneurship Promotion Strategy 2020-25.

North East India Fund Fest: North East India Fund Fest held its finale at the Taj Vivanta Hotel in Guwahati on February 28, 2020. This was the first ever dedicated Fund Fest for startups of the North East. The platform provided the budding entrepreneurs an opportunity to get on to a path of accelerated funding. NE Fund Fest was partnered by TIE Guwahati & Natio Cultus.



The Corporate Social Responsibility (CSR) initiatives of the Corporation focuses on women empowerment, livelihood enhancement projects, employment enhancing vocational skills, development of craft sector in rural & backward areas through promotion of entrepreneurship. The Corporation is also facilitating marketing support to the artisans of the region through participation in exhibitions, trade fairs and sales from its various showrooms. A few snapshots of various CSR initiatives undertaken by the Corporation are given below.



Hon'ble Finance Minister of India Smt. Nirmala Sitharaman visiting NEDFI Stall in an exhibition organised by State Bank of India at Khanapara, Guwahati on February 27, 2020



Capacity Building Training on Cardamom Fiber at Manmao Village, Arunachal Pradesh January 17-27, 2020



The products of Cardamom Fiber Training display at Raj Bhawan, Itanagar, Arunachal Pradesh on February 24, 2020



Capacity building Training on Puanchei at Aizawl from July 27 to August 7, 2019



Training Programme on Handloom Weaving at Craft Incubation Centre, Khetri during December 2-7, 2019



Training Programme on Corn Husk Dry Flower Making at Gangtok during March 11-13, 2020



Sustainable Livelihood Training Programme for artisans in Crafting & Carpentry at Jakhama, Kohima, Nagaland during July 29 to August 16, 2019

CORPORATE SOCIAL RESPONSIBILITY



Hon'ble Agriculture Minister of Arunachal Pradesh Sri Tago Teki Inaugurating NEDFI Pavilion at Indian Handicraft and Gifts Fair Autumn - 2019, Greater Noida, UP



Mr. Kenneth L. Juster, U.S. Ambassador to India on his visit to Craft Gallery, NEDFI House, Guwahati on July 17, 2019



Sri Indravar Pandey, IAS, Special Secretary, Ministry of DoNER on his visit to Craft Incubation Centre, Khetri during January 2020



MOU signed between NEDFI and ICICI Foundation at NEDFI House Convention Centre, Guwahati on February 27, 2020



Craft exposure programme of students from National Institute of Design (NID) Ahmadabad during November 27 to December 4, 2019



Officials of Jammu Kashmir Development Finance Corporation on their visit to Craft Incubation Centre, Khetri on November 15, 2019



Promotion of natural fiber craft in Tripura Industry and Commerce Fair held at Agartala from January 29 to February 15, 2020



Promotion of natural fiber craft in Sangai Festival held at Imphal from November 24-30, 2019



North East Start-Up and Craft Fair 2019



North East Start-Up and Craft Fair 2019 (August 9-13, 2019), inaugurated by Dr. Inderjit Singh, IAS, Secretary, Ministry of Development of North Eastern Region (DoNER) at NEDFI Haat, Rupnagar, Guwahati.



MoU



A Memorandum of Understanding (MoU) was signed on January 13, 2020, at New Delhi, between the Ministry of Development of North Eastern Region (M-DoNER), Govt. of India, represented by Shri Rambir Singh, IFS, Joint Secretary and North Eastern Development Finance Corporation Ltd. (NEDFi) represented by Shri B. P. Muktieh, Chairman and Managing Director, for availing Rs.30 crore loan from the Govt. of India for the financial year 2019-20. The fund is utilised for achieving the objectives of entrepreneurship development, inclusive geographical growth and overall industrial development of the North Eastern Region, more particularly of MSME and Microfinance sectors.

Independence Day



Independence Day celebration at NEDFi House, Guwahati

Business Meets



Arunachal Pradesh



Assam



Manipur



Meghalaya



Mizoram



Nagaland



Sikkim



Tripura

Hindi Week



नेडफी ने मनाया हिंदी सप्ताह



NEDFI

An ISO 9001:2015 Company

Vigilance Awareness Week



Essay writing competition in Kaliram Baruah HS School, Guwahati



Elocution competition at Vivekananda Kendra Vidyalaya, Laipuli, Tinsukia



Debate competition at Lekhi Public School, Itanagar



Essay Writing competition at St. Joseph Girls Higher Secondary School, Shillong



Winners of Painting competition at Govt Higher Secondary School, Lunglei



Poster making competition at M/s Pillar School, Dimapur



Painting competition at Tendong Educational Institute, Namchi



Essay writing competition at School of Science, Agartala

NEDFI observed Vigilance Awareness Week at Head Office and Branch Offices from October 28 to November 2, 2019



Shri B. Paul Muktieh



Shri B. Paul Muktieh, B. Tech (Electrical & Electronics), PGDM (IIM, Ahmedabad) is the Chairman & Managing Director of NEDFi and has over 34 years of development banking experience in diverse areas of the financial systems. Prior to becoming the CMD of NEDFi, in July 2010, 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 of 2006-2008.

Shri Suresh Chandra Gupta, IAS



Shri Suresh Chandra Gupta, IAS (SKM: 1986 RR) is the Chief Secretary, Govt. of Sikkim. He is a Post Graduate in Economic Administration and LLB from the University of Rajasthan. He has a Master's Degree in Public Management from Harvard Kennedy School of Government and a Lee Kuan Yew Fellow at the LKY School of Public Policy, National University of Singapore. He also has a Master's Diploma in Public Administration from Indian Institute of Public Administration, New Delhi and is a qualified Company Secretary.

Shri Gupta has worked in various capacities both in the Central Government and in the State Government for over 34 years. He served on the Board of Directors of NABARD. He has also served as Joint Secretary in the Department of Chemicals and Fertilizers, Government of India. He has also served on the Boards of Central PSUs like Hindustan Organic Chemicals Ltd., Hindustan Insecticides Ltd., Rashtriya Chemicals and Fertilizers Ltd., National fertilizers Ltd., Fertilizers and Chemicals Travancore (FACT)Ltd. and Krishak Bharati Cooperative Ltd (KRIBHCO).

In the Govt. of Sikkim, Shri Gupta has held the responsibility of Additional Chief Secretary in the Departments of Home, Tourism and also as Agriculture Production Commissioner. He has also worked in all the 4 districts of Sikkim as District Collector (in West and South District) and DDO (in North and East District) in early part of his civil service career. Before joining IAS, he worked for banking, insurance and financial institutions like IDBI, LIC, Punjab National Bank and UTI Bank.

Shri Indevvar Pandey, IAS



Shri Indevvar Pandey, IAS, a 1988 Batch West Bengal Cadre Indian Administrative Services Officer is posted as Special Secretary in Ministry of Development of North Eastern Region. Prior to joining this Ministry, he had handled key assignments in the West Bengal Government as Principal Secretary, Personnel & Administrative Reforms; Principal/Additional Chief Secretary, PWD; Additional Chief Secretary, Forest & Environment and Managing Director, West Bengal Highway Development Corporation Ltd. In his earlier tenure at Centre, he has served as Director in Ministry of Home Affairs and as Director in NIFT, Delhi under Ministry of Textiles. Along with a Masters in Engineering, he has an MBA degree from University of Birmingham.

Shri Manoj Kumar, IAS



Shri Manoj Kumar, IAS of Tripura Cadre (1990 batch) is the Chief Secretary, Government of Tripura. Shri Kumar has an educational background of M.Tech from IIT, Kanpur. He had served the public services in the Cadre State in various capacities such as District Magistrate and Secretary, Principal Secretary & Additional Chief Secretary of Home, Finance, Forest, Revenue & Power etc. Departments. He has also working experience in the Ministry of Commerce & Industries, Coal, Shipping etc. under the Central Government.

BOARD OF DIRECTORS

Shri R. S. Ramesh



Shri R. S. Ramesh is Chief General Manager, State Bank of India, North Eastern Circle, Guwahati. He joined State Bank of India as a Probationary Officer in 1985 and has held various important assignments in the Bank. He is a Graduate in Science and a Certified Associate of Indian Institute of Bankers. Before he took over the Charge of North Eastern Circle of SBI, he was posted as General Manager (Retail & Subsidiaries) in International Banking Group at Corporate Centre, Mumbai and was responsible for business strategy, business development, operational efficiency and other functional areas of the retail business of foreign offices of all overseas banking subsidiaries and joint ventures.

A career banker with experience of over 34 years, Shri Ramesh has held various positions across a wide range of domains including International Banking, Correspondent Relationship Banking, Retail Banking, Stressed Asset Management Group.

Shri Saumya Chaudhuri



Shri Saumya Chaudhuri is Chief General Manager, IDBI Bank Limited and Head East-I (Kolkata) Zone, encompassing West Bengal, Bihar and the entire North East. He majored in Economics from Presidency College, Kolkata and completed his Post Graduation from Jawaharlal Nehru University. He has rich experience in different areas of operations like Economic, Research, Corporate Strategy & planning, Corporate Communications and CSR, Project Finance, Risk Management, Retail Banking etc.

Shri Bhaskar Jyoti Sarma



Shri Bhaskar Jyoti Sarma, M.A. (Economics), Dip. in Mgt. is a retired Chief General Manager, State Bank of India, with the last assignment as the Managing Director & CEO of SBI General Insurance Co Ltd. (SBIG) with more than 3 decades of experience in Banking having worked in different capacities in Line and Staff positions at various levels including the Top Executive grade. He has held a variety of assignments during his tenure in SBI and has served in different locations in India and abroad (including a tenure in SBI's branch at Chicago, USA). Being the General Manager in SBI's NE Circle, he has extensive and in-depth experience in Financial Inclusion initiatives in the under-banked and unbanked areas of North East Region. He is also a part time Non-Executive Chairman in North East Small Finance Bank (NESFB).

Shri Sanjay Kumar Pai



Shri Sanjay Kumar Pai, formerly Chief General Manager, IDBI Bank, with around 37 years of rich experience in different areas of operations like HR, Green Field Appraisal for small, medium and large scale projects, Project Finance, Merchant Banking, Loan Syndication, Large Corporate Groups and Rural Financing. Shri Pai has served in IDBI Bank in different capacities such as Zonal Head, East & North East India (Chief General Manager), Regional Head, West Bengal (General Manager) and Branch Head, Kolkata (Deputy General Manager). Shri Pai is a Post-Graduate in Physics from Jadavpur University. He has also served as a Nominee Director in the Board of CESC Ltd. and Dhanseri Petrochemicals Ltd.

Dr. Natalie West Kharkongor



Dr. Natalie West Kharkongor currently is an Associate Professor of Economics and Chairperson, Incubation Center, Indian Institute of Management Shillong. She holds a Doctorate Degree in Economics. In addition, she completed two Research Projects sponsored by University Grant Commission, India. She has twenty eight years of teaching experience, twenty six years of research experience, and 12 years of consultancy experience. She received the Broad Outlook Learner Teacher Award from the former Prime Minister of India, Dr. Manmohan Singh on 24th Nov 2004 and the Rashtriya Gaurav Award with Certificate of Excellence on 16th July 2011. She is a national and international speaker and has presented & published a number of papers related to Banking and Finance, Entrepreneurship, Agriculture, Industry, Higher Education, Water Management, Women Empowerment, Health Sector, Green Economics and others. Currently, she is the President of Meghalaya Economic Association. She is also a Member of Indian Economic Association, American Economic Association and an active Member of Green Economics Institute, UK. Dr. Natalie has also spoken at Oxford University, Yale University, Duke University and Georgia State University on green economics.

The Directors of your Corporation have the pleasure in presenting their 25th Annual Report together with the Audited Statement of Accounts for the financial year ended March 31, 2020.

Financial Review

The Standalone financial results for the year are highlighted below:

Financial Year	(Rs. Crore)	
	2019-20	2018-19
Financial Position		
Authorised Capital	500.00	500.00
Paid up Capital	100.00	100.00
Net worth	800.72	775.61
Loan Outstanding	1056.34	1072.50
Capital to Risk (Weighted) Assets Ratio (CRAR) (%)	53.91	52.85
Working Results		
Gross Income	158.03	185.33
Interest Income	94.81	95.09
Non-Interest Income	63.22	90.24
Gross Expenditure	102.32	103.91
Profit Before Tax	55.71	81.43
Tax Expenses	21.60	19.49
Profit After Tax	34.11	61.94
Dividend	8.00	8.00

The Consolidated financial results of the year are highlighted below:

Particulars	(Rs. Crore)	
	2019-20	2018-19
Total Revenue	161.23	186.91
Total Expenses	103.83	104.59
Profit Before Tax	57.40	82.32
Tax Expense	21.97	19.72
Profit After Tax	35.43	62.60
Non-Controlling Interest	0.01	0.01
Profit for the Year	35.42	62.59
Earnings Per Share (Rs)	3.54	6.26

Performance of the Corporation

Given the prevailing environment, FY 20 was one of the most difficult years for the Corporation as it faced multiple challenges on various fronts. Investment environment was not conducive due to slowdown in the overall economy, low investment, lack of liquidity in the market, low sentiments amongst the entrepreneurs which further exacerbated by disruption in the law and order conditions in the region due to Citizenship Amendment Act (CAA) agitation particularly in Assam and Manipur. The COVID-19 pandemic has further aggravated the situation in the later part of the year.

Further, continuous reduction in the repo rate totaling 250 bps by RBI since February 2019 had resulted in downward spiraling in lending rates across the banking industry. The reduction in repo rate had led to the reduction in average lending rate by around 2-2.5% for new loans and also reduction in the interest rate in many existing accounts which had adversely impacted the interest income of the Corporation from loans and advances. The reduction in repo rate also brought down the deposit rate as well as returns on the liquid and liquid plus category of mutual funds, which had adversely impacted the investment income of the Corporation.

During FY 20, the Corporation's sanctions grew by 22.58 % year-on-year to Rs. 440.73 crore from Rs. 359.55 crore during the previous year while disbursements grew by 11.39 % year-on-year to Rs.319.43 crore from Rs.286.77 crore in the previous year. However, notwithstanding the increase in disbursements during the year, the outstanding portfolio of loans and advances as on March 31, 2020 reduced by 1.5% year-on-year to Rs. 1056.34 crore from Rs. 1072.50 crore in the previous year due to higher repayments and significant recovery from NPA accounts.

The Gross Income of the Corporation fell by 14.73% in FY 20 to Rs. 158.03 crore from Rs. 185.33 crore, mainly due to a fall in interest and investment incomes as well as very low recovery from written-off accounts. In spite of reduction in the level of NPA, the interest income of the Corporation decreased by 0.29 % to Rs. 94.81 crore from Rs. 95.09 crore during the previous financial year mainly due to reduction in average lending rates by around 2-2.5% for new loans and also reduction in the interest rates of existing loan accounts. The investment income fell by 23.19% to Rs. 23.19 crore during FY 20 from Rs. 30.19 crore in the previous year primarily on account of reduction in deposit rates as well as returns on the liquid /liquid plus category of mutual funds during the year. The Corporation's recovery from loss assets at Rs. 1.53 crore was very low as compared to a record high of Rs. 22.62 crore in the previous year. This was due to the inability of the Corporation to recover/settle written-off accounts through negotiated settlements as well as through legal action.

The Corporation's gross profit decreased by 31.59% to Rs. 55.71 crore against the previous year's figure of Rs. 81.43 crore despite reduction in Corporation's gross expenditure by 1.53% to Rs. 102.32 crore from Rs. 103.91 crore. The net profit decreased by 44.93 % to Rs. 34.11 crore against the previous year's figure of Rs. 61.94 crore. During the year, operating profit as a percentage to average working funds was 3.65% as compared to 5.51% in FY 19. Return on average assets was 2.06% as compared to 3.71% in the previous year.

The Gross NPA of the Corporation as a percentage of gross loans & advances reduced to 12.32% as on March 31, 2020 from 18.97 % in the previous financial year while the Net NPAs as percentage of net loan & advances reduced sharply to 6.48 % from 13.64 %. In terms of amounts, the Gross NPA at Rs. 130.14 crore and Net NPA at Rs. 64.20 crore as on March 31, 2020 had reduced by 36.05% and 53.23 % respectively against the corresponding figures of Rs. 203.51 crore and Rs. 137.28 crore as at the end of the previous financial year.

The Capital Adequacy Ratio was comfortable and stood at 53.91% as at March 31, 2020, as against 52.85% during the previous year.

As on March 31, 2020, the largest credit exposures of the Corporation were to five sectors viz., hotel, micro finance, hospital, education and construction, which accounts for about 50% of the total loan assets.

The Corporation has been making provision on NPAs as mandated under the prudential norms issued by the Reserve Bank of India from time to time.

As per the requirement of regulations under RBI, the Corporation has transferred the following amounts to various reserves during the financial year ended March 31, 2020:

Amount transferred to	Rs. Cr.
Statutory Reserve	7.08
Special Reserve	6.32

The Board of Directors of the Corporation has recommended dividend of 8% for the financial year 2019-20. The payout ratio is 23.45% of the net profit.

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.

Micro Finance

The "NEDFi Micro Finance Scheme" was launched by the Corporation to assist the grass-root small borrowers in un-served and under-served areas of the north eastern region. Through the Scheme, the Corporation provides wholesale micro credit to Micro Finance Institutions (MFIs) of the region for on-lending to low income individuals for carrying out various income generating activities in farm and non-farm sectors.

During FY20, the Corporation sanctioned under the Scheme an amount of Rs. 100.25 crore and disbursed Rs. 81.95 crore. As on March 31, 2020, the cumulative sanctions & disbursements under the scheme were Rs. 855.10 crore & Rs. 821.56 crore respectively, which have benefitted more than eight lakh beneficiaries. More than 90% of the beneficiaries under the scheme are women which has enabled them to improve their economic status and move up above the poverty line.

In Microfinance, Capacity Building is a continuous exercise and to cope up with the changes & developments in the sector, the functionaries and staff of MFIs need to continuously upgrade their knowledge and skill set. The Corporation assists these MFIs by conducting such capacity building programmes involving trainings on risk management, operation management, systems and processes, financial management, human resource management, etc. During the year, the Corporation conducted four training programmes where 91 participants from assisted MFIs were benefited.

Business Development Initiatives

The Corporation organises Business Meets for dissemination of information on its various schemes. During the year, a total of 15 Business Meets were organised where 822 prospective entrepreneurs from all NE States participated. In addition, mentoring assistance is extended primarily to the first generation entrepreneurs on managerial, technical, financial, commercial & marketing, preparation of project reports and credit linkages through the Business Facilitation Centres of the Corporation in all the NE States. During the year, a total of 539 entrepreneurs were mentored, out of which credit linkages were extended to 77 entrepreneurs involving loan amounts of Rs.6.95 crore.

Techno-economic Feasibility Studies

The Corporation conducts various techno-economic feasibility studies for industry and infrastructure projects suitable to the region. The area of study covered are Agriculture & Allied Sector, Horticulture, IT/ ITeS, Fishery, Tourism & Hospitality, Handloom & Handicraft, MSME, Education & Training, Trade & Commerce, Animal Husbandry & Dairy, Post-Harvest Management, Forestry, Sericulture, Service Sector, Leather, Rubber, Evaluation/ Revival/ Impact/ Market Study, Skill development, Natural Gas & Minerals, Planning & Development, Pearl Culture, Health & Allied etc. As on 31st March, 2020, 86 studies have been completed and 8 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 and North East Industrial Development Scheme (NEIDS) 2017 which is administered by the Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Government of India. The Corporation facilitates disbursement of subsidies under the Transport Subsidy Scheme, Central Capital Investment Subsidy Scheme, Central Interest Subsidy Scheme, Freight Subsidy Scheme & Central Comprehensive Insurance Subsidy Scheme to industrial units of all the eight NE States.

The details of disbursements under various schemes during the year are given below. There was no disbursement under NEIDS 2017 as at end of the financial year.

(Rs. Crore)

Scheme	FY 2018-19	FY 2019-20	Cumulative as on 31/03/2020
Transport Subsidy (TS)	961.62	248.40	4162.99
Central Capital Investment Subsidy (CCIS)	558.11	605.76	2616.91
Central Interest Subsidy (CIS)	92.23	27.61	428.90
Central Comprehensive Insurance Subsidy (CCIS)	25.21	5.76	53.73
Freight Subsidy	126.48	118.26	263.59
Total	1763.65	1005.79	7526.12

Advisory and Consultancy Services

The Corporation provides Advisory & Consultancy Services to the State Governments, Central Ministries/Institutions & Public Sector Undertakings working in the region by executing consultancy projects/assignments in the functional areas of Strategy Consulting, Monitoring & Evaluation of Infrastructure & Natural Resource Management Projects, Programme Management & Implementation Support, Capacity Building & Institutional Strengthening, etc. The domains in which these services offered are Agriculture & Allied Sectors, Food Processing, Handloom, Textile & Handicrafts, Tourism & Hospitality, Urban Infrastructure, Water Resources, Natural Resources Management, Environment & Forest, Education & Skill Development, and IT & ITES etc. During the year, the Corporation bagged a total of 12 projects with order bookings of Rs. 6.86crore.

HRD Initiatives

The total manpower strength of the Corporation as on March 31, 2020 was 120. During the year, two Asst. Managers & three Management Trainees joined the Corporation. A total of 14 training programmes were organised for the employees during the year.

NEDFi Convention Centre

The Convention Centre at NEDFi House, Guwahati is strategically located in the heart of the city with state-of-the-art convention facility to host meetings, conference, exhibitions etc. on a commercial basis. During FY 20, a total of 120 events were held at the Centre with revenue generation of Rs.38.11 lakh during the year.

NER Databank

The Corporation is maintaining a web based portal called "NER Databank" which is a single-point storehouse 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 the "NEDFi Databank Journal", a journal which provides analytical sectoral data of the various States of the North Eastern Region. The purpose of Journal is to provide an updated single point data for easy reference by potential investors to make informed investment decision in the region as well as be of use for research by students, policy makers and business persons.

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 Corporation 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 of the Corporation is low. Also, the Corporation has installed a 50KW solar plant in the office premises for further minimizing the energy cost. To provide the best services to its customers, the Corporation, has developed a new IT Loans and Accounting software system, which also addresses the MIS requirements of the management and the regulatory authorities. There was 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 of the Board (RMCB), 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 on regular basis.

Corporate Social Responsibility

In accordance with section 135 of Companies Act 2013, the Corporation constituted a Corporate Social Responsibility (CSR) Committee of the Board. The Members of the Committee as on March 31, 2020, are as under:

• Shri B. P. Muktieh	-	Chairman and Managing Director
• Dr. Natalie West Kharkongor	-	Woman Director
• Shri S.K. Tandon	-	Director
• Shri Dinesh Bhagat	-	Director
• Shri B. J. Sarma	-	Director
• Shri S.K. Pai	-	Director

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

The CSR expenditure incurred during FY 20 was Rs. 1.86 crore against the minimum mandatory statutory requirements of Rs. 1.57 crore, being 2% of average net profit of three preceding financial years i.e. FY 17, FY 18 and FY 19. A separate report on CSR Policy has been enclosed as a part of Annual Report.

Sector wise summary of these expenditures is as under:

Sl. No.	Head of expenditure	Amount (Rs. Lakh)
1	Capacity Building	19.21
2	Marketing Assistance	62.18
3	NEDFi Haat	104.70
	Total	186.09

Highlights of CSR and Developmental activities undertaken during FY20 are as under:

1. CSR Activities

1.1 Sustainable Livelihood Programmes: The Corporation organised training programmes on various trades for providing alternative sustainable livelihood to artisans. During the year, 20 training programmes were organised covering 453 beneficiaries.

1.2 Marketing Support: The Corporation facilitated marketing linkages to a total of 1539 artisans, of which 320 artisans participated in 28 exhibitions and 1219 artisans were facilitated market linkages through Craft Showrooms of the Corporation located at Khetri, Guwahati, Aizawl & Noida.

1.3 Craft Gallery at NEDFi House, Guwahati: The Craft Gallery was set up on January 11, 2019 to create awareness on water hyacinth craft products and to facilitate market linkage to the craft producers. The Craft Gallery also markets craft products of all the eight states of the region. The Craft Gallery is managed by NE-SHILP, a society promoted by the Corporation to facilitate market linkage to the artisans and weavers of the NER.

1.4 NEDFi Haat at Rupnagar, Guwahati: "NEDFi Haat" at Rupnagar, Guwahati was constructed by renovating a building offered by Mahila Imdad Committee with a floor area of 2700 sq.ft. The first exhibition in the Haat was organized during April 9-13, 2019 on the occasion of Bohag Bihu, a popular event in Assam, to create awareness about the location. On NEDFi's Foundation Day, the North East Start-up & Craft Fair-2019 was organised at the Haat during August 9-13, 2019 which was inaugurated by the Secretary, Ministry of Development of North Eastern Region, Govt. of India.

2. Developmental Activities

2.1 NEDFi Craft Incubation Centre, Khetri: The Craft Incubation Centre at Khetri conducted five training programmes on sital pati craft, cardamom fiber craft as well as on handloom weaving for 98 artisans. Besides, the Centre facilitated craft exposure visits, including visit to rural clusters for seven students from National Institute of Design (NID), Ahmedabad during November 24 to December 4, 2019.

The Centre has a Common Service Facility for the artisans and weavers engaged in water hyacinth craft and banana fibre based handloom work. NE-SHILP also provides market linkage through its showrooms located at NEDFi House, Guwahati, IEML, Greater Noida as well as one at Khetri Centre itself.

A team of officials from Jammu Kashmir Development Finance Corporation (JKDFC) visited NEDFi during November 12-17, 2019 for exposure visit on Development Banking and SME lending. They visited the Khetri Centre on November 15, 2019 during which they learnt about the activities of the Centre and interacted with the artisans associated with water hyacinth and banana fibre products.

2.2 NEDFi R & D Centre from MAP, Khetri /Nagicherra, Tripura: During the year, the R&D Centre at Khetri is cultivating a new variety of high-yielding Lemongrass (JorLab- L8) developed by the North East Institute of Science & Technology, Jorhat, in addition to the cultivation of existing variety of citronella and lemongrass plantation. The

Centre also facilitated exposure visit to 108 students from various colleges/ institutions and provided technical assistance on cultivation of Citronella and Lemon grass to local farmers. Apart from this, extension and commercial cultivation of Assam Indigo/Lac were being taken up at the Centre.

The R&D Centre at Nagicherra, Tripura, conducted one training programme on Medicinal & Aromatic Plants covering 35 beneficiaries to create awareness on MAP and other potential crops like stevia, citronella etc. The Centre has also cultivated high yielding variety of Lemon grass (JorLab L8), Red and white sandal seedling, patchouli, stevia, naga chilly and other medicinal and herbal plants.

2.3 Other activities: During the year, the Corporation extended flood relief support to around 700 flood victims of Kamrup Rural district of Assam.

2.4 Signing of MOU with ICICI Foundation: - ICICI Foundation for Inclusive Growth is a charitable trust of ICICI group which pools CSR fund from its group companies and executes the CSR projects and training programmes mostly on vocational skills with intervention in Craft sector. It has a Centre for vocational training in Guwahati too. In South India they have taken up activities on banana bark based handicraft sector and one similar programme was initiated in Goalpara district of Assam on making of handicraft items from Banana bark. To take the initiative further and for collaboration on capacity building as well as market linkage, an MoU was signed between NEDFi and ICICI Foundation on February 27, 2020.

Awards/ Recognition:

The Association of Development Financing Institutions in Asia and Pacific (ADFIAP) has adjudged NEDFi as the Winner of the ADFIAP Awards 2020: Outstanding Development Project - Category 8: Financial Inclusion for the project, "NEDFi Micro Finance Scheme- An Initiative towards Financial Inclusion" and has also bestowed a Merit Award under the ADFIAP Awards 2020: Outstanding Development Project, Category 7, Local Economic Development for the Water Hyacinth project, "Weed to Wealth".

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

There were no loans, guarantees or investments made by the Corporation 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 an 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. There are no complaint pending before the Committee.

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. H K Agarwala and Associates, Chartered Accountants, Guwahati, having registration number FRN 319293E, were appointed as Statutory Auditors' of the Corporation by the Comptroller and Auditor General of India (C&AG) for FY 20. There are no qualifications or adverse remarks in the Statutory Auditors' Report, which require any clarification/ explanation. The Notes on financial statements are self-explanatory and needs no further explanation. The Auditors' Report for the financial year ended March 31, 2020 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, were appointed by the Board of the Corporation to conduct Secretarial Audit for FY 20. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith.

Applicability of Indian Accounting Standards (IND –AS)

Indian Accounting Standards were applicable to NBFC with effect from 01-04-2018 and the Corporation is in the process of complying with the same.

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 and also available at the Corporation's website viz www.nedfi.com

The Corporation'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 6 (six) Directors; of which 5 (five) are Non-Executive Directors and 1 (one) Whole Time Director. The table sets out the composition of the Committee as on March 31, 2020.

Name of the Director	Position held in the Committee	Category of the Director
Sri S. K. Pai	Member, Chairman	Non-Executive Independent Director
Sri D. Bhagat	Member	Non-Executive Non Independent Director
Sri S. Chaudhuri	Member	Non-Executive Non Independent Director
Sri B. J. Sarma	Member	Non-Executive Independent Director
Dr. N. W. Kharkongor	Member	Non-Executive Independent Woman Director
Sri B. P. Muktieh	Member	Whole Time 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 Corporation.

Remuneration to Non-Executive Directors:

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

Number of Board Meetings:

During FY 20, the Board of Directors met 6 (six) times viz. on 29th April 2019, 26th July 2019, 3rd September 2019, 21st October 2019, 24th January 2020 and 13th March 2020.

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, 2020, 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 31st March, 2020 and of the profit and loss of the Corporation 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 Corporation and for preventing and detecting fraud and other irregularities;

(iv) the directors had prepared the annual accounts on a going concern basis; and

(v) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details in respect of frauds reported by auditors under section 143(12)

During the year under review, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

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)

FINANCIAL DETAILS OF SUBSIDIARIES

North East Venture Fund (NEVF)

North Eastern Development Finance Corporation Ltd (NEDFi) jointly with the Ministry of Development of the North Eastern Region (M-DoNER), set up the North East Venture Fund (NEVF), a dedicated Venture Fund for the North Eastern Region. The Fund has been registered with Securities and Exchange Board of India (SEBI) with a corpus of Rs.100.00 crore. SIDBI also invested in the Fund.

To operate the fund, two subsidiary companies of the Corporation, viz. (i) NEDFi Venture Capital Ltd (NVCL) and (ii) NEDFi Trustee Ltd. (NTL) incorporated for carrying out Investment Management and Trusteeship functions.

Investment under North East Venture Fund (NEVF) typically targets start-ups, early stage and growth stage companies with new products and technologies or innovative business model. NEVF targets to fill in the much felt equity-gap faced by the startup entrepreneurs of the region. As on March 31, 2020, the Fund had provided in-principle commitment of Rs.44.52 crore for 22 portfolio companies.

The financial performance of NVCL & NTL during the financial year 2019-20 is given below.

(Rs.)

PARTICULARS	NVCL	NTL
Total Income	3,16,35,806	3,63,820
Total Expenditure	1,49,29,460	1,66,756
Profit before tax	1,67,06,346	1,97,065
Tax expense	36,75,396	43,354
Profit for the year	1,30,30,950	1,51,759
Earnings per share(Rs.)	260.62	3.04

Deposits:

The Corporation has not accepted deposits since its inception.

Details of Directors/Key Managerial Personnel and changes thereon:

The Corporation's Board had 10 (Ten) Directors, of which all except one were Non-Executive Directors. In the last Annual General Meeting held on September 27, 2019, 2 (two) Directors retired by rotation.

Since the last Annual General Meeting, Dr. J. Suresh Babu, IAS (DIN : 07229195), Chief Secretary to the Government of Manipur, Sri Satya Gopal, IAS, (DIN: 08144273), Chief Secretary, Government of Arunachal Pradesh, Sri J.K. Sinha, IAS (DIN: 07566800), Joint Secretary, Ministry of Development of North Eastern Region (M-DoNER), New Delhi and Sri Krishnendu Banerjee (DIN: 05314275, Chief General Manager, IDBI Bank Ltd., Kolkata, Sri S.K. Tandon (DIN:08212223), Chief General Manager State Bank of India, Sri Dinesh Bhagat (DIN:0008354195), Zonal Manager, LIC of India, Kolkata and Sri R Muivah (DIN: 01099134) relinquished their office as Directors. The Board placed on record its appreciation of the services rendered by Sarbasree Dr. J. Suresh Babu, Satya Gopal, J.K. Sinha, Krishnendu Banerjee, S. K. Tandon, Dinesh Bhagat and R. Muivah during their respective tenure at NEDFi.

Sri S.C. Gupta, IAS (DIN: 02922231), Chief Secretary to the Government of Sikkim was appointed as Additional Director on the Board of NEDFi with effect from 01/11/2019 and will hold office upto the date of ensuing Annual General Meeting of the Company. Necessary resolution in this regard has been incorporated in the notice of Twenty Fifth Annual General Meeting.

Sri Saumya Chaudhuri, (DIN: 03559925), Chief General Manager, IDBI Bank Limited, Shakespeare Sarani, Kolkata was appointed as appointed as Additional Director on the Board of NEDFi with effect from 25/11/2019 in place of Sri Krishnendu Banerjee and will hold office upto the date of ensuing Annual General Meeting of the Company. Necessary resolution in this regard has been incorporated in the notice of Twenty Fifth Annual General Meeting.

Sri Indevar Pandey, IAS (DIN: 06503182), Special Secretary, Ministry of Development of North Eastern Region (M-DoNER) was appointed as Additional Director on the Board of NEDFi with effect from 09/12/2019 in place of Sri J.K. Sinha, IAS and will hold office upto the date of ensuing Annual General Meeting of the Company. Necessary resolution in this regard has been incorporated in the notice of Twenty Fifth Annual General Meeting.

Sri Manoj Kumar, IAS (DIN: 08000521), Chief Secretary to the Government of Tripura was appointed as Additional Director on the Board of NEDFi with effect from 19/02/2020 and will hold office upto the date of ensuing Annual General Meeting of the Company. Necessary resolution in this regard has been incorporated in the notice of Twenty Fifth Annual General Meeting.

Sri R.S. Ramesh (DIN: 08813704), Chief General Manger, State Bank of India, Local Head Office, Guwahati Circle, was appointed as Additional Director on the Board of NEDFi with effect form 03/08/2020 in place of Sri S.K. Tandon and will hold office upto the date of ensuing Annual General Meeting of the Company. Necessary resolution in this regard has been incorporated in the notice of Twenty Fifth Annual General Meeting.

There are three Key Managerial Personnel in the Corporation comprising of the Chairman and Managing Director, Chief Financial Officer and Company Secretary.

Sanctioning Committee

The sanction of loan proposals having loan component above Rs. 1 crore are placed before the Sanctioning Committee for approval. During the year under review, 8 (eight) Sanctioning Committee Meetings were held.

Corporate Credit Committee

The Corporate Credit Committee (I), Corporate Credit Committee (II) and Branch Credit Committee were constituted for speedy disposal of loan applications upto Rs.1 crore. with sanctioning power of (I) above Rs. 50 lakh upto Rs. 1 crore, (ii) upto Rs. 50 lakhs and (iii) upto Rs 5 lakhs respectively. During the year under review, 7 (seven) Corporate Credit Committee (I), 16 (sixteen) Corporate Credit committee (II) and 14 (fourteen) Corporate Credit Committee (III) meetings were held.

Declaration by Independent Directors

All the Independent directors duly appointed by the Corporation 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 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 Members as on March, 2020.

Name of the Director	Position held in the Committee	Category of the Director
Sri B. J. Sarma	Member, Chairman	Non-Executive Independent Director
Sri D. Bhagat	Member	Non-Executive Non Independent Director
Sri S. K. Tandon	Member	Non-Executive Non Independent Director
Sri S. K. Pai	Member	Non-Executive Independent Director
Dr. N. W. Kharkongor	Member	Non-Executive Independent Woman Director

The responsibilities of the Audit Committee comprise, among others, overseeing the Corporation'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 stakeholders and seeks to ensure that the long term economic value proposition for its stakeholders is achieved. A separate statement on Corporate Governance is produced as a part of Annual Report.

Secretarial Standards of ICSI

Pursuant to the approval by the Central Government to the Secretarial Standards specified by the Institute of Company Secretaries of India (ICSI), and after amendment the Secretarial Standard on Meetings of Board of Directors (SS-1) and General Meetings (SS-2) come into effect from 1st October, 2017. The Corporation is in compliance with the same.

Management Discussion and Analysis

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

Internal Financial Control Systems and their Adequacy

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

Maintenance of cost records as specified under section 148 (1) of Companies Act, 2013

The Central Government has not prescribed maintenance of cost records under section 148 (1) of the Companies Act, 2013, for any of the services rendered by the Corporation.

Shares**Buy Back**

The Corporation has not bought back any shares during the year under review.

Sweat Equity

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

Bonus shares

No Bonus Shares were issued during the 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

Acknowledgement

The Board of Directors are grateful to the promoters of the Corporation viz., IDBI Bank, LIC, SBI, SIDBI, IFCI, ICICI Bank, Administrator of Specified Undertaking of Unit Trust of India, 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, and other Ministries/ Departments of Government of India, State Governments of the region, Reserve Bank of India, All India Institutions, Banks/Financial Institutions and other Organisations of the region for the magnanimous support it has received from them. NEDFi has considerably benefitted from their support, co-operation and guidance. The Board also acknowledges the contribution of the staff & members of the Corporation for their untiring efforts towards its growth.

By order of the Board



(Chairman & Managing Director)

Place: Guwahati

Dated: 27th November, 2020

ATTENDANCE SHEET



An ISO 9001:2015 Company

BOARD MEETING ATTENDANCE FOR THE FINANCIAL YEAR 2019-2020

Sl. No.	Name of Director	117th board meeting held on 29/04/2019	118th board meeting held on 26/07/2019	119th board meeting held on 03/09/2019	120th board meeting held on 21/10/2019	121st board meeting held on 24/01/2020	122nd board meeting held on 13/03/2020
1	Sri B.P.Muktieh	Present	Present	Present	Present	Present	Present
2	Dr J. S. Babu, IAS	Absent	Absent	Absent	--	--	--
3	Sri J.K.Sinha, IAS	Absent	Absent	Absent	--	--	--
4	Sri S. Gopal, IAS	Present	Present	Present	Present	--	--
5	Sri K. Banerjee	Present	--	--	--	--	--
6	Smt S. Gonsalves	Present	Absent	Present	Present	Present	Present
7	Sri S. K. Tandon	Absent	Absent	Present	Absent	Absent	Present
8	Sri D. Bhagat	Absent	Absent	Absent	Present	Absent	Absent
9	Sri R. Muviah, IAS	Absent	Absent	Absent	Absent	Absent	Absent
10	Sri B. J. Sarma	--	Present	Present	Present	Present	Present
11	Sri S. K. Pai	--	--	Present	Present	Present	Present
12	Smt N. W. Kharkongor	--	--	--	Present	Present	Present
13	Sri I. Pandey, IAS	--	--	--	--	Present	Absent
14	Sri S. Chaudhuri	--	--	--	--	Present	Present
15	Sri S. C. Gupta, IAS	--	--	--	--	Absent	Absent
16	Sri M. Kumar, IAS	--	--	--	--	--	Absent

SANCTIONING COMMITTEE MEETING ATTENDANCE FOR THE FINANCIAL YEAR

Sl. No.	Name of Director	123rd Sanctioning Committee Meeting Held on 21/06/2019	124th Sanctioning Committee Meeting Held on 26/07/2019	125th Sanctioning Committee Meeting Held on 04/09/2019	126th Sanctioning Committee Meeting Held on 21/10/2019	127th Sanctioning Committee Meeting Held on 02/12/2019	128th Sanctioning Committee Meeting Held on 30/01/2020
1	Sri B.P.Muktieh	Present	Present	Present	Present	Present	Present
2	Sri D. Bhagat	Present	Absent	Absent	Absent	Absent	Absent
3	Sri R. Muviah, IAS	Absent	Absent	Absent	Absent	Absent	Absent
4	Sri B. J. Sarma	Present	Present	Present	Present	Present	Present
5	Sri S K Pai	--	--	Present	Present	Present	Present
6	Sri S. Chaudhuri	--	--	--	--	--	Absent

**SANCTIONING COMMITTEE MEETING
ATTENDANCE FOR THE FINANCIAL YEAR 2019-2020**

Sl. No.	Name of Director	129th Sanctioning Committee Meeting held on 24/02/2020	130th Sanctioning Committee Meeting held on 13/03/2020
1	Sri B.P.Muktieh	Present	Present
2	Sri D. Bhagat	Absent	Absent
3	Sri R. Muviah, IAS	Absent	Absent
4	Sri B. J. Sarma	Present	Present
5	Sri S. K. Pai	Present	Present
6	Sri S. Chaudhuri	Absent	Absent

AUDIT COMMITTEE MEETING ATTENDANCE FOR THE FINANCIAL YEAR 2019-2020

Sl. No.	Name of Director	69th Audit Committee Meeting held on 03/09/2019	70th Audit Committee Meeting held on 23/01/2020	71st Audit Committee Meeting held on 13/03/2020
1	Sri B. J. Sarma	Present	Present	Present
2	Sri S. K Tandon	Absent	Absent	Absent
3	Sri S. K. Pai	Present	Present	Present
4	Sri Dinesh Bhagat	Absent	Absent	Absent
5	Smt N. W. Kharkongor	--	Present	Present

**CORPORATE CREDIT COMMITTEE MEETING ATTENDANCE
FOR THE FINANCIAL YEAR 2019-2020**

Sl. No.	Name of Director	98th Corporate Credit Committee Meeting held on 21/06/2019	99th Corporate Credit Committee Meeting held on 26/07/2019	100th Corporate Credit Committee Meeting held on 04/09/2019	101st Corporate Credit Committee Meeting held on 21/10/2019
1	Sri B.P.Muktieh	Present	Present	Present	Present
2	Sri D. Bhagat	Absent	Absent	Absent	Absent
3	Sri B. J. Sarma	Present	Present	Present	Present
4	Sri S. K. Pai	-	-	Present	Present

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE MEETING ATTENDANCE
FOR THE FINANCIAL YEAR 2019-20**

Sl. No.	Name of Director	14th Corporate Social Responsibility Committee Meeting held on 03/09/2019	15th Corporate Social Responsibility Committee Meeting held on 13/03/2020
1	Sri B.P.Muktieh	Present	Present
2	Sri S. K. Tandon	Present	Absent
3	Sri D. Bhagat	Absent	Absent
4	Sri S. K Pai	Present	Present
5	Sri B. J. Sarma	Present	Present
6	Smt N. W. Kharkongor	-	Present

NOMINATION AND REMUNERATION COMMITTEE MEETING ATTENDANCE FOR THE FINANCIAL YEAR 2019-2020

Sl. No.	Name of Director	12th Nomination and Remuneration Committee Meeting held on 21/06/2019	13th Nomination and Remuneration Committee Meeting held on 03/09/2019
1	Sri J.K.Sinha	Absent	Absent
2	Sri D. Bhagat	Present	Absent
3	Sri B. J. Sarma	Present	Present
4	Sri K Banerjee	--	Present
5	Sri S K Pai	-	Present

Note: NRC was re-constituted in the 120th Board Meeting held on 21/10/2019

INDEPENDENT DIRECTOR'S COMMITTEE MEETING ATTENDANCE FOR THE FINANCIAL YEAR 2019-2020

Sl. No.	Name of Director	4th Independent Director's Committee Meeting held on 24/01/2019
1	Sri S. K Pai	Present
2	Sri Bhaskar Jyoti Sarma	Present
3	Smt N W Kharkongor	Present

RISK MANAGEMENT COMMITTEE MEETING ATTENDANCE FOR THE FINANCIAL YEAR 2019-2020

Sl. No.	Name of Director	4th Risk Management Committee Meeting held on 03/09/2019	5th Risk Management Committee Meeting held on 24/01/2020
1	Sri B. P. Muktieh	Present	Present
2	Sri S. K. Tandon	Present	--
3	Sri D. Bhagat	Absent	--
4	Sri S. K. Pai	Present	Present
5	Sri B. J. Sarma	Present	Present
6	Dr. N.W. Kharkongor	-	Present

Corporate Governance deals with laws, practices and implicit rules that determine a Corporation's ability to take informed managerial decision vis-à-vis its Stakeholders – in particular, its shareholders, customers, government and employees. The management of the Corporation always tries 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 11 (eleven) 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 of Sikkim and Tripura on rotation for a period of 2 (two) years, 1(one) Secretary, North Eastern Council Shillong, 1 (one) 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, 2020 is as under:

Name	Executive/Non-Executive/ Independent	No. of Other Directorships held		No. of other committee membership held	
		Public	Private	Public	Private
Sri B.P. Muktieh	Chairman & Managing Director	2	2	Nil	Nil
Sri I. Pandey, IAS	Non Executive Non Independent Director	Nil	1		
Sri S. C. Gupta, IAS	Non Executive Non Independent Director	Nil	Nil		
Sri M. Kumar, IAS	Non Executive Non Independent Director	Nil	1		
Sri R. Muivah, IAS	Non Executive Non Independent Director	Nil	Nil	NA	NA
Sri S. Chaudhuri	Non Executive Non Independent Director	Nil	Nil	Nil	Nil
Dr. N. W. Kharkongor	Woman Director	Nil	Nil		
Sri S. K. Pai	Independent Director	Nil	1	Nil	Nil
Sri B. J. Sarma	Independent Director	Nil	2		
Sri S. K. Tandon	Non Executive Non Independent Director	Nil	Nil	NA	NA
Sri D. Bhagat	Non Executive Non Independent Director	Nil	Nil	NA	NA

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

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

(iii) Board Meetings, Committee Meetings and Procedures:

a. Minimum four Board meetings are held in each year. Apart from the four scheduled Board Meetings, additional Board Meeting can be convened by giving appropriate notice and in case of business exigencies or urgency of matters, resolution is passed by circulation.

b. The Board of Directors is given a presentation on the operation of the Corporation.

REPORT ON CORPORATE GOVERNANCE



c. 6 (six) meetings of the Board of Directors of the Corporation were held during the year under review. The details of the Board meetings are as under:

Sl. No.	Board Meeting No.	Date	Board Strength	No. of Directors present
1	117th Board Meeting	29th April, 2019	9	3
2	118th Board Meeting	26th July, 2019	9	3
3	119th Board Meeting	3rd September, 2019	10	5
4	120th Board Meeting	21st October, 2019	8	5
5	121st Board Meeting	24th January, 2020	11	6
6	122nd Board Meeting	13th March, 2020	11	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. Meeting of the Risk Management Committee of the Board was held as follows during 2019-20:

Sl. No.	RMCB Meeting No.	Date	Committee Strength	No. of Members present
1	4th RMCB Meeting	03/09/2019	5	4
2	5th RMCB Meeting	24/01/2020	6	4

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 October 21, 2019. The Audit Committee as on 31st March 2020 were as follows:

Sl. No.	Name of the Director & Category	Chairman / Member
1	Sri B. J. Sarma Independent Director	Member
2	Sri S.K. Pai Independent Director	Member
3	Smt N. W. Kharkongor Independent Woman Director	Member
4	Sri S. K. Tandon Nominee Director of State Bank of India	Member
5	Sri D. Bhagat Nominee Director of LIC of India	Member

The Committee met 3 (Three) 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	69th Audit Committee	3rd September, 2019	4	2
2	70th Audit Committee	23rd January, 2020	5	3
3	71st Audit Committee	13th March, 2020	5	3

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

TERMS AND CONDITIONS OF THE AUDIT COMMITTEE (PURSUANT TO COMPANIES ACT, 2013)

A. Composition

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

B. Meeting of the Committee

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

C. Power of the Committee

The Committee shall have the following powers:

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

D. Terms of Reference of the Audit Committee

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the fixation of audit fee of the Statutory Auditors and also approval for payment for any other services.
- c) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - i) Any changes in accounting policies and practices.
 - ii) Major accounting entries based on exercise of judgment by management.
 - iii) Qualifications in draft audit report.
 - iv) Significant adjustments arising out of audit.
 - v) The going concern assumption.
 - vi) Compliance with the accounting standard.
 - vii) Compliance with stock exchange and legal requirements concerning financial statements.

REPORT ON CORPORATE GOVERNANCE

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 in terms of Section 178 of the Companies Act, 2013 with the following members in the 120th Board of Directors Meeting held on 21-10-2019. The Nomination and Remuneration Committee as on 31st March, 2020 were as follows:

Name	Chairman/Member	Independent/Non-Executive
Sri S.K.Pai	Member, Chairman	Non Executive Independent Director
Sri D.Bhagat	Member	Non Executive Non Independent Director
Sri S.Chaudhuri	Member	Non Executive Non Independent Director
Sri B.J.Sarma	Member	Non Executive Independent Director
Dr. N.W.Kharkongor	Member	Non Executive Independent Woman Director
Sri B.P. Muktieh	Member	Whole Time Director

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 2019-20 are given below:

Director	Designation	Salary (Rs.)	Perquisites (Rs.)	Total (Rs.)
Sri B.P. Muktieh	Chairman & Managing Director	44,44,800.00	23,42,852.00	67,87,652.00

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
2016-17	25th September,2017	3:00 P.M.	NEDFi House Guwahati
2017-18	28th September,2018	3:00 P.M.	NEDFi House Guwahati
2018-19	27th September , 2019	3.00P.M.	NEDFi House Guwahati

10. Shareholders Information:

The pattern of distribution of shareholdings is given as under:

Name of Shareholder	No. of equity share held	Percentag
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%
Unit Trust of India	100,00001	10%
General Insurance Corporation of India	10,00000	1%
United India Insurance Co. Ltd.	10,00000	1%
The New India Insurance Co. Ltd	10,00000	1%
The Oriental Insurance Co. Ltd.	10,00000	1%
National Insurance Co. Ltd.	10,00000	1%

For and on behalf of the Board of Directors



(B.P. Muktieh)

Chairman & Managing Director

DIN No: 00123561

Place: Guwahati.

Date: 27th November, 2020

PARTICULARS OF CORPORATE SOCIAL RESPONSIBILITY



An ISO 9001:2015 Company

CSR Policy:

The Corporation 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:

- a) To take up initiatives for promotion of employment enhancing vocational skills, livelihood enhancement projects and women empowerment.
- b) 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.
- c) To undertake projects and programmes for development of Rural and Backward Areas through promotion of entrepreneurship and income generating activities.

The above activities are admissible CSR activities under Section 135 of the Companies Act, 2013.

Highlights of CSR initiatives of the Corporation during the FY 2019-20

- Capacity Building Programme for 453 beneficiaries on skill up-gradation in crafts and other vocational trades.
- Infrastructure support to 1539 artisans through common facility centers, marketing facilities.

CSR Committee:

A. Board Level Committee as on 31st March 2020

- Shri B. P. Muktieh - Chairman and Managing Director
- Dr. Natalie West Kharkonogor - Woman Director
- Shri S.K. Tandon - Director
- Shri Dinesh Bhagat - Director
- Shri B. J. Sarma - Director
- Shri S.K. Pai - Director

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

C. Average Net Profit of Last three Financial Years: (Rs. In Cr.)

Year	Net Profit
2016-17	70.67
2017-18	83.91
2018-19	81.43
Total	236.01
Average Net profit	78.67

CSR Budget allocation for the FY 2019-20 : Rs. 186 Lakhs.

CSR Expenditure made during FY 2019-20 : Rs. 186.09 Lakhs

Details of CSR spent during the FY 2019-20:

I. Total minimum amount to be spent in the financial year: Rs. 157.34 lakh i.e. 2% of average Net Profit of last three financial years as detailed in item C above

ii. Manner in which the amount spent during the financial year is detailed below;

Sl. No.	Head of expenditure	Expenditure (In Lakh)
1	Capacity Building Training Programmes on crafts and other vocational skills	19.21
2	Marketing Assistance Facilitating participation in various local, national and international exhibitions	62.18
3	NEDFi Haat Renovation of the building and creation of infrastructure for market linkage	104.70
Total		186.09

CSR Projects:

(Rs. 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, Marketing Support & other miscellaneous activities & projects	Livelihood Enhancement	Assam	*Kamrup (Metro)	56.29	56.29	Nil	56.29	Direct
2			Assam	Kamrup (Rural)	2.50	2.50	Nil	2.50	
3			Assam	Kokrajhar	0.85	0.85	Nil	0.85	
4			Assam	Jorhat	0.05	0.05	Nil	0.05	
5			Assam	Sonitpur	0.20	0.20	Nil	0.20	
6			Assam	Dhubri	0.30	0.30	Nil	0.30	
7			Assam	Golaghat	0.30	0.30	Nil	0.30	
8			Assam	North Lakhimpur	0.20	0.20	Nil	0.20	
9			Assam	Nalbari	0.20	0.20	Nil	0.20	
10			Arunachal Pradesh	Changlang	1.00	1.00	Nil	1.00	
11			Manipur	Imphal East	1.70	1.70	Nil	1.70	
12			Manipur	Imphal West	0.50	0.50	Nil	0.50	
13			Meghalaya	East Khasi Hills	1.80	1.80	Nil	1.80	
14			Meghalaya	West Khasi Hills	0.20	0.20	Nil	0.20	
15			Mizoram	Aizwal	3.50	3.50	Nil	3.50	
16			Nagaland	Dimapur	1.70	1.70	Nil	1.70	
17			Nagaland	Kohima	1.50	1.50	Nil	1.50	
18			Sikkim	East Sikkim	1.70	1.70	Nil	1.70	
19			Tripura	West Tripura	6.70	6.70	Nil	6.70	
20			Tripura	Sipahijala	0.20	0.20	Nil	0.20	
Sub Total (A)					81.39	81.39	Nil	81.39	
20	** NEDFi Haat- an exhibition infrastructure for market linkage	Assam	Kamrup (Metro)	104.70	104.70	Nil	104.70		
Sub Total (B)					104.70	104.70	Nil	104.70	
Grand Total (A+B)					186.09	186.09	Nil	186.09	

* The Registered Office of the Corporation is situated in Kamrup (Metro) district. The figures indicated against the district of Kamrup (Metro), Assam also include various capacity building programmes and exhibitions, organised by NEDFi at its Registered Office, Guwahati, NEDFi Haat at Rupnagar, NEDFi R&D Centre at Khetri as well as programmes organised outside NER, which had representation from all the states of NER.

PARTICULARS OF CORPORATE SOCIAL RESPONSIBILITY



An ISO 9001:2015 Company

** NEDFi Haat is an exhibition infrastructure set up at Rupnagar, Guwahati in the model of Dilli Haat to promote marketing of artisans, weavers, grassroots producers, entrepreneurs of NER and to provide a permanent platform for direct linkage between the producer and customer. The Corporation under its developmental initiatives had initially conceptualized and set-up NEDFi Haat at Ambari, Guwahati in the year 2002. It was functioning from a building allocated to it by Department of Industries, Govt. of Assam. During the early part of the year 2013, Govt of Assam decided to construct a new building in the same premises, and therefore the Haat had to be closed in September, 2013. The Haat was successful in facilitating market linkage to the grassroots rural producers. Because of its brand image as a marketplace for grassroots producers, the Haat was popular among the customers. The NEDFi Haat project at Rupnagar, Guwahati was therefore taken up under CSR initiative of NEDFi which will help the grassroots producers of NER to establish their market linkage.

Responsibility Statement:

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

Macro-economic Environment during financial year 2019-20 (FY 20)

World economy witnessed slow growth in 2019-20 compared to the previous year, with massive dislocations in global production, supply chains, trade and tourism, due to the COVID-19 pandemic. Both emerging and developing market economies as well as the advanced economies slowed down. While weak external demand dragged down the Euro zone growth, tight monetary conditions and domestic policy uncertainty in developing countries contributed to slow growth momentum. China experienced its slowest growth amidst weak domestic demand and trade skirmish with the US. As far as financial stability is concerned, the world was already grappling with rising corporate debt burdens, higher holdings of riskier and illiquid assets by institutional investors and increased reliance on external borrowing by many countries. The COVID-19 pandemic has further raised the financial stability challenges with falling prices of assets and elevated market volatility.

On the domestic front, India too saw a loss in growth momentum with investment activity falling and slow industrial growth during FY19-20. Even before the COVID-19 pandemic, the Indian economy was facing the slowdown and RBI Monetary Policy Committee (MPC)'s accommodative stand since February 2019, with a cumulative rate cut of 135 bps between February 2019 and the onset of the pandemic in March 2020, was primarily to reverse the slowdown in the growth momentum. According to the official data, India's economy expanded by 3.1 per cent in the January-March quarter, a 69-quarter low, and dragged the full year FY20 GDP growth to 4.2 per cent, 11-year low and weakest since the financial crisis hit more than a decade back. The economy had grown at 6.1 per cent in 2018-19 (FY19). Since the last part of March 2020, COVID-19 pandemic was impacting the economic activity in India directly due to lockdowns, and through second round effects operating through disruption in global trade and growth.

Economic environment in the North-East during financial year 2019-20(FY 20)

Even before the COVID-19 pandemic, investment environment in the north eastern region (NER) was not very conducive due to slowdown in the overall economy, low investment, lack of liquidity in the market, low sentiments of the entrepreneurs and disruption in the law and order conditions in almost entire NER in general and in Assam and Manipur in particular due to Citizenship Amendment Act (CAA) movement since December 2019.

The region was witnessing sluggish demand in the key sectors like steel, cement, infrastructure & real estate sectors in the last few years. The hospitality sector was also facing a severe and prolonged demand problem since the time of CAA protest whereas microfinance institutions were struggling in stabilizing their operation due to various issues such as flood, MF repayment crisis and CAA protests before the COVID-19 pandemic. The COVID-19 pandemic has further aggravated the situation in the later part of the year and as in other parts of the country, the COVID-19

MANAGEMENT'S DISCUSSION & ANALYSIS



pandemic induced lockdown had resulted in sudden and sharp reduction in production and other economic activities and breakdown in the supply chain across NER during the last part of March 2020.

Impact on the Corporation's Operations during FY 20

Given the prevailing environment, FY20 was one of the most difficult years for the Corporation as it faced multiple challenges on various fronts during the year. Apart from the lower business sentiments in the region, reduction in the repo rate by 250 bps by RBI since February FY19 resulted in the reduction in lending rate across the banking industry including the Corporation which impacted its interest income. The significant reduction in repo rate and consequent reduction in lending rate also brought down the deposit rate as well as returns on the liquid and liquid plus category of mutual fund, which impacted the investment income of the Corporation. Further, recovery from written-off accounts was also very less as the recovery measures in major accounts were hampered due to delay in legal proceedings. Due to all these reasons, gross earnings of the Corporation came down during the year and the same was Rs.158 Cr. as against Rs.185 Cr. during FY 19.

The Corporation anticipated the challenges early and made continuous and rigorous efforts to improve its working results by increasing the sanction, disbursement and recovery in the prevailing weak business environment. During the year, the Corporation has been able to sanction new projects worth Rs.440.73 crore which was an increase of 22.58 % over FY 19's figure of Rs.359.55 crore. Total disbursement made during the year was Rs.319.43 crore, an increase of 11.39 % as against previous year's figure of Rs.286.77 crore. Although the disbursement increases 11.39 % during FY 20, the outstanding portfolio of Loans & Advances decreased by 1.5% to Rs.1056.34 crore as at 31st March, 2020 from Rs.1072.50 crore in the previous year due to higher repayments and significant recoveries from NPA.

Despite the challenging environment, with rigorous follow-ups and stringent recovery measures, the Corporation has been able to reduce its Gross NPA by 36% and as on March 31, 2020, it stands at Rs.130.14 crore as against Rs.203.51 crore as on March 31, 2019. Net NPA reduces by 53% and stands at Rs.64.20 crore as against Rs.137.28 crore on March 31, 2019. Gross NPA% and Net NPA% stands at 12.32% and 6.48%, and both the figures are the lowest since FY 15. The Corporation has been making provisions on NPAs regularly as mandated under the prudential norms issued by the Reserve Bank of India from time to time.

During the year under review, the Corporation has taken initiatives to reach out to the new generation of entrepreneurs by organizing business meets in all NE states, with the objective of helping and encouraging the first generation entrepreneurs of the Region. A total of 15 Business Meets were conducted, with participation of 822 prospective entrepreneurs from all eight states of North Eastern Region, for dissemination of information on its schemes and programmes. In addition, the Corporation, through its Business Facilitation Centres, provided

mentoring services to 539 entrepreneurs on various aspects of projects such as managerial, technical, financial, commercial and marketing along with preparation of project reports etc.

The Corporation has also taken initiative to develop infrastructure for facilitating incubation of crafts, primarily based on indigenous natural fibre available in the region. During the year, a total of 20 sustainable livelihood programmes were conducted with participation of 453 artisans. The Corporation also provided market linkage support to 1539 artisans and entrepreneurs of the region by facilitating participation in exhibitions & linkage with showrooms and outlets.

Macro-economic Outlook for financial year 2020-21 (FY 21)

The global macroeconomic outlook for 2020 has been adversely impacted by the COVID-19 pandemic. Financial markets across the world are experiencing extreme volatility, global commodity prices, especially of crude oil, have declined sharply. There is also extraordinary uncertainty about the depth and duration of this crisis. As per the IMF assessment, this year could see the worst global economic fallout since the Great Depression in the 1930s due to the raging coronavirus pandemic. The IMF has updated its World Economic Outlook (WEO) in June 2020, where global growth is projected at -4.9 percent in 2020, 1.9 percentage points below the April 2020 WEO. Growth in the advanced economy group is projected at -8.0 percent in 2020, 1.9 percentage points lower than in the April 2020 WEO.

COVID-19 is impacting economic activity in India directly due to extended lockdowns in several states including North-Eastern States. The Q4FY20 GDP numbers of 3.1% growth has offered a glimpse into what lies ahead for the economy in the current fiscal (FY21). The lockdown in Q1FY21 has dragged the economy deeper into the negative territory and the GDP contracted by a record 23.9% in Q1FY21. The Reserve Bank of India is projecting a contraction of the economy by 9.5 % for FY21 and recovery towards the last part of the financial year.

The global nature of the outbreak, coupled with its high intensity and long duration, is expected to change the business landscape by way of shift in trade flows, investments and consumption patterns. India has unveiled liquidity support (4½ percent of GDP) through loans and guarantees for businesses and farmers and equity injections into financial institutions and the electricity sector. The slowdown in business and consumer activity across all sectors will create fresh asset-quality challenges for Indian banks.

Northeast States of India are no exception in suffering economical losses due to the lockdown. In North-Eastern Region also there is massive dislocation in production, supply chains, trade and tourism. The lockdown came up in the harvesting season, due to which many of the crops got rotten in the field itself as the crops could not be

MANAGEMENT'S DISCUSSION & ANALYSIS



supplied to the market due to lockdown. This has caused a heavy loss in the agriculture and rural economy as well. Similarly, the damaging effect will be seen in manufacturing sector, which has been severely impacted due to the lockdown. The most adverse and damaging economic impact is expected to be seen in the services sector viz. tourism & hospitality, health care, education etc. Some technology companies are gaining opportunities as work from home and virtual meetings are widespread and the new operating norms in many sectors.

Outlook for the Corporation for FY 21

FY 21 is expected to present more serious challenges to the Corporation, as along with all the challenges faced by the Corporation during FY20, the disruption caused in the economy by the COVID-19 pandemic will further hamper the business environment of the region. Under the prevailing environment, business sentiment is expected to be low and new/ expansion projects in the traditional businesses will be limited during the first half of the financial year. Low interest rate regime is expected to continue for some more time and interest rates, especially in post-COVID environment are expected to travel further south which is already a multi-year low. In the prevailing low interest rate regime, income from the investment will continue to be on the lower side as returns are already down by over 2 per cent. Further, due to increase of the minimum threshold to initiate insolvency proceedings and suspension of fresh initiation of insolvency proceedings, the recovery proceedings of the Banks/ FIs including NEDFi will be severely hampered not only through IBC, but also through other channels like SARFAESI, DRT, etc. at least during FY21. In addition, Banking Industry is expected to see the substantial rise in its NPA level post the COVID-moratorium period with RBI estimating the same to rise from 8.5% in March 2020 to 12.5% by March 2021 under its baseline scenario and 14.7% if the stress is severe in its latest Financial Stability Report (FSR). All these challenges are expected to put significant pressure on the topline of the Corporation during the year.

In this context, the future outlook for Corporation's business needs a careful revision. The loss in output due to demand inoperability in sectors such as micro finance, transport, tourism, healthcare, education, construction etc. will have cascading impact on other sectors. The Corporation will also have to revisit its risk management framework, its internal models of risk assessment and capital planning and business procedures to better adapt to new operating environment.

The Corporation also felt that due to comfortable liquidity position and good level of CRAR, the present environment still provides ample opportunities for its growth in the short to medium term by reaching out to new geographical areas and further increasing the exposure in the MSME sector to mitigate the impact from the setback of the coronavirus pandemic. The Corporation has accordingly geared itself to achieve a modest credit growth in FY21 and will continue to focus on the micro & small enterprises (MSE) and micro finance segments by extending financial assistance at a concessional rate of interest, mentoring assistance, capacity building etc. to the units generating higher employment.

In the prevailing environment, the Corporation is adopting various strategies including the Review of Interest Rate Structure to increase its portfolio to counter the negative impact it is expecting in the post-COVID environment. The Corporation will also explore opening up of new branches in locations with business potential in the Region to increase the outreach and will give renewed focus on establishing Representative Offices (ROs) in growth centres where opening Branch offices may not be immediately viable. In addition, new products & services are being introduced to cater to the customized needs of the entrepreneurs. The Corporation intends to give more focus on the loan segment of Rs.50 lakh to Rs.5 crore and will aggressively look out for takeover of good projects/ loan accounts from other banks/Fis.

Prompt corrective action has been and will continue to be taken to prevent further slippage in asset quality; credit monitoring & recovery process set in place will continue to undertake to substantially reduce the legacy NPAs to facilitate early resolutions with beneficial impact on end-level gross NPA. With all these, the Corporation is confident that the deterioration in the asset quality due to the pandemic can be restricted and contained with close monitoring and follow-up and calibrated level of reschedulement/ restructuring of the stressed loans after detailed discussions with promoters and analyses of the business and industry. During the year, the Corporation will encourage promoters to come for one-time settlement (OTS) due to difficulties already mentioned in resolutions through various courts/legal courses.

With major stress on skill development, the Corporation will continue to take up initiatives for promotion of employment enhancing vocational skills, livelihood enhancement projects, women empowerment, promotion of traditional arts, handlooms & handicraft sectors by providing necessary support to the artisans, weavers and craftspersons of the region, undertake projects and programmes for development of rural and backward areas through promotion of entrepreneurship and income generating activities.

Safe harbour

This document contains certain forward-looking statements based on current expectations of NEDFi Management. Actual results may vary 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, severity and extent of COVID-19 pandemic, volatility in interest rates and in the securities market; new regulations and government policies that may impact the businesses of NEDFi as well as its ability to implement the strategy. NEDFi does not undertake to update these statements.

FORM NO. MR-3 SECRETARIAL AUDIT REPORT



FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

To,
The Members
North Eastern Development Finance Corporation Limited
CIN: U65923AS1995G01004529
NEDFi House, G 5 Road, Dispur,
Guwahati, Assam, PIN: 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 2020 ('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 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- 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;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (Not applicable to the Company during the Audit Period);
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (Not applicable to the Company during the Audit Period);
- vi. Other laws, including the laws relating to Non-Banking Financial Companies to the extent applicable to the Company.
- 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 subject to the following observations:

1. The company did not have any women director in the Board of the company after 4th May 2019. The office of the women director remained vacant until 3rd September 2019 when Smt. Natalie West Kharkongor (DIN: 08554940) was appointed as Director.

2. Shri Ramnganing Muivah (DIN: 01099134) did not attend any Board Meeting during twelve months. Section 167 of the Act provides that if a director absents himself from all the Board Meetings held during a period of twelve months with or without seeking leave of absence of the Board, he shall vacate his office of Director.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors except for the filling up of vacancy of women director. 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
Practicing Company Secretaries



Narayan Sharma
Proprietor
FCS-5117, CP No. 3844
UDIN: F005117B000655461

Place: Guwahati
Date: 3rd September, 2020

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



Annexure 'A'



To,
The Members
North Eastern Development Finance Corporation Limited
CIN: U65923AS1995G01004529
NEDFi House, G S Road, Dispur
Guwahati, Assam, PIN: 781006

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Narayan Sharma & Associates
Practicing Company Secretaries

Narayan Sharma
Proprietor
FCS-5117, CP No. 3844
UDIN: F005117B000655461

Place: Guwahati
Date: 3rd September, 2020

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

as on financial year ended on 31.03.2020

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	9th 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	96%

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)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF			-						
b) Central Govt.or State Govt.			-						
c) Bodies Corporates			-						
d) Bank/FI	100,000,007.00		100,000,007.00	100.00	-		100,000,007.00	100.00	
e) Any other			-						
SUB TOTAL:(A) (1)	-	100,000,007.00	100,000,007.00	100.00	-	100,000,007.00	100,000,007.00	100.00	-
(2) Foreign									
a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other...									
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	100,000,007.00	100,000,007.00	100.00	-	100,000,007.00	100,000,007.00	100.00	-

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	IDBI BANK LTD	25,000,002	25%		25,000,002	25%		NIL
2	LIFE INSURANCE CORPORATION OF	15,000,001	15%		15,000,001	15%		
3	STATE BANK OF INDIA	15,000,001	15%		15,000,001	15%		
4	INDUSTRIAL FINANCE	10,000,001	10%		10,000,001	10%		
5	ICICI LTD	10,000,001	10%		10,000,001	10%		
6	SMALL INDUSTRIES DEVELOPMENT	10,000,000	10%		10,000,000	10%		
7	UNIT TRUST OF INDIA	10,000,001	10%		10,000,001	10%		
8	GENERAL INSURANCE	1,000,000	1%		1,000,000	1%		
9	UNITED INDIA INSURANCE CO.LTD	1,000,000	1%		1,000,000	1%		
10	THE NEW INDIA INSURANCE CO.LTD	1,000,000	1%		1,000,000	1%		
11	THE ORIENTAL INSURANCE Co.LTD	1,000,000	1%		1,000,000	1%		
12	NATIONAL INSURANCE CO.LTD	1,000,000	1%		1,000,000	1%		

(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	No of shares	% of total shares of the company
	NIL			
	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
	NIL			

(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	No of shares	% of total shares of the company
	NIL			
	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			

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	-	7,000,814,301.00		7,000,814,301.00
ii) Interest due but not paid	-			
iii) Interest accrued but not due #	-			
Total (i+ii+iii)	-	7,000,814,301.00		7,000,814,301.00
Change in Indebtedness during the financial year				
Additions	-	600,000,000.00		600,000,000.00
Reduction	-	294,857,164.00		294,857,164.00
Net Change	-	305,142,836.00		305,142,836.00
Indebtedness at the end of the financial year				
i) Principal Amount	-	7,305,957,137.00		7,305,957,137.00
ii) Interest due but not paid	-			-
iii) Interest accrued but not due #	-			-
Total (i+ii+iii)	-	7,305,957,137.00		7,305,957,137.00

#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 Shri B.P.Muktieh(CMD)*	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	4,444,800.00	4,444,800.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	2,342,852.00	2,342,852.00
	(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)	6,787,652.00	6,787,652.00
	Ceiling as per the Act**		

* Including arrears

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

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors				Total Amount
1	Independent Directors	Bhaskar Jyoti Sarma	Sanjay K Pai	Shruti Savio Gonsalves	N W Kharkongor	
	(a) Fee for attending board committee meetings	860,000.00	670,000.00	70,000.00	270,000.00	1,870,000.00
	(b) Commission					-
	(c) Others, (Sitting fees for Promotion Interview)	-	-	-	-	-
	Total (1)	860,000.00	670,000.00	70,000.00	270,000.00	1,870,000.00
2	Other Non Executive Directors	S K Tandon	S.Chaudhuri	K. Banerjee	Dinesh Bhagat	
	(a) Fee for attending board committee meetings	140,000.00	80,000.00	150,000.00	60,000.00	430,000.00
	(b) Commission					
	(c) Others, please specify.	-	-	-	-	-
	Total (2)	140,000.00	80,000.00	150,000.00	60,000.00	430,000.00
	Total (B)=(1+2)	1,000,000.00	750,000.00	220,000.00	330,000.00	2,300,000.00
	Total Managerial Remuneration					
	Overall Ceiling as per the Act**					

* The sitting fees have been paid to their respective nominating institutions.

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

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
1	Gross Salary	CEO	Company * Secretary	CFO*	Total
	(a) Salary as per provisions		961,350.00	1,530,000.00	2,491,350.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		3,483,507.00	3,925,024.00	7,408,531.00
	(c) Profits in lieu of salary under				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission as % of profit				-
	others, specify				-
5	Others, please specify				-
					-
	Total	-	4,444,857.00	5,455,024.00	9,899,881.00

* including arrears

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

**TO THE MEMBERS OF
NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED**

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 04th August, 2020 to comply with the queries issued by the Comptroller & Auditor General of India.

REVISED REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS**OPINION:**

We have audited the accompanying standalone Ind AS financial statements of NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2020 and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 (hereinafter referred to as the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Act and the Rules and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITY OF MANAGEMENT FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act; for safeguarding of the assets of the Company; preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the

going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the provisions of the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, we give in the Annexure "A" a statement on the matters specified in paragraph 3 and 4 of the Order to the extent applicable.

2. The Comptroller and Auditor General of India has issued the directions and sub directions indicating the areas to be examined in term of Sub-section 5 of Section 143 of the Act, the compliance of which is set out in Annexure "B".

3. As required by section 143(3) of the Act, we report that:

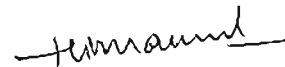
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Standalone Ind AS financial statements dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules;
- e) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, 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 "C";
- g) With respect to other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of all pending litigations on its financial position in its Standalone Ind AS financial statements. Refer Note 26 to the financial statements.

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund

For, M/s H.K.Agrawala and Associates
Chartered accountants
FRN 319293E



CA. Himanshu Chowkhani
Partner

Membership No. 301901
UDIN: 20301901AAAAJT7769

Dated: 17.09.2020

Place: Guwahati



ANNEXURE-A

TO THE INDEPENDENT AUDITORS' REPORT



[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED on the accounts of the company for the year ended 31st March, 2020]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone Ind AS financial statements of the company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

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

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals during the year. In our opinion the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. As explained to us no material discrepancies were noticed on such physical verification.

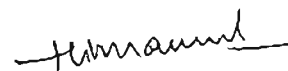
(c) The title deeds of all the immovable properties (which are included under the head 'Property Plant & Equipment') are held in the name of Company.
2. The Company is a Non-Banking Finance Company. Accordingly, it does not hold any inventory. Thus, clause 3(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
3. As explained to us and verified from books and records, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act and therefore paragraph 3(iii) of the Companies (Auditor's Report) Order, 2016 are not applicable.
4. In our opinion, Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security.
5. In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposit) Rules, 2014.
6. As informed, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for any of the services rendered by the Company.
7. (a) According to the records of the company and explanations given to us, the company is regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess, Goods and Services Tax and other statutory dues applicable to it, with the appropriate authorities.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and Services Tax outstanding on account of any dispute except for those mentioned below:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994 [Service Tax]	Service Tax	Rs.1.97cr.	FY 2011-12 to FY 2016-17	CESTAT

8. Based on our examinations of records and explanations provided to us the company has not defaulted in repayment of dues to banks and financial institutions.
9. The company did not raise and money by way of initial public offer or further public offer. In our opinion the term loans were applied for the purpose for which the loans were obtained.
10. No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
11. Managerial remuneration has been paid and provided by the company in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V of the Act.
12. In our opinion, the company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
15. In our opinion, the company has not entered into any non cash transactions with the directors or persons connected with them covered under section 192 of the Act.
16. The Company is a Non-Banking Finance Company and has obtained registration under section 45-IA of the Reserve Bank of India Act, 1934.

For, M/s H.K.Agrawala and Associates
Chartered accountants
FRN 319293E



CA. Himanshu Chowkhani
Partner

Membership No. 301901
UDIN: 20301901AAAAJT7769

Dated: 17.09.2020
Place: Guwahati

ANNEXURE-B

TO THE INDEPENDENT AUDITORS' REPORT



(Referred to in Para 2 under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of North Eastern Development Finance Corporation Ltd on the standalone Ind AS financial statements for the year ended 31st March, 2020)

As required under Section 143(5) of the Companies Act 2013, with respect to the directions and sub-directions issued by The Comptroller & Auditor General of India, we report that:

Sl. No.	Questionnaire	Replies
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Company has a system in place to process all the accounting transactions through IT system. During FY 2019-20, all the accounting transactions have been processed through IT system. Since system of processing all financial transactions is in place, all transactions are done mandatorily through system only, as such question of processing of transactions outside IT system on the integrity of the accounts doesn't arise. However, application for implementation of IND-AS is yet to be configured in the system and adjustments relating to the same is being calculated outside the IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	During the year under consideration, there is no case of restructuring of any existing loan or case of waiver/write off of debts / loans / interest etc. by a lender to the Company.
3	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	As informed the Company had received funds for Mission Organic Value Chain Development for North Eastern Region (MOVCDNER). The funds have been utilized as per scheme.

For, M/s H.K.Agrawala and Associates
Chartered accountants
FRN 319293E

CA. Himanshu Chowkhani
Partner

Membership No. 301901
UDIN: 20301901AAAAJT7769

Dated: 17/09/2020
Place: Guwahati

Independent Auditor's Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Standalone Ind AS financial statements of North Eastern Development Finance Corporation Limited ("the Company") as of and for the year ended 31 March, 2020, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROL

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 guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design implementation and maintenance of adequate internal 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 Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (The "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the guidance note on audit of internal financial controls over financial reporting issued by the ICAI. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exist, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, 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 IFCoFR.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A company's IFCoFR includes those policies and procedures that (1)

ANNEXURE-C

TO THE INDEPENDENT AUDITORS' REPORT



pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures 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 Standalone Ind AS financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk 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 in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2020, 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 Institute of Chartered Accountants of India.

For, M/s H.K.Agrawala and Associates
Chartered accountants
FRN 319293E

CA. Himanshu Chowkhani
Partner
Membership No. 301901
UDIN: 20301901AAAAJT7769

Dated: 17/09/2020
Place: Guwahati

To,
Board of Directors
North Eastern Development Finance Corporation Ltd

Dear Sir,

We have audited the Standalone Ind AS financial statements of North Eastern Development Finance Corporation Ltd ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the standalone financial statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Standalone financial statements")

As required by the "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016" issued by the Reserve Bank of India, on the matters specified in Chapter - II of the said Directions to the extent applicable to the Company, and according to the explanations given to us for the purpose of the audit, we report that:

1. The Company is engaged in the business of non-banking financial institution, having valid certificate of registration as a Loan Company issued by Reserve Bank of India vide No. B- 08.00162 dated 20.12.2002. Further, the Company is entitled to continue to hold such registration in terms of its asset / income pattern as on 31.03.2020.
2. The Company is meeting the requirement of net owned funds applicable to a Loan Company as contained in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
3. The company is registered as Non-deposit accepting Loan Company with RBI. The Board of Directors has passed resolution in its meeting held on 26.07.2019 for non-acceptance of any public deposit during FY 2019-20.
4. The Company has not accepted any public deposits during the financial year 2019-20.
5. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non- Banking Finance Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

NON-BANKING FINANCIAL COMPANIES AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2020



6. As per information and explanation given to us, the statement of capital funds, risk assets/exposures and risk asset ratio(NBS-7 return) has been filed by company for all the quarters of FY 2019-20 based on provisional financial results of respective quarters, drawn on the date of filing with in the stipulated period including CRAR in compliance with RBI norms. Further, CRAR based on audited financial statements for the year ended 31.03.2020 has been correctly arrived at and it is in compliance with minimum prescribed CRAR by RBI.

For, M/s H.K.Agrawala and Associates
Chartered accountants
FRN 319293E

A handwritten signature in black ink, appearing to read 'Himanshu', is written over a horizontal line.

CA. Himanshu Chowkhani
Partner

Membership No. 301901
UDIN: 20301901AAAAJT7769

Dated: 17/09/2020
Place: Guwahati

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)
(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NORTH EASTERN
DEVELOPMENT FINANCE CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020.**

The preparation of financial statements of North Eastern Development Finance Corporation Limited for the year ended 31 March 2020 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) 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 Revised Audit Report dated 17 September 2020 which supersedes their earlier Audit Report dated 4 August 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of North Eastern Development Finance Corporation Limited for the year ended 31 March 2020 under section 143(6) (a) of the Act. 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.

In view of the revision made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

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



(Sunil S Dadhe)

DIRECTOR GENERAL OF AUDIT
Home, Education & Skill Development
NEW DELHI

Place: New Delhi

Date: 05/10/2020

BALANCE SHEET

AS AT 31ST MARCH, 2020



An ISO 9001:2015 Company

Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
(1) Financial Assets			
(a) Cash & Cash Equivalents	2	1,54,85,32,904	2,39,89,50,450
(b) Bank Balance other than (a) above	3	1,04,43,26,886	69,11,44,500
(c) Loans	4	10,68,06,10,969	10,82,92,46,401
(d) Investments	5	3,92,93,93,274	3,69,92,71,513
(e) Other Financial Assets	6	15,20,73,144	18,62,79,643
		17,35,49,37,178	17,80,48,92,507
(2) Non Financial Assets			
(a) Current Tax Assets (Net)	7	8,70,02,875	12,41,36,960
(b) Property Plant & Equipment	8	27,78,82,265	29,63,20,110
(c) Capital Work-in-progress	8	72,000	72,000
(d) Intangible Assets	8	2,39,41,547	3,07,81,989
(e) Other Non Financial Assets	9	17,50,50,123	8,27,85,426
		56,39,48,810	53,40,96,486
Total Assets		17,91,88,85,989	18,33,89,88,993
LIABILITIES AND EQUITY			
(1) Financial Liabilities			
(a) Borrowings (Other than Debt Securities)	10	4,66,93,04,877	4,44,86,84,504
(b) Other Financial Liabilities	11	3,69,47,53,507	4,64,73,40,455
(2) Non Financial Liabilities			
(a) Provisions	12	87,08,75,218	85,00,04,464
(b) Deferred Tax Liabilities (Net)	13	8,85,19,044	3,25,63,060
		-	-
(3) Equities			
(a) Equity Share Capital	14	1,00,00,00,070	1,00,00,00,070
(b) Other Equity	15	7,59,54,33,273	7,36,03,96,440
		9,55,48,27,604	9,24,29,64,034
Total Liabilities and Equity		17,91,88,85,989	18,33,89,88,993
Significant accounting policies & notes thereon	1-35		

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For, M/s H.K.Agrawala and Associates

Chartered accountants

FRN 319293E

CA Himanshu Chowkhani

Partner

(M. No. 301901)

UDIN: 20301901AAAAJT7769

Place : Guwahati

Date : 04.08.2020

For and on behalf of the Board of Directors

(B.P. Muktieh)

Chairman and Managing Director

DIN: 00123561

(S.K. Baruah)

Chief Financial Officer

(V.K. Agarwal)

Company Secretary

M. No. A39584



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations			
(i) Interest Income	16	94,80,63,983	95,09,46,770
(ii) Dividend Income		15,49,315	3,65,000
(iii) Rental Income	17	4,43,65,847	4,45,78,074
(iv) Fees and Commission Income	18	3,03,91,506	2,83,61,755
(v) Others	19	53,26,57,406	59,13,86,421
(I) Total Revenue from Operations		1,55,70,28,057	1,61,56,38,020
(II) Other Income	20	2,32,68,206	23,77,09,810
		2,32,68,206	23,77,09,810
(III) Total Income (I + II)		1,58,02,96,263	1,85,33,47,830
EXPENSES			
(i) Finance Costs	21	27,42,72,767	27,01,10,044
(ii) Employee Benefit Expenses	22	29,13,63,755	31,46,62,083
(iii) Depreciation, amortisation and impairment	8	2,82,56,498	3,26,13,576
(iv) Other Expenses	23	42,93,09,409	42,16,94,788
(IV) Total Expenses		1,02,32,02,429	1,03,90,80,491
(V) Profit / (Loss) before exceptional items and tax (III-IV)		55,70,93,834	81,42,67,339
(VI) Exceptional Items			
(VII) Profit / (Loss) before Tax (V-VI)		55,70,93,834	81,42,67,339
(VIII) Tax Expense			
Current Tax		16,00,00,000	19,12,22,956
Deferred Tax		5,59,55,984	36,46,915
(IX) Profit / (Loss) for the period (VII-VIII)		34,11,37,850	61,93,97,468
(X) Other Comprehensive Income			
(A)(i) Items that will not be reclassified to profit or loss		-	-
(ii) Income Tax relating to items that will not be reclassified to profit or loss			
Subtotal (A)		-	-
(B)(i) Items that will be reclassified to profit or loss			
(ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income (A + B)			



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020



An ISO 9001:2015 Company

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
(XI) Total Comprehensive Income for the period		34,11,37,850	61,93,97,468
Earning per equity share of face value of ₹10 each	24		
Basic (Rs.)		3.41	6.19
Diluted (Rs.)		3.41	6.19
Significant accounting policies & notes thereon	1-35		

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For, M/s H.K.Agrawala and Associates
Chartered accountants
FRN 319293E

CA Himanshu Chowkhani
Partner
(M. No. 301901)
UDIN: 20301901AAAAJT7769

Place : Guwahati
Date : 04.08.2020

For and on behalf of the Board of Directors

(B.P. Muktieh)
Chairman and Managing Director
DIN: 00123561

(S.K. Baruah)
Chief Financial Officer

(V.K. Agarwal)
Company Secretary
M. No. A39584

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(Rs. Lakh)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cash flows from Operating activities		
Net profit before income tax	5,57,094	8,14,267
Adjustment for:		
Depreciation charge for the year	28,256	32,614
Loans Provisions & Write offs	2,96,490	2,85,954
Fixed Assets written off/Loss on sale	11	232
Profit / Loss on sale of Investments	(2,31,869)	(3,01,903)
Dividend received	(1,549)	(365)
Provision for Gratuity, Leave Encashment and LTC / LTA	18,772	40,913
Operating profit before working capital changes	6,67,205	8,71,711
Adjustments for:		
(Increase) / Decrease in Advances (Financial Assets)	(1,47,855)	6,52,328
(Increase) / Decrease in Other Financial Assets	(3,18,976)	(3,50,095)
(Increase) / Decrease in Non Financial Financial Assets	(2,15,131)	(77,153)
Increase / (Decrease) in Other Financial Liabilities	(7,52,307)	(76,65,080)
Cash Flow from operations	(7,67,064)	(65,68,289)
Direct Taxes paid (net of refund received)	(2,15,105)	(3,15,360)
Net cash flow / (used in) from operating activities	(9,82,169)	(68,83,649)
Cash flows from Investing activities		
(Increase) / Decrease in Investment in Subsidiaries	(50,300)	(1,64,675)
(Increase) / Decrease in Investment in Mutual Funds	(1,79,822)	(6,04,959)
(Increase)/Decrease in Capital Work in Progress	-	31,571
Purchase of fixed assets (net of sales)	(3,605)	(42,412)
Dividend Received	1,549	365
Profit / Loss on sale of Investments	2,31,869	3,01,903
Net cash flow / (used in) from Investing activities	(309)	(4,78,207)
Cash flows from Financing activities		
Dividend and Dividend Tax paid	(96,444)	(96,286)
Increase / (Decrease) in Borrowings (Financial Liabilities)	2,20,620	(22,741)
Increase / (Decrease) in Capital Reserves / Other Equity Funds	(9,041)	(15,424)
Increase / (Decrease) in Non-Financial Liabilities	16,925	35,71,422
Net cash flow / (used in) from financing activities	1,32,060	34,36,971
Net Increase In cash and cash equivalents from Operating, Investing and Financing Activities	(8,50,418)	(39,24,885)

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020



An ISO 9001:2015 Company

Add: Cash and cash equivalents at beginning of period	23,98,950	63,23,836
Cash and cash equivalents at end of period	15,48,533	23,98,951

Cash and cash equivalents consists of cash in hand and balances with banks but excludes Fixed Deposits which are marked lien.

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cash in hand	134	239
<u>Balance at Bank</u>		
-With Scheduled Bank		
(i) In Current Account	11,88,939	22,65,205
(ii) In Fixed Deposits	3,50,000	50,000
<u>Balance (TEDF)</u>		
(a) With Scheduled Bank		
(i) In Current Account	9,460	33,506
(ii) In Fixed Deposits	-	50,000
Grand Total	15,48,533	23,98,950

As per our Report of even date

For, M/s H.K.Agrawala and Associates

Chartered accountants

FRN 319293E

CA Himanshu Chowkhani

Partner

(M. No. 301901)

UDIN: 20301901AAAAJT7769

Place : Guwahati

Date : 04.08.2020

For and on behalf of the Board of Directors

(B.P. Muktieh)

Chairman and Managing Director

DIN: 00123561

(S.K. Baruah)

Chief Financial Officer

(V.K. Agarwal)

Company Secretary


M. No. A39584

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A. Equity share capital:		No. of Shares	Amount Rs.
Equity shares of Rs. 10 each issued, subscribed and fully paid			
As at April 01, 2019		10,00,00,007	1,00,00,00,070
Changes in Equity share capital		-	-
As at March 31, 2020		10,00,00,007	1,00,00,00,070

Particulars	Reserve and Surplus										Total Other Equity
	North East Equity Fund	Statutory Reserve under RBI Act, 1934	Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1951	Venture Capital Fund	General Reserve	India Exposition Mart Stalls	Techno Economic Development Fund	CSR Reserve	Retained Earnings		
As at April 01, 2019	6,11,09,582	1,31,67,91,118	1,06,01,07,042	12,36,91,404	4,27,34,96,971	1,61,17,726	39,20,18,632	26,09,629	11,44,54,337		7,36,03,96,440
Profit/(Loss) for the year	-	7,07,76,985	6,32,20,864	23,39,040	(23,39,040)	(6,15,718)	-	-	34,11,37,850		34,11,37,850
Transfer to / from Retained Earnings	1,76,651	7,07,76,985	6,32,20,864	23,39,040	(23,39,040)	(6,15,718)	(66,08,086)	(26,09,629)	(13,39,97,849)		(96,56,782)
Dividend	-	-	-	-	-	-	-	-	20,71,40,001		33,14,81,067
Tax on Dividend	-	-	-	-	-	-	-	-	(8,00,00,000)		(8,00,00,000)
As at March 31, 2020	6,12,86,233	1,38,75,68,103	1,12,33,27,906	12,60,30,444	4,27,11,57,931	1,55,02,008	38,54,10,545	-	22,51,50,102		7,59,54,33,273

As per our Report of even date
For, M/s H.K.Agrawala and Associates
Chartered accountants
FRN 319293E


CA Himanshu Chowkhani
Partner
(M. No. 301901)
UDIN: 20301901AAAAJIT769

Place : Guwahati
Date : 04.08.2020


For and on behalf of the Board of Directors



(B.P. Muktiel)
Chairman and Managing Director
DIN: 00123561



(S.K. Baruah)
Chief Financial Officer


(V.K. Agarwal)
Company Secretary
M. No. A39584

SIGNIFICANT ACCOUNTING POLICIES



Note 1: SIGNIFICANT ACCOUNTING POLICIES

Company Information

North Eastern Development Finance Corporation Limited (“NEDFi” of the “Company”) was incorporated in the year 1995. The Company is domiciled in India and is limited by shares, having its registered office at NEDFi House, G.S.Road, Guwahati-781006, Assam.

The Company is a Public Limited Company engaged in extending financial assistance in the form of term loans and implementing agency for various government initiatives and schemes, and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as a Loan Company.

A. Basis of Preparation

• Compliance with IND AS

The financial statements comply in all material aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The accounting policies are consistently followed by the Company and changes in accounting policy are separately disclosed.

• Historical Cost Convention

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. Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates.

C. Property, Plant & Equipment

Property, plant and equipment are stated at their cost of acquisition, installation or construction (net of any recoverable amount, wherever applicable) less accumulated depreciation, amortization and impairment losses if any, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the asset to working condition for its intended use.

Capital Work In Progress

Capital work in progress is carried at cost and includes any directly attributable cost incurred during construction period.

Depreciation

Depreciation on Property, Plant and Equipment 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 Rs. 1 Crore or more and whose life is assessed to be different has been recorded and depreciated separately. The identified components are depreciated over their assessed useful life.

D. Intangible Assets

An intangible asset is recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. The depreciate amount of an intangible asset is allocated over its estimated useful life. Expenditure on purchased software and IT related expenditure are written off over a period of five years.

E. Government Grants:

In terms of Ind AS 20 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.

F. 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.

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. 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.

Derecognition of financial assets

A financial asset is derecognised only when

The Company has transferred the rights to receive cash flows from the financial asset, or

Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

SIGNIFICANT ACCOUNTING POLICIES

Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

H. Financial liabilities

Initial recognition and measurement

The Company recognises all the financial liabilities on initial recognition at fair value minus, in the case of a financial liability not at fair value through Profit and Loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

All the financial liabilities are classified as subsequently measured at amortised cost, except for those measured at fair value through profit or loss.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

I. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, demand deposits with banks and other short-term highly liquid investments/deposits with an original maturity of three months or less.

J. Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

K. Revenue Recognition

i) Interest income and charges on loan and other assistance portfolio is accounted for on accrual basis except

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

ii) Upfront Fees, Loan Syndication Charges, Appraisal Fees are amortised over the period of loan. Dividend, and other miscellaneous receipts are accounted for on cash basis.

iii) All other incomes and expenses except, interest on refund of tax or on demand tax, rates, taxes & insurance and CSR expenses are accounted for on accrual basis.

iv) The income from Techno Economic Development Fund is accounted on cash basis except interest on fixed deposit which is appropriated to that account resulting in appreciation of fund.

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. 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. Further, as per RBI Notification dated April 17, 2020 on the subject 'COVID Regulatory Package – Asset Classification and Provisioning', 5% provisioning has been made on eligible assets not downgraded due to relaxation of repayment upto 120 days instead of 90 days. Moreover, RBI vide their Notifications dated March 27, 2020 and May 23, 2020 have permitted to grant moratorium on payment of all installments falling due between March 1, 2020 and August 31, 2020. Accordingly, the Corporation has extended moratorium benefit to all units requesting for the same.

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.

N. 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

SIGNIFICANT ACCOUNTING POLICIES

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.

O. 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.

P. Dividends

Dividends paid (including dividend distribution tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders. The corresponding amount is recognised directly in equity.

Q. Earnings per Share

The company reports basic and diluted earnings per share in accordance with Ind AS 33 – ‘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.

R. 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 TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 2: CASH AND CASH EQUIVALENTS

	As at 31st March, 2020	As at 31st March, 2019
Cash In hand	1,33,619	2,39,119
Balance at Banks		
With Scheduled Banks		
- In Current Accounts	1,18,89,39,024	2,26,52,04,930
- In Fixed Deposits (with original maturity within 3 months)	35,00,00,000	5,00,00,000
	1,53,89,39,024	2,31,52,04,930
Balance at Banks (TEDF)		
With Scheduled Banks		
- In Current Accounts	94,60,262	3,35,06,401
- In Fixed Deposits (with original maturity within 3 months)	-	5,00,00,000
	94,60,262	8,35,06,401
	1,54,85,32,904	2,39,89,50,450

NOTE 3: BANK BALANCE OTHER THAN (A ABOVE)

	As at 31st March, 2020	As at 31st March, 2019
In Fixed Deposits pledged as Bank Guarantee against Consultancy assignments	93,26,886	61,44,500
In Fixed Deposits with original maturity more than 3 months	65,00,00,000	38,00,00,000
In Fixed Deposits with original maturity more than 3 months (TEDF)	14,50,00,000	13,50,00,000
In Fixed Deposits with original maturity more than 12 months (TEDF)	24,00,00,000	17,00,00,000
	1,04,43,26,886	69,11,44,500

NOTE 4: LOANS

	As at 31st March, 2020	As at 31st March, 2019
Term Loan to Staff (Secured, considered good)		
- Related Party	25,25,976	33,91,640
- Others	11,47,14,573	10,08,65,211
Term Loans (within India)		
- Public Sector		
Secured (Considered good)	2,00,00,000	2,00,00,000
- Others		
Secured (Considered Good)	8,18,70,97,924	7,36,66,69,833
Unsecured (Considered Good)	1,05,27,37,401	1,30,06,59,137
Doubtful	1,30,13,57,198	2,03,51,44,288
Term Loan (soft loan under NEEDS, within India)		
Secured (considered good)	3,60,192	5,21,936
Doubtful	18,17,705	19,94,356
	10,68,06,10,969	10,82,92,46,401

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 4.1: LOAN PORTFOLIO CLASSIFICATION AND PROVISIONING*

Category	2019-20		2018-19	
	Loan Outstanding	Provisioning	Loan Outstanding	Provisioning
	₹	₹	₹	₹
Standard	9,262,013,222	68,036,523	8,689,845,262	47,979,095
Sub Standard	170,491,692	26,566,853	481,148,575	72,961,238
Doubtful	1,022,474,961	524,397,900	1,536,732,039	572,161,792
Loss	108,390,545	108,390,545	17,263,674	17,263,674
Total	10,563,370,420	727,391,821	10,724,989,550	710,365,799

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

NOTE 5: CURRENT INVESTMENTS

	As at 31st March, 2020	As at 31st March, 2019
MEASURED AT COST, INVESTMENT IN INDIA		
Investment in Mutual Funds		
HDFC Mutual Fund - Short Term Opportunities Fund (398,906.111 units, Value as on 31.03.2020 Rs 9,130,283/-)	90,00,000	90,00,000
LIC Mutual Fund - Savings Plus Fund (67,38,771.522 units, Value as on 31.03.2019 Rs 20,12,45,999/-)	-	20,00,00,000
UTI Overnight Fund (267,196.795 units, Value as on 31.03.2020 Rs 730,541,370/-)	73,00,00,000	-
HDFC Ultra Short Term Fund (115,545.561 units, Value as on 31.03.2020 Rs 451,391,571/-)	45,00,00,000	25,02,88,840
Reliance Ultra Short Duration Fund (167,626.157 units, Value as on 31.03.2019 Rs 51,22,97,200/-)	-	51,00,00,000
Reliance Low Duration Fund (183,898.637 units, Value as on 31.03.2020 Rs 519,121,890/-)	51,73,38,808	-
SBI SDFS C-45 92 Days (8,000,000 units, Value as on 31.03.2019 Rs 8,05,38,400/-)	-	8,00,00,000
SBI SDFS C-15 91 Days (11,945,274.147 units, Value as on 31.03.2019 Rs 12,76,46,005/-)	-	12,67,74,000
UTI Ultra Short Term Fund (204,551.887 units, Value as on 31.03.2019 Rs 64,20,22,467/-)	-	64,00,00,000
UTI Fixed Income Interval Fund (4,793,595.756 units, Value as on 31.03.2019 Rs 12,07,76,563/-)	-	12,00,00,000
UTI Ultra Short Term Fund (TEDF) (9,625.059 units, Value as on 31.03.2020 Rs 31,141,294/-)	3,00,00,000	3,00,00,000
SBI Liquid Fund (160,754.740 units, Value as on 31.03.2019 Rs 47,07,81,509/-)	-	47,00,00,000

NOTE 5: CURRENT INVESTMENTS

	As at 31st March, 2020	As at 31st March, 2019
SBI Overnight Fund <i>(110,661.266 units, Value as on 31.03.2020 Rs 360,060,487/-)</i>	36,00,00,000	-
UTI Mutual Fund - Fixed Term Income Plan (TEDF) <i>(2,604,454.205 units, Value as on 31.03.2020 Rs 26,222,947/-)</i>	2,60,44,543	2,60,44,543
UTI Mutual Fund - Money Market Mutual Fund (TEDF) <i>(4,087.728 units, Value as on 31.03.2020 Rs 9,269,974/-)</i>	60,46,923	60,46,923
Aditya Birls Sun Life Low Duration Fund-Growth Direct Plan <i>(471,123.875 units, Value as on 31.03.2020 Rs 150,552,016/-)</i>	15,00,00,000	20,00,00,000
ICICI Prudential Mutual Fund- Corporate Bond Fund <i>(12,706,393.173 units, Value as on 31.03.2019 Rs 25,15,29,406/-)</i>	-	25,02,93,074
ICICI Prudential Ultra Short Term Fund <i>(1,536,942.461 units, Value as on 31.03.2020 Rs 451,525,415/-)</i>	45,00,00,000	-
DSP Blackrock Low Duration Fund <i>(162,525.746 units, Value as on 31.03.2020 Rs 461,689,162/-)</i>	46,00,00,000	30,00,00,000
Kotak Mutual Fund -Savings Fund <i>(99,927.196 units, Value as on 31.03.2020 Rs 401,194,611/-)</i>	40,00,00,000	19,01,61,133
Investment In Equity Instruments		
Quoted		
Premier Cryogenics Limited <i>Quoted at cost ((Fair value Rs 2,03,48,000/- - Not traded - 2019-20) (200000 shares of Rs 10/- each)</i>	20,00,000	20,00,000
Unquoted		
Gauhati Neurological Research Centre Limited <i>(Unquoted at cost 250,000 shares @ 10/- per share, fair value Rs 11,217,500/-)</i>	25,00,000	25,00,000
Konoklota Mahlla Urban Co-Op Bank Ltd. <i>(Unquoted at cost 5,000 shares @ 100/- per share, fair value Rs 1,376,950/-)</i>	5,00,000	5,00,000
RGVN (North East) Microfinance Ltd. <i>(Unquoted at cost 3,000,000 Equity Shares @ 10/- per share, fair value Rs 13,04,40,000/-)</i>	3,00,00,000	3,00,00,000
Nightingale Finvest Pvt. Ltd. <i>(Unquoted 665,000 Equity Shares of 10/- per share, fair value Rs 1,04,87,050/-)</i>	50,00,000	50,00,000
YVU Financial Services Pvt. Ltd. <i>(Unquoted 50,000 Equity Shares of 100/- per share, fair value Rs 70,99,000/-)</i>	50,00,000	50,00,000

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 5: CURRENT INVESTMENTS

	As at 31st March, 2020	As at 31st March, 2019
Grameen Development & Finance Pvt. Ltd. <i>(Unquoted 500,000 Equity Shares of 10/- per share, fair value Rs 61,75,000/-)</i>	50,00,000	50,00,000
Investment In Equity Instruments of subsidiaries		
NEDFi Venture Capital Ltd. <i>(Unquoted 49,400 Equity Shares of 10/- per share, fair value Rs 145,83,289/-)</i>	4,94,000	4,94,000
NEDFi Trustee Ltd. <i>(Unquoted 49,400 Equity Shares of 10/- per share, fair value Rs 9,64,066/-)</i>	4,94,000	4,94,000
Investment In Preference Shares		
Ajagar Finance Private Limited <i>(500000 optionally convertible preference shares of Rs.10/- each)</i>	50,00,000	50,00,000
Grameen Development & Finance Pvt. Ltd. <i>(2000000 optionally convertible preference shares of Rs.10/- each)</i>	2,00,00,000	2,00,00,000
Nightingale Finvest Pvt. Ltd. <i>(2000000 optionally convertible preference shares of Rs.10/- each)</i>	2,00,00,000	2,00,00,000
YVU Financial Services Private Limited <i>(1000000 optionally convertible preference shares of Rs.10/- each)</i>	1,00,00,000	-
SATRA Development Pvt Ltd <i>(500000 optionally convertible preference shares of Rs.10/- each)</i>	50,00,000	-
Investment In Associates	-	-
North East Venture Fund <i>(2300 units, Value as on 31.03.2020 Rs 20,29,45,082/-)</i>	22,99,75,000	19,46,75,000
	3,92,93,93,274	3,69,92,71,513

	As at 31 March, 2020		As at 31 March, 2019	
	Amount (₹)	Market Value (₹)	Amount (₹)	Market Value (₹)
Aggregate amount of quoted investments and market value thereof	3,590,430,274	3,822,189,020	3,410,608,513	3,447,151,516
Aggregate amount of unquoted investments	338,963,000	NA	288,663,000	NA
Aggregate provision for diminution in value of investments	-	-	-	-

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 6: OTHER FINANCIAL ASSETS

	As at 31st March, 2020	As at 31st March, 2019
Interest Receivable on Loans & Advances	1,20,33,632	6,47,56,870
Interest Receivable on Fixed Deposits	2,70,39,752	2,19,10,255
Interest Receivable on Fixed Deposits (TEDF)	2,46,92,479	2,66,39,228
Interest Receivable on Staff Housing Loan	2,69,84,014	2,25,45,529
Advances to Others	5,29,601	7,60,488
Advances to Staff	24,74,295	5,24,567
Consultancy Charges Receivable	3,19,30,508	3,45,44,426
Earnest Money Deposit	40,99,092	28,90,902
Rent and Other Charges Receivable	2,01,43,094	96,84,230
Security Deposits (Unsecured, Considered good)	21,46,676	20,23,149
	15,20,73,143	18,62,79,643

NOTE 7: CURRENT TAX ASSETS(NET)

	As at 31st March, 2020	As at 31st March, 2019
Advance Payment of Income tax & TDS	24,70,02,875	31,53,59,916
Less: Provision for Income Tax	16,00,00,000	19,12,22,956
	8,70,02,875	12,41,36,960

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020



An ISO 9001:2015 Company

NOTE: 8A - PROPERTY PLANT AND EQUIPMENT

Sl. No.	Particulars	Gross Block			Depreciation/ Amortisation			Net Block			
		As on 01.04.2019	Addition during the period	Deduction during the period	As on 31.03.2020	Upto 01.04.2019	During the period	Adjustment during the period	Upto 31.03.2020	As on 31.03.2020	As on 31.03.2019
1	Land Freehold Land at Dispur Freehold Land at Khanapara	1,69,69,592			1,69,69,592	-	-	-	-	1,69,69,592	1,69,69,592
		9,24,00,000			9,24,00,000	-	-	-	-	9,24,00,000	9,24,00,000
2	Buildings Head Office Building Office at Agrata RCC Bridge	19,27,76,520			19,27,76,520	6,76,67,590	60,95,383	-	7,37,67,973	11,90,13,547	12,51,08,930
		1,43,67,130			1,43,67,130	20,47,983	5,99,942	-	26,47,925	1,17,19,205	1,23,19,147
		15,78,377			15,78,377	15,78,377	-	-	15,78,377	-	-
3	Plant & Equipment Air Conditioning System Electrical Installation Fire Alarm System Lift Machineries UPS System Water Installation System Solar Panels Computers	4,47,06,006			4,47,06,006	3,35,49,692	21,16,314	-	3,56,66,006	90,40,000	1,11,56,314
		2,64,12,736			2,64,12,736	2,41,83,980	7,03,926	-	2,48,87,906	15,24,830	22,28,756
		36,73,341			36,73,341	29,51,390	1,40,275	-	30,91,665	5,81,676	7,22,951
		79,56,378			79,56,378	63,92,650	3,03,832	-	66,96,482	12,59,896	15,63,728
		88,63,243	1,97,970		90,61,213	71,17,427	3,02,964	-	74,20,391	16,40,822	17,45,816
		14,90,229			14,90,229	14,15,718	-	-	14,15,718	74,511	74,511
		20,21,114			20,21,114	12,75,908	60,642	-	13,36,550	6,84,564	7,45,206
		31,18,999			31,18,999	7,97,931	7,24,870	-	15,22,801	15,96,198	23,21,068
		2,63,46,418	29,43,807	17,41,764	2,75,48,461	2,20,30,078	34,50,483	16,60,482	2,38,20,079	37,28,382	43,16,340
4	Furniture & Fixtures Furniture & Fixtures (HO) Interior Furnishings & Fittings	1,33,88,886			1,34,72,274	1,07,00,402	4,94,650	-	1,11,95,052	22,77,222	26,88,484
		11,06,84,439			11,06,84,439	8,98,74,268	65,77,558	-	9,64,51,826	1,42,32,614	2,08,10,171
5	Vehicle Office Equipments	14,62,224			14,62,224	13,89,113	-	-	13,89,113	73,112	73,112
		89,10,516	4,53,824	75,545	92,88,795	78,33,534	4,60,935	71,767	82,22,702	10,66,094	10,76,982
6	Total - A	57,71,26,148	36,78,989	18,17,309	57,89,87,828	28,08,06,041	2,20,31,774	17,32,249	30,11,05,566	27,78,82,265	29,63,20,110

NOTE: 8B - PROPERTY PLANT AND EQUIPMENT- INTANGIBLE ASSETS

Sl. No.	Particulars	Gross Block			Depreciation/ Amortisation			Net Block			
		As on 01.04.2019	Addition during the period	Deduction during the period	As on 31.03.2020	Upto 01.04.2019	During the period	Adjustment during the period	Upto 31.03.2020	As on 31.03.2019	
1	Computer Software Total Intangible Assets (B) Total Assets (A+B) Previous Year Figures	3,42,02,210	-	-	3,42,02,210	34,20,221	68,40,442	-	1,02,60,663	2,39,41,547	3,07,81,989
		3,42,02,210			3,42,02,210	34,20,221	68,40,442	-	1,02,60,663	2,39,41,547	3,07,81,989
		61,13,28,358	36,78,989	18,17,309	61,31,90,038	28,42,26,262	2,88,72,216	17,32,249	31,73,66,279	30,18,23,612	32,71,02,099
		57,04,87,982	4,24,65,670	16,25,264	61,13,28,358	25,25,05,323	3,52,60,746	13,39,813	28,42,26,262	32,71,02,099	31,81,82,623
	Capital Work in Progress									72,000	72,000

BC * Building includes Rs 199,51,366/- (previous year Rs 199,51,366/-) towards Permanent Stalls at India Exposition Mart, Noida, acquired out of grant received from the North Eastern Council, Shillong. As per IND AS-16, the asset has been taken at cost in the books and the corresponding depreciation is charged to the fund every year.

BD On transition to IND AS, NEDFI has elected to continue with the carrying value of all of its property, plant & equipment recognised at gross block as at 1st April, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 9: OTHER NON FINANCIAL ASSETS

	As at 31st March, 2020	As at 31st March, 2019
Income Tax Refundable	17,45,46,773	8,25,33,997
GST Input Tax Credit	3,42,007	1,57,217
TDS on GST	1,61,343	94,212
	17,50,50,123	8,27,85,426

NOTE 10: BORROWINGS

	As at 31st March, 2020	As at 31st March, 2019
Term Loan (Unsecured) from Others, amortised at cost		
Interest free loan from Government of India *	4,45,19,02,019	4,22,62,12,912
Interest free loan from Government for Venture	21,74,02,858	20,46,14,455
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)** (6th Loan)	-	1,78,57,137
	4,66,93,04,877	4,44,86,84,504

Notes

* The Corporation has been availing Interest Free Unsecured Loans from Govt of India and the same has to be repaid after 15 years from the date of receipt of Instalment. The interest rate considered for discounting of Interest free Government loan repayable at maturity is that of 6.25% Government Bonds.

** Loan from NBCFDC was Rs 63 Crore taken on various occasions, out of which Rs 61.21 Crore has already been repaid.

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

NOTE 11: OTHER FINANCIAL LIABILITIES

	As at 31st March, 2020	As at 31st March, 2019
Sundry Creditors for Expenses	2,52,99,927	3,89,09,172
Sundry Creditors for Capital Expenditures	9,69,200	10,57,360
Notional Interest	2,63,66,52,261	2,55,21,29,797
Undisbursed Central Subsidies	30,43,78,213	1,34,91,84,750
Security Deposit	99,03,125	93,79,920
Other Liabilities	61,64,20,591	59,95,19,176
Upfront Fees Received in Advance	9,94,58,236	9,54,88,325
NE Trade Expo	43,768	43,768
MEFC R&D Training Fund	16,28,187	16,28,187
	3,69,47,53,507	4,64,73,40,455

NOTE 12: PROVISIONS

	As at 31st March, 2020	As at 31st March, 2019
Provision for Loan Commitment		
Provision for Standard Assets	6,80,36,423	4,79,74,096
Floating Provision against Advances	2,00,00,000	2,00,00,000
Provision Against Sub Standard Assets	2,65,66,853	7,29,60,350
Provision Against Doubtful Assets	52,42,05,275	57,21,27,792
Provision Against Loss Assets	10,84,06,519	1,72,27,865
Provision for Diminution in Fair Value of Restructured Advance	31,29,000	31,29,000

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 12: PROVISIONS

	As at 31st March, 2020	As at 31st March, 2019
Provisions for employee benefits		
- Gratuity	2,17,34,088	2,21,50,967
- Leave Encashment	8,94,66,626	8,51,03,960
-Leave Travel Concession / Allowance	93,30,434	93,30,434
	87,08,75,218	85,00,04,464

NOTE 13: DEFERRED TAX LIABILITIES

	As at 31st March, 2020	As at 31st March, 2019
Deferred Tax Asset		
Relating to Provisions	24,29,14,907	27,78,12,529
	24,29,14,907	27,78,12,529
Deferred Tax Liability		
Relating to Fixed Assets	43,20,865	16,72,418
Relating to Special Reserve	32,71,13,086	30,87,03,171
	33,14,33,951	31,03,75,589
	8,85,19,044	3,25,63,060

NOTE 14: SHARE CAPITAL

	As at 31st March, 2020	As at 31st March, 2019
AUTHORISED		
50,00,00,000 Equity Shares of Rs. 10/- each (Previous Year: 50,00,00,000 Equity Shares of Rs. 10/- each)	5,00,00,00,000	5,00,00,00,000
	5,00,00,00,000	5,00,00,00,000
10,00,00,007 Equity Shares of Rs. 10/- each (Previous Year: 10,00,00,007 Equity Shares of Rs.10/- each)	1,00,00,00,070	1,00,00,00,070
	1,00,00,00,070	1,00,00,00,070
PAID UP		
10,00,00,007 Equity Shares of Rs.10/- each (Previous Year: 10,00,00,007 Equity Shares of Rs. 10/- each)	1,00,00,00,070	1,00,00,00,070
	1,00,00,00,070	1,00,00,00,070

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Equity Shares	No. of Shares	No. of Shares
At the beginning of the year (No. of Shares)	10,00,00,007	10,00,00,007
Issued during the year	-	-
Outstanding at the end of the year	10,00,00,007	10,00,00,007

b) Terms/Rights attached to Equity Shares

- The company has only one class of Equity Shares having par value of Rs. 10 per share. Each holder of Equity Shares is entitled to vote one per share.
- In the event of liquidation of the company, the holders of the Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

c) The detail of shareholder's holding more than 5% of Shares

Name of the shareholders	No. of Shares % of holding	No. of Shares % of holding
i. IDBI Bank Limited	2,50,00,002 25%	2,50,00,002 25%
ii. Life Insurance Corporation of India	1,50,00,001 15%	1,50,00,001 15%
iii. State Bank of India	1,50,00,001 15%	1,50,00,001 15%
iv. Industrial Finance Corporation of India	1,00,00,001 10%	1,00,00,001 10%
v. ICICI Ltd.	1,00,00,001 10%	1,00,00,001 10%
vi. Small Industries Development Bank of India	1,00,00,000 10%	1,00,00,000 10%
vii. Administrator of Specified Undertaking of Unit Trust of India	1,00,00,001 10%	1,00,00,001 10%

NOTES 14.1: As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial owner.

NOTE 15: OTHER EQUITY

	As at 31st March, 2020	As at 31st March, 2019
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	(18,17,702)	(19,94,353)
	6,12,86,233	6,11,09,582
(b) Statutory Reserve under RBI Act, 1934		
Opening Balance	1,31,67,91,118	1,19,30,99,204
Add: Transferred from P/L Account	7,07,76,985	12,36,91,914
	1,38,75,68,103	1,31,67,91,118
(c) Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961		
Opening Balance	1,06,01,07,042	99,18,28,318
Add: Transferred from P/L Account	6,32,20,864	6,82,78,724
	1,12,33,27,906	1,06,01,07,042
(d) Venture Capital Fund:		
Fund Balance	12,36,91,404	12,09,62,524
Add: Transferred from General Reserve *	23,39,040	27,28,880
	12,60,30,444	12,36,91,404
(e) General Reserve		
Opening balance	4,27,34,96,971	4,01,62,25,851
Add: Transferred from surplus in Statement of Profit and Loss	-	26,00,00,000

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 15: OTHER EQUITY

	As at 31st March, 2020	As at 31st March, 2019
Less: Utilised / transferred during the year for: Others : Transferred to Venture Capital Fund	(23,39,040)	(27,28,880)
	4,27,11,57,931	4,27,34,96,971
(f) India Exposition Mart Stalls		
Opening balance	1,61,17,726	1,67,64,896
Add: Additions / transfers during the year		
Less: Utilisations / transfers during the year	(6,15,718)	(6,47,170)
	1,55,02,008	1,61,17,726
(g) Techno Economic Development Fund		
Opening balance	39,20,18,632	40,75,17,890
Add: Additions / transfers during the year	3,03,16,092	3,81,60,217
Less: Utilisations / transfers during the year	(3,69,24,178)	(5,36,59,475)
	38,54,10,545	39,20,18,632
(h) CSR Reserve		
Opening balance	26,09,629	26,09,629
Add: Additions / transfers during the year		
Less: Utilisations / transfers during the year	(26,09,629)	
	-	26,09,629
Retained Earnings		
Balance as per last Balance Sheet	11,44,54,337	4,33,13,907
Profit for the Period	34,11,37,850	61,93,97,468
<i>Other comprehensive income</i>		
Remeasurements of post-employment benefit obligations (net of tax)	-	-
Less: Appropriations		
Transferred to General Reserve	-	(26,00,00,000)
Dividend Paid	(8,00,00,000)	(8,00,00,000)
Tax on Dividend	(1,64,44,235)	(1,62,86,400)
Transferred to Statutory Reserve under RBI Act, 1934	(7,07,76,985)	(12,36,91,914)
Transferred to Special Reserve	(6,32,20,864)	(6,82,78,724)
	22,51,50,102	11,44,54,337
TOTAL OTHER EQUITY	7,59,54,33,273	7,36,03,96,440

NOTE 15.1 : NATURE AND PURPOSE OF RESERVES

* 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 Investments

NOTE 16: INTEREST INCOME

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
Interest on loans	90,12,54,745	92,34,41,042
Interest on Fixed Deposits and Bonds	4,68,09,238	2,75,05,728
	94,80,63,983	95,09,46,770

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 17: RENTAL INCOME

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
Rent Received	2,89,68,612	2,87,84,116
Maintenance Charges	1,20,79,320	1,20,00,248
Hall Charges	33,17,915	37,93,710
	4,43,65,847	4,45,78,074

NOTE 18: FEE AND COMMISSION INCOME

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
Upfront Fees	2,90,28,689	2,39,77,163
Prepayment Charges	13,62,817	43,84,592
	3,03,91,506	2,83,61,755

NOTE 19: OTHER OPERATING INCOME

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
Net gain from sale of Investments (other than trade investments)	23,18,69,030	30,19,03,404
Consultancy Fees	2,69,77,739	2,27,20,064
Deferred Interest	27,38,10,638	26,67,62,953
	53,26,57,406	59,13,86,421

NOTE 20: OTHER NON OPERATING INCOME

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
Miscellaneous Receipts	79,24,140	1,14,47,199
Bad Loans & Advances Recovered	1,53,44,066	22,62,62,611
	2,32,68,206	23,77,09,810

NOTE 21: FINANCIAL COSTS

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
Interest on Borrowngs		
- NBCFDC	4,54,622	11,94,924
- NSCFDC	7,507	60,082
- SIDBI	-	20,92,085
Notional Interest on Government Loan	27,38,10,638	26,67,62,953
	27,42,72,767	27,01,10,044

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 22: EMPLOYEE BENEFIT EXPENSES

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
Salaries & Wages		
- Salaries (Director)	57,72,386	50,41,618
- Salaries (Others)	22,14,71,180	20,76,72,503
- Leave Travel Concession / Allowance	93,59,963	1,95,90,654
- Leave Encashment	1,64,15,637	2,12,98,577
Contribution to Provident and other Funds		
- Employer's Provident Fund	1,71,91,093	2,27,53,036
- Gratuity	23,55,870	1,96,14,284
Staff Welfare Expenses		
- Medical Reimbursement	60,49,150	62,69,920
- Recruitment / Relocation Expenses	13,89,873	24,28,843
- House Rent	17,07,566	(9,21,034)
- Staff Welfare	96,51,037	1,09,13,682
	29,13,63,755	31,46,62,083

Note 22.1: 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	54,636,123.00	36,020,868.00	85,103,960.00	73,988,898.00
Current Interest Cost	4,245,227.00	2,773,607.00	6,612,578.00	5,697,145.00
Past Service Cost	-	17,347,113.00	-	-
Current Service Cost	2,810,992.00	2,703,435.00	5,405,991.00	5,666,841.00
Benefit Paid	-	-	(21,298,577.00)	(8,311,688.00)
Actuarial (Gain) / Loss	(3,369,333.00)	(4,208,900.00)	13,642,674.00	8,062,764.00
Closing benefit obligation	58,323,009.00	54,636,123.00	89,466,626.00	85,103,960.00

ii. Change in Plan Assets				
Opening Fair Value of Plan Assets	32,485,156	26,120,583	-	-
Expected Return on Plan Assets	2,524,097	2,089,647	-	-
Contribution	1,816,469	4,405,146	21,298,577	8,311,688
Benefit paid	-	-	(21,298,577)	(8,311,688)
Actuarial Gain / (Loss)	(236,800)	(130,220)	-	-
Closing Fair Value of Plan Assets	36,588,922	32,485,156	-	-

**NOTES TO THE STANDALONE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020**

iii. Reconciliation of present value of obligation and fair value of plan assets				
Closing present value of obligation	58,323,009	54,636,123	89,466,626	85,103,960
Closing fair value of plan assets	36,588,922	32,485,156		
Deficit / (surplus)	(21,734,087)	(22,150,967)	(89,466,626)	(85,103,960)
Net Liability / (Asset)	21,734,087	22,150,967	89,466,626	85,103,960
Net Liability recognised in Balance Sheet	21,734,087	22,150,967	89,466,626	85,103,960

iv. Net Cost recognized in Profit & Loss Account				
Current Service cost	2,810,992	2,703,435	5,405,991	5,666,841
Past Service cost	-	17,347,113	-	-
Interest Cost	4,245,227	2,773,607	6,612,578	5,697,145
Expected return on plan assets	(2,524,097)	(2,089,647)	-	-
Net Actuarial (Gain) / Loss recognized	(3,132,533)	(4,078,680)	13,642,674	8,062,764
Expenses recognized in Profit & Loss Account	1,399,589	16,655,828	25,661,243	19,426,750

v. Reconciliation of opening and closing net liability recognized in Balance Sheet				
Opening Net Liability	22,150,967	9,900,285	85,103,960	73,988,898
Expenses recognized in Profit & Loss Account	1,399,589	16,655,828	25,661,243	19,426,750
Benefit paid by Corporation	-	-	(21,298,577)	(8,311,688)
Contribution paid	(1,816,469)	(4,405,146)	-	-
Closing Net Liability	21,734,087	22,150,967	89,466,626	85,103,960

vi. Investments under Plan Assets of Gratuity and Leave Encashment as on 31st March, 2020 are as under:

Category of Plan Assets	Gratuity		Leave Encashment	
	% of Plan Assets		% of Plan Assets	
Funds managed by LIC	100%		-	

vii. Principal Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	Current Year (₹)	Previous Year (₹)	Current Year (₹)	Previous Year (₹)
Discount Rate	6.71%	7.77%	6.71%	7.77%
Rate of increase in compensation levels	3.00%	5.00%	3.00%	5.00%
Rate of return on Plan Assets	7.77%	8.00%	-	-

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

The estimates for increase in compensation levels of the employees of the Corporation was hitherto taken @ 5% p.a. However, on review the actuary observed that the average increase comes out @ 3% approx. Hence, the calculation for actuarial valuation has been done considering increase in compensation levels @ 3% for the current year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020



The employees of the Corporation are covered by Provident Fund to which the Corporation makes a defined contribution measured as a fixed percentage of basic salary. The Provident Fund plan is administered by the Regional Provident Fund. As such, there does not arise any interest shortfall. During the year an amount of Rs 171.91 Lac (Previous Year Rs 227.53 Lac) has been charged to Profit & Loss Account including arrears.

NOTE 23: OTHER EXPENSES

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
<u>Rent, Taxes and Energy Cost</u>		
Electricity Charges & Electrical Expenses	43,61,048	50,62,642
Rent	47,02,056	44,15,382
GST Expenses	65,27,885	54,32,110
Licence & Registration Fees	19,44,007	13,46,132
<u>Repairs & Maintenance</u>		
Repairs & Maintenance (Machine)	59,33,499	49,30,252
Repairs & Maintenance (Security Service Charges & Others)	3,18,94,019	2,52,68,716
Software Maintenance Expenses	40,28,482	26,90,549
<u>Communication Costs</u>		
Telephone Charges & Postage	24,63,547	27,38,862
<u>Printing & Stationery</u>	20,77,137	23,72,675
<u>Advertisement & Publicity</u>		
Advertisement Expenses	1,60,733	2,79,912
Business Promotion	29,67,346	17,99,680
Business Facilitation Centre Expenses	18,99,723	17,64,060
<u>Director's Fees, allowances and Expenses</u>		
Travelling Expenses (Director)	89,731	1,92,335
BOD Meeting Expenses	29,41,963	45,82,404
<u>Auditors' Fees and Expenses</u>		
Tax Audit Fees	42,000	48,000
Statutory Audit Fees	2,24,000	2,20,000
<u>Legal & Professional Fees and Expenses</u>	92,79,049	1,12,52,187
<u>Insurance charges</u>	7,72,450	9,25,873
<u>Other Expenses</u>		
Audit Expenses	3,92,775	7,29,008
Bank charges	1,54,743	55,380
Books & Periodicals	2,50,591	3,05,060
Car hire Expenses	56,08,399	62,27,006
Consultancy Expenses	79,91,216	1,44,44,507
Conveyance	3,16,903	3,78,579
Honararium	-	34,000
India Exposition Mart Expenses	7,56,045	6,27,895
Miscellaneous Expenses	93,931	1,45,648
Mission Organic Expenses	1,66,502	2,58,863

NOTE 23: OTHER EXPENSES

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
Research & Developmental Expenses (net)	1,03,98,165	1,08,87,686
Seminar & Conference Expenses	13,67,788	8,94,962
Training Expenses	22,37,331	12,75,079
Travelling Expenses (Others)	44,39,931	55,91,451
Internal Audit Fees	3,24,888	2,92,953
Loss on sale / disposal of assets (net)	11,460	2,32,157
Provisions and Write Off	29,64,90,067	28,59,53,842
CSR Expenses	1,60,00,000	1,80,38,941
	42,93,09,409	42,16,94,788

NOTE 23.1: PROVISIONS AND WRITE OFFS

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
Provisions		
Provision on Standard / Non Performing Assets	17,101,618	(130,745,986)
Provision on Diminution in Fair Value of Restructured Advance	-	-
Write Offs		
Bad Loans & Advances	279,388,449	416,699,828
Total	296,490,067	285,953,842

NOTE 23.2: CSR EXPENSES

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
Skill & Market Development Expenses	16,000,000	18,038,941
	16,000,000	18,038,941

NOTE 23.3:

a. Gross amount required to be spent: Rs 18,600,000/-. 2% of the average profit of last three financial years i.e. 2% of Rs 78,66,93,430/- = Rs 1,57,33,869/-. The Corporation has spent Rs 1,86,09,629/- on CSR. The excess amount of Rs.26,09,629/- has been adjusted with CSR Reserve.

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	16,000,000	-	16,000,000

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, if any, have been netted off from the CSR expenses.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 24: EARNINGS PER SHARE

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
The following table reconciles the numerators and denominators used to calculate Basic and Diluted Earning per Share for the year ended 31st March 2020.		
Particulars		
(a) Profit/(Loss) Attributable to Equity Shareholders	34,11,37,850	61,93,97,468
(b) The weighted average number of Equity Share of Basic EPS	10,00,00,007	10,00,00,007
(c) The weighted average number of Equity Share of Diluted EPS	10,00,00,007	10,00,00,007
(d) Nominal value per Ordinary Share (₹)	10.00	10.00
(e) Earnings Per Share - Basic (₹)	3.41	6.19
(f) Earnings Per Share - Diluted (₹)	3.41	6.19

NOTE 25: RELATED PARTY DISCLOSURES

As per IND AS – 24, the disclosures of transactions with the related parties are given below:

A. List of Related Parties are as under:

Key Management Personnel	Mr. B.P. Muktieh	Chairman & Managing Director
	Mr. S.K. Baruah	Executive Director & CFO
	Mr. V.K. Agarwal	DGM & Company Secretary
	Mr. S K Tandon	Nominee Director (SBI)
	Mr. Dinesh Bhagat	Nominee Director (LIC)
	Mr. Bhaskar Jyoti Sarma	Independent Director
	Mr. Sanjay Kumar Pai	Independent Director
	Dr. Natalie West Kharkongor	Independent Director
	Mr. S. Chaudhuri	Nominee Director (IDBI)
	Mr. Ramnganing Muivah	Director
	Mr. Indevan Pandey	Director
	Mr. Manoj Kumar	Director
Subsidiaries	NEDFI Trustee Limited	
	NEDFI Venture Capital Limited	
Associates	North East Venture Fund	
Trusts / Funds under control of the Company	North East Society for Handicraft Incubation and Livelihood Promotion (NE SHILP)	

B. Transaction with Related Parties during the year.

Particulars	31 st March, 2020	31 st March, 2019
Key managerial personnel		
Short Term Employee Benefits		
-Mr. B.P. Muktieh	67,87,652/-	92,22,259/-
-Mr. S.K. Baruah	54,55,024/-	81,67,830/-
-Mr. V.K. Agarwal	44,44,857/-	49,07,707/-
Repayment/ Recovery of loans and advances		
-Mr. B.P. Muktieh	1,25,183/-	3,75,516/-
-Mr. S.K. Baruah	7,78,986/-	5,71,688/-
-Mr. V.K. Agarwal	1,99,788/-	3,34,795/-

**NOTES TO THE STANDALONE
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Director's Sitting Fees	23,00,000/-	26,70,000/-
Subsidiaries		
NEDFI Venture Capital Limited -Receivable towards salary payments	1,46,96,080/-	51,28,732/-
Associates		
Investment in North East Venture Fund	3,53,00,000/-	11,96,75,000/-
Trusts / Funds under control of the Company		
NE SHILP -Payment towards purchase of craft products	33,490/-	77,530/-

C. Outstanding Balance with Related Parties:

Particulars	31 st March, 2020	31 st March, 2019
Key managerial personnel		
Loans & Advances		
-Mr. B.P. Muktieh	Nil	1,16,660/-
-Mr. S.K. Baruah	19,80,148/-	2,55,41,56/-
-Mr. V.K. Agarwal	5,45,828/-	7,20,824/-
Subsidiaries		
-Receivable from NEDFI Venture Capital Limited	1,46,96,080/-	51,28,732/-
Trusts / Funds under control of the Company		
-Receivable from NE SHILP	10,47,463/-	Nil

NOTE 26: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	(Rs. in crore)	
	2019-2020	2018-2019
i) Contingent liabilities		
Other money for which company is contingently liable.	13.64	13.64
ii) Commitments		
Other commitments (loan sanctioned but not disbursed)	376.53	173.94

- 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:

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 Rs. 376.53 Crore, which shall be disbursed in due course, subject to compliance of requisite formalities.
- c. The service tax department had raised a demand of Rs.1.97 Crore towards short payment of service tax (Rs. 1.10 Crore), non-payment of service tax on pre-payment charges (Rs. 0.12 Crore) and interest amount of Rs.0.75 Crore. The Corporation had already deposited Rs.1.75 Crore under protest and debited the same in the profit and loss account. The Addl. Commissioner, CGST & CX, Guwahati passed an Order upholding the payment of service tax and interest thereon. However, he refrained from imposing the penalty proposed by the Audit Commissionerate. The Corporation then filed an appeal with the Commissioner (Appeals) against the Order of the Addl. Commissioner, CGST & CX, Guwahati. However, there was a delay in filing the appeal due to unavoidable reasons and condonation was sought from the Commissioner (Appeals). The Commissioner (Appeals), however did not condone the delay and rejected the appeal as time barred. Being aggrieved, the Corporation has filed an appeal with the Hon'ble CESTAT. Based on the submissions, the Corporation is

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020



confident that the Hon'ble CESTAT will dispose off the case in favour of the corporation. Hence, no provision has been made in the books of accounts for the balance amount.

- d. The DIPP had raised a demand of Rs. 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 27: 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 Other Financial liabilities to the extent of undisbursed amount.

Note 28: Special Reserve has been created and maintained in terms of section 36 (1) (viii) of the Income Tax Act, 1961.

Note 29: The Provisioning Coverage Ratio of the Corporation is 52.2% (Previous Year 34%).

Note 30: 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 Rs. 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 Ind AS 108, the segment reporting is as under:

(Rs. In Crore)

1.	Segment Revenue	2019-20	2018-19
	Lending and Financing Activities	122.08	144.48
	Management of Surplus Funds	27.87	32.94
	Others	2.69	2.27
	Total	152.64	179.69
2.	Segments Results		
	Lending and Financing Activities	21.36	42.40
	Management of Surplus Funds	27.87	32.94
	Others	1.10	0.47
	Total	50.33	75.81
	Unallocated Income	5.38	5.62
	Unallocated Expenses	0.00	0.00
3.	Operating Profit	55.71	81.43
	Income Tax	21.60	19.49
4.	Net Profit	34.11	61.94
5.	Other Information		
	Segment Assets		
	Lending and Financing Activities	1056.34	1072.50
	Management of Surplus Funds	609.27	636.04
	Others	3.19	3.45
	Total	1668.8	1711.99
	Unallocated Assets	123.09	121.91
	Total	1791.89	1,833.90

**NOTES TO THE STANDALONE
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Segment Liabilities			
Lending and Financing Activities		923.49	994.60
Management of Surplus Funds		0.00	0.00
Others		0.00	0.00
Unallocated Liabilities		67.68	63.69
Total		991.17	1,058.29
Net Capital Employed		800.72	775.61

NOTE 32: DISCLOSURE AS PER IND AS 12 "INCOME TAXES"

A. Movement in Deferred Tax balances:

FY-2019-20

Description	Recognised in Profit or Loss	Recognised in OCI	Net balance at 31.03.2020
(A) Deferred Tax Asset (+)			
Provision made during the year (except floating provisions)	12,17,607	0	12,17,607
Deferred Tax Asset on Provisions of previous years	24,16,97,300	0	24,16,97,300
(B) Deferred Tax Liabilities (-)			
WDV as per Companies Act, 2013 and Income Tax Act, 1961	-43,20,865	0	-43,20,865
Special Reserve	-32,71,13,086	0	-32,71,13,086
Net Deferred Tax Liabilities (-) /Assets (+)	-8,85,19,044	0	-8,85,19,044

FY-2018-19

Description	Recognized in Profit or Loss	Recognized in OCI	Net balance at 31.03.2019
(A) Deferred Tax Asset (+)			
Provision made during the year (except floating provisions)	66,67,483	0	66,67,483
Deferred Tax Asset on Provisions of previous years	27,11,45,047	0	27,11,45,047
(B) Deferred Tax Liabilities (-)			
WDV as per Companies Act, 2013 and Income Tax Act, 1961	-16,72,418	0	-16,72,418
Special Reserve	-30,87,03,171	0	-30,87,03,171
Net Deferred Tax Liabilities(-) / Assets(+)	-3,25,63,059	0	-3,25,63,059

NOTE 33: ADDITIONAL INFORMATION IS DISCLOSED IN TERMS OF RBI GUIDELINES VIDE DBS. FID NO.C-18/ 01.02.2000-01 ISSUED ON 23.03.2001.

(Rs.in Crore)

A	Capital			
a)	CRAR CORE CRAR & Supplementary CRAR	53.91 %		
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: Rs. 1497.85 Off the Balance Sheet: Nil		
d)	The Shareholding pattern as on 31.03.2020	Equity shares:	No of Shares	%
		FI's	55,000,004	55

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020



		Bank	15,000,001	15
		Insurance Co.	20,000,001	20
		Mutual Fund	10,000,001	10
		Total	10,000,007	100
B	Asset quality and credit concentration			
e)	Percentage of net NPA's to net loans & advances, (floating provisions of Rs.2 Crore has not been netted from Gross NPA to arrive at net NPA)			6.48%
f)	Amount and percentage of net NPA's to net advances under the prescribed asset classification categories	Category	Amount	%
		Sub Standard Assets	14.39	1.55
		Doubtful debts	49.81	5.38
		Loss asset	-	NIL
g)	Amount of provisions made during the year towards standard assets, NPA's loans and investments (other than those in the nature of an advance), in income tax.	Standard Assets	2.00	
		NPA Loans	(-)0.29	
		Soft loan Assistance	(-)0.02	
		Investments	Nil	
		Income Tax	16.00	
h)	i) Movement in NPAs (Gross) of loans including soft loans.	Opening Balance	203.51	
		Deletions incl. upgradation	90.38	
		Additions during the year	17.01	
		Closing Balance	130.14	
	ii) Movement of Provisions for NPAs against loans including soft loan assistance.	Opening Balance	66.24	
		Less: write off / waiver/Write back	2.95	
		Additions during the year	2.65	
		Closing Balance	65.94	
	iii) Movement of Provisions for Investments	Opening Balance	0.00	
		Additions during the year	0.00	
		Write Back	0.00	
		Closing Balance	0.00	
i)	Restructured Accounts Total amount of standard assets which have been subjected to restructuring / rescheduling Total sub standard assets which have been subjected to restructuring / rescheduling Total doubtful / Loss assets which have been subjected to restructuring / rescheduling Total			Rs. 27.38 Crore - Rs. 0.11 Crore Rs. 27.49 Crore
j)	Credit exposure as percentage to capital funds and as percentage to total assets, in respect of:			
		% to Capital Funds	% to Total Assets	
	The largest single borrower	5.11	2.28	
	The largest borrower group	5.68	2.54	
	The 10 largest single borrowers			
	No.1	5.11	2.28	
	No.2	3.61	1.61	
	No.3	3.53	1.58	

**NOTES TO THE STANDALONE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020**

	No.4		3.50	1.56
	No.5		2.97	1.33
	No.6		2.75	1.23
	No.7		2.62	1.17
	No.8		2.38	1.06
	No.9		2.37	1.06
	No.10		2.22	0.99
	The 10 largest borrower groups			
	No.1		5.68	2.54
	No.2		5.17	2.31
	No.3		5.11	2.28
	No.4		3.86	1.72
	No.5		2.94	1.31
	No.6		2.60	1.16
	No.7		2.38	1.06
	No.8		2.12	0.95
	No.9		1.80	0.81
	No.10		1.63	0.73
k)	Credit exposure to the five largest industrial sectors (if applicable) as percentage to total loan assets			
		1.	Hotels	13.45
		2.	Micro Finance	13.48
		3.	Hospital	12.31
		4.	Iron & steel	1.69
		5.	Construction	3.61
C	Liquidity			
l)	Maturity pattern of Rupee assets & liabilities w.r.t. investments incl. Fixed Deposits (Rs.in Crore)			
		Items	Less than or equal to 1 year	More than 1 year up to 3 years
				More than 3 years up to 5 years
				More than 5 years up to 7 years
		Rupees Asset	470.77	26.60
		Total Assets	470.77	26.60
		Total Liabilities	-	-
m)	Maturity pattern of foreign currency assets & liabilities			Nil
D	Operating results			
n)	Interest income as percentage to average working funds		6.20	
o)	Non-interest income as a percentage to average working funds		2.27	
p)	Operating profit as a percentage to average working funds		3.65	
q)	Return on average assets (%)		2.06	
r)	Net profit per employee (₹ in Crore)		0.30	

NOTE 34: ADDITIONAL INFORMATION AS REQUIRED IN TERMS OF PARAGRAPH 13 OF NON BANKING FINANCIAL (NON DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 2007

(Rs. in lakh)

Particulars			
<i>Liabilities side:</i>			
(1)	Loans and advances availed by the non - banking financial company inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
	(a) Debentures : Secured		
	: Unsecured	NIL	NIL

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	(other than falling within the meaning of public deposit*)			
	(b) Deferred Credits			
	(c) Term Loans	178.57	NIL	
	(d) Inter-corporate loans and borrowing	NIL	NIL	
	(e) Commercial Paper			
	(f) Other Loans (specify nature) – GOI Loan*	72881	NIL	
	<i>* taken at original cost</i>			
Assets side:				
			Amount outstanding	
(2)	Break-up to Loans and Advances including bills receivable other than those included in (5) below] :			
	(a) Secured		95107	
	(b) Unsecured		10527	
(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		NIL	
	(i) Lease assets incl. lease rentals under sundry debtors:			
	a) Financial lease			
	b) Operating lease			
	(ii) Stock on hire including hire charges under sundry debtors			
	a) Assets on hire		NIL	
	b) Repossessed Assets			
	(iii) Other loans counting towards AFC activities			
	a) Loans where assets have been repossessed			
	b) Loans other than (a) above			
(4)	Break-up of Investments:			
	1. Quoted:			
	(i) Shares : (a) Equity		20	
	(b) Preference		-	
	(ii) Debentures and Bonds		-	
	(iii) Units of mutual funds		35884	
	(iv) Government Securities			
	(v) Others (please specify)			
	2. Unquoted:			
	(i) Shares : (a) Equity		490	
	(b) Preference		600	
	(ii) Debentures and Bonds			
	(iii) Units of mutual funds			
	(iv) Government Securities			
	(v) Others (please specify) – North East Venture Trust		2299	
			<u>39293</u>	
(5)	Borrower group-wise classification of assets financed as in (2) and (3) above: Please see Note 2 below			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties **			
	(a) Subsidiaries			
	(b) Companies in the same group			
	(c) Other related parties			
	2. Other than related parties	95107	10527	105634
	Total	95107	10527	105634

**NOTES TO THE STANDALONE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020**

(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	155	10
	(b) Companies in the same group	NIL	NIL
	(c) Other related parties (NEVF)	2030	2299
	2. Other than related parties	1871	1101
	Total	4056	3410

**As per Indian Accounting Standard issued by MCA

(7) Other information

	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	13014
(ii)	Net Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	6420
(iii)	Assets acquired in satisfaction of debt	

(8) Exposure to Real Estate Sector

(Rs.in Crore)

Items	31/03/2020	31/03/2019
a) Direct Exposure		
(i) Residential Mortgages [all individual housing loans]	8.77	6.78
(ii) Commercial Real Estate	53.49	73.04
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures:		
a) Residential	Nil	Nil
b) Commercial	Nil	Nil
c) Indirect Exposure		
b) Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil
Total Real Estate Exposure	62.26	79.82

(9) Exposure to Capital Market

(Rs. in crore)

	Particulars	Current Year	Previous Year
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	5.10	5.10
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	22.99	19.47
Total Exposure to Capital Market		28.09	24.57

Note 35: Additional information as required in terms of Notification No. DNBR.019/CGM (CDS)-2015 dated 10/04/2015

a. Capital

(Rs. in Crores)

Particulars	Current Year	Previous Year
i. CRAR	53.91%	52.85%
ii. CRAR – Tier I Capital	53.46%	52.53%
iii. CRAR – Tier II Capital	0.45%	0.32%
iv. Amount of subordinated debt raised as Tier II Capital		-
v. Amount raised by issue of Perpetual Debt Instruments		-

b. Investments

Particulars	Current Year (Rs. In Crore)	Previous Year (Rs. In Crore)
1. Value of Investments		
i. Gross value of Investments		
a. In India	358.84	340.86
b. Outside India		-
ii. Provisions for Depreciation		
a. In India	-	-
b. Outside India	-	-
iii. Net value of Investments		
a. In India	358.84	340.86
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	-	-

**NOTES TO THE STANDALONE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020**

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

(Rs. in Crore)

	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	11.54	7.8	12.23	21.70	130.96	439.88	240.65	191.58	1056.34
Investments	-	30.00	5.00	65.00	370.77	26.60	0.90	-	498.28
Borrowings*	-	-	0.57	0.57	21.65	124.99	86.01	233.11	466.91
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

*at amortized cost

d. Provisions and Contingencies

(Rs. 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	(1.71)	(13.13)
Provision made towards Income Tax	16.00	19.91
Other Provision and Contingencies		
Leave Encashment	1.64	2.13
Gratuity	0.24	1.96
LTC	-	-
Diminution In Fair Value of Restructured Advance	-	-
Provision for Standard Assets	2.00	(2.88)

e. Concentration of Advances

	(Rs. In Crore)
Total Advances to twenty largest borrowers	400.54
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	37.92%

f. Concentration of Exposures

	(Rs. in Crore)
Total Exposures to twenty largest borrowers	407.04
Percentage of Exposures to twenty largest borrowers to Total Exposures of the NBFC	37.33%

g. Concentration of NPAs

	(Rs. In Crore)
Total Exposure to top four NPA accounts	61.85

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020



h. Sector wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that Sector
1	Agriculture & allied activities	2.72%
2	Commercial Real Estate	36.64%
3	Construction	58.15%
4	Infrastructure	0%
5	Micro finance	15.15%
6	Medium & Large	23.64%
7	Micro, Small & Others	16.05%

i. Movement of NPAs

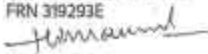
Particulars	(Rs. in Crore)	
	Current Year	Previous Year
i. Net NPAs to Net Advances (%)	6.48%	13.64%
ii. Movement of NPAs (gross)		
a. Opening balance	203.51	230.90
b. Additions during the year	17.01	53.15
c. Reductions during the year	90.38	80.54
d. Closing balance	130.14	203.51
iii. Movement of net NPAs		
a. Opening balance	137.28	154.41
b. Additions during the year	14.37	40.82
c. Reductions during the year	87.47	57.95
d. Closing balance	64.20	137.28
iv. Movement of provisions for NPAs		
a. Opening balance	66.24	76.49
b. Provisions made during the year	27.64	31.42
c. Write off / Write backs	27.94	41.67
d. Closing balance	65.94	66.24

j. Customer Complaints

a. No. of complaints pending at the beginning of the year	0
b. No. of complaints received during the year	2
c. No. of complaints redressed during the year	2
d. No. of complaints pending at the end of the year	0


k. Disclosures for special moratorium provision:

	(Rs. in Crore)
Respective amounts in SMA/overdue categories where the moratorium/ deferment was extended.	229.03
Respective amount where asset classification benefits is extended	3.29
Provisions made during Q4 FY 19-20	0.16
Provisions adjusted during the respective accounting periods against slippages and the residual provisions.	-

As per our Report of even date
For, M/s H.K.Agrawala and Associates
Chartered accountants
FRN 319293E

CA Himanshu Chowkhani
Partner
(M. No. 301901)
UDIN: 20301901AAAA17769
Place : Guwahati
Date : 04.08.2020

For and on behalf of the Board of Directors


(B.P. Muktieh)
Chairman and Managing Director
DIN: 00123561


(S.K. Baruah)
Chief Financial Officer


(V.K. Agarwal)
Company Secretary
M. No. A39584



**TO THE MEMBERS OF
NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED**

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 04th August, 2020 to comply with the queries issued by the Comptroller & Auditor General of India.

REVISED REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS**OPINION:**

We have audited the accompanying Consolidated Ind AS financial statements of NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED ("herein referred to as "Holding Company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the Group"), which comprises the consolidated Balance Sheet as at 31 March 2020 and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as the "Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 (hereinafter referred to as the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March 2020, and the consolidated Profit and total comprehensive income, changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Act and the Rules and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITY OF MANAGEMENT FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, changes in equity and consolidated cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act; for safeguarding of the assets of the Group; preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from

material misstatement, whether due to fraud or error, which have been used for the purpose of presentation of the consolidated Ind AS financial statements by Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors of the companies included in the Group are also responsible for overseeing the company's financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient & appropriate audit evidence regarding the financial information of the entities or business activities within the Group entity to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities

included in the consolidated Ind AS financial statements of which we are the Independent Auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

OTHER MATTERS

We did not audit the financial statements / financial information of two subsidiaries whose financial statements / financial information reflect total assets of Rs 436.81 lakhs as at 31 March, 2020, total revenues of Rs.319.98 lakhs and net cash flows amounting to Rs 207.22 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements/financial information have been audited by other auditors, the report of which is yet to be furnished to us by the Management. We were provided with Board approved financial statements. Our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the Management.

Our opinion on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements / financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. The Comptroller and Auditor General of India has issued the directions and sub directions indicating the areas to be examined in term of Sub-section 5 of Section 143 of the Act, the compliance of which is set out in Annexure "A".

2. 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 of the aforesaid Consolidated Ind AS Financial Statements;

b) In our opinion proper books of account of the aforesaid Consolidated Ind AS Financial Statements as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The consolidated Ind AS financial statements dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the relevant rules;

e) On the basis of written representations received from the directors of the Holding Company and the reports of the statutory auditor of the subsidiary companies and taken on record by the Board of Directors, none of the directors of the group is disqualified as on 31 March, 2020, 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 Group and the

INDEPENDENT AUDITORS' REPORT



operating effectiveness of such controls, refer to our separate report in Annexure "B";

g) With respect to other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Group has disclosed the impact of all pending litigations on its consolidated Ind AS financial position in its financial statements. Refer Note 26 to the financial statements.

ii. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. There were no amounts which required to be transferred by the Holding Company and its Subsidiary companies to the Investor Education and Protection Fund

For, M/s H.K.Agrawala and Associates
Chartered accountants
FRN 319293E

CA. Himanshu Chowkhani
Partner
Membership No. 301901
UDIN: 20301901AAAAJT7769

Dated: 17.09.2020
Place: Guwahati

ANNEXURE-A

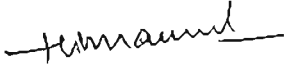
TO INDEPENDENT AUDITORS' REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

(Referred to in Para 1 under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of North Eastern Development Finance Corporation Ltd on the consolidated Ind AS financial statements for the year ended 31st March, 2020)

As required under Section 143(5) of the Companies Act 2013, with respect to the directions and sub-directions issued by The Comptroller & Auditor General of India, we report that:

Sl. No.	Questionnaire	Replies
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Company has a system in place to process all the accounting transactions through IT system. During FY 2019-20, all the accounting transactions have been processed through IT system. Since system of processing all financial transactions is in place, all transactions are done mandatorily through system only, as such question of processing of transactions outside IT system on the integrity of the accounts doesn't arise. However, application for implementation of IND-AS is yet to be configured in the system and adjustments relating to the same is being calculated outside the IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	During the year under consideration, there is no case of restructuring of any existing loan or case of waiver/write off of debts / loans / interest etc. by a lender to the Company.
3	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	As informed the Company had received funds for Mission Organic Value Chain Development for North Eastern Region (MOVCDNER). The funds have been utilized as per scheme.

For, M/s H.K.Agrawala and Associates
Chartered accountants
FRN 319293E



CA. Himanshu Chowkhani
Partner

Membership No. 301901
UDIN: 20301901AAAAJT7769

Dated: 17/09/2020
Place: Guwahati



ANNEXURE-B

TO THE INDEPENDENT AUDITORS' REPORT



Independent Auditor's Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of North Eastern Development Finance Corporation Limited ("herein referred to as "Holding Company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the Group") as of and for the year ended 31 March, 2020, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROL

The Respective Board of Directors of the Holding Company and its subsidiary companies, 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 guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design implementation and maintenance of adequate internal 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (The "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the guidance note on audit of internal financial controls over financial reporting issued by the ICAI. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exist, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 IFCoFR.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions 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 expenditures 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.

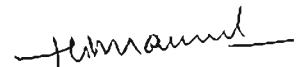
INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk 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 Holding Company and its subsidiary companies in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2020, 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 Institute of Chartered Accountants of India.

For, M/s H.K.Agrawala and Associates
Chartered accountants
FRN 319293E



CA. Himanshu Chowkhani
Partner

Membership No. 301901
UDIN: 20301901AAAAJT7769

Dated: 17/09/2020
Place: Guwahati

**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 FOR THE YEAR ENDED 31 MARCH 2020.**

The preparation of consolidated financial statements of North Eastern Development Finance Corporation Limited for the year ended 31 March 2020 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 Revised Audit Report dated 17 September 2020 which supersedes their earlier Audit Report dated 4 August 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of North Eastern Development Finance Corporation Limited for the year ended 31 March 2020 under section 143(6) (a) read with section 129(4) of the Act. We conducted supplementary audit of the financial statements of North Eastern Development Finance Corporation Limited, 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.

In view of the revision made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditor's report under section 143(6) (b) read with section 129(4) of the Act.

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



(Sunil S Dadhe)

DIRECTOR GENERAL OF AUDIT
Home, Education & Skill Development
NEW DELHI

Place: New Delhi

Date : 05/10/2020

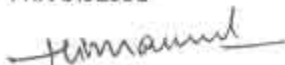
**CONSOLIDATED
BALANCE SHEET
AS AT 31ST MARCH, 2020**

Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
(1) Financial Assets			
(a) Cash & Cash Equivalents	2	1,58,91,32,896	2,41,88,28,608
(b) Bank Balance other than (a) above	3	1,04,43,26,886	69,11,44,500
(c) Loans	4	10,68,06,10,969	10,82,92,46,401
(d) Investments	5	3,92,84,05,274	3,69,82,83,513
(e) Other Financial Assets	6	13,73,97,063	18,11,72,411
		17,37,98,73,089	17,81,86,75,433
(2) Non Financial Assets			
(a) Current Tax Assets (Net)	7	9,00,60,714	12,51,60,276
(b) Property Plant & Equipment	8	27,78,82,265	29,63,20,110
(c) Capital Work-in-progress	8	72,000	72,000
(d) Intangible Assets	8	2,39,41,547	3,07,81,989
(e) Other Non Financial Assets	9	17,50,53,723	8,27,93,826
		56,70,10,249	53,51,28,202
Total Assets		17,94,68,83,339	18,35,38,03,635
LIABILITIES AND EQUITY			
(1) Financial Liabilities			
(a) Borrowings (Other than Debt Securities)	10	4,66,93,04,877	4,44,86,84,504
(b) Other Financial Liabilities	11	3,69,48,18,007	4,64,74,04,955
(2) Non Financial Liabilities			
(a) Provisions	12	87,08,75,218	85,00,04,464
(b) Deferred Tax Liabilities (Net)	13	8,85,19,044	3,25,63,060
(3) Equities			
(a) Equity Share Capital	14	1,00,00,00,070	1,00,00,00,070
(b) Other Equity	15	7,62,30,19,073	7,37,49,57,748
Non-Controlling Interest		3,47,050	1,88,834
Total Equity		8,62,33,66,193	8,37,51,46,652
Total Liabilities and Equity		17,94,68,83,339	18,35,38,03,635
Significant accounting policies & notes thereon	1-35		

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For, M/s H.K.Agrawala and Associates
Chartered accountants
FRN 319293E



CA Himanshu Chowkhani
Partner
(M. No. 301901)
UDIN: 20301901AAAAJT7769

Place : Guwahati
Date : 04.08.2020



Years of Championing the Entrepreneurial Spirit of the North East

For and on behalf of the Board of Directors



(B.P. Muktieh)
Chairman and Managing Director
DIN: 00123561



(S.K. Baruah)
Chief Financial Officer



(V.K. Agarwal)
Company Secretary
M. No. A39584

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020



An ISO 9001:2015 Company

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations			
(i) Interest Income	16	94,85,11,662	95,13,71,481
(ii) Dividend Income		15,49,315	3,65,000
(iii) Rental Income	17	4,43,65,847	4,45,78,074
(iv) Fees and Commission Income	18	3,03,91,506	2,83,61,755
(v) Others	19	56,42,07,406	60,66,86,421
(I) Total Revenue from Operations		1,58,90,25,736	1,63,13,62,731
(II) Other Income	20	2,32,68,206	23,77,09,810
		2,32,68,206	23,77,09,810
(III) Total Income (I + II)		1,61,22,93,942	1,86,90,72,541
EXPENSES			
(i) Finance Costs	21	27,42,72,767	27,01,10,044
(ii) Employee Benefit Expenses	22	30,55,11,476	31,97,90,815
(iii) Depreciation, amortisation and impairment	8	2,82,56,498	3,26,13,576
(iv) Other Expenses	23	43,02,57,820	42,33,35,804
(IV) Total Expenses		1,03,82,98,561	1,04,58,50,239
(V) Profit / (Loss) before exceptional items and tax (III-IV)		57,39,95,381	82,32,22,302
(VI) Exceptional Items			
(VII) Profit / (Loss) before Tax (V-VI)		57,39,95,381	82,32,22,302
(VIII) Tax Expense			
Current Tax		16,37,18,750	19,35,51,241
Deferred Tax		5,59,55,984	36,46,915
(IX) Profit / (Loss) for the period (VII-VIII)		35,43,20,647	62,60,24,146
(X) Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income Tax relating to items that will not be reclassified to profit or loss			
Subtotal (A)			
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income Tax relating to items that will be reclassified to profit or loss			
Other Comprehensive Income (A + B)		-	-
(XI) Total Comprehensive Income for the period		35,43,20,647	62,60,24,146
Non Controlling Interest Profit / Loss		1,58,305	79,497
(XII) Total Comprehensive Income for the period		35,41,62,342	62,59,44,649
Earning per equity share of face value of Rs. 10 each	24		
Basic (Rs.)		3.54	6.26
Diluted (Rs.)		3.54	6.26
Significant accounting policies & notes thereon	1-35		

The accompanying notes are an integral part of the financial statements.

As per our Report of even date
For, M/s H.K.Agrawala and Associates
Chartered accountants
FRN 319293E

CA Himanshu Chowkhani
Partner
(M. No. 301901)
UDIN: 20301901AAAAJT7769

Place : Guwahati
Date : 04.08.2020

For and on behalf of the Board of Directors

(B.P. Muktieh)
Chairman and Managing Director
DIN: 00123561

(S.K. Baruah)
Chief Financial Officer

(V.K. Agarwal)
Company Secretary
M. No. A39584

**CONSOLIDATED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31.03.2020**

(Rs. Lakh)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cash flows from Operating activities		
Net profit before income tax	5,73,995	8,23,222
Adjustment for:		
Depreciation charge for the year	28,256	32,614
Loans Provisions & Write offs	2,96,490	2,85,954
Fixed Assets written off/Loss on sale	11	232
Profit / Loss on sale of Investments	(2,31,869)	(3,01,903)
Dividend received	(1,549)	(365)
Provision for Gratuity, Leave Encashment and LTC / LTA	18,772	40,913
Operating profit before working capital changes	6,84,107	8,80,666
Adjustments for:		
(Increase) / Decrease in Advances (Financial Assets)	(1,47,855)	6,52,328
(Increase) / Decrease in Other Financial Assets	(3,09,407)	(3,50,095)
(Increase) / Decrease in Non Financial Financial Assets	(2,20,879)	(71,635)
Increase / (Decrease) in Other Financial Liabilities	(7,45,531)	(76,64,022)
Cash Flow from operations	(7,39,565)	(65,52,758)
Direct Taxes paid (net of refund received)	(2,21,882)	(3,18,712)
Net cash flow / (used in) from operating activities	(9,61,447)	(68,71,470)
Cash flows from Investing activities		
(Increase) / Decrease in Investment in Subsidiaries	(50,300)	(1,64,675)
(Increase) / Decrease in Investment in Mutual Funds	(1,79,822)	(6,04,959)
(Increase)/Decrease in Capital Work in Progress	-	31,571
Purchase of fixed assets (net of sales)	(3,605)	(42,412)
Dividend Received	1,549	365
Profit / Loss on sale of Investments	2,31,869	3,01,903
Net cash flow / (used in) from Investing activities	(309)	(4,78,207)
Cash flows from Financing activities		
Dividend and Dividend Tax paid	(96,444)	(96,286)
Increase / (Decrease) in Borrowings (Financial Liabilities)	2,20,620	(22,741)
Increase / (Decrease) in Capital Reserves / Other Equity Funds	(9,041)	(15,424)
Increase / (Decrease) in Non-Financial Liabilities	16,925	35,71,422
Net cash flow / (used in) from financing activities	1,32,060	34,36,971
Net increase in cash and cash equivalents from Operating, Investing and Financing Activities	(8,29,696)	(39,12,706)
Add: Cash and cash equivalents at beginning of period	24,18,829	63,31,535
Cash and cash equivalents at end of period	15,89,133	24,18,829

Cash and cash equivalents consist of cash in hand and balances with banks, but excludes Fixed Deposits which are marked lien.



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020



Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cash in hand	134	239
<u>Balance at Bank</u>		
-With Scheduled Bank		
(i) In Current Account	12,29,539	22,85,083
(ii) In Fixed Deposits	3,50,000	50,000
<u>Balance (TEDF)</u>		
(a) With Scheduled Bank		
(i) In Current Account	9,460	33,506
(ii) In Fixed Deposits	-	50,000
(b) In units of mutual funds		
Grand Total	15,89,133	24,18,829

As per our Report of even date

For, M/s H.K.Agrawala and Associates
Chartered accountants
FRN 319293E

CA Himanshu Chowkhani
Partner
(M. No. 301901)
UDIN: 20301901AAAAJT7769

Place : Guwahati
Date : 04.08.2020

For and on behalf of the Board of Directors

(B.P. Muktieh)
Chairman and Managing Director
DIN: 00123561

(S.K. Baruah)
Chief Financial Officer

(V.K. Agarwal)
Company Secretary
M. No. A39584

**CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2020**

		No. of Shares	Amount (Rs.)							
A. Equity share capital:										
Equity shares of Rs. 10 each issued, subscribed and fully paid		10,00,00,007	1,00,00,00,070							
As at April 01, 2019		-	-							
Changes in Equity share capital										
As at March 31, 2020		10,00,00,007	1,00,00,00,070							
B. Other Equity:										
		Reserve and Surplus								
Particulars	North East Equity Fund	Statutory Reserve under RBI Act, 1934	Special Reserve created and maintained u/s 36(1)(iii) of the Income Tax Act, 1961	Venture Capital Fund	General Reserve	India Exposition Mart Stalls	Techno Economic Development Fund	CSR Reserve	Retained Earnings	Total Other Equity
As at April 01, 2019	6,11,08,582	1,31,67,91,118	1,06,01,07,042	12,36,91,404	4,27,34,96,971	1,61,17,726	39,20,18,632	26,09,629	12,90,15,644	7,37,49,57,748
Profit/ (Loss) for the year	-	7,07,76,985	6,32,20,864	23,39,040	(23,39,040)	(6,15,718)	(66,08,086)	-	35,41,62,342	35,41,62,342
Transfer to / from Retained Earnings	1,76,651	-	-	-	-	-	-	(26,09,629)	(13,39,97,849)	(96,56,782)
Dividend	-	7,07,76,985	6,32,20,864	23,39,040	(23,39,040)	(6,15,718)	(66,08,086)	(26,09,629)	22,01,64,493	34,45,05,560
Tax on Dividend	-	-	-	-	-	-	-	-	(8,00,00,000)	(8,00,00,000)
As at March 31, 2020	6,12,86,233	1,38,75,68,103	1,12,33,27,906	12,60,30,444	4,27,11,57,931	1,55,02,008	38,54,10,545	-	25,27,35,902	7,62,30,19,073

As per our Report of even date

For, M/s H.K.Agrawala and Associates

Chartered accountants

FRN 319293E



CA Himanshu Chowkhani

Partner

(M. No. 301901)

UDIN: 20301901AAAAAJT769

Place : Guwahati

Date : 04.08.2020

For and on behalf of the Board of Directors



(B.P. Muktieh)

Chairman and Managing Director

DIN: 00123561



(S.K. Baruah)

Chief Financial Officer



(V.K. Agarwal)

Company Secretary

M. No. A39584

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES



An ISO 9001:2015 Company

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES RELATING TO CONSOLIDATED FINANCIAL STATEMENTS

Company Information

North Eastern Development Finance Corporation Limited ("NEDFi" of the "Company") was incorporated in the year 1995. The Company is domiciled in India and is limited by shares, having its registered office at NEDFi House, G.S.Road, Guwahati-781006, Assam.

The Company is a Public Limited Company engaged in extending financial assistance in the form of term loans and implementing agency for various government initiatives and schemes, and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as a Loan Company.

These consolidated financial statements comprise the financial statements of the company and its subsidiaries (referred to collectively as "the group"). The group is primarily engaged in extending financial assistance in the north eastern region and implementing agency for various government initiatives and schemes. Other businesses include extending financial assistance under venture capital fund of the Company.

The Consolidated financial statements represents consolidation of accounts of the Company and its subsidiaries detailed below

Sl No.	Name of Company	Country of incorporation	Proportion of Ownership interest as on		Status of Audit as on 31.03.2020
			31.03.2020	31.03.2019	
1.	NEDFi Venture Capital Limited	India	98.8%	98.8%	Unaudited*
2.	NEDFi Trustee Limited	India	98.8%	98.8%	Unaudited*

* Audit under progress as on date of signing of this report.

A. Basis of Preparation

• Compliance with IND AS

The financial statements comply in all material aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The accounting policies are consistently followed by the Company and changes in accounting policy are separately disclosed.

• Historical Cost Convention

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 unaudited accounts 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 Ind AS 110 issued by the ICAI.

C. Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

D. Property, Plant & Equipment

Property, plant and equipment are stated at their cost of acquisition, installation or construction (net of any recoverable amount, wherever applicable) less accumulated depreciation, amortization and impairment losses if any, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the asset to working condition for its intended use.

Capital Work In Progress

Capital work in progress is carried at cost and includes any directly attributable cost incurred during construction period.

Depreciation

Depreciation on Property, Plant and Equipment 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 Rs. 1 Crore or more and whose life is assessed to be different has been recorded and depreciated separately. The identified components are depreciated over their assessed useful life.

E. Intangible Assets

An intangible asset is recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. The depreciate amount of an intangible asset is allocated over its estimated useful life. Expenditure on purchased software and IT related expenditure are written off over a period of five years.

F. Government Grants:

In terms of Ind AS 20 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.

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.

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

H. 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. 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.

Derecognition of financial assets

A financial asset is derecognised only when

The Company has transferred the rights to receive cash flows from the financial asset, or

Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

I. Financial liabilities

Initial recognition and measurement

The Company recognises all the financial liabilities on initial recognition at fair value minus, in the case of a financial liability not at fair value through Profit and Loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

All the financial liabilities are classified as subsequently measured at amortised cost, except for those measured at fair value through profit or loss.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

J. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, demand deposits with banks and other short-term highly liquid investments/deposits with an original maturity of three months or less.

K. Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

L. Revenue Recognition

- i) Interest income and charges on loan and other assistance portfolio is accounted for on accrual basis except where interest and/or instalment of principal is due for more than 90 days as on the date of Balance Sheet, as per RBI Prudential norms for income recognition applicable to banks / financial institutions. Interest income and other charges in respect of such loans is taken credit on actual receipt basis.
- ii) Upfront Fees, Loan Syndication Charges, Appraisal Fees are amortised over the period of loan. Dividend, and other miscellaneous receipts are accounted for on cash basis.
- iii) All other incomes and expenses except, interest on refund of tax or on demand tax, rates, taxes & insurance and CSR expenses are accounted for on accrual basis.
- iv) The income from Techno Economic Development Fund is accounted on cash basis except interest on fixed deposit which is appropriated to that account resulting in appreciation of fund.
- v) Management Fees are accounted on the basis of capital commitments received by funds as defined under the agreements entered into with respective funds.
- vi) Trusteeship Fees is charged as per contribution agreements executed with all investors.

M. 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.

N. 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.

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

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. Further, as per RBI Notification dated April 17, 2020 on the subject 'COVID Regulatory Package – Asset Classification and Provisioning', 5% provisioning has been made on eligible assets not downgraded due to relaxation of repayment upto 120 days instead of 90 days. Moreover, RBI vide their Notifications dated March 27, 2020 and May 23, 2020 have permitted to grant moratorium on payment of all installments falling due between March 1, 2020 and August 31, 2020. Accordingly, the Corporation has extended moratorium benefit to all units requesting for the same.

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.

O. 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.

P. 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.

Q. Dividends

Dividends paid (including dividend distribution tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders. The corresponding amount is recognised directly in equity.

R. Earnings per Share

The company reports basic and diluted earnings per share in accordance with Ind AS 33 – '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.

S. 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.

T. 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.

U. 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.

V. 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 2: CASH AND CASH EQUIVALENTS

	As at 31st March, 2020	As at 31st March, 2019
Cash in hand	1,33,619	2,39,119
Balance at Banks		
With Scheduled Banks		
- In Current Accounts	1,22,95,39,016	2,28,50,83,088
- In Fixed Deposits (with original maturity within 3 months)	35,00,00,000	5,00,00,000
	1,57,95,39,016	2,33,50,83,088
Balance at Banks (TEDF)		
With Scheduled Banks		
- In Current Accounts	94,60,262	3,35,06,401
- In Fixed Deposits (with original maturity within 3 months)	-	5,00,00,000
	94,60,262	8,35,06,401
	1,58,91,32,896	2,41,88,28,608

NOTE 3: BANK BALANCE OTHER THAN (A ABOVE)

	As at 31st March, 2020	As at 31st March, 2019
In Fixed Deposits pledged as Bank Guarantee against Consultancy assignments	93,26,886	61,44,500
In Fixed Deposits with original maturity more than 3 months	65,00,00,000	38,00,00,000
In Fixed Deposits with original maturity more than 3 months (TEDF)	14,50,00,000	13,50,00,000
In Fixed Deposits with original maturity more than 12 months (TEDF)	24,00,00,000	17,00,00,000
	1,04,43,26,886	69,11,44,500

NOTE 4: LOANS

	As at 31st March, 2020	As at 31st March, 2019
Term Loan to Staff (Secured, considered good)		
- Related Party	25,25,976	33,91,640
- Others	11,47,14,573	10,08,65,211
Term Loans (within India)		
- Public Sector		
Secured (Considered good)	2,00,00,000	2,00,00,000
- Others		
Secured (Considered Good)	8,18,70,97,924	7,36,66,69,833
Unsecured (Considered Good)	1,05,27,37,401	1,30,06,59,137
Doubtful	1,30,13,57,198	2,03,51,44,288
Term Loan (soft loan under NEEDS, within India)		
Secured (considered good)	3,60,192	5,21,936
Doubtful	18,17,705	19,94,356
	10,68,06,10,969	10,82,92,46,401

NOTE 4.1: LOAN PORTFOLIO CLASSIFICATION AND PROVISIONING*

Category	2019-20		2018-19	
	Loan Outstanding	Provisioning	Loan Outstanding	Provisioning
	₹	₹	₹	₹
Standard	9,262,013,222	68,036,523	8,689,845,262	47,979,095
Sub Standard	170,491,692	26,566,853	481,148,575	72,961,238
Doubtful	1,022,474,961	524,397,900	1,536,732,039	572,161,792
Loss	108,390,545	108,390,545	17,263,674	17,263,674
Total	10,563,370,420	727,391,821	10,724,989,550	710,365,799

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

NOTE 5: CURRENT INVESTMENTS

	As at 31st March, 2020	As at 31st March, 2019
MEASURED AT COST, INVESTMENT IN INDIA		
Investment in Mutual Funds		
HDFC Mutual Fund - Short Term Opportunities Fund (398,906.111 units, Value as on 31.03.2020 Rs 9,130,283/-)	90,00,000	90,00,000
LIC Mutual Fund - Savings Plus Fund (67,38,771.522 units, Value as on 31.03.2019 Rs 20,12,45,999/-)	-	20,00,00,000
UTI Overnight Fund (267,196.795 units, Value as on 31.03.2020 Rs 730,541,370/-)	73,00,00,000	-
HDFC Ultra Short Term Fund (115,545.561 units, Value as on 31.03.2020 Rs 451,391,571/-)	45,00,00,000	25,02,88,840
Reliance Ultra Short Duration Fund (167,626.157 units, Value as on 31.03.2019 Rs 51,22,97,200/-)	-	51,00,00,000
Reliance Low Duration Fund (183,898.637 units, Value as on 31.03.2020 Rs 519,121,890/-)	51,73,38,808	-
SBI SDFS C-45 92 Days (8,000,000 units, Value as on 31.03.2019 Rs 8,05,38,400/-)	-	8,00,00,000
SBI SDFS C-15 91 Days (11,945,274.147 units, Value as on 31.03.2019 Rs 12,76,46,005/-)	-	12,67,74,000
UTI Ultra Short Term Fund (204,551.887 units, Value as on 31.03.2019 Rs 64,20,22,467/-)	-	64,00,00,000
UTI Fixed Income Interval Fund (4,793,595.756 units, Value as on 31.03.2019 Rs 12,07,76,563/-)	-	12,00,00,000
UTI Ultra Short Term Fund (TEDF) (9,625.059 units, Value as on 31.03.2020 Rs 31,141,294/-)	3,00,00,000	3,00,00,000
SBI Liquid Fund (160,754.740 units, Value as on 31.03.2019 Rs 47,07,81,509/-)	-	47,00,00,000

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 5: CURRENT INVESTMENTS

	As at 31st March, 2020	As at 31st March, 2019
SBI Overnight Fund <i>(110,661.266 units, Value as on 31.03.2020 Rs 360,060,487/-)</i>	36,00,00,000	-
UTI Mutual Fund - Fixed Term Income Plan (TEDF) <i>(2,604,454.205 units, Value as on 31.03.2020 Rs 26,222,947/-)</i>	2,60,44,543	2,60,44,543
UTI Mutual Fund - Money Market Mutual Fund (TEDF) <i>(4,087.728 units, Value as on 31.03.2020 Rs 9,269,974/-)</i>	60,46,923	60,46,923
Aditya Birls Sun Life Low Duration Fund-Growth Direct Plan <i>(471,123.875 units, Value as on 31.03.2020 Rs 150,552,016/-)</i>	15,00,00,000	20,00,00,000
ICICI Prudential Mutual Fund- Corporate Bond Fund <i>(12,706,393.173 units, Value as on 31.03.2019 Rs 25,15,29,406/-)</i>	-	25,02,93,074
ICICI Prudential Ultra Short Term Fund <i>(1,536,942.461 units, Value as on 31.03.2020 Rs 451,525,415/-)</i>	45,00,00,000	-
DSP Blackrock Low Duration Fund <i>(162,525.746 units, Value as on 31.03.2020 Rs 461,689,162/-)</i>	46,00,00,000	30,00,00,000
Kotak Mutual Fund -Savings Fund <i>(99,927.196 units, Value as on 31.03.2020 Rs 401,194,611/-)</i>	40,00,00,000	19,01,61,133
Investment in Equity Instruments		
Quoted		
Premier Cryogenics Limited <i>Quoted at cost ((Fair value Rs 2,03,48,000/- - Not traded - 2019-20) (200000 shares of Rs 10/- each)</i>	20,00,000	20,00,000
Unquoted		
Gauhati Neurological Research Centre Limited <i>(Unquoted at cost 250,000 shares @ 10/- per share, fair value Rs 11,217,500/-)</i>	25,00,000	25,00,000
Konoklota Mahlla Urban Co-Op Bank Ltd. <i>(Unquoted at cost 5,000 shares @ 100/- per share, fair value Rs 1,376,950/-)</i>	5,00,000	5,00,000
RGVN (North East) Microfinance Ltd. <i>(Unquoted at cost 3,000,000 Equity Shares @ 10/- per share, fair value Rs 13,04,40,000/-)</i>	3,00,00,000	3,00,00,000
Nightingale Finvest Pvt. Ltd. <i>(Unquoted 665,000 Equity Shares of 10/- per share, fair value Rs 1,04,87,050/-)</i>	50,00,000	50,00,000
YVU Financial Services Pvt. Ltd. <i>(Unquoted 50,000 Equity Shares of 100/- per share, fair value Rs 70,99,000/-)</i>	50,00,000	50,00,000

NOTE 5: CURRENT INVESTMENTS

	As at 31st March, 2020	As at 31st March, 2019
Grameen Development & Finance Pvt. Ltd. <i>(Unquoted 500,000 Equity Shares of 10/- per share, fair value Rs 61,75,000/-)</i>	50,00,000	50,00,000
Investment In Preference Shares		
Ajagar Finance Private Limited <i>(500000 optionally convertible preference shares of Rs.10/- each)</i>	50,00,000	50,00,000
Grameen Development & Finance Pvt. Ltd. <i>(2000000 optionally convertible preference shares of Rs.10/- each)</i>	2,00,00,000	2,00,00,000
Nightingale Finvest Pvt. Ltd. <i>(2000000 optionally convertible preference shares of Rs.10/- each)</i>	2,00,00,000	2,00,00,000
YVU Financial Services Private Limited <i>(1000000 optionally convertible preference shares of Rs.10/- each)</i>	1,00,00,000	-
SATRA Development Pvt Ltd <i>(500000 optionally convertible preference shares of Rs.10/- each)</i>	50,00,000	-
Investment In Associates	-	-
North East Venture Fund <i>(2300 units, Value as on 31.03.2020 Rs 20,29,45,082/-)</i>	22,99,75,000	19,46,75,000
	3,92,84,05,274	3,69,82,83,513

	As at 31 March, 2020		As at 31 March, 2019	
	Amount (₹)	Market Value (₹)	Amount (₹)	Market Value (₹)
Aggregate amount of quoted investments and market value thereof	3,590,430,274	3,822,188,020	3,410,608,513	3,447,151,516
Aggregate amount of unquoted investments	338,963,000	NA	288,663,000	NA
Aggregate provision for diminution in value of investments	-	-	-	-

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 6: OTHER FINANCIAL ASSETS

	As at 31st March, 2020	As at 31st March, 2019
Interest Receivable on Loans & Advances	1,20,33,632	6,47,56,870
Interest Receivable on Fixed Deposits	2,70,39,752	2,19,10,255
Interest Receivable on Fixed Deposits (TEDF)	2,46,92,479	2,66,39,228
Interest Receivable on Staff Housing Loan	2,69,84,014	2,25,45,529
Advances to Others	5,29,601	7,61,988
Advances to Staff	24,74,295	5,24,567
Consultancy Charges Receivable	3,19,30,508	2,94,15,694
Earnest Money Deposit	40,99,092	28,90,902
Rent and Other Charges Receivable	54,47,014	96,84,230
Security Deposits		
Unsecured (Considered good)	21,66,676	20,43,149
	13,73,97,063	18,11,72,411

NOTE 7: CURRENT TAX ASSETS(NET)

	As at 31st March, 2020	As at 31st March, 2019
Advance Payment of Income tax & TDS	25,37,79,464	31,87,11,517
Less: Provision for Income Tax	16,37,18,750	19,35,51,241
	9,00,60,714	12,51,60,276

**NOTES ON CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020**

NOTE: 8A - PROPERTY PLANT AND EQUIPMENT

Sl. No.	Particulars	Gross Block			Depreciation/Amortisation			Net Block		
		As on 01.04.2019	Addition during the period	Deduction during the period	As on 31.03.2020	Upto 01.04.2019	During the period	Upto 31.03.2020	As on 31.03.2020	As on 31.03.2019
1	Land									
	Freehold Land at Dispur	1,69,69,592	-	-	1,69,69,592	-	-	-	1,69,69,592	1,69,69,592
	Freehold Land at Khanapara	9,24,00,000	-	-	9,24,00,000	-	-	-	9,24,00,000	9,24,00,000
2	Building *									
	Head Office Building	19,27,76,520	-	-	19,27,76,520	6,76,67,590	60,95,389	7,37,62,973	11,90,13,547	12,51,09,930
	Office at Agartala	1,43,67,130	-	-	1,43,67,130	20,47,983	5,99,942	26,47,925	1,17,19,205	1,23,19,147
	RCC Bridge	15,78,377	-	-	15,78,377	-	-	15,78,377	-	-
3	Plant & Equipments									
	Air Conditioning System	4,47,06,006	-	-	4,47,06,006	3,35,49,692	21,16,314	3,56,66,006	90,40,000	1,11,56,314
	Electrical Installation	2,64,12,736	-	-	2,64,12,736	2,41,83,980	7,03,926	2,49,87,906	15,24,830	22,28,756
	Fire Alarm System	36,73,341	-	-	36,73,341	29,51,390	1,40,275	30,91,665	5,81,676	7,21,951
	Lift	79,56,378	-	-	79,56,378	63,92,650	3,03,832	66,96,482	12,59,896	15,63,728
	Machineries	88,63,243	1,97,970	-	90,61,213	71,17,427	3,02,964	74,20,391	16,40,822	17,45,816
	UPS System	14,90,229	-	-	14,90,229	14,15,718	-	14,15,718	74,511	74,511
	Water Installation System	20,21,114	-	-	20,21,114	12,75,908	60,642	13,36,550	6,84,564	7,45,206
	Computers	2,63,46,418	29,43,807	17,41,764	2,75,48,461	2,20,30,076	34,50,483	2,38,20,079	37,28,382	43,16,340
	Solar Panels	31,18,999	-	-	31,18,999	7,97,931	7,24,870	15,22,801	15,96,198	23,21,068
4	Furniture & Fixtures									
	Furniture & Fixtures (HO)	1,33,48,886	89,308	-	1,34,72,274	1,07,00,402	4,94,650	1,11,95,052	22,77,222	26,88,484
	Interior Furnishings & Fittings	11,06,84,439	-	-	11,06,84,439	8,98,74,268	65,77,558	9,64,51,826	1,42,33,614	2,08,10,171
5	Vehicle	14,62,224	-	-	14,62,224	13,89,113	-	13,89,113	73,112	73,112
6	Office Equipments	89,10,516	4,53,824	75,545	92,88,795	78,39,534	4,60,935	82,22,702	10,66,094	10,76,982
	Total - A	57,71,26,148	36,78,989	18,17,309	57,89,87,828	28,08,06,041	2,20,31,774	17,32,249	30,11,05,566	29,63,20,107

NOTE: 8B - PROPERTY PLANT AND EQUIPMENT - INTANGIBLE ASSETS

Sl. No.	Particulars	Gross Block			Depreciation/Amortisation			Net Block		
		As on 01.04.2019	Addition during the period	Deduction during the period	As on 31.03.2020	Upto 01.04.2019	During the period	Upto 31.03.2020	As on 31.03.2020	As on 31.03.2019
1	Computer Software	3,42,02,210	-	-	3,42,02,210	34,20,221	68,40,442	1,02,60,663	2,39,41,547	3,07,81,989
	Total Intangible Assets (B)	3,42,02,210	-	-	3,42,02,210	34,20,221	68,40,442	1,02,60,663	2,39,41,547	3,07,81,989
	Total Assets (A+B)	61,13,28,358	36,78,989	18,17,309	61,31,90,038	28,42,26,262	2,88,72,216	17,32,249	30,18,23,812	32,71,02,096
	Previous Year Figures	57,04,87,952	4,24,65,670	16,25,264	61,15,28,358	25,23,05,326	3,32,60,746	13,39,813	32,71,02,099	31,81,82,626
	Capital Work in Progress								72,000	72,000

8C * Building includes Rs 199,51,364/- (previous year Rs 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.

8D On transition to IND AS, NEDFI has elected to continue with the carrying value of all of its property, plant & equipment recognised at gross block as at 1st April, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 9: OTHER NON FINANCIAL ASSETS

	As at 31st March, 2020	As at 31st March, 2019
Income Tax Refundable	17,45,46,773	8,25,33,997
GST Input Tax Credit	3,45,607	1,65,617
TDS on GST	1,61,343	94,212
	17,50,53,723	8,27,93,826

NOTE 10: BORROWINGS

	As at 31st March, 2020	As at 31st March, 2019
Term Loan (Unsecured) from Others, amortised at cost		
Interest free loan from Government of India *	4,45,19,02,019	4,22,62,12,912
Interest free loan from Government for Venture	21,74,02,858	20,46,14,455
Loan from National Backward Classes Finance & Development Corporation (NBCFDC)** (6th Loan)	-	1,78,57,137
	4,66,93,04,877	4,44,86,84,504

Notes

* The Corporation has been availing Interest Free Unsecured Loans from Govt of India and the same has to be repaid after 15 years from the date of receipt of Instalment. The interest rate considered for discounting of Interest free Government loan repayable at maturity is that of 6.25% Government Bonds.

** Loan from NBCFDC was Rs 63 Crore taken on various occasions, out of which Rs 61.21 Crore has already been repaid.

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

NOTE 11: OTHER FINANCIAL LIABILITIES

	As at 31st March, 2020	As at 31st March, 2019
Sundry Creditors for Expenses	2,53,64,427	3,89,69,172
Sundry Creditors for Capital Expenditures	9,69,200	10,57,360
Notional Interest	2,63,66,52,261	2,55,21,29,797
Undisbursed Central Subsidies	30,43,78,213	1,34,91,84,750
Security Deposit	99,03,125	93,79,920
Other Liabilities	61,64,20,591	59,95,19,176
Upfront Fees Received in Advance	9,94,58,236	9,54,88,325
NE Trade Expo	43,768	43,768
NEVT	-	4,500
MEFC R&D Training Fund	16,28,187	16,28,187
	3,69,48,18,007	4,64,74,04,955

NOTE 12: PROVISIONS

	As at 31st March, 2020	As at 31st March, 2019
Provision for Loan Commitment		
Provision for Standard Assets	6,80,36,423	4,79,74,096
Floating Provision against Advances	2,00,00,000	2,00,00,000
Provision Against Sub Standard Assets	2,65,66,853	7,29,60,350
Provision Against Doubtful Assets	52,42,05,275	57,21,27,792
Provision Against Loss Assets	10,84,06,519	1,72,27,865
Provision for Diminution in Fair Value of Restructured Advance	31,29,000	31,29,000

NOTE 12: PROVISIONS

	As at 31st March, 2020	As at 31st March, 2019
Provisions for employee benefits		
- Gratuity	2,17,34,088	2,21,50,967
- Leave Encashment	8,94,66,626	8,51,03,960
-Leave Travel Concession / Allowance	93,30,434	93,30,434
	87,08,75,218	85,00,04,464

NOTE 13: DEFERRED TAX LIABILITIES

	As at 31st March, 2020	As at 31st March, 2019
Deferred Tax Asset		
Relating to Provisions	24,29,14,907	27,78,12,529
	24,29,14,907	27,78,12,529
Deferred Tax Liability		
Relating to Fixed Assets	43,20,865	16,72,418
Relating to Special Reserve	32,71,13,086	30,87,03,171
	33,14,33,951	31,03,75,589
	8,85,19,044	3,25,63,060

NOTE 14: SHARE CAPITAL

	As at 31st March, 2020	As at 31st March, 2019
AUTHORISED		
50,00,00,000 Equity Shares of Rs. 10/- each (Previous Year: 50,00,00,000 Equity Shares of Rs. 10/- each)	5,00,00,00,000	5,00,00,00,000
	5,00,00,00,000	5,00,00,00,000
10,00,00,007 Equity Shares of Rs. 10/- each (Previous Year: 10,00,00,007 Equity Shares of Rs.10/- each)	1,00,00,00,070	1,00,00,00,070
	1,00,00,00,070	1,00,00,00,070
PAID UP		
10,00,00,007 Equity Shares of Rs.10/- each (Previous Year: 10,00,00,007 Equity Shares of Rs. 10/- each)	1,00,00,00,070	1,00,00,00,070
	1,00,00,00,070	1,00,00,00,070

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Equity Shares	No. of Shares	No. of Shares
At the beginning of the year (No. of Shares)	10,00,00,007	10,00,00,007
Issued during the year	-	-
Outstanding at the end of the year	10,00,00,007	10,00,00,007

b) Terms/Rights attached to Equity Shares

i) The company has only one class of Equity Shares having par value of Rs. 10 per share. Each holder of Equity Shares is entitled to vote one per share.

ii) In the event of liquidation of the company, the holders of the Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

iii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

c) The detail of shareholder's holding more than 5% of Shares

Name of the shareholders	No. of Shares % of holding	No. of Shares % of holding
i. IDBI Bank Limited	2,50,00,002 25%	2,50,00,002 25%
ii. Life Insurance Corporation of India	1,50,00,001 15%	1,50,00,001 15%
iii. State Bank of India	1,50,00,001 15%	1,50,00,001 15%
iv. Industrial Finance Corporation of India	1,00,00,001 10%	1,00,00,001 10%
v. ICICI Ltd.	1,00,00,001 10%	1,00,00,001 10%
vi. Small Industries Development Bank of India	1,00,00,000 10%	1,00,00,000 10%
vii. Administrator of Specified Undertaking of Unit Trust of India	1,00,00,001 10%	1,00,00,001 10%

NOTES 14.1: As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial owner.

NOTE 15: OTHER EQUITY

	As at 31st March, 2020	As at 31st March, 2019
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	(18,17,702)	(19,94,353)
	6,12,86,233	6,11,09,582
(b) Statutory Reserve under RBI Act, 1934		
Opening Balance	1,31,67,91,118	1,19,30,99,204
Add: Transferred from P/L Account	7,07,76,985	12,36,91,914
	1,38,75,68,103	1,31,67,91,118
(c) Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961		
Opening Balance	1,06,01,07,042	99,18,28,318
Add: Transferred from P/L Account	6,32,20,864	6,82,78,724
	1,12,33,27,906	1,06,01,07,042
(d) Venture Capital Fund:		
Fund Balance	12,36,91,404	12,09,62,524
Add: Transferred from General Reserve *	23,39,040	27,28,880
	12,60,30,444	12,36,91,404
(e) General Reserve		
Opening balance	4,27,34,96,971	4,01,62,25,851
Add: Transferred from surplus in Statement of Profit and Loss	-	26,00,00,000

NOTE 15: OTHER EQUITY

	As at 31st March, 2020	As at 31st March, 2019
Less: Utilised / transferred during the year for: Others : Transferred to Venture Capital Fund	(23,39,040)	(27,28,880)
	4,27,11,57,931	4,27,34,96,971
(f) India Exposition Mart Stalls		
Opening balance	1,61,17,726	1,67,64,896
Add: Additions / transfers during the year		
Less: Utilisations / transfers during the year	(6,15,718)	(6,47,170)
	1,55,02,008	1,61,17,726
(g) Techno Economic Development Fund		
Opening balance	39,20,18,632	40,75,17,890
Add: Additions / transfers during the year	3,03,16,092	3,81,60,217
Less: Utilisations / transfers during the year	(3,69,24,178)	(5,36,59,475)
	38,54,10,545	39,20,18,632
(h) CSR Reserve		
Opening balance	26,09,629	26,09,629
Add: Additions / transfers during the year		
Less: Utilisations / transfers during the year	(26,09,629)	
	-	26,09,629
Retained Earnings		
Balance as per last Balance Sheet	12,90,15,644	5,13,28,033
Profit for the Period	35,41,62,342	62,59,44,649
<i>Other comprehensive income</i>		
Remeasurements of post-employment benefit obligations (net of tax)	-	-
Less: Appropriations		
Transferred to General Reserve	-	(26,00,00,000)
Dividend Paid	(8,00,00,000)	(8,00,00,000)
Tax on Dividend	(1,64,44,235)	(1,62,86,400)
Transferred to Statutory Reserve under RBI Act, 1934	(7,07,76,985)	(12,36,91,914)
Transferred to Special Reserve	(6,32,20,864)	(6,82,78,724)
	25,27,35,902	12,90,15,644
TOTAL OTHER EQUITY	7,62,30,19,073	7,37,49,57,748

NOTE 15.1 : NATURE AND PURPOSE OF RESERVES

* 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 Investments

NOTE 16: INTEREST INCOME

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
Interest on loans	90,12,54,745	92,34,41,042
Interest on Fixed Deposits and Bonds	4,72,56,917	2,79,30,439
	94,85,11,662	95,13,71,481

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 17: RENTAL INCOME

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
Rent Received	2,89,68,612	2,87,84,116
Maintenance Charges	1,20,79,320	1,20,00,248
Hall Charges	33,17,915	37,93,710
	4,43,65,847	4,45,78,074

NOTE 18: FEE AND COMMISSION INCOME

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
Upfront Fees	2,90,28,689	2,39,77,163
Prepayment Charges	13,62,817	43,84,592
	3,03,91,506	2,83,61,755

NOTE 19: OTHER OPERATING INCOME

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
Net gain from sale of Investments (other than trade investments)	23,18,69,030	30,19,03,404
Consultancy Fees	2,69,77,739	2,27,20,064
Management Fees	3,12,50,000	1,50,00,000
Trusteeship Fees	3,00,000	3,00,000
Deferred Interest	27,38,10,638	26,67,62,953
	56,42,07,406	60,66,86,421

NOTE 20: OTHER NON OPERATING INCOME

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
Miscellaneous Receipts	79,24,140	1,14,47,199
Bad Loans & Advances Recovered	1,53,44,066	22,62,62,611
	2,32,68,206	23,77,09,810

NOTE 21: FINANCIAL COSTS

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
Interest on Borrowngs		
- NBCFDC	4,54,622	11,94,924
- NSCFDC	7,507	60,082
- SIDBI	-	20,92,085
Notional Interest on Government Loan	27,38,10,638	26,67,62,953
	27,42,72,767	27,01,10,044

NOTE 22: EMPLOYEE BENEFIT EXPENSES

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
Salaries & Wages		
Salaries (Director)	57,72,386	50,41,618
Salaries (Others)	23,56,18,901	21,28,01,235
Leave Travel Concession / Allowance	93,59,963	1,95,90,654
Leave Encashment	1,64,15,637	2,12,98,577
Contribution to Provident and other Funds		
Employer's Provident Fund	1,71,91,093	2,27,53,036
Medical Reimbursement	60,49,150	62,69,920
Staff Welfare Expenses		
House Rent	17,07,566	(9,21,034)
Recruitment / Relocation Expenses	13,89,873	24,28,843
Gratuity	23,55,870	1,96,14,284
Staff Welfare	96,51,037	1,09,13,682
	30,55,11,476	31,97,90,815

Note 22.1: 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	54,636,123.00	36,020,868.00	85,103,960.00	73,988,898.00
Current Interest Cost	4,245,227.00	2,773,607.00	6,612,578.00	5,697,145.00
Past Service Cost	-	17,347,113.00	-	-
Current Service Cost	2,810,992.00	2,703,435.00	5,405,991.00	5,666,841.00
Benefit Paid	-	-	(21,298,577.00)	(8,311,688.00)
Actuarial (Gain) / Loss	(3,369,333.00)	(4,208,900.00)	13,642,674.00	8,062,764.00
Closing benefit obligation	58,323,009.00	54,636,123.00	89,466,626.00	85,103,960.00

ii. Change in Plan Assets				
Opening Fair Value of Plan Assets	32,485,156	26,120,583	-	-
Expected Return on Plan Assets	2,524,097	2,089,647	-	-
Contribution	1,816,469	4,405,146	21,298,577	8,311,688
Benefit paid	-	-	(21,298,577)	(8,311,688)
Actuarial Gain / (Loss)	(236,800)	(130,220)	-	-
Closing Fair Value of Plan Assets	36,588,922	32,485,156	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

iii. Reconciliation of present value of obligation and fair value of plan assets				
Closing present value of obligation	58,323,009	54,636,123	89,466,626	85,103,960
Closing fair value of plan assets	36,588,922	32,485,156		
Deficit / (surplus)	(21,734,087)	(22,150,967)	(89,466,626)	(85,103,960)
Net Liability / (Asset)	21,734,087	22,150,967	89,466,626	85,103,960
Net Liability recognised in Balance Sheet	21,734,087	22,150,967	89,466,626	85,103,960

iv. Net Cost recognized in Profit & Loss Account				
Current Service cost	2,810,992	2,703,435	5,405,991	5,666,841
Past Service cost	-	17,347,113	-	-
Interest Cost	4,245,227	2,773,607	6,612,578	5,697,145
Expected return on plan assets	(2,524,097)	(2,089,647)	-	-
Net Actuarial (Gain) / Loss recognized	(3,132,533)	(4,078,680)	13,642,674	8,062,764
Expenses recognized in Profit & Loss Account	1,399,589	16,655,828	25,661,243	19,426,750

v. Reconciliation of opening and closing net liability recognized in Balance Sheet				
Opening Net Liability	22,150,967	9,900,285	85,103,960	73,988,898
Expenses recognized in Profit & Loss Account	1,399,589	16,655,828	25,661,243	19,426,750
Benefit paid by Corporation	-	-	(21,298,577)	(8,311,688)
Contribution paid	(1,816,469)	(4,405,146)	-	-
Closing Net Liability	21,734,087	22,150,967	89,466,626	85,103,960

vi. Investments under Plan Assets of Gratuity and Leave Encashment as on 31st March, 2018 are as under:

Category of Plan Assets	Gratuity		Leave Encashment	
	% of Plan Assets		% of Plan Assets	
Funds managed by LIC	100%		-	

vii. Principal Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	Current Year (₹)	Previous Year (₹)	Current Year (₹)	Previous Year (₹)
Discount Rate	6.71%	7.77%	6.71%	7.77%
Rate of increase in compensation levels	3.00%	5.00%	3.00%	5.00%
Rate of return on Plan Assets	7.77%	8.00%	-	-

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

The estimates for increase in compensation levels of the employees of the Corporation was hitherto taken @ 5% p.a. However, on review the actuary observed that the average increase comes out @ 3% approx. Hence, the calculation for actuarial valuation has been done considering increase in compensation levels @ 3% for the current year.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The employees of the Corporation are covered by Provident Fund to which the Corporation makes a defined contribution measured as a fixed percentage of basic salary. The Provident Fund plan is administered by the Regional Provident Fund. As such, there does not arise any interest shortfall. During the year an amount of Rs 171.91 Lac (Previous Year Rs 227.53 Lac) has been charged to Profit & Loss Account including arrears.

NOTE 23: OTHER EXPENSES

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
<u>Rent, Taxes and Energy Cost</u>		
Electricity Charges & Electrical Expenses	43,61,048	50,62,642
Rent	47,02,056	44,15,382
GST Expenses	65,27,885	54,32,110
Licence & Registration Fees	19,44,007	13,46,132
<u>Repairs & Maintenance</u>		
Repairs & Maintenance (Machine)	59,33,499	49,30,252
Repairs & Maintenance (Security Service Charges & Others)	3,18,94,019	2,52,68,716
Software Maintenance Expenses	40,28,482	26,90,549
<u>Communication Costs</u>		
Telephone Charges & Postage	24,63,547	27,38,862
<u>Printing & Stationery</u>	20,77,137.00	23,72,675.00
<u>Advertisement & Publicity</u>		
Advertisement Expenses	1,60,733	2,79,912
Business Facilitation Centre Expenses	18,99,723	17,64,060
Business Promotion	29,78,228	17,99,680
<u>Director's Fees, allowances and Expenses</u>		
Travelling Expenses (Director)	89,731	1,92,335
BOD Meeting Expenses	29,41,963	45,91,204
<u>Auditor's Fees and Expenses</u>		
Tax Audit Fees	42,000	48,000
Statutory Audit Fees	2,84,000	2,20,000
<u>Legal & Professional Fees and Expenses</u>	95,96,349	1,16,57,687
<u>Insurance charges</u>	7,72,450	9,25,873
<u>Other Expenses</u>		
Audit Expenses	3,92,775	8,29,008
Advisory Expenses	-	10,00,000
Bank charges	1,54,832	55,887
Books & Periodicals	2,50,591	3,05,060
Car hire Expenses	56,08,399	62,27,006
Consultancy Expenses	79,91,216	1,44,44,507
Conveyance	8,65,262	3,78,579
Demat Charges	-	53,334
Honarium	-	34,000
India Exposition Mart Expenses	7,56,045	6,27,895
Miscellaneous Expenses	1,05,711	1,45,648

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 23: OTHER EXPENSES

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
Mission Organic Expenses	1,66,502	2,58,863
Reimbursement of Expenses	-	41,292
Research & Developmental Expenses (net)	1,03,98,165	1,08,87,686
Seminar & Conference Expenses	13,67,788	8,94,962
Training Expenses	22,37,331	12,75,079
Travelling Expenses (Others)	44,39,931	56,23,033
Internal Audit Fees	3,24,888	2,92,953
Loss on sale / disposal of assets (net)	11,460	2,32,157
Provisions and Write Off	29,64,90,067	28,59,53,842
CSR Expenses	1,60,00,000	1,80,38,941
	43,02,57,820	42,33,35,804

NOTE 23.1: PROVISIONS AND WRITE OFFS

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
Provisions		
Provision on Standard / Non Performing Assets	17,101,618	(130,745,986)
Provision on Diminution in Fair Value of Restructured Advance	-	-
Write Offs		
Bad Loans & Advances	279,388,449	416,699,828
Total	296,490,067	285,953,842

NOTE 23.2: CSR EXPENSES

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
Skill & Market Development Expenses	16,000,000	18,038,941
	16,000,000	18,038,941

NOTE 23.3:

a. Gross amount required to be spent: Rs 18,600,000/-. 2% of the average profit of last three financial years i.e. 2% of Rs 78,66,93,430/- = Rs 1,57,33,869/-. The Corporation has spent Rs 1,86,09,629/- on CSR. The excess amount of Rs.26,09,629/- has been adjusted with CSR Reserve.

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	16,000,000	-	16,000,000

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, if any, have been netted off from the CSR expenses.

**NOTES ON CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020**

NOTE 24: EARNINGS PER SHARE

	As at the end of 31st March, 2020	As at the end of 31st March, 2019
The following table reconciles the numerators and denominators used to calculate Basic and Diluted Earning per Share for the year ended 31st March 2020.		
Particulars		
(a) Profit/(Loss) Attributable to Equity Shareholders	35,41,62,342	62,59,44,649
(b) The weighted average number of Equity Share of Basic EPS	10,00,00,007	10,00,00,007
(c) The weighted average number of Equity Share of Diluted EPS	10,00,00,007	10,00,00,007
(d) Nominal value per Ordinary Share (₹)	10.00	10.00
(e) Earnings Per Share - Basic (₹)	3.54	6.26
(f) Earnings Per Share - Diluted (₹)	3.54	6.26

NOTE 25: RELATED PARTY DISCLOSURES

As per IND AS – 24, the disclosures of transactions with the related parties are given below:

A. List of Related Parties are as under:

Key Management Personnel	Mr. B.P. Muktieh	Chairman & Managing Director
	Mr. S.K. Baruah	Executive Director & CFO
	Mr. V.K. Agarwal	DGM & Company Secretary
	Mr. S K Tandon	Nominee Director (SBI)
	Mr. Dinesh Bhagat	Nominee Director (LIC)
	Mr. Bhaskar Jyoti Sarma	Independent Director
	Mr. Sanjay Kumar Pai	Independent Director
	Dr. Natalie West Kharkongor	Independent Director
	Mr. S. Chaudhuri	Nominee Director (IDBI)
	Mr. Ramganning Muivah	Director
	Mr. Indevvar Pandey	Director
	Mr. Manoj Kumar	Director
	Mrs. Olee Bora	Director
Subsidiaries	NEDFI Trustee Limited	
	NEDFI Venture Capital Limited	
Associates	North East Venture Fund	
Trusts / Funds under control of the Company	North East Society for Handicraft Incubation and Livelihood Promotion (NE SHILP)	

B. Transaction with Related Parties during the year:

Particulars	31st March, 2020	31st March, 2019
Key managerial personnel		
Short Term Employee Benefits		
-Mr. B.P. Muktieh	67,87,652/-	92,22,259/-
-Mr. S.K. Baruah	54,55,024/-	81,67,830/-
-Mr. V.K. Agarwal	44,44,857/-	49,07,707/-
-Mrs. Olee Bora	45,69,661/-	65,75,424/-
Repayment/ Recovery of loans and advances		
-Mr. B.P. Muktieh	1,25,183/-	3,75,516/-
-Mr. S.K. Baruah	7,78,986/-	5,71,688/-
-Mr. V.K. Agarwal	1,99,788/-	3,34,795/-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020



Director's Sitting Fees	23,00,000/-	26,70,000/-
Subsidiaries		
NEDFi Venture Capital Limited -Receivable towards salary payments	1,46,96,080/-	51,28,732/-
Associates		
Investment in North East Venture Fund	3,53,00,000/-	11,96,75,000/-
Trusts / Funds under control of the Company		
NE SHILP -Payment towards purchase of craft products	33,490/-	77,530/-

C. Outstanding Balance with Related Parties:

Particulars	31 st March, 2020	31 st March, 2019
Key managerial personnel		
Loans & Advances		
-Mr. B.P. Muktieh	Nil	1,16,660/-
-Mr. S.K. Baruah	19,80,148/-	2,55,41,56/-
-Mr. V.K. Agarwal	5,45,828/-	7,20,824/-
Subsidiaries		
-Receivable from NEDFi Venture Capital Limited	1,46,96,080/-	51,28,732/-
Trusts / Funds under control of the Company		
-Receivable from NE SHILP	10,47,463/-	Nil

Note 26: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	(Rs. in crore)	
	2019-2020	2018-2019
i) Contingent liabilities		
Other money for which company is contingently liable.	13.64	13.64
ii) Commitments		
Other commitments (loan sanctioned but not disbursed)	376.53	173.94

- Claims against the Corporation not acknowledged as debt since the Corporation does not expect the outcome of the claims to have material adverse effect:
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 Rs. 376.53 Crore, which shall be disbursed in due course, subject to compliance of requisite formalities.
- The service tax department had raised a demand of Rs.1.97 Crore towards short payment of service tax (Rs. 1.10 Crore), non-payment of service tax on pre-payment charges (Rs. 0.12 Crore) and interest amount of Rs.0.75 Crore. The Corporation had already deposited Rs.1.75 Crore under protest and debited the same in the profit and loss account. The Addl. Commissioner, CGST & CX, Guwahati passed an Order upholding the payment of service tax and interest thereon. However, he refrained from imposing the penalty proposed by the Audit Commissionerate. The Corporation then filed an appeal with the Commissioner (Appeals) against the Order of the Addl. Commissioner, CGST & CX, Guwahati. However, there was a delay in filing the appeal due to unavoidable reasons and condonation was sought from the Commissioner (Appeals). The Commissioner (Appeals), however did not condone the delay and rejected the appeal as time barred. Being aggrieved, the Corporation has filed an appeal with the Hon'ble CESTAT. Based on the submissions, the Corporation is

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2020

confident that the Hon'ble CESTAT will dispose off the case in favour of the corporation. Hence, no provision has been made in the books of accounts for the balance amount.

- d. The DIPP had raised a demand of Rs. 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 27: 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 Other Financial liabilities to the extent of undisbursed amount.

Note 28: Special Reserve has been created and maintained in terms of section 36 (1) (viii) of the Income Tax Act, 1961.

Note 29: The Provisioning Coverage Ratio of the Corporation is 52.2% (Previous Year 34%).

Note 30: 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 Rs. 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 Ind AS 108, the segment reporting is as under:

		(Rs. in Crore)	
1.	Segment Revenue	2019-20	2018-19
	Lending and Financing Activities	122.08	144.48
	Management of Surplus Funds	27.91	32.94
	Others	5.85	3.80
	Total	155.84	181.22
2.	Segments Results		
	Lending and Financing Activities	19.85	42.40
	Management of Surplus Funds	27.91	32.94
	Others	4.26	1.36
	Total	52.02	76.70
	Unallocated Income	5.38	5.62
	Unallocated Expenses	0.00	0.00
3.	Operating Profit	57.40	82.32
	Income Tax	21.97	19.72
4.	Net Profit	35.43	62.60
5.	Other Information		
	Segment Assets		
	Lending and Financing Activities	1056.34	1072.50
	Management of Surplus Funds	613.33	661.04
	Others	3.19	3.45
	Total	1672.86	1736.99
	Unallocated Assets	121.83	98.39
	Total	1794.69	1835.38

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Segment Liabilities			
Lending and Financing Activities		923.49	994.61
Management of Surplus Funds		0.00	0.00
Others		0.00	0.00
Unallocated Liabilities		67.73	65.16
Total		991.22	1059.77
Net Capital Employed		803.47	775.61

NOTE 32: DISCLOSURE AS PER IND AS 12 "INCOME TAXES"

A. Movement in Deferred Tax balances:

FY-2019-20

Description	Recognised in Profit or Loss	Recognised in OCI	Net balance at 31.03.2020
(A) Deferred Tax Asset (+)			
Provision made during the year (except floating provisions)	12,17,607	0	12,17,607
Deferred Tax Asset on Provisions of previous years	24,16,97,300	0	24,16,97,300
(B) Deferred Tax Liabilities (-)			
WDV as per Companies Act, 2013 and Income Tax Act, 1961	-43,20,865	0	-43,20,865
Special Reserve	-32,71,13,086	0	-32,71,13,086
Net Deferred Tax Liabilities (-) / Assets (+)	-8,85,19,044	0	-8,85,19,044

FY-2018-19

Description	Recognized in Profit or Loss	Recognized in OCI	Net balance at 31.03.2019
(A) Deferred Tax Asset (+)			
Provision made during the year (except floating provisions)	66,67,483	0	66,67,483
Deferred Tax Asset on Provisions of previous years	27,11,45,047	0	27,11,45,047
(B) Deferred Tax Liabilities (-)			
WDV as per Companies Act, 2013 and Income Tax Act, 1961	-16,72,418	0	-16,72,418
Special Reserve	-30,87,03,171	0	-30,87,03,171
Net Deferred Tax Liabilities(-) / Assets(+)	-3,25,63,059	0	-3,25,63,059

NOTE 33: ADDITIONAL INFORMATION IS DISCLOSED IN TERMS OF RBI GUIDELINES VIDE DBS. FID NO.C-18/ 01.02.2000-01 ISSUED ON 23.03.2001.

(Rs.in Crore)

A	Capital			
a)	CRAR CORE CRAR & Supplementary CRAR	54.15 %		
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: Rs. 1497.85 Off the Balance Sheet: Nil		
d)	The Shareholding pattern as on 31.03.2020	Equity shares:	No of Shares	%
		FI's	55,000,004	55

**NOTES ON CONSOLIDATED
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FOR THE YEAR ENDED 31ST MARCH, 2020**

		Bank	15,000,001	15
		Insurance Co.	20,000,001	20
		Mutual Fund	10,000,001	10
		Total	10,000,007	100
B	Asset quality and credit concentration			
e)	Percentage of net NPA's to net loans & advances, (floating provisions of Rs.2 Crore has not been netted from Gross NPA to arrive at net NPA)			6.48%
f)	Amount and percentage of net NPA's to net advances under the prescribed asset classification categories	Category	Amount	%
		Sub Standard Assets	14.39	1.55
		Doubtful debts	49.81	5.38
		Loss asset	-	NIL
g)	Amount of provisions made during the year towards standard assets, NPA's loans and investments (other than those in the nature of an advance), in income tax.	Standard Assets	2.00	
		NPA Loans	(-)0.29	
		Soft loan Assistance	(-)0.02	
		Investments	Nil	
		Income Tax	16.00	
h)	i) Movement in NPAs (Gross) of loans including soft loans.	Opening Balance	203.51	
		Deletions incl. upgradation	90.38	
		Additions during the year	17.01	
		Closing Balance	130.14	
	ii) Movement of Provisions for NPAs against loans including soft loan assistance.	Opening Balance	66.24	
		Less: write off / waiver/Write back	2.95	
		Additions during the year	2.65	
		Closing Balance	65.94	
	iii) Movement of Provisions for Investments	Opening Balance	0.00	
		Additions during the year	0.00	
		Write Back	0.00	
		Closing Balance	0.00	
i)	Restructured Accounts Total amount of standard assets which have been subjected to restructuring / rescheduling Total sub standard assets which have been subjected to restructuring / rescheduling Total doubtful / Loss assets which have been subjected to restructuring / rescheduling Total			Rs. 27.38 Crore - Rs. 0.11 Crore Rs. 27.49 Crore
))	Credit exposure as percentage to capital funds and as percentage to total assets, in respect of:			
	The largest single borrower	% to Capital Funds	5.11	% to Total Assets 2.28
	The largest borrower group		5.68	2.54
	The 10 largest single borrowers			
	No.1		5.11	2.28
	No.2		3.61	1.61
	No.3		3.53	1.58

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020



An ISO 9001:2015 Company

	No.4		3.50	1.56
	No.5		2.97	1.33
	No.6		2.75	1.23
	No.7		2.62	1.17
	No.8		2.38	1.06
	No.9		2.37	1.06
	No.10		2.22	0.99
	The 10 largest borrower groups			
	No.1		5.68	2.54
	No.2		5.17	2.31
	No.3		5.11	2.28
	No.4		3.86	1.72
	No.5		2.94	1.31
	No.6		2.60	1.16
	No.7		2.38	1.06
	No.8		2.12	0.95
	No.9		1.80	0.81
	No.10		1.63	0.73
k)	Credit exposure to the five largest industrial sectors (if applicable) as percentage to total loan assets			
		1.	Hotels	13.45
		2.	Micro Finance	13.48
		3.	Hospital	12.31
		4.	Iron & steel	1.69
		5.	Construction	3.61
C	Liquidity			
l)	Maturity pattern of Rupee assets & liabilities w.r.t. investments incl. Fixed Deposits (Rs.in Crore)			
		Items	Less than or equal to 1 year	More than 1 year up to 3 years
				More than 3 years up to 5 years
				More than 5 years up to 7 years
		Rupees Asset	470.77	26.60
		Total Assets	470.77	26.60
		Total Liabilities	-	-
m)	Maturity pattern of foreign currency assets & liabilities			Nil
D	Operating results			
n)	Interest income as percentage to average working funds		6.20	
o)	Non-interest income as a percentage to average working funds		2.27	
p)	Operating profit as a percentage to average working funds		3.65	
q)	Return on average assets (%)		2.06	
r)	Net profit per employee (₹ in Crore)		0.30	

NOTE 34: ADDITIONAL INFORMATION AS REQUIRED IN TERMS OF PARAGRAPH 13 OF NON BANKING FINANCIAL (NON DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 2007

(Rs. in lakh)

Particulars			
<i>Liabilities side:</i>			
(1)	Loans and advances availed by the non - banking financial company inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
	(a) Debentures : Secured		
	: Unsecured	NIL	NIL

**NOTES ON CONSOLIDATED
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	(other than falling within the meaning of public deposit*)			
	(b) Deferred Credits			
	(c) Term Loans	178.57	NIL	
	(d) Inter-corporate loans and borrowing	NIL	NIL	
	(e) Commercial Paper			
	(f) Other Loans (specify nature) – GOI Loan*	72881	NIL	
	<i>* taken at original cost</i>			
Assets side:				
			Amount outstanding	
(2)	Break-up to Loans and Advances including bills receivable other than those included in (5) below] :			
	(a) Secured		95107	
	(b) Unsecured		10527	
(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		NIL	
	(i) Lease assets incl. lease rentals under sundry debtors:			
	a) Financial lease			
	b) Operating lease			
	(ii) Stock on hire including hire charges under sundry debtors			
	a) Assets on hire		NIL	
	b) Repossessed Assets			
	(iii) Other loans counting towards AFC activities			
	a) Loans where assets have been repossessed			
	b) Loans other than (a) above			
(4)	Break-up of Investments:			
	1. Quoted:			
	(i) Shares : (a) Equity		20	
	(b) Preference		-	
	(ii) Debentures and Bonds		-	
	(iii) Units of mutual funds		35884	
	(iv) Government Securities			
	(v) Others (please specify)			
	2. Unquoted:			
	(i) Shares : (a) Equity		490	
	(b) Preference		600	
	(ii) Debentures and Bonds			
	(iii) Units of mutual funds			
	(iv) Government Securities			
	(v) Others (please specify) – North East Venture Trust		2299	
			<u>39293</u>	
(5)	Borrower group-wise classification of assets financed as in (2) and (3) above: Please see Note 2 below			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties **			
	(a) Subsidiaries			
	(b) Companies in the same group			
	(c) Other related parties			
	2. Other than related parties	95107	10527	105634
	Total	95107	10527	105634

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(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	155	10
	(b) Companies in the same group	NIL	NIL
	(c) Other related parties (NEVF)	2030	2299
	2. Other than related parties	1871	1101
	Total	4056	3410

**As per Indian Accounting Standard issued by MCA

(7) Other information

	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	13014
(ii)	Net Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	6420
(iii)	Assets acquired in satisfaction of debt	

(8) Exposure to Real Estate Sector

(Rs.in Crore)

Items	31/03/2020	31/03/2019
a) Direct Exposure		
(i) Residential Mortgages [all individual housing loans]	8.77	6.78
(ii) Commercial Real Estate	53.49	73.04
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures:		
a) Residential	Nil	Nil
b) Commercial	Nil	Nil
c) Indirect Exposure		
b) Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil
Total Real Estate Exposure	62.26	79.82

(9) Exposure to Capital Market

(Rs. in crore)

	Particulars	Current Year	Previous Year
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	5.10	5.10
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-

**NOTES ON CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020**

(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	22.99	19.47
Total Exposure to Capital Market		28.09	24.57

Note 35: Additional information as required in terms of Notification No. DNBR.019/CGM (CDS)-2015 dated 10/04/2015

a. Capital

(Rs. in Crores)

Particulars	Current Year	Previous Year
i. CRAR	54.15%	52.42%
ii. CRAR – Tier I Capital	53.70%	52.10%
iii. CRAR – Tier II Capital	0.45%	0.32%
iv. Amount of subordinated debt raised as Tier II Capital		-
v. Amount raised by issue of Perpetual Debt Instruments		-

b. Investments

Particulars	Current Year (Rs. In Crore)	Previous Year (Rs. In Crore)
1. Value of Investments		
i. Gross value of Investments		
a. In India	358.84	340.86
b. Outside India		-
ii. Provisions for Depreciation		
a. In India	-	-
b. Outside India	-	-
iii. Net value of Investments		
a. In India	358.84	340.86
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	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

(Rs. in Crore)

	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	11.54	7.8	12.23	21.70	130.96	439.88	240.65	191.58	1056.34
Investments	-	30.00	5.00	65.00	370.77	26.60	0.90	-	498.28
Borrowings*	-	-	0.57	0.57	21.65	124.99	86.01	233.11	466.91
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

*at amortized cost

d. Provisions and Contingencies

(Rs. 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	(1.71)	(13.13)
Provision made towards Income Tax	16.00	19.91
Other Provision and Contingencies		
Leave Encashment	1.64	2.13
Gratuity	0.24	1.96
LTC	-	-
Diminution in Fair Value of Restructured Advance	-	-
Provision for Standard Assets	2.00	(2.88)

e. Concentration of Advances

	(Rs. In Crore)
Total Advances to twenty largest borrowers	400.54
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	37.92%

f. Concentration of Exposures

	(Rs. in Crore)
Total Exposures to twenty largest borrowers	407.04
Percentage of Exposures to twenty largest borrowers to Total Exposures of the NBFC	37.33%

g. Concentration of NPAs

	(Rs. In Crore)
Total Exposure to top four NPA accounts	61.85

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

h. Sector wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that Sector
1	Agriculture & allied activities	2.72%
2	Commercial Real Estate	36.64%
3	Construction	58.15%
4	Infrastructure	0%
5	Micro finance	15.15%
6	Medium & Large	23.64%
7	Micro, Small & Others	16.05%

i. Movement of NPAs

Particulars	(Rs. in Crore)	
	Current Year	Previous Year
i. Net NPAs to Net Advances (%)	6.48%	13.64%
ii. Movement of NPAs (gross)		
a. Opening balance	203.51	230.90
b. Additions during the year	17.01	53.15
c. Reductions during the year	90.38	80.54
d. Closing balance	130.14	203.51
iii. Movement of net NPAs		
a. Opening balance	137.28	154.41
b. Additions during the year	14.37	40.82
c. Reductions during the year	87.47	57.95
d. Closing balance	64.20	137.28
iv. Movement of provisions for NPAs		
a. Opening balance	66.24	76.49
b. Provisions made during the year	27.64	31.42
c. Write off / Write backs	27.94	41.67
d. Closing balance	65.94	66.24

j. Customer Complaints

a. No. of complaints pending at the beginning of the year	0
b. No. of complaints received during the year	2
c. No. of complaints redressed during the year	2
d. No. of complaints pending at the end of the year	0

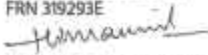
k. Disclosures for special moratorium provision:

	(Rs. in Crore)
Respective amounts in SMA/overdue categories where the moratorium/ deferment was extended.	229.03
Respective amount where asset classification benefits is extended	3.29
Provisions made during Q4 FY 19-20	0.16
Provisions adjusted during the respective accounting periods against slippages and the residual provisions.	-

As per our Report of even date
For, M/s H.K.Agrawala and Associates

Chartered accountants

FRN 319293E


CA Himanshu Chowkhani

Partner

(M. No. 301901)

UDIN: 20301901AAAA17769

Place : Guwahati

Date : 04.08.2020

For and on behalf of the Board of Directors



(B.P. Muktieh)
Chairman and Managing Director
DIN: 00123561



(S.K. Baruah)
Chief Financial Officer



(V.K. Agarwal)
Company Secretary
M. No. A39584



ADDITIONAL INFORMATION TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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 (Rs.)	As a % of Consolidated Profit or Loss	Amount (Rs.)
Parent	99.6255%	7,69,44,45,466	96.2794%	34,11,37,973
Subsidiaries				
Indian				
NEDFi Trustee Ltd.	0.0144%	11,15,933	0.0423%	1,49,938
NEDFi Venture Capital Ltd.	0.3555%	2,74,57,868	3.6336%	1,28,74,579
Foreign	-	-	-	-
Minority Interest in all subsidiaries Associates (Investment as per equity method)				
Indian				
NEDFi Trustee Ltd.	0.0002%	13,554	0.0005%	1,821
NEDFi Venture Capital Ltd.	0.0043%	3,33,496	0.0441%	1,56,371
Foreign	-	-	-	-
Joint Ventures (as per proportionate consolidation / investment as per equity method)				
Indian	-	-	-	-
Foreign	-	-	-	-
Total		7,72,33,66,317		35,43,20,682

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 the aforesaid companies is the financial year.

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

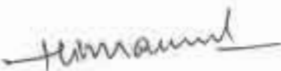
Part A - Subsidiaries

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	5,00,000	5,00,000
5	Reserves & Surplus	6,29,487	2,72,91,364
6	Total Assets	11,92,841	4,62,07,340
7	Total Liabilities	63,354	1,84,15,976
8	Investments	-	-
9	Turnover	3,61,868	3,16,35,811
10	Profit before Taxation / (Loss)	1,95,113	1,67,06,346
11	Provision for Taxation	43,354	36,75,396
12	Profit after Taxation / (Loss)	1,51,759	1,30,30,950
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.

As per our Report of even date
For, M/s H.K.Agrawala and Associates
Chartered accountants
FRN 319293E



CA Himanshu Chowkhani
Partner
(M. No. 301901)
UDIN: 20301901AAAAJT7769

Place : Guwahati
Date : 04.08.2020



Years of Championing the Entrepreneurial Spirit of the North East

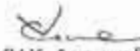
For and on behalf of the Board of Directors



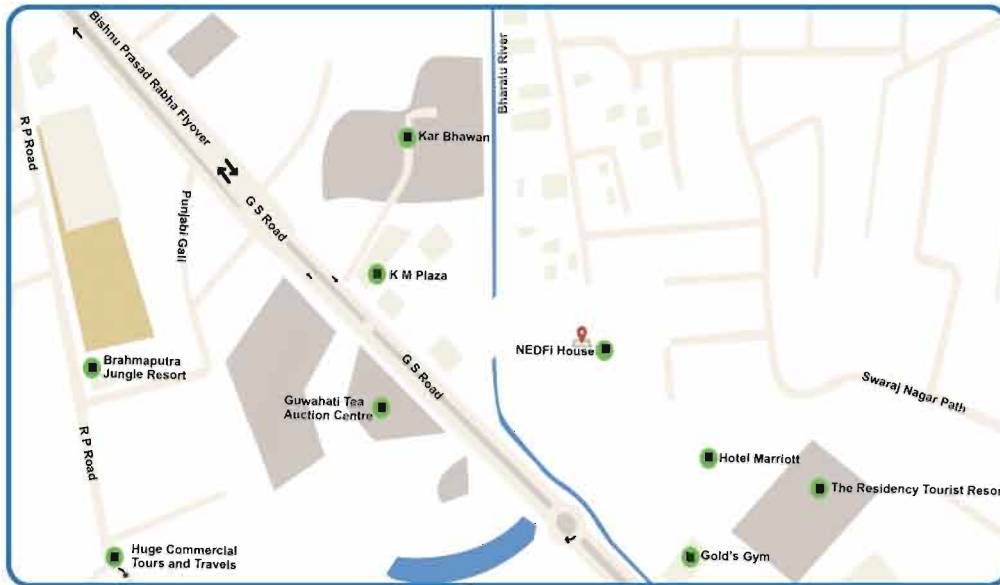
(B.P. Muktieh)
Chairman and Managing Director
DIN: 00123561



(S.K. Baruah)
Chief Financial Officer



(V.K. Agarwal)
Company Secretary
M. No. A39584



Branch Offices

Agartala

NEDFi, 4th Floor, Aitorma, Sentrum, Shakuntala Road, Agartala, Tripura (West), Pin- 799001, Ph: +91 3812380848

Dharmanagar

NEDFi, C/O- Sibendu Chakraborty, V.K Road Nayapara, Dharmanagar, North Tripura- 799250
Mob: +91 9856034495

Udaipur

C/O Shanti Mohan Rakshit
Ramesh Chowmuhani
Jagannath Dighi Road, Udaipur,
Gomti, Tripura- 799120
Mob: +91 9612155421

Aizawl

2nd Floor, A-50, Zarkawt
Aizawl- 796001, Mizoram
Ph: +91 3892347783
Fax: +91 3892347782

Lunglei

House No. C-1/236, First Floor,
Chanmari- 1, Lunglei- 796701,
Mizoram
Ph: +91 3722324274

Dimpaur

2nd Floor, Kuknalim Building
Circular Road, Dimpaur-797112
Nagaland
Telefax : +91 3862248930

Kohima

4th Floor, Mato Complex, P.R. Hill
Opp. Police H.Q., Kohima-797001
Nagaland
Telefax: +91 3702243046

Imphal

Babupara, Opp. Telephone Bhawan
Imphal-795001, Manipur,
Ph: 0385 2443385
Telefax: +91 3852445927, 2443385

Itanagar

NH-415 Road, 'E' Sector,
Itanagar- 791 113, Arunachal Pradesh
Ph: +91 3602217694

Pasighat

1st Floor, M.M. Complex
Upper Banskota, N.H. 52, Pasighat -791102
Arunachal Pradesh, Ph: +91 3682222280

Shillong

Crescens Buildings, 1st Floor
Opp. Main Secretariat, M. G. Road
Shillong-793001, Meghalaya
Ph: +91 3642504815/2504814 (Telefax)

Gangtok

Ground Floor, Yangthang House
Sonam Tshering Marg (Kazi Road)
Gangtok, East Sikkim -737101
Telefax:- +91 3592208269

Namchi

Agam Singh Marg, Bhanjyang Road
Namchi, South Sikkim-737126
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Tinsukia

First Floor, Satyam Trade & Tower-1
S.R. Lohia Road Tinsukia-786125
Ph: +91 3742330225

Silchar

Silchar Cachar Market, 3rd floor,
Netaji Subhas Avenue, P. S. Rangirkhari
Silchar-788005, Telefax: +91 3842220157

Representative Offices

Agia

Ajar Social Circle, Vill-P.O. - Agia
Dist.-Goalpara, Assam-783120
Ph.: +91 3663 285078, 084 (Fax)
Mob: +91 9435725238/ 9707609170

Bongaigaon

Discovery Club, Chapaguri Road,
North Bongaigaon, Assam- 783380
Mob: +91 8724990969

Golaghat

Shri G. K. Gupta, G. K. Gupta & Associates
Aarya Securities, G. F. Road
Alupatty, Golaghat - 785621, Assam
Mob: +91 9435054040

Jorhat

Society for North East Handmade Paper
Development, Jorhat Development Block
Campus, Baghchung, Jorhat - 785011, Assam
Mob: +91 9954411439/ 9706223430

Kokrajhar

Discovery Club, Agriculture Campus
Jwhlwao Dwimalu Road, P.O. & Dist. Kokrajhar
BTC, Assam-783370, Ph : +91 3661- 276191
Mob: +91 9678778412/ 9678540590/ 9085747011

Lakhimpur

Shri H.K. Sen H. K. Sen & Associates
Milan Nagar, Word No. -7
North Lakhimpur - 781001, Assam
Mob: +91 9435084630/ 8724014541

Sivasagar

Wilforce Technology & Consultancy Pvt. Ltd.
Near K. P. M. Hall, A. T. Road, Sivasagar
Assam-785640, Ph: +91 3772-224688, 222451
Mob: +91 9435057549/ 9954342380

Churachandpur

Rural Aid Services (RAS), Happy Valley
Tuibuong, Near KBC Church, Churachandpur
District, Manipur-795128, Mob: +91 98620 00469

Ukhrul

Volunteers for Village Development
Khaivaren Tang, Hungpung, Dist: Ukhrul,
Manipur, 795142, Mob: +91 87298 19645

Senapati

VVD-MF Senapati Branch, 3rd floor
Above black Rich Germents, Opposite
Senapati District H. Q. Ground, Manipur
Mob: +91 8119877487

Tarnengiong

VVD-MF Tamenglong Branch, Pansy Vale,
Tamenglong, W/No-1, Manipur- 795141
Mob: +91 7641031927

Tura

Achik Evangelical Association, Ringrey Tura
West Garo Hills District, Meghalaya-794001
Ph: +91 3651-224031 (0), Mob: +91 94363 06138

Bomdila

Green Saviour, Upper Sera Village Road
Opposite SIB Colony, Bomdila- 790 001
Arunachal Pradesh
Mob: +91 9436837827/ 7085318742

Ziro

Tani Sankar Society, near Central Bank of India
Hapoli, Ziro- 791120, Arunachal Pradesh
Mob: +91 8794174202

Champhai

Champhai Town Multipurpose Cooperative
Society Ltd. (CTM), C/o F. Lalhantluanga building,
Near Aizawl Sumo Counter, Vengthlang, Champhai
Mizoram - 796321, Mobile: 8974770485



**North Eastern Development Finance Corporation Limited
"NEDFI House"**

**G. S. Road, Dispur, Guwahati, Assam. PIN - 781006
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Visit us: www.nedfi.com**