



ANNUAL REPORT 2022 - 2023

Small Steps Big Impact

NEDFi Reaches the Remotest Corners



नॉर्थ ईस्टर्न डेवलपमेंट फायनेंस कॉर्पोरेशन लिमिटेड

NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED

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 authorised 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 categorised 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 below:

VISION

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

MISSION

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

CORE VALUES

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

MOTTO

Championing the entrepreneurial spirit of the North East.

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North Eastern Development Finance Corporation Ltd. (NEDFi) has been a pioneer in driving economic development and growth in the North Eastern Region of India. With a commitment to inclusivity and sustainable progress, NEDFi has undertaken numerous initiatives to reach the farthest and most remote corners of the Region, resulting in a range of positive outcomes. These include the betterment of livelihoods for numerous families residing in remote regions, a boost in economic activities leading to reduced unemployment rates, active preservation and promotion of the area's culturally rich heritage, the promotion of sustainable practices in agriculture and handicrafts, and improved financial inclusion and accessibility to credit opportunities. The theme "Small Steps. Big Impact." exemplifies NEDFi's profound belief that even the smallest, well-directed steps can lead to substantial impacts. It reaffirms NEDFi's crucial role in promoting inclusive and sustainable development, underscoring that such an approach is not only possible but imperative for the progress of the North Eastern Region.

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FROM THE DESK OF THE CHAIRMAN AND MANAGING DIRECTOR



Dear Shareholders,

I am delighted to welcome you all to the 28th Annual General Meeting of your Corporation. I extend my sincere gratitude to our stakeholders for their unwavering support, trust and encouragement, which has propelled us towards achieving our goal of being a trailblazer in the economic development of the North Eastern Region.

On behalf of the Board of Directors and the Management team at NEDFi, I am pleased to present the key highlights of our performance during the financial year 2022-23 (FY 23).

Performance Highlights:

Business:

During the year, your Corporation achieved record-breaking results across various metrics. The Corporation's sanction grew by 11% to ₹798.03 crore from ₹719.01 crore in the previous year. As on March 31, 2023, financial assistance was extended to 12,642 projects with cumulative sanction of ₹7,385.03 crore. The loan outstanding grew by 26.54% to ₹1,554.10 crore from ₹1,228.11 crore in the previous year.

Income and Earnings:

FY 23 saw a 4.16% increase in our gross income to ₹207.50 crore from ₹199.21 crore, mainly attributed to interest income. Our gross profit grew by 13.84% to ₹115.92 crore from ₹101.83 crore, and net profit increased by 4.25% to ₹80.00 crore from ₹76.74 crore in the previous financial year.

Dividend:

I am happy to announce that the Board of Directors of the Corporation has declared a dividend of 8% for FY23.

Asset Quality:

Our efforts to manage stressed accounts paid off and the Corporation registered significant improvements on the asset quality front in FY 23. The gross NPA decreased to 3.34% from 6.30%, and net NPA declined to 1.12% from 2.04% in the previous financial year.

North East Venture Fund:

The North East Venture Fund, established in collaboration with the Ministry of DoNER and SIDBI, and managed by our subsidiary NEDFi Venture Capital Ltd (NVCL), is supporting start-ups, early-stage, and growth-stage companies with innovative products and technologies. As on March 31, 2023, the Fund had committed investments of ₹93.17 crore to 62 start-up companies.

Small Steps Big Impact:

In FY23, your Corporation embarked on a multifaceted journey aimed at promoting entrepreneurship and catalyzing economic growth in the region. These initiatives, though seemingly small in scale, had a profound impact on uplifting grassroots beneficiaries and addressing financial disparities. Here are some of the noteworthy initiatives that were undertaken during the period:

- **NEDFi Micro Lending Scheme:** “NEDFi Micro Lending Scheme” played a pivotal role in empowering micro-entrepreneurs by providing direct financial support for various income-generating activities through Business Correspondents at affordable interest rates.
- **NEDFi Micro Finance Scheme:** “NEDFi Micro Finance Scheme” provides microcredit to Micro Finance Institutions (MFIs) operating in the region, at affordable interest rates, to offer door-step credit support in far flung unserved & underserved areas.
- **Promoting Entrepreneurship and Capacity Building:** In FY23, your Corporation made significant strides in promoting entrepreneurship and capacity building across the North Eastern region through a diverse array of initiatives. This included organizing business meets for first-generation entrepreneurs, mentoring assistance through Business Facilitation Centres, capacity-building programmes, sustainable livelihood programmes, marketing support etc.

Corporate Social Responsibility:

The Corporation’s CSR initiatives have a strong emphasis on women’s empowerment, improving livelihoods, imparting valuable employment skills, and nurturing the growth of the craft sector in rural and underserved areas. During the year, the Corporation provided support to a total of 626 beneficiaries spanning various trades and sectors.

The Corporation also plays a pivotal role in providing marketing assistance to artisans by enabling their participation in exhibitions, trade fairs, and sales events hosted through its diverse showrooms. During the year, marketing support was extended to a total of 3,338 artisans.

Way Forward:

In FY24, the Corporation has set ambitious growth targets, driven by a strategic and innovative approach. Beyond catalyzing big ticket investments, the Corporation is steadfast in its support for micro and small enterprises, as well as microfinance segments. The goal is to lower credit costs for those in need and first-generation entrepreneurs through tailored interventions. Skill development, employment enhancement, women’s empowerment, preserving traditional arts & crafts and backing startups remain integral to the Corporation’s mission. The strategy’s core principles include innovation, continuous enhancement, and a customer-centric focus to thrive in the dynamic business landscape.

The Corporation remains committed to promoting & supporting startups and will continue to provide crucial resources, funding, mentorship, and guidance to startups.

Over the years, your Corporation has continually strengthened risk management practices, with ongoing efforts to reduce NPAs and enhance credit monitoring & recovery systems. These initiatives reflect a commitment to excellence and progress, ensuring a more robust financial foundation for future endeavors.


Acknowledgment:

I extend my heartfelt gratitude to the members of the Board for their invaluable guidance, support and counsel. I would also like to express sincere appreciation for the unstinting support received from M-DoNER, other Union Government Ministries and their organisations, State Governments of the Region, Banks/FIs 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 and Subsidiaries.

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

I look forward to your continued support in this journey.

With best wishes,



(PVSLN Murty)

अध्यक्ष एवं प्रबंध निदेशक के कलम से



प्रिय शेयरधारकों,

मुझे आपके निगम की 28वीं वार्षिक आम बैठक में आप सभी का स्वागत करते हुए खुशी हो रही है। मैं अपने हितधारकों को हमारे ऊपर उनके अटूट समर्थन, विश्वास और प्रोत्साहन के लिए हार्दिक आभार व्यक्त करता हूँ, जिसने हमें उत्तर पूर्वी क्षेत्र के आर्थिक विकास में अग्रणी बनने के हमारे लक्ष्य को प्राप्त करने के लिए प्रेरित किया है।

नेड्फी के निदेशक मंडल और प्रबंधन टीम की ओर से, मुझे वित्तीय वर्ष 2022-23 (वित्त वर्ष 23) के दौरान हमारे प्रदर्शन की मुख्य विशेषताएं आपके सामने प्रस्तुत करते हुए खुशी हो रही है।

प्रदर्शन के मुख्य बिंदु

व्यापार

वर्ष के दौरान, आपके निगम ने विभिन्न मैट्रिक्स में रिकॉर्ड-टोड परिणाम हासिल किए। निगम की मंजूरी पिछले वर्ष के ₹719.01 करोड़ से 11% बढ़कर ₹798.03 करोड़ हो गई। 31 मार्च, 2023 तक, ₹7,385.03 करोड़ की संचयी मंजूरी के साथ 12,642 परियोजनाओं को वित्तीय सहायता दी गई थी। बकाया ऋण पिछले वर्ष के ₹1,228.11 करोड़ से 26.54% बढ़कर ₹1,554.10 करोड़ हो गया।

आय और लाभ

वित्त वर्ष 23 में हमारी सकल आय 4.16% बढ़कर ₹199.21 करोड़ से ₹207.50 करोड़ हो गई, जिसका मुख्य कारण ब्याज आय है। हमारा सकल लाभ पिछले वित्तीय वर्ष में ₹101.83 करोड़ से 13.84% बढ़कर ₹115.92 करोड़ हो गया, और शुद्ध लाभ ₹76.74 करोड़ से 4.25% बढ़कर ₹80.00 करोड़ हो गया।

लाभांश

मुझे यह घोषणा करते हुए खुशी हो रही है कि निगम के निदेशक मंडल ने वित्त वर्ष 23 के लिए 8% का लाभांश घोषित किया है।

परिसंपत्ति गुणवत्ता

तनावग्रस्त खातों को प्रबंधित करने के हमारे प्रयास रंग लाए और निगम ने वित्त वर्ष 23 में परिसंपत्ति गुणवत्ता के मोर्चे पर महत्वपूर्ण सुधार दर्ज किया। सकल एनपीए 6.30% से घटकर 3.34% हो गया, और शुद्ध एनपीए पिछले वित्तीय वर्ष के 2.04% से घटकर 1.12% हो गया।

नॉर्थ ईस्ट वेंचर फंड

डोनर मंत्रालय और सिडबी के सहयोग से स्थापित और हमारी सहायक कंपनी नेड्फी वेंचर कैपिटल लिमिटेड (एनवीसीएल) द्वारा प्रबंधित नॉर्थ ईस्ट वेंचर फंड, नवीन उत्पादों और प्रौद्योगिकियों के साथ स्टार्ट-अप, प्रारंभिक चरण और विकास-चरण कंपनियों का समर्थन कर रहा है। 31 मार्च, 2023 तक, फंड ने 62 स्टार्ट-अप कंपनियों को ₹93.17 करोड़ का निवेश की प्रति बढ़ता जताई है।

छोटे कदम बड़ा प्रभाव

वित्त वर्ष 23 में, आपके निगम ने उद्यमशीलता को बढ़ावा देने और क्षेत्र में आर्थिक विकास को गति देने के उद्देश्य से एक बहुमुखी यात्रा शुरू की। हालांकि ये पहल छोटे पैमाने पर प्रतीत होती हैं, लेकिन इनका जमीनी स्तर के लाभार्थियों के उत्थान और वित्तीय असमानताओं को दूर करने पर गहरा प्रभाव पड़ा। इस अवधि के दौरान की गई कुछ उल्लेखनीय पहलें इस प्रकार हैं:

- **नेडफी माइक्रो लेंडिंग स्कीम:** “नेडफी माइक्रो लेंडिंग स्कीम” ने निम्न ब्याज दरों पर बिजनेस कॉन्सेप्ट्स के माध्यम से विभिन्न आय-सृजन गतिविधियों के लिए प्रत्यक्ष वित्तीय सहायता प्रदान करके सूक्ष्म उद्यमियों को सशक्त बनाने में महत्वपूर्ण भूमिका निभाई।
- **नेडफी माइक्रो फाइनेंस स्कीम:** “नेडफी माइक्रो फाइनेंस स्कीम” क्षेत्र में सक्रिय माइक्रो फाइनेंस संस्थानों (एमएफआई) को सस्ती ब्याज दरों पर माइक्रोक्रेडिट प्रदान करती है, ताकि दूर-दराज के असेवित और कम सेवित क्षेत्रों में वित्तीय सहायता प्रदान की जा सके।
- **उद्यमिता और क्षमता निर्माण को बढ़ावा देना:** वित्त वर्ष 23 में, आपके निगम ने विविध पहलों के माध्यम से पूरे उत्तर पूर्वी क्षेत्र में उद्यमिता और क्षमता निर्माण को बढ़ावा देने में महत्वपूर्ण प्रगति की है। इसमें पहली पीढ़ी के उद्यमियों के लिए व्यावसायिक बैठकें आयोजित करना, व्यवसाय सुविधा केंद्रों के माध्यम से सलाह सहायता, क्षमता निर्माण कार्यक्रम, स्थायी आजीविका कार्यक्रम, विपणन सहायता आदि शामिल हैं।

निगम की सामाजिक जिम्मेदारी

निगम की सामाजिक जिम्मेदारी (सीएसआर) पहल में महिला सशक्तिकरण को बढ़ावा देने, आजीविका में सुधार, मूल्यवान रोजगार कौशल प्रदान करने और ग्रामीण और वंचित क्षेत्रों में शिल्प क्षेत्र के विकास को बढ़ावा देने पर जोर दिया गया है। वर्ष के दौरान, निगम ने विभिन्न व्यापारों और क्षेत्रों में कुल 626 लाभार्थियों को सहायता प्रदान की।

निगम अपने विविध शुरुआतों के माध्यम से आयोजित प्रदर्शनियों, व्यापार मेलों और बिक्री कार्यक्रमों में कारीगरों की भागीदारी को सक्षम करके उन्हें विपणन सहायता प्रदान करने में भी महत्वपूर्ण भूमिका निभाता है। वर्ष के दौरान, कुल 3,338 कारीगरों को विपणन सहायता प्रदान की गई।

आगे बढ़ने का रास्ता

वित्त वर्ष 24 में, निगम ने रणनीतिक और नवीन दृष्टिकोण से प्रेरित होकर महत्वाकांक्षी विकास लक्ष्य निर्धारित किए हैं। बड़े निवेशों को उत्प्रेरित करने के अलावा, निगम सूक्ष्म और लघु उद्यमों के साथ-साथ माइक्रोफाइनेंस क्षेत्रों के समर्थन पर भी ध्यान केंद्रित करेगा। जरूरतमंद लोगों और पहली पीढ़ी के उद्यमियों के लिए अनुरूप हस्तक्षेपों के माध्यम से ऋण लागत कम करना लक्ष्य है। कौशल विकास, रोजगार वृद्धि, महिला सशक्तिकरण, पारंपरिक कला और शिल्प का संरक्षण और स्टार्टअप का समर्थन करना निगम के मिशन का अभिन्न अंग है। रणनीति के मुख्य सिद्धांतों में नवाचार, निरंतर वृद्धि और गतिशील व्यावसायिक परिदृश्य में फलने-फूलने के लिए ग्राहक-केंद्रित फोकस शामिल है।

निगम स्टार्टअप को बढ़ावा देने और समर्थन करने के लिए प्रतिबद्ध है और स्टार्टअप को महत्वपूर्ण संसाधन, फंडिंग, मेंटरशिप और मार्गदर्शन प्रदान करना जारी रखेगा।

पिछले कुछ वर्षों में, आपके निगम ने एनपीए को कम करने और क्रेडिट निगरानी और वसूली प्रणालियों को बढ़ाने के निरंतर प्रयासों के साथ, जोखिम प्रबंधन प्रथाओं को लगातार मजबूत किया है। ये पहल उत्कृष्टता और प्रगति के प्रति प्रतिबद्धता को दर्शाती हैं, जिससे भविष्य के प्रयासों के लिए अधिक मजबूत वित्तीय आधार सुनिश्चित होता है।

आभार

मैं इस अवसर पर बोर्ड के सदस्यों को उनके बहुमूल्य मार्गदर्शन, समर्थन और परामर्श के लिए धन्यवाद देता हूँ।

मैं उत्तर पूर्वी क्षेत्र की राज्य सरकारों, बैंकों और वित्तीय संस्थानों और उत्तर पूर्व के अन्य संगठनों के निरंतर समर्थन के लिए धन्यवाद करना चाहता हूँ। मैं अपने सभी शेयर धारकों- आईडीबीआई बैंक, एलआईसीआई, एसबीआई, सिडबी, आईसीआईआई बैंक, आईएफसीआई, एसयूटीआई, जीआईसी और सहायक कंपनियों के विश्वास और समर्थन के लिए भी कृतज्ञता ज्ञापित करता हूँ।

मुझे विश्वास है कि एक युवा, उत्साही और पेशेवर रूप से योग्य कर्मचारियों के समर्पण और प्रतिबद्धता से प्रेरित, आपका यह कॉर्पोरेशन 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।

शुभकामना सहित,



(पीवीएसएलएन मूर्ति)

Standalone

(₹ in Crore)

Financial Year	2022-23	2021-22
Authorised Capital	500.00	500.00
Paid up Capital	100.00	100.00
Net worth	1026.68	944.35
Loan Outstanding	1554.10	1228.11
Capital to Risk (Weighted) Assets Ratio (CRAR) (%)	61.28	60.92
Working Results		
Gross Income	207.50	199.21
Interest Income	142.14	113.43
Non-Interest Income	65.36	85.78
Gross Expenditure	91.58	97.38
Profit Before Tax	115.92	101.83
Tax Expenses	35.92	25.09
Profit After Tax	80.00	76.74
Earning per share (in ₹)	8.39	7.55

Consolidated

(₹ in Crore)

Financial Year	2022-23	2021-22
Gross Income	209.68	201.25
Gross Expenditure	93.67	99.14
Profit Before Tax	116.01	102.11
Tax Expenses	35.94	25.17
Profit After Tax	80.07	76.94
Earnings Per Share (₹)	8.39	7.57

PERFORMANCE HIGHLIGHTS



Sanction

(₹ in Lakh)

Financial Year	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative 1996-2013	21061.92	183394.64	10553.5	44532.68	5488.63	5581.34	4595.27	12011.92	287219.85
2013-2014	5,078.51	25,684.12	2,898.48	6,431.44	766.1	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	681.2	810	1,111.30	1,217.97	31,203.35
2015-2016	1,047.00	24,654.63	2,048.50	4,587.50	571.3	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	623.1	2,117.00	1,427.10	39,488.22
2017-2018	1,599.50	15,087.53	3,957.72	1,463.05	623.5	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	780.3	716	1,443.50	2,737.80	35,955.24
2019-2020	1,620.00	27,330.35	5,792.70	2,049.25	2408	1,300.90	1,748.50	1,823.75	44,073.45
2020-2021	1,418.50	23,584.59	5,532.50	3,690.59	742.39	875.57	1,021.19	1,140.37	38,005.70
2021-2022	2,015.75	50,362.27	3,624.86	9,432.00	937.58	1,114.57	3,196.32	1,217.74	71,901.09
2022-2023	1870.5	52268.22	10357.1	2738.65	3455.8	2063.4	3820.51	3229.52	79803.70
Total	44157.18	457409.52	57370.28	91322.78	16945.13	15774.77	24877.34	30646.20	738503.14

Disbursement

(₹ in Lakh)

Financial Year	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative 1996-2013	14036.49	128160.32	6466.39	31252.59	4025.85	3869.4	2702.2	5593.05	196106.28
2013-2014	3947.53	18488.41	3483.36	5165.63	700.73	865.79	1630.55	2187.12	36469.12
2014-2015	3799.85	20726.39	3858.78	5989.06	701.92	725.00	1799.80	1119.42	38720.22
2015-2016	1072.01	17278.44	2895.94	5510.86	556.50	633.23	1468.25	883.47	30298.70
2016-2017	2371.70	18527.08	4644.26	4463.30	474.83	553.89	2436.00	1437.90	34908.97
2017-2018	1780.50	15671.70	2636.80	1290.25	478.53	916.50	1252.50	1114.65	25141.43
2018-2019	803.70	15518.35	4372.30	3506.77	794.75	753.50	1244.50	1683.15	28677.02
2019-2020	795.00	16818.78	6496.39	1726.90	1859.84	1060.90	1285.89	1899.00	31942.70
2020-2021	1709.80	19645.90	4143.61	1877.92	936.71	948.89	961.32	905.12	31129.27
2021-2022	1582.75	27250.54	4384.21	3162.33	1315.88	1109.47	1280.91	1436.65	41522.74
2022-2023	1615.47	46269.91	6426.43	7987.07	3516.33	1848.70	3950.25	2500.07	74114.23
Total	33514.80	344355.82	49808.47	71932.68	15361.87	13285.27	20012.17	20759.60	569030.68

Projects

(in No)

Financial Year	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative 1996-2010	194	875	174	153	183	142	147	181	2049
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
2020-2021	48	204	119	25	82	111	115	130	834
2021-2022	64	351	83	21	112	108	124	153	1016
2022-2023	81	2176	419	68	437	174	275	318	3948
Total	736	4608	1428	477	1209	1102	1537	1545	12642

NEDFi's loan products are structured mainly towards development of the Micro, Small and Medium Enterprises (MSME) segment which is a key driver of economic growth and capital formation in the North Eastern Region. For development of the Micro and Small Enterprises (MSE) segment, NEDFi has taken initiative to identify and nurture potential first generation local entrepreneurs and provide finance on easy terms to them to set up viable industrial

projects. Presented below are a few success stories where NEDFi has played a significant role in crafting - some of them big, while some of them small; some startups while others are expansion of existing units; some creating wealth & employment in a small way while some making appreciable impact; but all of them play a significant role in development of the Region.

Purbanchal Paper Mill LLP



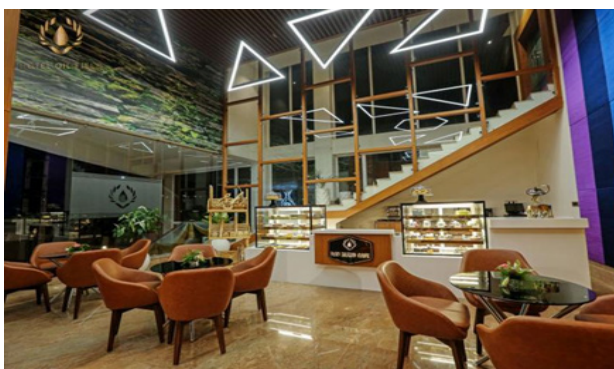
Purbanchal Paper Mill LLP is a kraft paper manufacturing unit located at Matica, Goalpara. NEDFi sanctioned Rs.1500.00 lakh under Rupee Term Loan (RTL) Scheme for setting up the unit.

UNACCO School Chanung



UNACCO School Chanung is a residential school located at Imphal East, Manipur. NEDFi sanctioned Rs.1200.00 lakh under Rupee Term Loan (RTL) Scheme for setting up the unit.

Hotel Oilfield



Hotel Oilfield is a 3 star Category Hotel, located at Dibrugarh, Assam. NEDFi sanctioned Rs.750.00 lakh under Rupee Term Loan (RTL) Scheme for setting up the unit.

Ebenezer Medical Center



Ebenezer Medical Center is a multi-specialty hospital located at Aizawl, Mizoram. NEDFi sanctioned Rs.700.00 lakh under Rupee Term Loan (RTL) Scheme for its expansion.

SUCCESS STORIES



Rhino Technoplast



Rhino Technoplast is a PET Preform manufacturing unit located at Tinsukia, Assam. NEDFi sanctioned Rs.200.00 lakh under Rupee Term Loan (RTL) Scheme for setting up the unit.

Salt Brook School



Salt Brook School is located at Churachandpur District, Manipur. NEDFi sanctioned Rs.200.00 lakh under Rupee Term Loan (RTL) Scheme for its expansion.

Gangtok Resort



Gangtok Resort is located at Gangtok, East Sikkim. NEDFi sanctioned Rs.180.00 lakh under Rupee Term Loan (RTL) Scheme for setting up the unit.

Zopa Brick Industry



Zopa Brick Industry is located at Kolasib District, Mizoram. NEDFi sanctioned Rs.150.00 lakh under Rupee Term Loan (RTL) Scheme for setting up the unit.

Sofia Navigation Cruises Pvt. Ltd



Sofia Navigation Cruises Pvt. Ltd. is a river cruise & tourism unit located at Guwahati, Assam. NEDFi sanctioned Rs.100.00 lakh under Rupee Term Loan (RTL) Scheme for setting up the unit.

Aquatica



Aquatica is a packaged drinking water plant located at Champhai, Mizoram. NEDFi sanctioned Rs.100.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

SMALL STEPS BIG IMPACT

Hillcon Brick Industry



Hillcon Brick Industry is located at Kolasib District, Mizoram. NEDFi sanctioned Rs.100.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for its expansion.

KGMT Multispecialty Hospital



KGMT Multispecialty Hospital is located at Guwahati, Assam. NEDFi sanctioned Rs.100.00 lakh under Healthcare Development Scheme (HDS) for its expansion.

Shyam Food & Beverages



Shyam Food & Beverages is a packaged drinking water plant located at Dibrugarh, Assam. NEDFi sanctioned Rs.97.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

Trateng Residency



Trateng Residency is a luxury resort located at Kabi, North Sikkim. NEDFi sanctioned Rs.90.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

City Fuels



City Fuels is an IOCL retail dealership located at Namchi, South Sikkim. NEDFi sanctioned Rs.70.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

Pito Commercial Complex



Pito Commercial Complex is located at Dimapur, Nagaland. NEDFi sanctioned Rs.70.00 lakh under Rupee Term Loan (RTL) Scheme for setting up the unit.

SUCCESS STORIES



The City Resort



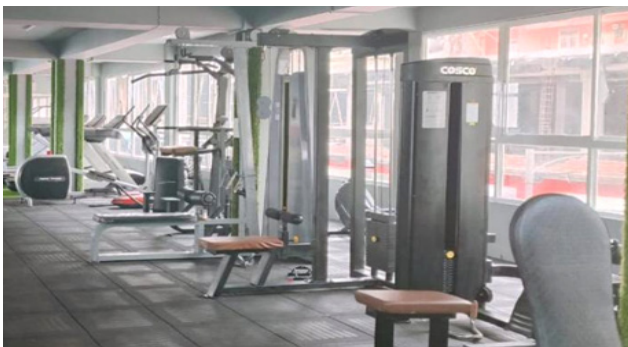
The City Resort is a multi-cuisine restaurant/ dhaba unit located at Kamrup (M), Assam. NEDFi sanctioned Rs.50.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

Florance Fertility & Multi Speciality Centre



Florance Fertility & Multi Speciality Centre is an IVF clinic with OPD and Pathological centre located at Agartala, West Tripura. NEDFi sanctioned Rs.50.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

Sumo Gym & Fitness Centre



Sumo Gym & Fitness Centre is located at Namchi Bazaar, South Sikkim. NEDFi sanctioned Rs.50.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for its expansion.

Vinayaka Industries



Vinayaka Industries is a package drinking water plant located at Tinsukia, Assam. NEDFi sanctioned Rs.50.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for its expansion.

The Arcadia Resort



The Arcadia Resort is located at Ri Bhoi District, Meghalaya. NEDFi sanctioned Rs.50.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

K M Vets



K M Vets is a veterinary clinic located at Itanagar, Arunachal Pradesh. NEDFi sanctioned Rs.40.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

Piyari Food Product



Piyari Food Product is a noodles/chow mein manufacturing unit located at Agartala, West Tripura. NEDFi sanctioned Rs.40.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

Munu Deka Wheel



Munu Deka Wheel is a two wheeler & E- rickshaw dealer & service centre located at Baksa, BTAD, Assam. NEDFi sanctioned Rs.36.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

Sree Krishna Broiler Agency



Sree Krishna Broiler Agency is a broiler feed unit located at Gomati district, Tripura. NEDFi sanctioned Rs.35.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

Rim's Cakes and Bakes cum Cafe



Rim's Cakes and Bakes cum Cafe is located at Itanagar, Arunachal Pradesh. NEDFi sanctioned Rs.35.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

Bogee Food Product



Bogee Food Product is a bakery unit located at North Lakhimpur, Assam. NEDFi sanctioned Rs.34.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

Magnifit - The Fitness Studio



Magnifit - The Fitness Studio is a gym unit located at Guwahati, Assam. NEDFi sanctioned Rs.30.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

SUCCESS STORIES

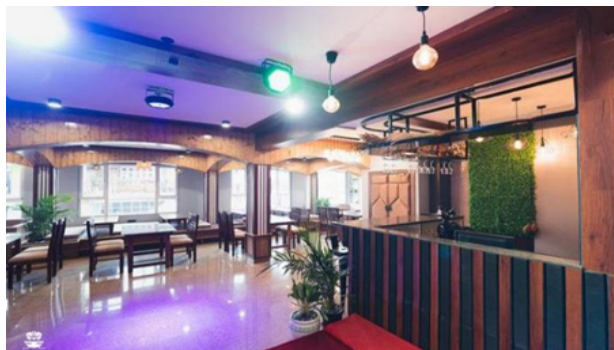


Grand Mere



Grand Mere is a home furnishing showroom located at Champhai, Mizoram. NEDFi sanctioned Rs.25.00 lakh under Enterprise Development Scheme (EDS) for setting up the unit.

The Purple Hour



The Purple Hour is a Restaurant cum lodge located at Namchi Bazaar, South Sikkim. NEDFi sanctioned Rs.25.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

HVS Futsal



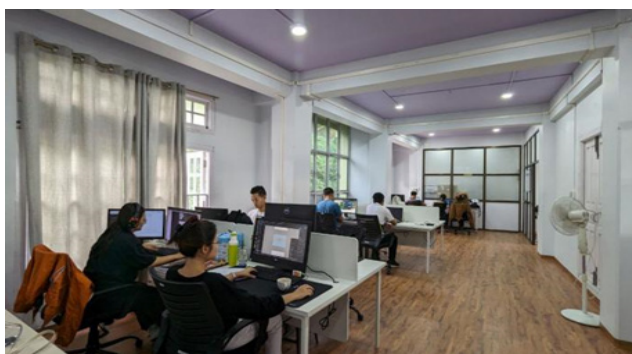
HVS Futsal is a Futsal (Football based game) Court located at Champhai, Mizoram. NEDFi sanctioned Rs.25.00 lakh under North East Entrepreneurs Development Scheme (NEEDS).

Ebbi's Abode



Ebbi's Abode is a Girls hostel located at Aizawl, Mizoram. NEDFi sanctioned Rs.25.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE).

Lailen Consulting Pvt. Ltd



Lailen Consulting Pvt. Ltd. is an IT company located at Aizawl, Mizoram. NEDFi sanctioned Rs.25.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

Madan Mohan Medical Hall



Madan Mohan Medical Hall is located at Unakoti, Tripura. NEDFi sanctioned Rs.25.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

Bansal Hardware Store



Bansal Hardware Store is located at Tinsukia, Assam. NEDFi sanctioned Rs.25.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

G. N. Traders



G.N. Traders is located at Dharmanagar, North Tripura. NEDFi sanctioned Rs.25.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

Marvella Associates



Marvella Associates is a fabrics and attire unit located at Guwahati, Assam. NEDFi sanctioned Rs.25.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

New Mukut Shilpalay



New Mukut Shilpalay is a variety store located at Gomati district, Tripura. NEDFi sanctioned Rs.20.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

Ablaze Wheel City



Ablaze Wheel City is located at Dharmanagar, North Tripura. NEDFi sanctioned Rs.20.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

O'shan Organics Na-la-Bri



O'shan Organics Na-la-Bri is a food processing unit located at East Khasi Hills District, Meghalaya. NEDFi sanctioned Rs.18.75 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

SUCCESS STORIES



Baishakhi



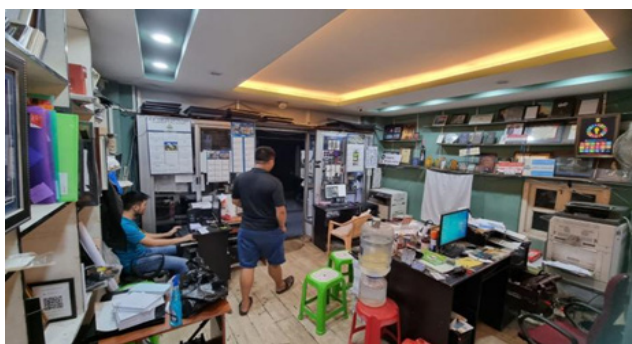
Baishakhi is a readymade garments shop located at Gomati district, Tripura. NEDFi sanctioned Rs.18.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

B&B Enterprise



B&B Enterprise is a franchisee of Tumbledry Solutions Pvt. Ltd. located at Barpeta, Assam. NEDFi sanctioned Rs.18.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

KL Offset Colour House



KL Offset Colour House is a printing unit located at Aizawl, Mizoram. NEDFi sanctioned Rs.15.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

Puii Infotech



Puii Infotech is a mobile store located at Lunglei, Mizoram. NEDFi sanctioned Rs. 15.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

Deep Mechanical Workshop



Deep Mechanical Workshop is located at Dharmanagar, North Tripura. NEDFi sanctioned Rs.15.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

Prajapati Axomiya Gohana



Prajapati Axomiya Gohana is an Assamese traditional jewellery unit located at Guwahati, Assam. NEDFi sanctioned Rs.15.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

Zanya Fashion House



Zanya Fashion House is a traditional garments and bridal wear store located at Shillong, Meghalaya. NEDFi sanctioned Rs.10.00 lakh under Women Enterprise Development Scheme (WEDS) for its expansion.

Eco Heritage Villa



Eco Heritage Villa is a homestay guest house located at Imphal, Manipur. NEDFi sanctioned Rs.10.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

Eshani's Prime Bites



Eshani's Prime Bites is a bakery and confectionery unit located at Guwahati, Assam. NEDFi sanctioned Rs.10.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

North East Handloom



North East Handloom is a wholesale and trading of handloom products unit located at Guwahati, Assam. NEDFi sanctioned Rs.8.00 lakh under Women Enterprises Development Scheme (WEDS) for its expansion.

Healthy Smile Dental Clinic



Healthy Smile Dental Clinic is located at Guwahati, Assam. NEDFi sanctioned Rs.5.50 lakh under Healthcare Development Scheme (HDS) for setting up the unit.

SCM Music Academy



SCM Music Academy is located at Lunglei, Mizoram. NEDFi sanctioned Rs. 5.00 lakh under North East Entrepreneurs Development Scheme (NEEDS).

SUCCESS STORIES



AJJR & K Pharmacy



AJJR & K Pharmacy is located at Churachandpur District, Manipur. NEDFi sanctioned Rs.5.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

Lushai Organics



Lushai organics is a organic food processing unit located at Reiek town, Mizoram. NEDFi sanctioned Rs.5.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

Aarogyam Diagnostic Centre



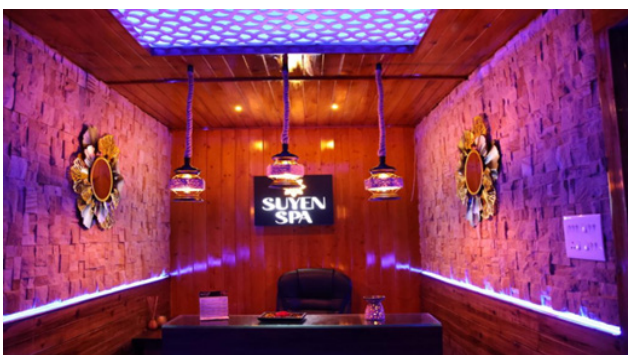
Aarogyam Diagnostic Centre is located at Gomati district, Tripura. NEDFi sanctioned Rs.5.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

Sanajing Sana Thambal Pvt. Ltd



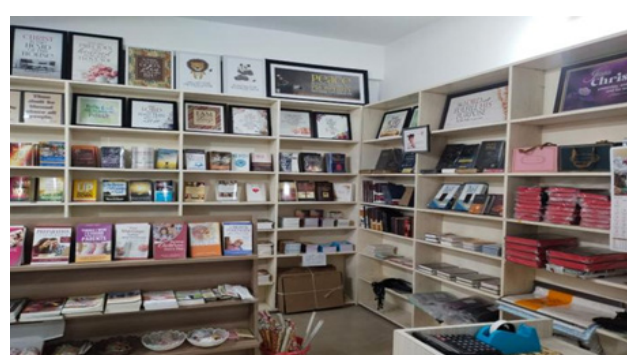
Sanajing Sana Thambal Pvt Ltd is a Lotus yarn & petal teas making unit located at Bishnupur, Manipur. NEDFi sanctioned Rs.5.00 lakh under Women Enterprises Development Scheme (WEDS) for its expansion.

Suyen Spa



Suyen Spa is located at Gangtok, East Sikkim. NEDFi sanctioned Rs.5.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

Shalom Bible House



Shalom Bible House is a gospel store located at Kohima, Nagaland. NEDFi sanctioned Rs.5.00 lakh under Women Enterprise Development Scheme (WEDS) for its expansion.

“NEDFi Micro Lending Scheme” is a transformative initiative that holds significant importance for empowering micro borrowers, with special focus on women entrepreneurs in the North Eastern region of India. This program provides a critical lifeline by offering accessible and affordable credit along with targeted skill development and training opportunities. It specifically benefits economically disadvantaged micro borrowers, particularly those residing in remote and underserved helping them establish and expand their small businesses. Beyond the economic impact, the scheme plays a vital role in reducing poverty and advancing communities, areas as a catalyst for

positive regional transformation. Importantly, it rescues these micro borrowers from the clutches of exorbitant interest rates associated with informal lending. The partnership with Business Correspondents has accelerated the adoption of this Scheme, bolstering financial inclusion and economic empowerment in the region.

Here are snapshots of success stories that showcase the transformative impact of the NEDFi Micro Lending Scheme, liberating micro borrowers from the cycle of informal lending in the region.

Ms. Waikhom Radharani Devi

Ms. Waikhom Radharani Devi, hailing from Thoubal district, Manipur, kickstarted her cloth-selling venture in Thoubal Bazar with an initial Rs.20,000 loan from YVU Financial Services Pvt. Ltd. (assisted by NEDFi). However, recognizing the need for expansion, she turned to YVU Financial Services for assistance and successfully secured a substantial Rs.2 lakh loan from NEDFi. This strategic move empowered her to significantly grow her business. Mrs. Devi’s remarkable journey serves as a shining example of the immense potential that micro-entrepreneurs hold, as they not only make vital contributions to local economies but also uplift the well-being of their families, showcasing the transformative impact of accessible financial services on individual aspirations and community development.



Ms. Khushbu Pradhan

Ms. Khushbu Pradhan, a driven entrepreneur from Namchi in South Sikkim, initially ran a modest grocery shop with a microfinance loan from UNACCO Financial Services Pvt. Ltd. (assisted by NEDFi) in 2018. However, her aspirations for increased income to support her family went beyond the earnings from her shop. Recognizing her determination to diversify her business and achieve more, UNACCO recommended her to the NEDFi. In 2022, NEDFi extended a loan of Rs. 1 lakh to Khushbu, which she used to establish a car wash facility near her residence. This strategic move allowed her to augment her income substantially by expanding her business activities, ultimately leading to her satisfaction and financial well-being. Khushbu’s success story exemplifies how access to formal lending can empower entrepreneurs to diversify and enhance their businesses, creating new opportunities for economic growth and prosperity.

MICRO LENDING



Ms. Soram Ronibala Devi

Ms. Soram Ronibala Devi of Yairipok Laimanai in Imphal East, Manipur started her dry fish selling business at Yairipok Bazar by taking a small loan from YVU. As her business grew, she needed a bigger loan amount to scale up her business, but being a small MFI, YVU could not fulfill her requirement. Subsequently, YVU recommended her to NEDFi. She got a loan of Rs.2 lakh from NEDFi and scaled up the business. This is a fine example of complements between Microfinance and NEDFi Micro Lending Scheme to support micro-entrepreneurs in rural areas.



Ms. Arati Debnath

Ms. Arati Debnath of Panisagar, Tripura was running a small poultry farm since 2014 by availing a small microfinance loan, to support her husband in meeting household needs. After seeing the success, she wanted to expand the farm. Post Covid-19 pandemic, she almost gave up her dreams as she was not getting any help from anywhere. By seeing her dedication to the activity, past credit history, and need, UNACCO introduced her to NEDFi and thus, she availed a loan of Rs. 1 lakh. Today, Arati stands as a confident and fulfilled entrepreneur, having turned her expansion dreams into reality. Her story highlights how formal lending initiatives like NEDFi can empower individuals to overcome adversity and achieve their entrepreneurial aspirations, fostering resilience and growth in challenging times.

Ms. Nomita Singha

Ms. Nomita Singha of Lala, Hailakandi district, Assam always dreamt of having a business of her own. She took a small loan from UNACCO and started a small grocery store in 2009. Over a period of time in dealing with her, UNACCO saw the potential in her business for further growth and helped her to avail a loan of Rs.2 lakh from NEDFi, in December 2022. With this loan, she could buy new stocks and expand her grocery store. Now, her journey towards a growing businesswoman is on the track of success.





Mr. Heston Rabha

In the remote village of Jongalpara, situated in the North Garo Hills district of Meghalaya, which lacks adequate provision stores to cater to the needs of its students, Mr. Heston Rabha identified a promising business opportunity. He established a small stationary shop to address this gap, but when he aspired to scale up his enterprise, he encountered the challenge of securing funds at reasonable terms, as local moneylenders imposed high-interest rates. Recognizing the merit of Mr. Rabha's venture, Grameen Development and Finance Pvt. Ltd., the sole Microfinance Institution (MFI) operating in the area, recommended him to NEDFi for a loan of Rs. 1.80 lakh. With this financial support, he replenished his shop's inventory with essential items, and today, he is diligently working towards expanding his business, thereby contributing to the development of his community in this remote region.

Ms. Rangali Boro

Ms. Rangali Boro, a resident of Boko in Kamrup, Assam, harbored a strong desire for economic independence and to contribute to her family's well-being. In 2016, she took a small microfinance loan of Rs. 20,000 from Grameen Development and Finance Pvt. Ltd. (GDFPL) and embarked on a journey by establishing a rubber plantation on the vacant land she owned. As she tasted success in the rubber business, she envisioned diversifying into another profitable cash crop—papaya. Recognizing her proven ability and the merit of her new idea, GDFPL recommended her to NEDFi for a larger loan of Rs.1.10 lakh in February 2022. With this financial support, she realized her dream of starting a papaya plantation, achieving not only financial independence but also showcasing the transformative impact of accessible credit on individual empowerment and economic success.



Ms. Aienla Jamir

Ms. Aienla Jamir, a resident of Notun Bosti in Dimapur, Nagaland, embarked on a journey towards economic independence by initiating a small nursery unit with a humble microfinance loan of Rs. 30,000, which she availed from Grameen Development and Finance Pvt. Ltd. (GDFPL). As time passed, her business gained recognition, and she began supplying flower saplings to neighboring states like Assam and Arunachal Pradesh. With growing demand and inquiries for various flower varieties, Ms. Jamir aspired to expand her enterprise further, including importing flowers from other countries. To realize this vision, she required a larger loan, and GDFPL facilitated her connection with NEDFi for a loan amount of Rs.1.50 lakh. With this financial support, she successfully procured different varieties of flowers from countries such as the Philippines and Malaysia. Today, she is not only self-employed but also became a job creator.

ADVISORY AND CONSULTANCY



NEDFi has positioned itself as a comprehensive provider of Advisory & Consultancy services, catering to State Governments, Central Ministries/Institutions, and Public Sector Undertakings operating in the North East Region of India. The organization specializes in executing consultancy projects in various functional areas, including Strategy Consulting, Monitoring & Evaluation of Infrastructure & Natural Resource Management Projects, Programme Management & Implementation Support, and Capacity Building & Institutional Strengthening. These services are offered across a range of domains, encompassing 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. NEDFi plays a crucial role in advancing development and sustainability in the region through its consultancy initiatives.

Strategy Consulting

The Strategy Consulting services of NEDFi is aimed at delivering solutions related to high level strategic issues faced by the State Governments, Central Government Ministries and Agencies working in the region, on topics such as Public Sector Policy & Governance Strategy, Techno-Economic Strategy, Corporate Strategy, Organizational Strategy and Functional Strategy. During the year, NEDFi carried out certain prestigious Strategy Consulting assignments such as "Study on Connectivity Projects between the North Eastern Region and Neighbouring Countries", "Resource Mapping of BTR and Pre Investment Feasibility Study for Preparation of a Development and Investment Plan for the BTR", "Conducting Study/ Survey on incident of crimes against women & children in the State of Meghalaya" and "Setting up a new township near the Makhru River Bank in Tamenglong Dist., Manipur : Mapping the prospects and potential of developing an ECO-HUB".

Some of the assignments undertaken by NEDFi during the FY 2022-23 are enumerated below:



Review meeting with Shri Pramod Boro, Hon'ble CEM of Bodoland Territorial Region (BTR) for Resource Mapping and Pre Investment Study Plan of BTR.



Visit to Moreh with Joint Secretary, Ministry of External Affairs, Govt. of India, under Connectivity project



Interview at 181 helpline for women, Directorate of Social Welfare under Study for crime against women in Meghalaya

Monitoring & Evaluation of Infrastructure & Natural Resource Management Projects:

Monitoring, Evaluation, Impact Assessment and Performance Audit of Infrastructure & Natural Management Projects have been a forte of NEDFi's Advisory & Consultancy business since its inception. During the year, some consulting works carried out in this area are –"TPIA for Jal Jeevan Mission, Meghalaya & Tripura", "Third Party Monitoring of PMGSY Roads in Arunachal Pradesh, Meghalaya & Assam", "Third

Party Quality Monitoring of CSS & State Funded Projects in Arunachal Pradesh", "Independent Verification of the achievements of Disbursement Linked Indicators (DLIs) under the World Bank Financed Assam Citizen Centric Service Delivery Project (ACCSDP)", and "Third Party Monitoring of Border Area Development Programme (BADP) Projects (2017-18 & 2018-19) in Arunachal Pradesh".



Inspection of pump house under JJM Tripura



Monitoring of bridge executed under CSS scheme in Arunachal Pradesh

Programme Management & Implementation Support

NEDFi's Program Management & Implementation Support Services are specially designed for Ministries, Departments and Institutions both at Central and State level and primarily deals with setting up of Program Management Units (PMUs) for implementation of the projects and schemes, providing policy, program and knowledge management support along with support in designing and implementation of day-to-day activities. In this functional area, NEDFi has carried out assignments like "State of the Art Resource

Centre (SAREC) for Career & Livelihood Opportunities for Youth of the NE Region", "Field level Technical Support Unit (FTSU) for monitoring of MDoNER & NEC schemes in NE", "Consultancy Services for Inputs of new design and Value addition in Handloom & Participation of Trade Fair & Buyer Seller Meet under APART", "Central Nodal Agency (CNA) for revised procedure for flow of funds under Central Sector Schemes for M-DoNER" and "Development of an information repository for Agri-Horti products of NE".



Buyer Seller meet under APART Project



Workshop on SAMBHAV in Delhi under FTSU.

Infrastructure Advisory

Infrastructure Advisory services is aimed at infrastructure requirements of multiple sectors of economy focusing on services related to Project Management Consultancy (PMC), Preparation of Feasibility Reports, Detailed Project Report, Contract Management & Supervision of Works Contract. In this area, NEDFi is working on the project "Preparation of DPR for Short Landing Strips in Nagaland".



Meeting with Hon'able Chief Minister, Nagaland



Meeting with DC at Mokokchung, Nagaland

NORTH EAST VENTURE FUND



North East Venture Fund (NEVF) was established in response to the Hon'ble Prime Minister of India's emphasis on entrepreneurship, venture funding, startups, and skill development in the Northeastern region. With a corpus of Rs. 100 Cr., NEVF is the first and only dedicated Venture Fund for the North East Region, operating in a sector-agnostic manner. Investments under NEVF typically target start-ups, early-stage, and growth-stage companies with new products, technologies, or innovative business models. NEVF aims to bridge the equity financing gap

facied by startups and first-generation entrepreneurs in the region. Since its inception in April 2017, NEVF has garnered significant interest among startups in the region. NEVF's mission is to contribute to the creation of a thriving ecosystem for nurturing and developing startups and early-stage companies in the Northeastern region.

The success stories of beneficiaries assisted under NEVF are provided below.

Zerund Manufacturing Pvt Ltd

Zerund Manufacturing Pvt Ltd is a plastic embedded lightweight brick manufacturing and sales company founded by Shri Rupam Choudhury, Shri Mousum Talukdar and Shri David Pratim Gogoi. The main concept behind the product is to provide premium quality building material known as "ZERUND BRICK" with better fire and water resistance through the introduction of plastic. Currently, the company is manufacturing from a leased location in Azara, Guwahati. The new facility is at Pathsala, Barpeta, Assam.

The Company has also raised an investment of 1 million dollar from DLF family office, Gruhas PropTech and Anthill Ventures. Zerund has also been able to expand their business operation outside NER to places such as Maharashtra and West Bengal. The Company is now carbon negative with net Emission of -0.44 KG CO2 per KG of a brick.

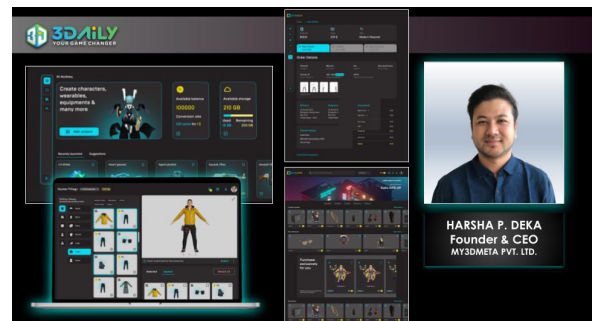


Green Biotech Eco-Solutions Private Limited

Green Biotech Eco-Solutions Private Limited is the 1st biofertilizer, biopesticides, probiotics for livestock and aquaculture inputs research-based farming input biotech manufacturer and marketing enterprise based at Imphal, Manipur. This women-led startup was founded by Dr. Asem Sundari Devi & Geetashori Yumnam. The enterprise focuses on bio solutions for Crops, Soils, Animal husbandry, Aquaculture and Environment Management Inputs. The company is ISO and certified for organic input manufacturing. The company has impacted the life of more than 7000 farmers covering 4,000 acres of land.

My3dMeta Private Limited

My3dMeta Private Limited designs, creates, delivers, and markets all visually appealing products. The company brings images to life by designing and creating 3D figurines, miniatures by leveraging Machine Learning (ML) and 3D Technology to create close to 90% accurate 3D assets. The brand boasts creating the figurines in 1/4th of the time compared to industry standard time. The company has already served brands such as McDonalds, IPG, Marvel, English Premier league, Biomarin, Henkel, Harvard University, Cardiff University, etc in over 40 countries.



NEVF has played a pivotal role in stimulating the growth of a dynamic startup ecosystem in the region. This momentum has attracted a growing number of stakeholders and partners interested in contributing to the startup space, including incubation programs, state-focused venture funds, corporate venture funds, and various startup initiatives. These collaborations and partnerships with NEVF have not only expanded the venture capital landscape in the North Eastern region but have also contributed significantly to the overall development and progress of the region. Some of the initiatives undertaken by NEVF are given below.

On 10th May 2022,

Numaligarh Refinery Limited (NRL) entered into a Memorandum of Understanding (MoU) with NEDFi Venture Capital Limited (NVCL) to extend support to startups from the Region. With a view to create a self-sustaining fund, NRL has adopted an equity investment strategy in startups under NRL iDEATION by way of constituting an Angel Fund under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012. As required by SEBI guidelines for AIF, NRL has engaged NVCL as Fund Manager to manage the startup equity portfolio of NRL with a total corpus of Rs. 40 Crore.



On 7th September 2022,

NVCL's portfolio company Zerund raised Rs 7.8 crores seed funding from a clutch of strategic private investors including Dreamweaver Investments. The event was graced by the Hon'ble Chief Minister of Assam, Shri Himanta Biswa Sarma, who, along with Gruhas PropTech Fund, Puzzolana Group, Zerodha and DLF Family Office, felicitated the Gruhas ASPIRE cohort at a ceremony held at NEDFi Convention Centre at Guwahati, Assam. Additionally, the Hon'ble Chief Minister disbursed Rs. 50 lakhs each to Silchar-based startup Quickobook and Aqua Blue Global through NVCL, further supporting the startup ecosystem in the region.



On 12th November 2022,

Hon'ble Chief Minister of Manipur, Shri N. Biren Singh, launched a venture fund named "Manipur Startup Venture Fund (MSVF)" for Manipur under the Startup Scheme 2.0 in collaboration with North Eastern Development Finance Corporation Ltd (NEDFi) held at the Hotel Imphal, Manipur.

NVCL has been engaged as Fund Manager to manage the startup equity portfolio of MSVF with a total corpus of Rs. 30 Crore. The fund is in the advanced stage of registering with Securities and Exchange Board of India.



CORPORATE SOCIAL RESPONSIBILITY



NEDFi's Corporate Social Responsibility (CSR) policy focuses on women empowerment, livelihood enhancement projects, cluster development project, development of craft sector in rural & backward areas and also facilitating

marketing support to the artisans of the region through participation in exhibitions, trade fairs & sales from its various showrooms. A few snapshots of CSR initiatives undertaken by NEDFi are given below.



Training programme on Natural Dye held at Kokrajhar in May 2022.



Handloom Project at Baksa (Aspirational District Project)



Training programme on Water Hyacinth Craft held at NEDFi's Craft Incubation Centre, Khetri in December 2022.



Interaction of Banana Fiber Craft Artisans from Nagaland with Board of Directors, NEDFi.



Tage Taki, Hon'ble Minister of Agriculture, Arunachal Pradesh interacting with Artisans of Mima Grass Craft during the training period.



Awareness programme on MAP held at Agartala in the month of December 2022



Hon'ble Governor of Nagaland Sri La Ganesan visited NEDFi stall at Folk Fair, Puri in June 2023



Pre Rongali Mela held at NEDFi Haat, Rupnagar, Guwahati in April 2023



NEDFi participated Vocal for Local exhibition held at Guwahati, in April 2023



Tripura Industry and Commerce Fair 2022 held at Agartala in the month of March 2023.



Delegation from Thailand visited Craft Gallery at NEDFi House, Guwahati



NESHILP participated IHGF Spring held at NEDFi Pavillion, IEM, Greater Noida in the month of March 2023

CORPORATE SOCIAL RESPONSIBILITY



NEDFi participated India International Trade Fair, New Delhi in the month of November 2022



AYURYOG EXPO 2023 held at Varanasi, (UP) in the month of February 2023



NEDFi's contribution providing relief materials for the displaced person in Manipur



Retail Outlet at Akhaura- Agrtala Check post as a joint initiative between NEDFi and NERAMAC.

CLUSTER DEVELOPMENT PROJECT



Fruit & Vegetable Processing Centre at Pftusero, Nagaland



Cardamom fiber craft cluster project at Manmao Arunachal Pradesh



Training Hall and Women's Hostel for Bagurumba Weavers Development Trust at Chatra Village, Ghograpar Nalbari

SMALL STEPS BIG IMPACT

North East Craft Fair 2023



Inauguration of NE Craft Fair on the eve of 28th Incorporation Day of NEDFi at NEDFi House, Guwahati on 9th August 2023 by Shri K. Moses Chalai, IAS, Secretary, North Eastern Council (NEC), Shillong.

North East Bankers' Conclave 2023



MDoNER in collaboration with NEDFi organized 'North East Bankers' Conclave 2023" on 28th April 2023 at the Constitution Club of India, New Delhi, supported by SBI as knowledge partner and CII as industry partner.

MoU



MoU signed by Executive Director of NEDFi, Shri S.K. Baruah and Chairman of ICC Assam State Council, Shri Sarat Kumar Jain, in the presence of NEDFi CMD, Shri PVSLN Murty, with the aim of promoting investment in Assam and other NE States.

Visits



Ms. Melinda Pavek, US Consul General in Kolkata and her team visited NEDFi House, Guwahati and held discussions with Shri PVSLN Murty, CMD & other senior officials to explore potential collaborations for regional development in the North East.



Business Delegation from Thailand led by H.E. Ambassador of Thailand to India Ms. Pattarat Hongtong visited NEDFi and had discussions on promoting investments from Thailand to NE States in sectors like food processing, Wellness Industry, Tourism and Textiles.



Mr. SAITO Mitsunori, Chief Representative, Japan International Cooperation Agency (JICA) India Office and his team visited NEDFi and discussed for partnership with NEDFi for developmental activities in the North Eastern Region.

Award



NEDFi received Economic Times Govt Digitech Award 2023 in the category of education to students using digital solutions. NEDFi won gold in this category for its Advancing North East initiative, which was initiated, conceptualized and funded by the North Eastern Council, Ministry of DoNER.



NEDFi was awarded 1st Position by the Ministry of DoNER, GoI, for outstanding contribution under Swachhata Pakhwada. The Award was sponsored by the Department of Drinking Water and Sanitation, Ministry of Jal Shakti, GoI.



NEDFi received Milestone Global Sustainable Development Finance Award 2023 in Dubai.



Swachhata Pledge taken by NEDFi officials at NEDFi House

Har Ghar Tiranga Programme



Har Ghar Tiranga programme at NEDFi House with senior officials from Ministry of DoNER

Incorporation Day



NEDFi celebrated 28th Incorporation Day

Independence Day



**Independence Day celebration at NEDFi House, Guwahati
CMD NEDFi felicitating Ex Army personnel on the occasion of Independence Day**

Hindi Week



नेड्फी ने मनाया हिंदी सप्ताह

Business Meets



ARUANCHAL PRADESH



ASSAM



MANIPUR



MEGHALAYA



MIZORAM



NAGALAND



SIKKIM



TRIPURA



VIGILANCE AWARENESS WEEK Pledge taken by NEDFi Officials at Head Office during Vigilance Awareness Week



A Group Discussion was organized on theme "Corruption Free India for a Developed Nation" at NEDFi Head Office, Guwahati



Speech Session on theme "Corruption Free India for a Developed Nation" at Shrimanta Shankar Academy Senior Secondary School, Guwahati



Prize distribution of essay writing competition at Itanagar Branch



Speech competition organized at Imphal Branch.



Prize distribution of essay writing competition at Shillong Branch



Prize distribution of slogan writing competition at Aizawl Branch



Prize distribution of essay writing competition at Gangtok Branch



Prize distribution of essay writing competition at Agartala Branch

BOARD OF DIRECTORS



Shri P.V.S.L.N Murty

Shri P.V.S.L.N. Murty, Chairman & Managing Director of NEDFi, has over 40 years of rich commercial and development banking experience in diverse and varied areas of Financial System. A graduate in Commerce and Masters in IR & PM, Shri Murty, previously served the State Bank of India, as Chief General Manager and Chief Strategy Officer based at the Corporate Office, Mumbai. He has also the experience of serving the North Eastern Region for over 3 years as Chief General Manager. Shri Murty has worked in operations all throughout his career and has wide experience in the areas of Credit, NPA Recovery & Monitoring, Basel III Norms etc. Besides, serving as Member on the Board of Directors of NEDFi from December 2015 to November 2018, he was also on the Boards of Indian Institute of Bank Management (IIBM), ATTF and many large Industrial Corporates. He was instrumental in bringing up 'APONGHAR' a popular Housing loan scheme for the Govt. of Assam employees, in collaboration with Assam Government and also in launching the YONO banking app in the North Eastern Region. Incidentally, after taking charge as Chief Strategy Officer he was assigned the task of establishing YONO as a credible Strong Brand of SBI in the country.



Dr. Renu Sharma, IAS

Dr. Renu Sharma, IAS of AGMUT Cadre (1988 batch) is the Chief Secretary, Government of Mizoram. Dr. Sharma has an educational background of M.Phil (Political Science) from the Jawaharlal Nehru University, Delhi and Ph.D from Institut d'Etudes Politiques de Paris, Ecole Doctorale de Sciences Po, Paris (France). Dr. Sharma has served the public services in different states/UTs in various capacities like Principal Secretary, Additional Chief Secretary, Secretary, Additional Secretary, Director/Joint Director, Commissioner & Secretary, District Magistrate etc. Dr. Sharma has also served as Deputy Chief of Mission, Embassy of India to Belgium, Luxemburg and the European Union, Brussels (Belgium).



Shri Jan E Alam, IAS

Shri Jan E Alam, IAS of Nagaland Cadre (1991 batch) is the Chief Secretary, Govt. of Nagaland. He holds a Master's degree in Business Administration (MBA) from Aligarh Muslim University and also Master of Public Policy (MPP) from Princeton University, Princeton, NJ, USA. Before his joining as Chief Secretary in the year 2021, Shri Alam was posted as Addl. Chief Secretary to Hon'ble Chief Minister of Nagaland and as Development Commissioner, Nagaland. During the period of service in the State of Nagaland he served in various capacities viz. Home Commissioner as well as Chief Electoral Officer, Secretary in the Department of Industries, Commerce & Sericulture, Dy. Commissioner/ District Magistrate of Tuensang District etc. He has also been on deputation to the Central Government during 2003-10 & 2013-20 and worked in various capacities viz. Zonal Head in the Directorate of General of Foreign Trade, Joint Secretary in the Ministry of HRD, Addl. Secretary in the Ministry of Minority Affairs etc.



Dr. Kumar V. Pratap, IES

Dr. Kumar V. Pratap, IES is Senior Economic Adviser in the Ministry of Development of North Eastern Region (MDoNER), Government of India. He was earlier Joint Secretary (Infrastructure Policy and Finance) in the Ministry of Finance, Govt. of India. He was Member Secretary of the Task Force that prepared India's first National Infrastructure Pipeline, led the Indian delegation at the G20 Infrastructure Working Group meetings and was on the Board of Directors of several companies. He has written a book 'PPPs in Infrastructure-Managing the Challenges' (Springer [Singapore], 2018). He is also a Visiting Professor at IIM, Shillong and was a Visiting Professor at the Indian School of Business from 2013 to 2017. He is an MBA from IIM, Lucknow (1987) and a PhD from University of Maryland, USA (2011).



Shri Ugen Tashi

Shri Ugen Tashi is presently Executive Director, Human Resources, Training, Administration and Infrastructure Management Department at IDBI Bank Ltd. He holds a Bachelors' Degree in Technology and a Masters' Degree in Business Administration.

Shri Tashi joined IDBI Bank in 1997 and during his tenure of over 25 years he has worked in various capacities across locations in India, in the area of Venture Capital, Corporate Finance, MSME Finance and Retail Banking.



**Shri Vincent Menachery
Devassy**

Shri Vincent Menachery Devassy has taken charge as Chief General Manager, State Bank of India, Guwahati Circle covering all seven North Eastern States on 29th November 2022. He is a Trainee Officer of 1992 batch and has held various important assignments in the Bank. He is a Graduate in Commerce & Law and a Certified Associate of Indian Institute of Bankers. Before he took over the charge of Guwahati Circle of SBI, he was heading the Anytime Channels of the Bank at Corporate Centre, Mumbai which manages ATM network, Swayam Kiosks, Green Channel Counter and Cheque Deposit Kiosks of the Bank. Shri Vincent has varied exposure in Banking and has worked in states like Kerala, Tamilnadu, Karnataka, Andhra Pradesh and Maharashtra in various capacities. He has also worked in a foreign office of the Bank in New York as VP (PER & ADMIN) for four years.

A career banker with experience of over 38 years, Shri Vincent has held various positions across a wide range of domains including Retail Banking, International Banking, IT and Wealth Management.

BOARD OF DIRECTORS



Shri Anoop Kumar

Shri Anoop Kumar represents the LIC of India on the Board of NEDFi. He served as Zonal Manager (Executive Director) of LIC of India, North Zone. Prior to that, Shri Kumar served as the Director of Zonal Training Centre (North Zone) based at Gurugram. A respected life insurance executive with extensive experience and established track record of leading and guiding large cross functional teams of sales, operations, Human resources and training executives. He is an experienced leader in knowledge management and training initiatives, launching products, driving efficiencies, engagement and revenue. He is also an expert public speaker and presenter with ability to forge lasting relationships with strategic partners and other financial institutions in the public sector and private sector. Shri Kumar is considered among the top rated motivational speakers in LIC for life insurance sales and marketing, human resource management, customer relationship management and sales through multiple distribution channels and verticals among the target groups consisting of executives, bank officials, marketing teams, sales managers (Development Officers), agents, trainers and executives representing different verticals and distribution channels.



Shri Kaushik Sinha

Shri Kaushik Sinha retired as CGM from State Bank of India. He retired on 31st March'22 after serving the Bank for 37 years 3 months. He has an experience of more than 35 years in the banking industry and has held key positions in the top management.

The myriad of his experiences includes managing branches/offices of State Bank of India at the apex level in the capacity of Chief General Manager, developing policies at the top level, developing strategies and equipping staff to implementing these strategies thereby enabling development of core competencies in staff and effective team building.

He had the privilege to handle one of the toughest terrain of Madhya Pradesh as General Manager of Gwalior and Jabalpur module, that includes branches in the most remote and sensitive areas of Gwalior and outskirts. He has more than 25 years of experience of working in operations with direct contact with the customers and retail oriented product and services. He has been instrumental in delivering good financial results, managing the business by creating proactive marketing strategies that maximizes employees sales activities and customer service effectiveness.

From August 2015 to October 2017 he had the opportunity to work in North East. During his tenure as Circle Development Officer in North East Circle, there was overall improvement in HR related areas. The role of CDO who is the HR Head of the Circle is very tough in North East as it covers 7 states and wide divergence in culture.

The Directors of your Corporation have the pleasure in presenting their 28th Annual Report together with the Audited Statement of Accounts for the financial year ended March 31, 2023 (FY 23).

Financial Review

The Standalone financial results for the year are highlighted below:

(₹ in Crore)

Financial Year	2022-23	2021-22
Authorised Capital	500.00	500.00
Paid up Capital	100.00	100.00
Net worth	1026.68	944.35
Loan Outstanding	1554.10	1228.11
Capital to Risk (Weighted) Assets Ratio (CRAR) (%)	61.28	60.92
Working Results		
Gross Income	207.50	199.21
Interest Income	142.14	113.43
Non-Interest Income	65.36	85.78
Gross Expenditure	91.58	97.38
Profit Before Tax	115.92	101.83
Tax Expenses	35.92	25.09
Profit After Tax	80.00	76.74
Earning per share (in ₹)	8.39	7.55

The Consolidated financial results for the year are highlighted below:

(₹ in Crore)

Financial Year	2022-23	2021-22
Gross Income	209.68	201.25
Gross Expenditure	93.67	99.14
Profit Before Tax	116.01	102.11
Tax Expenses	35.94	25.17
Profit After Tax	80.07	76.94
Earnings Per Share (in ₹)	8.39	7.57

DIRECTORS' REPORT



Performance of the Corporation

During the year under review NEDFi's sanctions and disbursements were ₹798.03 crore and ₹741.14 crore against the previous year's figure of ₹719.01 crore and ₹415.23 crore respectively. As on March 31, 2023, the Corporation had extended financial assistance to 12642 projects with cumulative sanctions & disbursements of ₹7385.03 crore and ₹5690.31 crore respectively. The loan outstanding as on March 31, 2023 was ₹1554.10 crore against ₹1228.11 crore in the previous year.

The gross income of the Corporation grew year-on-year by 4.16% to ₹207.50 crore against ₹199.21 crore. The interest income grew by 25.31% to ₹142.14 crore against ₹113.43 crore in the previous year and non-interest income decreased by 23.81% to ₹65.36 crore from ₹85.78 crore. The gross expenditure decreased by 5.96% to ₹91.58 crore from ₹97.38 crore. Gross profit of the Corporation increased by 13.84% to ₹115.92 crore against ₹101.83 crore and net profit increased by 4.25% to ₹80.00 crore against ₹76.74 crore in the previous year.

The gross NPAs of the Corporation reduced to 3.34% as on March 31, 2023 from 6.30% in the previous financial year while the net NPAs reduced to 1.12% from 2.04%. As on March 31, 2023, the gross NPAs and net NPAs were ₹51.97 crore and ₹16.98 crore respectively, against the corresponding figures of ₹77.38 crore and ₹23.91 crore in the previous financial year.

The Capital Adequacy Ratio was 61.28% as on March 31, 2023, against 60.92% in the previous year.

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

Amount transferred to	₹ in crore
Statutory Reserve	16.00
Special Reserve	12.95

In terms of section 125 of the Companies Act 2013, the Company has declared dividend @ 8% amounting to ₹800 Lakhs.

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 the financial year, the Corporation sanctioned ₹68.00 crore and disbursed ₹70.45 crore under the Micro Finance Scheme. As of March 31, 2023, the cumulative sanctions and disbursements, under the scheme reached ₹991.96 crore and ₹986.22 crore respectively, which touched the lives of over nine 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.

NEDFi Micro Lending Scheme

"NEDFi Micro Lending Scheme" was launched, to provide financial assistance to the micro borrowers directly, through Business Correspondents (BC Model), for setting-up / expansion of their income generation activities, at cheaper interest rate. This Scheme is a commendable initiative that bridges the gap for grassroots beneficiaries whose growing financial needs surpass Microfinance Institutions' lending limits and shields them from exorbitant interest rates charged by informal money lenders. By offering collateral-free loans, the scheme not only provides accessible credit but also eliminates logistical barriers, exemplifying NEDFi's dedication to equitable financial access and fostering beneficiaries' economic growth.

During the period, the Corporation extended financial assistance of ₹33.29 crore to 2707 borrowers under the Scheme. As on March 31, 2023, an amount of ₹35.22 crore was extended to 2850 beneficiaries under the Scheme.

Promotional & Developmental activities in micro & small enterprises & microfinance segment:-

For development of the micro & small enterprises (MSE) & microfinance segment the Corporation has taken various initiatives to identify and nurture potential first generation local entrepreneurs and extend financial assistance on easy terms to set up viable industrial projects. During the year, the Corporation undertook following initiatives for entrepreneurship development:-

- **Business Meets :-** NEDFi organises business meets on each NE states for dissemination of information on various schemes & programmes. During the year, 17 business meets were conducted with participation of 707 first generation entrepreneurs.
- **Business Facilitation Centre:-** NEDFi's Business Facilitation Centres in all the NE States provides mentoring assistance to the first generation entrepreneurs, on managerial, technical, financial, commercial & marketing, preparation of project reports and credit linkages. During the year, 1719 first generation entrepreneurs were provided mentoring services through the Corporation's BFCs, out of which 502 entrepreneurs were provided credit linkage.
- **Capacity building programmes for NGOs/ MFIs :-** NEDFi assists Microfinance Institutions (MFIs) by conducting capacity building programmes on risk management, operation management, systems and processes, financial management, human resource management, etc. The capacity building programme 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 sets. During the year, the Corporation conducted capacity building programmes for 115 participants from various NGOs/ MFIs.

- Sustainable Livelihood Programmes:-** NEDFi undertakes various initiatives to organise programmes on various trades for providing alternative sustainable livelihood to the artisans in water hyacinth craft, handloom & handicraft sectors etc. The objective of conducting such programmes is to ensure that the participants are able to learn successful strategies and acquire appropriate tools for self/ wage employment. They will also be able to contribute towards poverty alleviation of their community. During the year, the Corporation organised 21 training programmes, where 626 beneficiaries were participated.
- Marketing Support:-** NEDFi provides marketing support to the artisans of NER through exhibition participation and its various showrooms at Guwahati & Khetri in Assam, Aizwal in Mizoram, Nagicherra in Tripura, IEML, Grater Noida and Mahabalipuram in Chennai. During the year, the Corporation facilitated marketing support to 3338 artisans of NER through showrooms/ outlets and participation in fairs/ exhibitions.

Techno-economic Feasibility Studies

The Corporation conducts various techno-economic feasibility studies for industry and infrastructure projects suitable to the region. The areas of studies 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 industries, Evaluation/ Revival/ Impact/ Market Study, Skill development, Natural Gas & Minerals, Planning & Development, Pearl Culture, Health & Allied etc. As on 31st March, 2023, 102 studies were completed and 14 studies were at various stages of progress.

Nodal Agency Role

Nodal Agency for Central Subsidies

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 for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India. The Corporation facilitates disbursement of subsidies to industrial units of all the eight NE States under the Transport Subsidy Scheme, Central Capital Investment Subsidy Scheme, Central Interest Subsidy Scheme, Freight Subsidy Scheme, Central Comprehensive Insurance Subsidy Scheme & Central Capital Investment Incentive for Access to Credit of NEIDS, 2017.

During the year under review, an amount of ₹439.58 crore was released under various Central Subsidy Schemes. The details of disbursements under various schemes are given below.

(₹ in Crore)

Scheme	FY 2021-22	FY 2022-23	Cumulative as on March 31, 2023
Transport Subsidy Scheme	96.45	0.24	4427.39
Central Capital Investment Subsidy Scheme	124.32	43.85	2932.54
Central Interest Subsidy Scheme	25.2	18.53	499.66
Central Comprehensive Insurance Subsidy Scheme	18.81	28.17	136.7
Freight Subsidy Scheme	231.27	230.86	874.38
CCIIAC OF NEIDS-2017	35.84	117.93	153.77
Total	531.89	439.58	9024.44

DIRECTORS' REPORT



Central Nodal Agency of MDoNER Schemes

NEDFi has been designated as Central Nodal Agency under revised procedure for flow of funds for Central Sector Schemes for MDoNER & NEC. The projects implemented under various Schemes/ Packages under Central Sector Schemes in MDoNER & NEC, with the involvement of Central/ State Government Agencies & Autonomous bodies, flow of funds under the Schemes/ Packages are operated by NEDFi through RBI for Model-1 Schemes & through Scheduled Commercial Banks for Model-2 Schemes.

In addition, the Ministry has also awarded NEDFi as Field Level Technical Support Unit (FTSU) for coordination and field level assessment of schemes, programmes and projects funded by MDoNER & North Eastern Council (NEC) in NE States.

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 undertaking 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 had executed and inspected many roads and bridge projects under PMGSY Scheme, CSS and State funded Projects/Schemes, BADP scheme, Study on Connectivity Projects between the North Eastern Region and Neighbouring Countries for Ministry of External Affairs, Govt. of India, and Jal Jeevan Mission (JJM) Schemes which has benefitted the infrastructure sector of the North Eastern Region. Further, the Corporation has been awarded for Preparation of Detailed Project Report (DPR) for Short Landing Strips in Nagaland by Nagaland State Transport. Besides, the Corporation has also been awarded the consultancy service for Inputs on New Design and Value Addition in Handloom & Participation/ organization of Trade Fair & Buyer Seller Meet under APART by Directorate of Handloom & Textile, Govt. of Assam.

During the year, total order booked in Advisory & Consultancy Services was ₹14.31 crore.

HRD Initiatives

During the year under review, the Corporation demonstrated its commitment to employee development through an array of impactful training programs. Workshops spanning Voice & Speech, Corporate Governance, Management Development, Project Finance, and Leadership were orchestrated, enriching the skills and knowledge of the workforce. Moreover, the Corporation's proactive approach extended to recruitment drives, job rotation implementations, and promotion exercises, fostering professional growth and providing opportunities for career advancement. These endeavors collectively underscore the Corporation's dedication to nurturing a skilled

and capable team, poised to contribute effectively to its objectives and overall success.

NEDFi Convention Centre

The NEDFi 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 the period under review, a total of 86 events were held at the Centre.

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 sectoral data of the NE states. 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 50 KW 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), Internal Risk Management Committee (IRMC), 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

1. 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 Region.

Activities Identified under CSR:

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

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

Highlights of CSR initiatives of the Corporation during the FY 2022-23

- Construction of Fruit and Vegetable processing Centre at Pfutsero, Phek district, Nagaland. It involved renovation of existing building facilitation of plant & machinery and mentoring support which will provide linkage to around 500 farmers.
- Construction of Training Hall and Women's Hostel for Bagurumba Weaving Development Trust at Chatra Village, near Ghograpar in Nalbari District of Assam. It will act as a Nodal Centre for skill upgradation of handloom weavers belonging to Nalbari district as well as BTR districts.
- Provided Cardamom Fiber Common Facility Centre at Manmao Village in Changlang district of Arunachal

Pradesh. The project involves construction of building for Common Facility Centre as well as providing capacity building and market linkage support to the women artisans who are associated with large cardamom cultivation in the district.

- Implemented a project on value addition in handloom products in Goalpara of Assam for the weavers of Garo, Rabha, Rajbangsi communities, involved in traditional handloom products earlier.
- Facilitated Banana fiber extraction machine and conducted training programme on use of banana fiber for preparation of handicraft items, in 3 districts of Nagaland viz. Mon, Peren and Kiphire.
- Provided Common Facility Centre Service at Khetri, Assam for women artisans for production of craft products and market linkage.
- Provided market linkage to the artisanal produce of NER through showrooms located at NEDFi Haat, Guwahati; India Exposition Mart Limited, Greater Noida; Craft Gallery located at Dispur and Panbazar, Mahabalipuram in Tamil Nadu etc. under NESHILP, a society promoted by NEDFi.

CSR Committee:

A. Board Level Committee as on 31st March 2023

- Shri P.V.S.L.N. Murty - Chairman and Managing Director
- Dr. Natalie West Kharkongor - Woman Director
- Shri V.M. Devassy - Director
- Shri A. Kumar - 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

Year	Net Profit (PBT)
2019-20	55.71
2020-21	83.61
2021-22	101.83
Total	241.15
Average Net profit	80.38

CSR Budget allocation for the FY 2022-23 : ₹198.82 Lakhs.

CSR Expenditure made during FY 2022-23 : ₹207.43 Lakhs.

DIRECTORS' REPORT



Details of CSR spent during the FY 2022-23:

i. Total minimum amount to be spent in the financial year: ₹160.76 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.

(₹ in Lakh)

Sl. No.	Head of expenditure	Amount
1	Cluster Level Project	127.05
2	Capacity Building Programmes	22.50
3	Marketing Support: Showrooms & Exhibitions	47.56
4	Miscellaneous and Contingency	10.32
	Total	207.43

CSR Projects:

(₹ in 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	Livelihood Enhancement	Assam	*Kamrup (Metro)	2.97	2.97	Nil	2.97	NESHILP a NEDFi promoted society
			Assam	Kamrup	4.38	4.38	Nil	4.38	NGO, Grameen Sahara
			Nagaland	Dimapur /Peren/Mon/Kiphire	7.65	7.65	Nil	7.65	NESHILP
			Manipur	East Imphal	3.21	3.21	Nil	3.21	Direct
			Pan North East	Pan North East	4.29	4.29	Nil	4.29	Direct
			Sub Total (A)				22.50	22.50	Nil
2	Cluster Level Project		Arunachal Pradesh	Changlang	27.01	27.01	Nil	27.01	NGO, R.K. Mossang Memorial Society
			Assam	Baksa	18.91	18.91	Nil	18.91	NESHILP
			Assam	Goalpara	19.98	19.98	Nil	19.98	NESHILP
			Assam	Nalbari	29.50	29.50	Nil	29.50	NESHILP
			Nagaland	Phek	31.65	31.65	Nil	31.65	NESHILP
		Sub Total (B)				127.05	127.05		127.05
3	Marketing Support: Showroom & Exhibition	Pan North East	Pan North East	47.56	47.56	Nil	47.56	Direct	
		Sub Total (C)				47.56	47.56		47.56
4	Miscellaneous and Contingencies	Pan North East	Pan North East	10.32	10.32	Nil	10.32	Direct	
		Sub Total (D)				10.32	10.32		10.32
Grand Total (A+B+C+D)					207.43	207.43		207.43	

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, Guwahati, NEDFi R&D Centre at Khetri as well as programmes organised outside NER, which had representation from all the states of NER.

Responsibility Statement:

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

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.

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, 2023.

Name of the Director	Position held in the Committee	Category of the Director
Sri S.K.Pai	Member, Chairman	Non-Executive Independent Director
Sri A.Kumar	Member	Non-Executive Non Independent Director
Sri U Tashi	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 PVSLN Murty	Member	Whole Time Director

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. Agrawala & Associates, Chartered Accountants, Guwahati, having registration number FRN 311081E, were appointed as Statutory Auditors' of the Corporation by the Comptroller and Auditor General of India (C&AG) for FY23. 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, 2023 is annexed herewith.

Secretarial Auditor and Audit Report

M/s Amit Pareek & Associates, Practicing Company Secretary, Guwahati, having registration number FCS-5114 and CP No 4289, were appointed by the Board of the Corporation to conduct Secretarial Audit for FY 23. The Secretarial Audit Report does not contain any major qualification, reservation or adverse remark. The Secretarial Audit Report for the financial year ended March 31, 2023 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 complying with the same.

Annual Return

The Annual Return as required under section 92 of the Companies Act, 2013 is available at the Corporation's website viz www.nedfi.com

DIRECTORS' REPORT



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 23, the Board of Directors met 6 (six) times viz. on 29th April 2022, 28th June 2022, 29th July 2022, 6th September 2022, 19th November 2022 and 21st March 2023.

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, 2023, 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, 2023 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

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

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:

The details of Subsidiary, Joint Ventures and Associate Companies of the Corporation are given below:

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)

The Corporation, jointly with the Ministry of DoNER had set up the North East Venture Fund (NEVF) with a corpus of Rs.100 crore. The Fund is registered with Securities and Exchange Board of India (SEBI). 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, 2023, the Fund had provided, in-principle, commitment of ₹93.17 crore for 62 portfolio companies.

The financial performance of NVCL & NTL during the financial year 2022-23 is given below.

(₹ in lakhs)

PARTICULARS	NVCL	NTL
Total Income	214.10	3.55
Total Expenditure	208.08	1.29
Profit before tax	6.02	2.27
Tax expense	1.51	0.57
Profit for the year	4.50	1.70
Earnings per share (₹)	9.00	3.39

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 28, 2022, none of the Directors retired by rotation.

Since the last Annual General Meeting, Sri Arvind Kumar Singh (DIN : 09689473), Chief General Manager, State Bank of India, Sri Bhaskar Jyoti Sarma (DIN :05282550), Independent Director and Sri Sanjay Kumar Pai (DIN : 00307575), Independent Director relinquished their office as Directors. The Board placed on record its appreciation of the services rendered by Sarbasree Arvind Kumar Singh, Bhaskar Jyoti Sarma and Sanjay Kumar Pai during their respective tenure at NEDFi.

Sri V.M. Devassy (DIN : 09850306) , Chief General Manager, State Bank of India, Guwahati Circle has been appointed as Additional Director of the Company with effect from 05-01-2023 in place of Sri Arvind Kumar Singh 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-eighth Annual General Meeting.

Sri Kaushik Sinha (DIN: 08848597), former Chief General Manager of State Bank of India has been appointed as Additional Director of the Company with effect from 29-04-2023 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 for the Twenty-eighth 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, 20 (twenty) Sanctioning Committee Meetings were held.

Corporate Credit Committee

The Corporate Credit Committee (I), Corporate Credit Committee (II) and Branch Credit Committee were constituted for loan applications upto ₹1 crore with sanctioning power of (i) above ₹50 lakh upto ₹1 crore, (ii) upto ₹50 lakh and (iii) upto ₹5 lakh respectively. During the year under review, 19 (nineteen) Corporate Credit Committee (I) and 35 (thirty five) Corporate Credit committee (II) meetings were held.

DIRECTORS' REPORT



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, 2023.

Name of the Director	Position held in the Committee	Category of the Director
Sri B.J.Sarma	Member, Chairman	Non-Executive Independent Director
Sri S.K.Pai	Member	Non-Executive Independent Director
Dr. N.W. Kharkongor	Member	Non-Executive Independent Woman Director
Sri A.Kumar	Member	Non-Executive Non Independent Director
Sri V.M.Devassy	Member	Non-Executive Non Independent 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's Discussion and Analysis

The Management's 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:

- Secretarial Audit Report
- Independent Auditors' 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)
DIN: 07355708

Place: Guwahati
Dated: 07/09/2023

ATTENDANCE SHEET



BOARD MEETING ATTENDANCE FOR THE FINANCIAL YEAR 2022-23

Sl. No.	NAME OF DIRECTOR	132 nd meeting dated 29.04.2022	133 rd meeting dated 28.06.2022	134 th meeting dated 29.07.2022	135 th meeting dated 06.09.2022	136 th meeting dated 19.11.2022	137 th meeting dated 21.03.2023
1	Sri PVSLN Murty	Present	Present	Present	Present	Present	Present
2	Dr. K.V. Pratap	--	--	--	Present	Absent	Present
3	Sri R.S. Ramesh, SBI	Present	Present	--	--	--	--
4	Sri A.K. Singh, SBI	--	--	Present	Absent	Absent	--
5	Sri V.M. Devassy, SBI	--	--	--	--	--	Absent
6	Sri S. Chaudhuri, IDBI	Present	Absent	--	--	--	--
7	Sri U Tashi, IDBI	--	--	Present	Present	Present	Present
8	Sri A Kumar, LIC	Present	Present	Present	Present	Present	Present
9	Sri BJ Sarma, Ind. Dir.	Present	Present	Present	Present	Present	Present
10	Sri SK Pai, Ind. Dir.	Present	Present	Present	Present	Present	Present
11	Dr NW Kharkongor, Woman Dir.	Present	Present	Present	Present	Present	Present
12	Dr R Sharma, IAS	Absent	Absent	Present	Absent	Absent	Present
13	Sri J Alam, IAS	Absent	Absent	Present	Absent	Absent	Absent

SANCTIONING COMMITTEE MEETING ATTENDANCE FOR THE FINANCIAL YEAR 2022-23

Sl. No.	Name of Director	152 nd meeting dated 16.05.2022	153 rd meeting dated 03.06.2022	154 th meeting dated 10.06.2022	155 th meeting dated 23.06.2022	156 th meeting dated 06.07.2022	157 th meeting dated 18.07.2022
1	Sri PVSLN Murty	Present	Present	Present	Present	Present	Present
2	Sri B. J. Sarma	Present	Present	Present	Present	Present	Present
3	Sri S. K. Pai	Present	Present	Present	Present	Present	Present
4	Sri A. Kumar	Present	Present	Present	Present	Present	Present

Sl. No.	Name of Director	158 th meeting dated 04.08.2022	159 th meeting dated 08.08.2022	160 th meeting dated 30.08.2022	161 st meeting dated 16.09.2022	162 nd meeting dated 28.09.2022	163 rd meeting dated 28.10.2022
1	Sri PVSLN Murty	Present	Present	Present	Present	Present	Present
2	Sri B. J. Sarma	Present	Present	Present	Present	Present	Present
3	Sri S. K. Pai	Present	Present	Present	Present	Present	Present
4	Sri A. Kumar	Present	Present	Present	Present	Present	Present

Sl. No.	Name of Director	164 th meeting dated 14.11.2022	165 th meeting dated 30.11.2022	166 th meeting dated 19.12.2022	167 th meeting dated 30.12.2022	168 th meeting dated 07.02.2023	169 th meeting dated 20.02.2023
1	Sri PVSLN Murty	Present	Present	Present	Present	Present	Present
2	Sri B. J. Sarma	Present	Absent	Present	Present	Present	Present
3	Sri S. K. Pai	Present	Present	Present	Present	Present	Present
4	Sri A. Kumar	Present	Present	Present	Present	Present	Present

Sl. No.	Name of Director	170 th meeting dated 17.03.2023	171 st meeting dated 27.03.2023
1	Sri PVSLN Murty	Present	Present
2	Sri B. J. Sarma	Present	Present
3	Sri S. K. Pai	Present	Present
4	Sri A. Kumar	Present	Present

AUDIT COMMITTEE MEETING ATTENDANCE FOR THE FINANCIAL YEAR 2022-23

Sl. No.	Name of Director	79 th meeting dated 15.06.2023	80 th meeting dated 28.07.2022	81 st meeting dated 05.09.2022	82 nd meeting dated 07.02.2023
1	Sri B. J. Sarma	Present	Present	Present	Present
2	Sri R. S. Ramesh, SBI	Present	--	--	--
3	Sri AK Singh, SBI	--	--	Absent	--
4	Sri VM Devassy, SBI	--	--	--	Present
5	Sri S. K. Pai	Present	Present	Present	Present
6	Dr. N. W. Kharkongor	Present	Present	Present	Present
7	Sri A. Kumar, LICl	Present	Present	Present	Present

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE MEETING ATTENDANCE FOR THE FINANCIAL YEAR 2022-23

Sl. No.	Name of Director	19 th meeting dtd. 15.06.2022	20 th meeting dtd. 28.07.2022	21 st meeting dated 20.03.2023
1	Sri PVSLN Murty	Present	Present	Present
2	Sri A. Kumar, LICl	Present	Present	Present
3	Sri R. S. Ramesh, SBI	Present	--	--
4	Sri VM Devassy, SBI	--	--	Absent
5	Sri S. K. Pai	Present	Present	Present
6	Sri B. J. Sarma	Present	Present	Present
7	Dr. N. W. Kharkongor	Present	Present	Present

NOMINATION AND REMUNERATION COMMITTEE (NRC) MEETING ATTENDANCE FOR THE FINANCIAL YEAR 2022-23.

Sl. No.	Name of Director	19 th meeting dated 29.04.2022	20 th meeting dated 28.07.2022	21 st meeting dated 14.11.2022	22 nd meeting dated 07.02.2023	23 rd meeting dated 21.03.2023
1	Sri S. K. Pai	Present	Present	Present	Present	Present
2	Sri PVSLN Murty	Present	Present	Present	Present	Present
3	Sri B. J. Sarma	Present	Present	Present	Present	Present
4	Sri S. Chaudhuri, IDBI Bank	Present	--	--	--	--
5	Sri U. Tashi, IDBI Bank	--	Present	Present	Present	Present
6	Dr. N. W. Kharkongor	Present	Present	Present	Present	Present
7	Sri A. Kumar, LICl	Present	Present	Present	Present	Present

ATTENDANCE SHEET



RISK MANAGEMENT COMMITTEE OF THE BOARD (RMCB) MEETING ATTENDANCE FOR THE FINANCIAL YEAR 2022-23

Sl. No.	Name of Director	12 th meeting dated 28.07.2022	13 th meeting dated 14.11.2022	14 th meeting dated 20.03.2023
1	Sri PVSLN Murty	Present	Present	Present
2	Dr. N. W. Kharkongor	Present	Present	Present
3	Sri R. S. Ramesh	--	--	--
4	Sri AK Singh	--	Absent	--
5	Sri VM Devassy	--	--	Absent
6	Sri S. K. Pai	Present	Present	Present
7	Sri B. J. Sarma	Present	Present	Present
8	Sri A. Kumar	Present	Present	Present

Corporate Governance deals with laws, practices and implicit rules that determine a Corporation's ability to take informed managerial decision vis-à-vis its Stakeholders – in particular, its shareholders, customers, government and employees. The management of the Corporation always 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 10 (ten) 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 Nagaland and Mizoram on rotation for a period of 2 (two) years, 1 (one) Representative from the Ministry of DoNER, 2 (two) Independent Directors and 1 (one) Independent 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, 2023 is as under:

Name	Executive / Non – Executive / Independent	No. of Other Directorships held		No. of other committee membership held	
		Public	Private	Public	Private
Sri PVSLN Murty	Chairman & Managing Director	2	Nil	Nil	Nil
Sri J. Alam, IAS	Non-Executive Non-Independent Director	Nil	Nil	NA	NA
Dr. R Sharma, IAS	Non-Executive Non-Independent Director	Nil	Nil	NA	NA
Dr. K V Partap, IAS	Non-Executive Non- Independent Director	Nil	Nil	NA	NA
Sri U. Tashi	Non-Executive Non-Independent Director	Nil	Nil	Nil	Nil
Dr. N. W. Kharkongor	Woman Director	1	Nil	NA	NA
Sri S. K. Pai	Independent Director	1	Nil	Nil	Nil
Sri B. J. Sarma	Independent Director	2	Nil	NA	Nil
Sri V M Devassy	Non-Executive Non-Independent Director	Nil	Nil	NA	NA
Sri A. Kumar	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.

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:

REPORT ON CORPORATE GOVERNANCE



Sl. No.	Board Meeting No.	Date	Board Strength	No. of Directors present
1	132 nd Board Meeting	29 th April 2022	9	07
2	133 th Board Meeting	28 th June 2022	9	06
3	134 th Board Meeting	29 th July 2022	9	09
4	135 th Board Meeting	6 th September 2022	10	07
5	136 th Board Meeting	19 th November 2022	10	06
6	137 th Board Meeting	21 st March, 2023	10	08

c. 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 2022-23:

Sl. No.	RMCB Meeting No.	Date	Committee Strength	No. of members present
1.	12 th RMCB Meeting	28 th July 2022	05	04
2.	13 th RMCB Meeting	14 th November 2022	06	05
3.	14 th RMCB Meeting	20 th March 2023	06	05

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 as on 31st March 2023 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.	Dr. N. W. Kharkongor Independent Woman Director	Member
4.	Sri V.M. Devassy Nominee Director of State Bank of India	Member
5.	Sri A. Kumar, Nominee Director of LIC of India	Member

The Committee met 4 (Four) times during the year. The Company Secretary acts as the Secretary to the Committee.

Sl. No.	Audit Meeting No.	Date	Committee Strength	No. of Members present
1.	79 th Audit Committee	15 th June 2022	05	05
2.	80 th Audit Committee	28 th July 2022	04	04
3.	81 st Audit Committee	5 th September 2022	05	04
4.	82 nd Audit Committee	7 th February 2023	05	05

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:

- To investigate any activity / matter within its terms of reference
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- 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:

- Any changes in accounting policies and practices.
- Major accounting entries based on exercise of judgment by management.
- Qualifications in draft audit report.
- Significant adjustments arising out of audit.
- The going concern assumption.
- Compliance with the accounting standard.
- Compliance with stock exchange and legal requirements concerning financial statements.
- 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.

REPORT ON CORPORATE GOVERNANCE



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 in the 120th Board of Directors Meeting held on 21-10-2019. The Nomination and Remuneration Committee as on 31st March, 2023 were as follows:

Name of the Director	Position held in the Committee	Category of the Director
Sri S.K. Pai	Member, Chairman	Non-Executive Independent Director
Sri A. Kumar	Member	Non-Executive Non-Independent Director
Sri U.Tashi	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 PVSLN Murty	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 2022-23 are given below:

Director	Designation	Salary (Rs.)	Perquisites (Rs.)	Total (Rs.)
Sri PVSLN Murty	Chairman & Managing Director	54,05,400/-	14,66,443/-	68,71,843/-

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
2019-20	22 nd December, 2020	3:00 P.M.	NEDFi House, Guwahati
2020-21	22 nd November, 2021	3:00 P.M.	NEDFi House, Guwahati
2021-22	27 th September, 2022	3:00 P.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	Percentage
Industrial Development Bank of India	250,00002	25%
Life Insurance Corporation of India	150,00001	15%
State Bank of India	150,00001	15%
Industrial Finance Corporation of India	100,00001	10%
ICICI Ltd.	100,00001	10%
Small Industries Development Bank of India	100,00000	10%
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



(P.V.S.L.N. Murty)
Chairman & Managing Director
DIN: 07355708

Place : Guwahati.
Date : 07/09/2023

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES



1. Brief outline on CSR Policy of the Company: 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.

2. Composition of the CSR Committee:

Sl.No.	Name of the Director	Designation/ Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
01	Shri P.V.S.L.N. Murty	Chairman and Managing Director	3	3
02	Dr. Natalie West Kharkongor	Woman Director	3	3
03	Shri R.S. Ramesh (up to June 2022)	Director	3	1
04	Shri V.M. Devassy	Director	3	0
05	Shri A. Kumar	Director	3	3
06	Shri B. J. Sarma	Director	3	3
07	Shri S.K. Pai	Director	3	3

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

https://www.nedfi.com/wp-content/uploads/2021/08/New_CSR_Policy.pdf
[nedfi.com/csr-activities](https://www.nedfi.com/csr-activities)

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

5.

(a) Average net profit of the company as per sub-section (5) of section 135.

Rs. 803.80 Lakh.

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135.

Rs. 160.76 lakh

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.; **Rs. NIL**

(d) Amount required to be set-off for the financial year. If any. **Rs. NIL**

(e) Total CSR obligation for the financial year {(b)+(c)-(d)}. **Rs. 160.76 lakh**

6. (a) Amount spent on CSR Projects (both ongoing project and other then ongoing project)

Rs. 183.22 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		Assam	*Kamrup (Metro)	2.97	2.97	Nil	2.97	NESHILP a NEDFi promoted society
			Assam	Kamrup	4.38	4.38	Nil	4.38	NGO, Grameen Sahara

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

		Livelihood Enhancement	Nagaland	Dimapur /Peren/Mon/ Khipre	7.65	7.65	Nil	7.65	NESHILP
			Manipur	East Imphal	3.21	3.21	Nil	3.21	Direct
			Pan North East	Pan North East	4.29	4.29	Nil	4.29	Direct
			Sub Total (A)		22.50	22.50	Nil	22.50	
2	Cluster Level Project	Livelihood Enhancement	Arunachal Pradesh	Changlang	27.01	27.01	Nil	27.01	NGO, R.K. Mossang Memorial Society
			Assam	Baksa	18.91	18.91	Nil	18.91	NESHILP
			Assam	Goalpara	19.98	19.98	Nil	19.98	NESHILP
			Assam	Nalbari	29.50	29.50	Nil	29.50	NESHILP
			Nagaland	Phek	31.65	31.65	Nil	31.65	NESHILP
			Sub Total (B)		127.05	127.05		127.05	
3	Marketing Support: Showroom & Exhibition		Livelihood Enhancement	Pan North East	Pan North East	47.56	47.56	Nil	47.56
		Sub Total (C)		47.56	47.56		47.56		
4	Miscellaneous and Contingencies (Inclusive of Rs 5.24 Lakh for Impact Assessment)	Livelihood Enhancement	Pan North East	Pan North East	10.32	10.32	Nil	10.32	Direct
			Sub Total (D)		10.32	10.32		10.32	
Grand Total (A+B+C+D)					207.43	207.43		207.43	

(b) Amount spent in Administrative Overheads NIL

(c) Amount spent on Impact Assessment, if applicable.: Rs. 5.24 Lakh

(d) Total amount spent for the Financial Year {(a)+(b)+(c)} 188.46 lakh

(Total amount utilised on CSR during the current financial year Rs. 207.43 Lakh comprising of fresh allocation Rs. 188.46 Lakh during the current financial year and utilisation of Rs. 18.97 Lakh being the unspent amount of ongoing projects for previous year.)

(e) CSR amount spent or unspent for the Financial Year.

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under schedule VII as per sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
207.43 Lakh	NIL				

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES



(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
1	2	3
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	160.76 lakh
(ii)	Total amount spent for the Financial Year	188.46 Lakh
(iii)	Excess amount spent for the Financial Year {(ii)-(i)}	27.70 Lakh
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Year, if any	NIL
(v)	Amount available for set off in succeeding Financial Years {(iii)-(iv)}	27.70 Lakh

7. Details of Unspent Corporate Social Responsibilities amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8	
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account as per sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of Transfer		
1	2021-22	NIL	NIL	128.19 lakh	NIL	NIL	18.97 Lakh	NIL
2	2020-21	NIL	NIL	271.79 Lakh				
3	2019-20	NIL	NIL	186.09 Lakh				

8. Whether any capital assets have been created or acquired through Corporate Social Responsibilities amount spent in the Financial Year:

No.

If yes, enter the number of Capital assets created/acquired: **Not applicable.**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibilities amount spent in the Financial Year:

Sl.No.	Short particulars of the property or asset(s) [including complete address and location of the project of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details entity /Authority/beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address

(All the field should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section(5) of section 135.

Not applicable, since the Corporation has spent Rs. **188.46 Lakh** during the financial year 2022-23 as against the prescribed CSR obligation of **Rs. 160.76 lakh**.

(Chairman CSR Committee)

SMALL STEPS BIG IMPACT

Macro-economic Environment during financial year 2022-23 (FY 23)

The year 2022-23 has been marked by turbulence, with the global economy grappling with significant shocks and unparalleled uncertainty. Despite the receding impact of the pandemic, the global economic growth has slowed due to the ongoing Russia-Ukraine conflict. Food and energy price shocks have led to inflationary pressures, compounded by a wage-price spiral, affecting countries across the board. The recent bank failures in the United States serve as a reminder of the challenges that arise from the interplay between tighter monetary and financial conditions, along with vulnerabilities in the system. Despite central banks raising interest rates to curb inflation, underlying price pressures persist, and labor markets remain tight in multiple economies. High debt levels further constrain the capacity of fiscal policymakers to respond effectively to emerging challenges. While commodity prices have moderated, geopolitical tensions remain elevated as key risks. However, China's earlier-than-expected opening is alleviating supply chain disruptions and instilling optimism for a gradual economic recovery. According to IMF projections, global growth is expected to hit a low of 2.8% this year before a slight uptick to 3.0% in 2024.

Amidst these global uncertainties, the Indian economy has exhibited resilience, bolstered by a robust agriculture and services sector. Externally, the exports of goods and services have achieved remarkable heights, supported by strong demand for Indian services. India's GDP in FY2023 surged by 7.2%, driven by vibrant investment and private consumption. Looking ahead, the real GDP growth is projected at 6.5% for FY2024, as forecasted by the RBI. The economic outlook remains positive due to factors such as improving rural demand, substantial infrastructure spending by the government, resurgence in corporate investment, healthy bank credit, and stabilizing commodity prices.

Economic environment in the North-East during financial year 2022-23(FY 23)

During the FY 2022-23 (FY 23), the North Eastern (NE) region's significance, acknowledged by high-level policymakers, aligns with its identification as "Astha Laxmi" and a growth driver by the Hon'ble Prime Minister of India. The region's potential for sustainable transformation, anchored in historical trade connections and the Act East vision, underscores the drive for diversified resources beyond government funding. Collaborations with stakeholders such as multilateral agencies, CSR initiatives, private investments, and PPPs are being pursued to expedite development, including plans for a global investment summit. Concurrently, existing policies mandate the non-exempted central Ministries/Departments to allocate at least 10% of their Gross Budgetary Support (GBS) to Central Sector and Centrally Sponsored Schemes for the North Eastern Region (NER). In FY 2022-23, actual expenditure by non-exempted Ministries/Departments amounted to Rs. 82,691.37 crore, reflecting a 16.67% growth from the previous year's Rs. 70,874.32 crore. Rail, road, aviation, and connectivity-related projects, coupled with the Prime Minister's Development Initiative for North East Region

(PM-DevINE) Scheme, underscore the commitment to comprehensive development. In this context, the Economic Survey of Assam anticipates substantial economic growth, with Gross State Domestic Product (GSDP) estimates of Rs. 4,93,167 crore at current prices (19.52% growth) and Rs. 2,89,192 crore at constant prices (10.16% growth), outperforming national GDP growth rates. The region's banking services are also on an upswing, evidenced by the increasing credit-to-debt ratio. These indicators collectively point to an accelerating economic landscape in the NE region, accompanied by heightened demand for credit.

Performance of the Corporation during financial year 2022-23 (FY 23)

During FY 2022-23, NEDFi experienced significant growth in its operations in various parameters viz. sanction, disbursement, recovery, reduction of NPA, assistance to micro & small enterprises segment in terms of amount and number of projects, private capital investment generation etc. The Corporation's sanctions and disbursements were ₹798.03 crore and ₹741.14 crore against the previous year's figure of ₹719.01 crore and ₹415.23 crore respectively. As on March 31, 2023, the Corporation had extended financial assistance to 12641 projects with cumulative sanctions & disbursements of ₹7385.03 crore and ₹5690.31 crore respectively. The loan outstanding as on March 31, 2023 was ₹1554.10 crore against ₹1228.11 crore in the previous year.

The gross income of the Corporation grew year-on-year by 4.16% to ₹207.50 crore against ₹199.21 crore. The interest income grew by 25.31% to ₹142.14 crore against ₹113.43 crore in the previous year and non-interest income decreased by 23.81% to ₹65.36 crore from ₹85.78 crore. The gross expenditure decreased by 5.96% to ₹91.58 crore from ₹97.38 crore. Gross profit of the Corporation increased by 13.84% to ₹115.92 crore against ₹101.83 crore and net profit increased by 4.25% to ₹80.00 crore against ₹76.74 crore in the previous year.

The gross NPAs of the Corporation reduced to 3.34% as on March 31, 2023 from 6.30% in the previous financial year while the net NPAs reduced to 1.12% from 2.04%. As on March 31, 2023, the gross NPAs and net NPAs were ₹51.97 crore and ₹16.98 crore respectively, against the corresponding figures of ₹77.38 crore and ₹23.91 crore in the previous financial year.

Macro-economic Outlook for financial year 2023-24 (FY 24)

In the financial year 2023-24 (FY 24), the macroeconomic outlook for the North East region is highly promising, poised for substantial growth. Driven by a multitude of infrastructure initiatives centered around Highway, Inland Waterway, Railway, and Airway (HIRA) development, the northeastern region is witnessing a robust upsurge in economic expansion. Projects such as the Indian-Myanmar-Thailand trilateral highway linking Manipur to Thailand and the Agartala-Akhaura rail project connecting Bangladesh strategically position the northeast as India's gateway to Southeast Asia. The ongoing establishment of a network of railway connections linking all state capitals

MANAGEMENT'S DISCUSSION AND ANALYSIS



and the Eastern Waterways Connectivity Transport Grid project, facilitating seamless connectivity across nearly 5,000 km of waterways, further accelerate growth. Augmented digital connectivity, expanded airports and improved flight services further fuel this momentum.

Built upon historical trade links and the Act East vision, the region is proactively diversifying resources beyond government funding. Collaborative ventures involving multilateral agencies, corporate social responsibility (CSR) endeavors, private investments, and public-private partnerships (PPPs) are pursued, complemented by the anticipation of a global investment summit. A surge in momentum is witnessed in critical sectors such as infrastructure projects, railways, roads, aviation, and connectivity initiatives, propelled by the Prime Minister's Development Initiative for North East Region (PM-DevINE) Scheme, fostering comprehensive development. This trajectory is substantiated by projected growth rates in Gross State Domestic Product (GSDP), Net State Domestic Product (NSDP), and Gross State Value Added (GSVA), as highlighted in the Economic Survey of Assam, signifying an expanding economic landscape.

The northeastern states have emerged as the primary beneficiaries of the five-year-old Goods and Services Tax (GST) regime, as per a Reserve Bank of India (RBI) report on state finances. These states have witnessed a remarkable compound annual growth rate of 27.5 percent in GST revenue since the inception of GST, surpassing the national average of 14.8 percent. This growth is particularly evident in the past year within states like Sikkim and Mizoram, where infrastructure development and investments have flourished, resulting in exponential increases in GST collections. Notably, Mizoram experienced a 53% increase in GST collection for April 2023 compared to the previous month, while Manipur, Nagaland, and Sikkim recorded growth rates of 32%, 29%, and 61%, respectively. The increased GST collections, which reached Rs.2,799 crore in April 2023, compared to Rs.2,290 crore in April 2022, underscore the positive impact of GST on the northeastern states' economic development.

The startup ecosystem in Northeast India is rapidly gaining momentum, with over 900 DPIIT-recognized startups in 2023, generating around 8,800 job opportunities. The government's initiatives like Startup India and the Northeast Startup Festival bolster this growth. Vital sectors propelling the ecosystem include agritech, edtech, healthcare, fintech, and tourism, addressing region-specific challenges. Despite hurdles like limited access to capital and talent, the region's strengths like natural resources and a young population bolster its potential. Initiatives such as Startup India, Northeast Startup Festival, Entrepreneurship Fellowship, and setting up incubators contribute to the ecosystem's expansion. With continued support, Northeast India is poised to emerge as a thriving innovation and entrepreneurship hub.

This positive trend is also mirrored in the banking sector, where a growing credit-to-debt ratio signals rising financial confidence. The government has taken significant measures to strengthen the banking infrastructure in the North East region. Several new bank branches and ATMs, including in hilly and remote areas, have been established, to ensure that banking services are accessible to everyone.

Collectively, these indicators paint an optimistic macroeconomic picture for the North East in FY 24, heralding a dynamic and progressive year ahead.

Outlook for the Corporation for financial year 2023-24 (FY 24)

The Corporation is geared towards seizing the region's burgeoning credit demand and growth, setting an ambitious target for 2023-24, facilitated by a comprehensive strategy and transformative actions. NEDFi's Micro credit initiative, channeled through Business Correspondents, has liberated micro borrowers from usurious lending practices, simultaneously revolutionizing the formal sector by lowering interest rates. The forthcoming year will see NEDFi's concerted efforts to empower grass-root borrowers in remote and underserved areas through affordable financing options, a vital step for those reliant on informal lending. Additionally, support will extend to underserved districts through assisted/ new credible Microfinance Institutions (MFIs), advancing inclusive financial development holistically. NEDFi, recognized as a trustworthy institution, will leverage its role as the Central Nodal Agency to explore avenues for augmenting fund and fee-based income.

This approach involves a blend of targeted initiatives aimed at harmonizing resources, optimizing operations, and propelling growth. The Corporation will persistently emphasize the MSME sector, aligning with the priorities outlined by the respective State governments. Concurrently, NEDFi will expand its outreach to previously untouched areas, fostering income-generating activities for inclusive geographical development. The streamlining of follow-up and monitoring mechanisms is also on the agenda to curtail NPAs and enhance overall financial health. Regular assessments, using key performance indicators and metrics, will gauge progress and drive informed adaptations. By nurturing collaboration and cross-functional synergy, effective execution of initiatives will be ensured. The strategy's core principles include innovation, continuous enhancement, and a customer-centric focus to thrive in the dynamic business landscape. NEDFi remains committed to promoting and supporting startups and will continue to provide crucial resources, funding, mentorship, and guidance to startups. Altogether, a well-crafted strategy, fortified by efficient execution and periodic review, will steer the realization of the business plan's objectives.

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, 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 MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

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

To,
The Members,
NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED
CIN: U65923AS1995GOI004529
Nedfi House, G.S. Road, Dispur, Guwahati (Assam)-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 my opinion thereon.

We report that:

a. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.

b. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c. We have not verified the correctness and appropriateness of the financial statement of the Company.

d. The compliance of the provisions of the Corporate and other applicable Laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verifications of procedures on test basis.

e. 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.

Based on our verification of NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED 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 day of March, 2023 ("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 NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED. ("The Company") for the financial year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Other Laws as may be applicable to the Company as provided by the Company.

We have also examined compliance with the applicable clauses of the following: -

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that: -

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

Adequate notice is 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.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

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 the company had no specific events /actions which is having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.)

We further report that during the audit period there were no instances of:

FORM MR-3 SECRETARIAL AUDIT REPORT



- (i) Public/ Right/ Bonus/ debentures/ sweat equity except preferential issue of shares.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

Place: Guwahati
Date: 18/08/2023

FOR AMIT PAREEK & ASSOCIATES
COMPANY SECRETARIES

A handwritten signature in black ink, appearing to read 'Amit Pareek', is written over the printed name.

(AMIT PAREEK)

Proprietor

FCS: 5714

COP: 4289

Peer Review No: 989/2020

UDIN: F005714E000820660

TO
THE MEMBERS OF
NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED

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 2023 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, 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 Indian Accounting Standards prescribed under sec 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, and the Profit and other 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 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 made thereunder, 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 on the Standalone Ind AS Financial Statements.

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 and 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

INDEPENDENT AUDITORS' REPORT



- 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 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 Ind AS 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, 2023, 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"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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 pending litigations on its financial position in its Standalone Ind AS financial statements. Refer Note 33 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

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received

INDEPENDENT AUDITORS' REPORT

by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

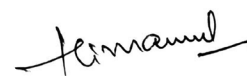
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has

caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The dividend declared or paid during the year by the company is in compliance with sec 123 of the Companies Act,2013.

Place: Guwahati
Dated: 01-08-2023

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



CA. Himanshu Chowkhani
Partner
Membership No. 301901
UDIN: 23301901BGVCAA5748

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 Financial Statements of the company for the year ended 31st March, 2023]

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:

(i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) As explained to us, Property, Plant and Equipment were 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) Based on our examination of documents provided to us, we report that the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the company as at the balance sheet date.

(d) The company has not revalued its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year. Accordingly, clause 3(i)(d) of the Companies (Auditor’s Report) Order, 2020 is not applicable.

(e) No proceedings have been initiated during the year or are pending against the company as at March 31st, 2023 for holding any benami property under The Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and the rules made thereunder.

(ii) (a) The Company is a Non-Banking Finance Company. Accordingly, it does not hold any inventory. Thus, clause 3(ii)(a) of the Companies (Auditor’s Report) Order, 2020 is not applicable.

(b) The Company has been sanctioned working capital limits in excess of ₹5 crore, in aggregate, at points of time during the year, from financial institutions on the basis of security of Loans (assets). We have observed that the quarterly returns or statements filed by the company with such Financial Institutions are in agreement with the books of accounts maintained by the company except for the fact that the statements have been prepared at historic cost method instead of Effective Interest Rate/Amortised cost method as per Ind AS. However we have not carried out a specific audit of such statements.

(iii) As explained in note 1 to the Standalone financial

statements, the Company is a Non-deposit-taking Non-Banking Financial Company (“NBFC”) registered with the Reserve Bank of India (“RBI”) as a loan company

During the year, in the ordinary course of its business, the Company has made investments in, provided guarantee /security to and granted loans and advances in the nature of loans, secured and unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such investments, guarantees / security and loans and advances:

(a) The principal business of the Company is to give loans and hence reporting under clause (iii)(a) of the Order is not applicable;

(b) In our opinion, having regard to the nature of the Company’s business, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company’s interest;

(c) In respect of loans and advances in the nature of loans (together referred to as “loan assets”), the schedule of repayment of principal and payment of interest has been stipulated. Note 1(k) to the standalone financial statements explains the Company’s accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at 31st March, 2023, aggregating Rs. 5,197.29 lakhs were categorised as credit impaired (“Stage 3”) and Rs. 15,246.36 lakhs were categorised as those where the credit risk has increased significantly since initial recognition (“Stage 2”). Disclosures in respect of such loans have been provided in Note 43 to the Standalone Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at 31st March, 2023 aggregating Rs. 134,966.77 lakhs, where credit risk has not significantly increased since initial recognition (categorised as “Stage 1”), delinquencies in the repayment of principal and payment of interest aggregating Rs. 317.64 lakhs were also identified, albeit of less than 31 days. In all other cases, the repayment of principal and interest is regular as at 31st March, 2023. Having regard to the nature of the Company’s business and the volume of information involved, it is not practicable to provide an item-wise list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at 31st March, 2023 is Rs. 5197.29 lakhs. Reasonable steps are been taken by the Company for recovery of the principal and interest.

(e) The principal business of the Company is to give loans and hence reporting under clause (iii)(e) of the Order is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

(iv) 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.

(v) In our opinion, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposit) Rules, 2014. Therefore, reporting under clause 3 (v) of the Order is not applicable.

(vi) 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

(vii) (a) According to the records of the company and explanations given to us, the company is regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess, and other statutory dues applicable to it, with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues in arrears as at 31st March, 2023, for a period of more than six months from the date they became payable.

(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 Act1994 [Service Tax]	Service Tax	Rs.1.97cr.	FY 2011-12 to FY 2016-17	CESTAT

(viii) Based on our examination of the records there were no transactions relating to previously unrecorded income not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961

(ix)(a) Based on our examinations of records and explanations provided to us the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The company has not been declared wilful defaulter by any bank or financial institutions or government or any other government authority.

(c) Based on our examination of records and explanations provided to us the terms loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the company there were no funds raised on short term basis and hence reporting under clause 3(ix)(d) of the Order is not applicable.

(e) Based on our examination of records and explanations provided to us the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) On an overall examination of the financial statements of the company the company has not raised any loans during the year on the pledge of securities held in it subsidiaries, joint ventures or associate companies.

(x) (a) The company did not raise any money by way of initial public offer or further public offer during the year and hence reporting under clause 3(x)(a) is not applicable.

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures during the year and hence reporting under clause 3(x)(b) is not applicable.

(xi) (a) To the best of our knowledge, no material fraud on the Company and no fraud by the company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) To the best of our knowledge, there were no whistleblower complaints received during the year by the company.

ANNEXURE “A”



(xii) The company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) 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.

(xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business. The Company needs to enhance the coverage / scope of the internal audit in certain areas.

(b) We have considered, the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is a Non-Banking Finance Company and has obtained registration under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) The company has a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. The Company has not conducted any Housing Finance Activities and is not required to obtain CoR for such activities from the RBI.

(c) The company is a not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and therefore, reporting under clause 3(xvi) (c) of the Order is not applicable to the Company.

(d) The Group has no CIC as part of the Group.

(xvii) The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the company during the year. Hence, the provisions of

clause 3(xviii) of the order are not applicable.

(xix) On the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidences supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing as on the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give an any guarantee not any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharge by the company as in when they fall due.

(xx) (a) As per our examination of the financial statements, there are no unspent Corporate Social Responsibility (CSR) amount, other than ongoing projects, requiring a transfer to a fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) The Company has fully spent the required amount towards Corporate Social Responsibility(CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the companies Act, 2013 or special account in compliance with the provision of sub-section 6 of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the order is not applicable for the year.

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

Chartered accountants

FRN 319293E

CA. Himanshu Chowkhani

Partner

Membership No. 301901

UDIN: 23301901BGVCAA5748

Place: Guwahati

Dated: 01-08-2023

ANNEXURE "B"


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

(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, 2023)

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 2022-23, 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. 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) and the funds have been utilized as per the terms and conditions of the scheme.

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



CA. Himanshu Chowkhani
Partner
Membership No. 301901
UDIN: 23301901BGVCAA5748

Place: Guwahati
Dated: 01-08-2023

ANNEXURE “C”

TO THE INDEPENDENT AUDITORS’ REPORT



(Referred to in para 3(f) under ‘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, 2023)

Report on the internal financial controls with reference to Standalone Financial Statements 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, 2023, we have audited the Internal Financial Controls with reference to Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility For Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal standalone financial controls based on the internal control with reference to Standalone Financial Statements 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 (the “Guidance Note”). 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 respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s Internal Financial Controls with reference to Standalone Financial Statements of the Company based on our audit. We conducted our audit in accordance with 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 internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Standalone Financial Controls System with reference to Standalone Financial Statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to Standalone Financial Statements included obtaining an understanding of Internal Financial Controls with reference to Standalone Financial Statements, 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 whether due to fraud or error.

Meaning Of Internal Financial Controls With Reference To Financial Statements

A company’s Internal Financial Controls with reference to Standalone Financial Statements 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 Internal Standalone Financial Controls with reference to Standalone Financial Statements 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 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 With Reference To Standalone Financial Statements

Because of the inherent limitations of Internal Financial Controls with reference to Standalone Financial Statements, 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 Internal Financial Controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements 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, to the best of our Information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements are operating effectively as at March 31, 2023, based on the criteria for internal control

with reference to Financial Statements 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.

Place: Guwahati
Dated: 01-08-2023

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



CA. Himanshu Chowkhani
Partner
Membership No. 301901
UDIN: 23301901BGVCAA5748

NON-BANKING FINANCIAL COMPANIES AUDITORS' REPORT

FOR THE YEAR ENDED 31 MARCH, 2023



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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement 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 31.03.2023.

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 29.04.2022 for non-acceptance of any public deposit during FY 2022-23.

4. The Company has not accepted any public deposits during the financial year 2022-23.

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.

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 2022-23 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 31.03.2023 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

CA. Himanshu Chowkhani
Partner
Membership No. 301901
UDIN: 23301901BGVCAA5748

Place: Guwahati
Dated: 01-08-2023

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023

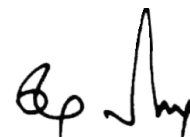
The preparation of Standalone financial statements of **North Eastern Development Finance Corporation Limited** for the period ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **1st August 2023**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the Standalone financial statements of **North Eastern Development Finance Corporation Limited** for the year ended 31 March 2023 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.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

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



**(Rajiv Kumar Pandey)
Director General of Audit
(Central Expenditure), New Delhi**

Place: New Delhi
Date: 29.09.2023

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2023



(₹ in lakhs)

Particulars	Notes	As at	
		31st March, 2023	31st March, 2022
ASSETS			
(1) Financial Assets			
(a) Cash & Cash Equivalents	2	18,247.30	18,636.99
(b) Bank Balance other than (a) above	3	11,623.69	16,469.99
(c) Receivables			
- Trade receivables	4	1,421.46	650.51
(d) Loans	5	1,53,883.50	1,18,884.57
(e) Investments	6	12,369.22	30,497.89
(f) Other Financial Assets	7	5,865.42	9,698.06
		2,03,410.58	1,94,838.00
(2) Non Financial Assets			
(a) Current Tax Assets (Net)	8	-	-
(b) Property Plant & Equipment	9	2,797.48	2,767.69
(c) Capital Work-in-progress	9	0.87	0.87
(d) Intangible Assets	9	34.20	102.61
(e) Other Non Financial Assets	10	-	171.28
		2,832.55	3,042.45
Total Assets		2,06,243.14	1,97,880.45
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial Liabilities			
(a) Payables	11		
Trade Payables			
i) total outstanding dues of micro enterprise and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprise and small enterprises		54.27	45.79
Other Payables			
i) total outstanding dues of micro enterprise and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprise and small enterprises		-	-
(b) Borrowings (Other than Debt Securities)	12	49,114.99	49,768.37
(c) Other Financial Liabilities	13	41,029.67	41,134.52
		90,198.94	90,948.68
(2) Non Financial Liabilities			
(a) Current Tax Liabilities (Net)	14	88.92	289.32
(b) Provisions	15	2,379.39	1,962.54
(c) Deferred Tax Liabilities (Net)	16	1,490.71	897.66
		3,959.02	3,149.51
(3) Equities			
(a) Equity Share Capital	17	10,000.00	10,000.00
(b) Other Equity	18	1,02,085.18	93,782.25
		1,12,085.18	1,03,782.26
Total Liabilities and Equity		2,06,243.14	1,97,880.45
The accompanying notes form an integral part of the financial statements	1-47		

As per our Report of even date

For H.K. Agrawala and Associates

Chartered Accountants
Firm Regn No. 319293E

CA Himanshu Chowkhani

Partner
(M. No. 301901)
UDIN: 23301901BGVCAA5748
Place : Guwahati
Date : 01/08/2023

For and on behalf of the Board of Directors

(PVSLN Murty)

Chairman and Managing Director
DIN : 07355708

(S. K. Baruah)

Chief Financial Officer

(V. K. Agarwal)

Company Secretary

STANDALONE STATEMENT

OF PROFIT & LOSS FOR THE YEAR

ENDED MARCH 31, 2023

(₹ in lakhs)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
(i) Interest Income	19	14,214.95	11,343.88
(ii) Dividend Income	20	57.00	56.40
(iii) Rental Income	21	515.83	475.33
(iv) Fees and Commission Income	22	46.73	32.44
(v) Net gain/(loss) on Fair value changes	23	387.48	1,485.12
(vi) Other Operating Income	24	4,195.55	3,563.28
I Total Revenue from Operations		19,417.54	16,956.44
II Other Income	25	1,332.87	2,964.99
III Total Income (I + II)		20,750.42	19,921.42
EXPENSES			
(i) Finance Costs	26	3,333.41	3,074.93
(ii) Impairment on financial instruments	27	(894.13)	1,483.83
(iii) Employee Benefit Expenses	28	4,142.94	3,665.37
(iv) Depreciation, amortisation and impairment	29	276.67	276.30
(v) Other Expenses	30	2,299.24	1,237.42
IV Total Expenses		9,158.12	9,737.85
V Profit / (Loss) before exceptional items and tax (III-IV)		11,592.29	10,183.57
VI Exceptional Items		-	-
VII Profit / (Loss) before Tax (V+VI)		11,592.29	10,183.57
VIII Tax Expense			
Current Tax		2,770.29	2,372.71
Deferred Tax		593.05	55.32
Tax adjustment of earlier years		228.40	81.66
		3,591.74	2,509.69
IX Profit / (Loss) for the period (VII-VIII)		8,000.55	7,673.88
X Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement gain/(loss) on defined benefits plans		39.67	(68.60)
- Net gain/(loss) on equity instruments through OCI		474.94	(28.21)
(ii) Tax impact thereon		(129.52)	(24.37)
Subtotal (A)		385.09	(121.18)
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Tax impact thereon		-	-
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		385.09	(121.18)
XI Total Comprehensive Income for the period		8,385.65	7,552.71
Earning per equity share of face value of ₹ 10 each	31		
Basic (Rs.)		8.39	7.55
Diluted (Rs.)		8.39	7.55
The accompanying notes form an integral part of the financial statements	1-47		

As per our Report of even date

For H.K. Agrawala and Associates

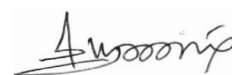
Chartered Accountants
Firm Regn No. 319293E



CA Himanshu Chowkhani

Partner
(M. No. 301901)
UDIN: 23301901BGVCAA5748
Place : Guwahati
Date : 01/08/2023

For and on behalf of the Board of Directors

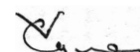


(PVSLN Murty)

Chairman and Managing Director
DIN : 07355708



(S. K. Baruah)
Chief Financial Officer



(V. K. Agarwal)
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023



(₹ in lakhs)

	No. of Shares	Amount Rs.
A. Equity share capital:		
Equity shares of Rs. 10 each issued, subscribed and fully paid	1,000.00	10,000.00
As at April 01, 2021	-	-
Changes in Equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in Equity share capital	-	-
As at March 31, 2022	1,000.00	10,000.00
As at April 01, 2022	1,000.00	10,000.00
Changes in Equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in Equity share capital	-	-
As at March 31, 2023	1,000.00	10,000.00

B. Other Equity

Particulars	Reserve and Surplus						Other Comprehensive Income		Total Other Equity			
	North East Equity Fund	Statutory Reserve u/s 45-IC of RBI Act, 1934	Special Reserve created and maintained u/s 36(1)(vii) of the Income Tax Act, 1961	Venture Capital Fund	General Reserve	India Exposition Mart Stalls	Techno Economic Development Fund	Impairment Reserve		Retained Earnings	Equity Instruments through OCI	Accrual gain/(losses) on post retirement benefits
As at April 01, 2022	614.87	16,809.89	13,271.56	1,305.58	42,093.19	128.45	3,981.96	3,315.75	12,403.26	16.50	(158.78)	93,782.25
Changes in accounting policies/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2021	614.87	16,809.89	13,271.56	1,305.58	42,093.19	128.45	3,981.96	3,315.75	12,403.26	16.50	(158.78)	93,782.25
Addition/Deletion during the year	0.39	-	22.64	-	(152.77)	(10.99)	58.02	-	-	-	-	(82.72)
Profit/ (Loss) for the year	-	-	-	-	-	-	-	-	8,000.55	355.41	29.68	8,385.65
Total Other Comprehensive Income/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-	-
Tax on dividend	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to / from Retained Earnings	-	1,600.11	1,295.34	-	-	-	-	-	(2,895.45)	-	-	-
As at March 31, 2023	615.26	18,410.00	14,566.90	1,328.21	41,940.42	117.46	4,039.98	3,315.75	17,508.37	371.91	(129.09)	1,02,085.18

Particulars	Reserve and Surplus						Other Comprehensive Income		Total Other Equity			
	North East Equity Fund	Statutory Reserve under RBI Act, 1934	Special Reserve created and maintained u/s 36(1)(vii) of the Income Tax Act, 1961	Venture Capital Fund	General Reserve	India Exposition Mart Stalls	Techno Economic Development Fund	Impairment Reserve		Retained Earnings	Equity Instruments through OCI	Accrual gain/(losses) on post retirement benefits
As at April 01, 2021	613.11	15,275.06	12,283.09	1,282.94	42,688.94	140.92	4,014.05	3,315.75	9,342.09	51.81	(72.91)	88,934.86
Changes in accounting policies/prior period errors	-	-	-	-	-	-	-	-	(2,089.69)	-	-	(2,089.69)
Restated balance as at April 01, 2020	613.11	15,275.06	12,283.09	1,282.94	42,688.94	140.92	4,014.05	3,315.75	7,252.40	51.81	(72.91)	86,845.18
Addition/Deletion during the year	1.76	-	22.64	-	(695.75)	(12.46)	(32.09)	-	-	-	-	(615.91)
Profit/ (Loss) for the year	-	-	-	-	-	-	-	-	7,674.17	(35.31)	(85.87)	7,552.99
Total Other Comprehensive Income/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-	-
Tax on dividend	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to / from Retained Earnings	-	1,534.83	988.47	-	-	-	-	-	(2,523.31)	-	-	-
As at March 31, 2022	614.87	16,809.89	13,271.56	1,305.58	42,093.19	128.45	3,981.96	3,315.75	12,403.26	16.50	(158.78)	93,782.25

As per our Report of even date

For H.K. Agrawala and Associates
Chartered Accountants
Firm Regn No. 319293E

Himanshu Chowkhani

CA Himanshu Chowkhani
Partner
(M. No. 301901)
UDIN: 23301901BGVKA5748
Place : Guwahati
Date : 01/08/2023

For and on behalf of the Board of Directors

Arjun

(PVS LN Murty)
Chairman and Managing Director
DIN : 073555708

S. K. Baruah
(S. K. Baruah)
Chief Financial Officer

V. K. Agarwal
(V. K. Agarwal)
Company Secretary

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in lakhs)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Cash flows from Operating activities		
Net profit before income tax	11,592.29	10,183.85
Adjustment for:		
Depreciation charge for the year	276.67	276.30
Loans Provisions & Write offs	(894.13)	1,483.83
Fixed Assets written off/Loss on sale	-	-
Profit / Loss on sale of Investments	(387.48)	(1,485.12)
Dividend received	(57.00)	(56.40)
Provision for Gratuity, Leave Encashment and LTC / LTA	264.74	199.75
Operating profit before working capital changes	10,795.09	10,602.23
Adjustments for:		
(Increase) / Decrease in Advances (Financial Assets)	(34,104.80)	(13,033.61)
(Increase) / Decrease in Other Financial Assets	8,162.95	(11,927.06)
(Increase) / Decrease in Non Financial Financial Assets	(2,827.41)	(2,340.51)
Increase / (Decrease) in Other Financial Liabilities	2,883.15	6,551.62
Cash Flow from operations	(15,091.01)	(10,147.33)
Direct Taxes paid (net of refund received)	(2,827.41)	(2,340.51)
Net cash flow / (used in) from operating activities	(17,918.42)	(12,487.84)
Cash flows from Investing activities		
(Increase) / Decrease in Investment in Equity Instruments	(2,245.63)	1,098.33
(Increase) / Decrease in Investment in Mutual Funds	20,374.31	12,651.81
(Increase)/Decrease in Capital Work in Progress	-	-
Purchase of fixed assets (net of sales)	(249.05)	(169.52)
Dividend Received	57.00	56.40
Profit / Loss on sale of Investments	387.48	1,485.12
Net cash flow / (used in) from Investing activities	18,324.10	15,122.14
Cash flows from Financing activities		
Dividend and Dividend Tax paid	-	-
Increase / (Decrease) in Borrowings (Financial Liabilities)	(653.38)	1,359.40
Increase / (Decrease) in Capital Reserves / Other Equity Funds	58.41	(30.33)
Increase / (Decrease) in Non-Financial Liabilities	(200.39)	223.25
Net cash flow / (used in) from financing activities	(795.37)	1,552.32
Net increase in cash and cash equivalents from Operating, Investing and Financing Activities	(389.69)	4,186.62

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023



Cash and cash equivalents at beginning of period		
- Own funds	18,037	13,930.03
- Nodal Agency and Implementing Agency funds	600	520.32
Cash and cash equivalents at end of period		
- Own funds	17,881	18,036.95
- Nodal Agency and Implementing Agency funds	366	600.03

<u>Cash and bank balances</u>		
Cash in hand	1.03	0.48
Balance at Bank		
-With Scheduled Bank		
(i) In Current Account	17,879.97	18,036.47
(ii) In Fixed Deposits		
Balance (TEDF)		
(a) With Scheduled Bank		
(i) In Current Account	366.29	600.03
(ii) In Fixed Deposits	-	-
Grand Total	18,247.30	18,636.99

As per our Report of even date

For H.K. Agrawala and Associates

Chartered Accountants

Firm Regn No. 319293E

CA Himanshu Chowkhani

Partner

(M. No. 301901)

UDIN: 23301901BGVKAA5748

Place : Guwahati

Date : 01/08/2023

For and on behalf of the Board of Directors

(PVSLN Murty)

Chairman and Managing Director

DIN : 07355708

(S. K. Baruah)

Chief Financial Officer

(V. K. Agarwal)

Company Secretary

SIGNIFICANT ACCOUNTING POLICIES RELATING TO STANDALONE FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES RELATING TO STANDALONE 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.

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 Corporation and changes in accounting policy are separately disclosed.

• Historical Cost Convention

The financial statements are prepared on the historical cost convention and on the accrual basis of accounting, except for certain financial instruments which are measured at fair values as required by relevant Ind AS. The financial statements 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.

• Presentation of Financial Statement

The financial statements of the Corporation are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, unless otherwise indicated.

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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Following are the areas that involved a higher degree of estimates and judgements or complexity:

- a) Effective Interest Rate (EIR) Method
- b) Impairment of Financial Assets- Expected Credit Loss Model.
- c) Provisions and other contingent liabilities.
- d) Defined Benefit Plans.
- e) Provisions for Income Tax and deferred tax assets.
- f) Fair value measurements.
- g) Sole Payments of Principal & Interest Test (SPPI Test).

Impact of COVID - 19

The COVID -19 pandemic has significantly affected various sectors of Indian economy including that of North East Region of India. The pandemic necessitated government to respond at unprecedented levels to protect health, local economies and livelihoods. Both the first and second wave have severely impacted the overall economic growth outlook of India and increased uncertainty of the economic revival. Also there remains risk of subsequent waves of infections in India. Although North East Region of India has also been impacted due to COVID-19 pandemic the region has not been as hard hit as the rest of the country. This may be largely due to fact that North East Region has less population density than rest of India and curbs related to pandemic have largely been successful. The businesses in the North East India have more or largely withstood the impact of pre-pandemic economic setbacks such as demonstrations, agitations, insurgency, floods, earthquakes etc. The COVID-19 pandemic was also immediately preceded by month long demonstrations and agitations mainly in the state of Assam.

As a result of government and bank support measures, significant credit deterioration has not yet occurred. The Corporation operates only in the North Eastern part of India, a region which faces issues which are largely localized such as insurgency and natural calamities. Economic effects of the pandemic may or may not impact the estimates and judgments stated above. The Corporation will continue to monitor the recoverability of loans and any material changes due to future economic conditions.

SIGNIFICANT ACCOUNTING POLICIES



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. The company depreciates property, plant and equipment over their estimated useful lives using written down value method. The estimated useful lives of assets are as follows:

Building	60 years
Lift	15 years
Water Installation	15 years
Electrical Installation	10 years
Air Conditioning System	15 years
Fire Alarm System	15 years
UPS System	6 years
Machineries	15 years
Furniture & Fixture	10 years
Interior Furnishings	10 years
Office Equipments	5 years
Computers	3 years
Office Space at Agartala	60 years
Solar Plant at HO	8 years

Useful lives for some assets have been considered different from the useful lives as prescribed in Companies Act 2013. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance sheet date is classified under Other Financial Assets.

In accordance with Ind AS 116- Leases, w.e.f 1st April 2019, the Right-of-use assets are initially recognized at cost which comprises of lease liability recognized at inception for lease payments made at commencement date of lease. These are subsequently measured at cost less accumulated depreciation. Right-of -use assets are depreciated on a straight line basis over the shorter of the lease term and useful life of the underlying asset (premature termination of lease).

Collateral repossessed

In the normal course of business, the Corporation repossess assets/properties in its loan portfolio both symbolically or otherwise and also engages recovery agents to repossess and recover funds, generally by selling at auction, to settle outstanding amount. The Corporation's interest lies only in recovery of loan and does not recognize any future economic benefits accruing from such assets as stated in

Ind AS 16 : Property, Plant and Equipment. Any surplus funds are returned to the customers/ obligors. As a result of this practice, the assets / properties under legal repossession processes are not separately recorded on the balance sheet.

D. Capital Work In Progress

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

E. 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. Depreciation methods, useful life and residual values are reviewed in each financial year and changes if any, are accounted for prospectively.

F. 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 Corporation 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.

G. Leases

Where NEDFi is a lessee

The corporation's lease asset classes primarily consist of leases for office spaces. The corporation assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Corporation assesses whether

- The contract involves the use of an identified asset.
- The corporation has substantially all of the economic benefits from use of the asset through the period of the lease, and
- The corporation has the right to direct the use of the asset.

At the date of commencement of the lease, the Corporation recognizes a right-of- use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is lessee, except for leases with a term of 12 months or less and low value leases. For these short term leases, the Corporation recognizes the lease payments as an operating expense on a straight line basis over the term of the lease.

SIGNIFICANT ACCOUNTING POLICIES

Measurement of lease liability

At the time of initial recognition, NEDFi measures lease liability as PV of all lease payments discounted using Corporation's incremental borrowing rate assumed @ 8% i.e. the rate charged to borrowers from micro, small and medium sector. Subsequently the lease liability is

- a) Increased by interest on lease liability;
- b) Reduced by lease payments made; and
- c) Remeasured to reflect any reassessment or lease modification.

Measurement of rights-of-use assets

At the time of initial recognition, NEDFi measures ROU as PV of all lease payments. Subsequently ROU assets is measured using Cost less depreciation as per specified in Ind AS 116 "Leases". Exception on ROU assets for low value assets and short term leases has been adopted by the Corporation.

Where NEDFi is a lessor

Leases in which the Corporation does not transfer substantially all the risks and benefits of the ownership of assets are classified as operating leases. Lease income of operating asset is recognized in the Statement of Profit and loss.

H. 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.

I. Classification and Measurement of Financial Assets

On initial recognition, a financial asset is classified as measured at follows:

Amortized cost –

The Corporation's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest ('SPPI') on the principal amount outstanding. Accordingly, the Corporation measures Bank balances, Loans, Trade receivables and other financial instruments at amortized cost.

FVOCI - debt instruments –

The Corporation measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - debt instruments –

The Corporation subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

If the Corporation decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

Investments representing equity interest in subsidiary and associate are carried at cost less any provision for impairment.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Corporation changes its business model for managing financial assets. If the Corporation decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments. Investments representing equity interest in subsidiary and associate are carried at cost less any provision for impairment. All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL (E.g. investment in units of mutual funds).

Subsequent measurement of financial assets

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, and impairment provisions are recognized in Statement of profit and loss. Any gain and loss on derecognition is recognized in Statement of profit and loss. Debt investment at FVOCI are subsequently measured at fair value. Interest income at coupon rate and impairment provision, if any, are recognized in Statement of profit and loss. Net gains or losses on fair valuation are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss. For equity investments, the Corporation makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognized in Statement of profit and loss. Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognized in Statement of profit and loss. Financial

SIGNIFICANT ACCOUNTING POLICIES



assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of profit and loss.

J. Determination Of Fair Value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurements, the Corporation measures certain categories of financial instruments at fair value on each balance sheet date. The Corporation has established procedures with respect to the measurement of fair values. The Corporation uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Ind AS 113 : Fair Value Measurement does not prescribe hierarchy for valuation techniques however Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows :

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

K. Impairment Of Financial Assets

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 provisions is made for assets as per the said guidelines as applicable to Banks, NBFCs etc. In the case of loan accounts classified as NPAs, as 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 @ 1.00 %. A provision of 5.00 % is made against restructured standard accounts as per extant RBI guidelines. The Corporation is following a higher provisioning norm that is applicable for NBFC/Bank. This practice is being followed consistently over the years to maintain a higher provisioning coverage ratio and a lower Net NPA Ratio.

The Corporation recognizes lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. When determining whether credit risk of a financial asset

has increased significantly since initial recognition and when estimating expected credit losses, the Corporation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and information specific relevant to North East Region of India.

The expected credit losses on these financial assets are estimated using a provision matrix based on the Corporation's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. Loss allowances for financial assets including Trade Receivables from Consultancy & Advisory are deducted from the gross carrying amount of the assets. No loss allowance is recognized for loans measured at FVTPL.

The Corporation has not recognized any loss allowance on Trade Receivables of the Corporation comprising of rent receivables from operating leases since the Corporation has no past experience of any impairment on these receivables.

L. Derecognition Of Financial Assets

A financial asset is derecognised only when :

The Corporation has transferred the rights to receive cash flows from the financial asset, or the contractual rights to the cash flows from the financial assets expires.

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 Corporation has transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised.

Where the Corporation 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 Corporation has not retained control of the financial asset.

M. Financial Liabilities

Initial recognition and measurement

The Corporation 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.

SIGNIFICANT ACCOUNTING POLICIES

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

N. 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.

O. 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 Corporation 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.

P. Revenue Recognition

(a) Interest income is recognized in Statement of profit and loss using the effective interest method for loans and advances other than credit-impaired assets.

Effective Interest Rate (EIR) Method

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument and is based on best estimate of a constant rate of return over the expected life of the loans given. The calculation of the effective interest rate considers transaction cost/income (upfront fees) that are an integral part of the contract. Transaction costs/income include incremental costs and income that are directly attributable to the acquisition of financial asset. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments.

(b) Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Corporation on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes.

(c) Interest charged from loans provided to staff at concessional rates have been recognized as per market rate and prepaid employee benefit expenses have been recognized in profit and loss as per amortization basis.

(d) Dividends are recognized in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(e) Interest income from investments is recognized when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(f) 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.

(g) 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 including changes in fair value.

Q. Taxation

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax assets and liabilities are recognised for taxable or deductible temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. In case of taxable temporary difference Deferred Tax Liability is created and when there is deductible temporary difference Deferred Tax Asset is created. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

SIGNIFICANT ACCOUNTING POLICIES



Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realized simultaneously.

Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority or capitalized in the case of Property, Plant and Equipment, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

R. 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 Corporation 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.

S. 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.

T. Dividends

Dividends paid 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.

U. Earnings Per Share

The Corporation 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.

V. Provision, Contingent Liabilities And Contingent Assets

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

NOTES ON STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in lakhs)

	As at 31st March, 2023	As at 31st March, 2022
Note 2 : CASH AND CASH EQUIVALENTS		
Cash in hand	1.03	0.48
Cheque in hands	2.21	550.79
Balances with banks in current accounts	17,877.76	17,485.68
Balances with banks in current accounts(TEDF)	366.29	600.03
	18,247.30	18,636.99

	As at 31st March, 2023	As at 31st March, 2022
Note 3 : BANK BALANCE OTHER THAN (2) above		
Term deposits with maturity less than 12 months		
- Free	9,810.00	14,749.75
- Under lien	13.69	5.24
- Free (TEDF)	1,800.00	1,715.00
	11,623.69	16,469.99

	As at 31st March, 2023	As at 31st March, 2022
Note 4 : Receivables		
Trade Receivables(Unsecured, Considered good)		
- Consultancy & Advisory Charges Receivable	1,455.21	671.44
- Rent and Hall Charges Receivable	33.25	46.07
Less : Impairment Loss Allowance	(67.00)	(67.00)
	1,421.46	650.51

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



Trade Receivables aging schedule: As at 31st March 2023:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	621.42	519.47	295.21	6.22	15.48	1457.80
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	30.66	30.66
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

As at 31st March 2022:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	513.72	116.21	19.06	1.19	0.03	650.20
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	12.37	54.93	67.30
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

NOTES ON STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in lakhs)

Note 5 : LOANS	As at 31st March, 2023	As at 31st March, 2022
A. Loans :		
(i) Term Loans(at amortised cost)	1,54,838.29	1,22,109.27
Less : Impairment Loss Allowance	3,738.62	4,660.96
(ii) Term Loans to staff(at FVTPL)		
Related Party	23.05	6.71
Others	2,760.77	1,429.55
Less : Impairment Loss Allowance	-	-
Sub total Net (ii)	2,783.82	1,436.26
Total (Net) - A (i+ii)	1,53,883.50	1,18,884.57
(i) Secured by tangible assets	1,49,794.68	1,15,117.28
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank/Government guarantees	-	-
(iv) Unsecured	7,827.43	8,428.25
Total (Gross)	1,57,622.11	1,23,545.53
Less : Impairment Loss Allowance	3,738.62	4,660.96
Total (Net) - B	1,53,883.50	1,18,884.57
C.		
(i) Loans in India		
a) Public Sector	-	-
b) Others	1,57,622.11	1,23,545.53
Total (Gross)	1,57,622.11	1,23,545.53
Less : Impairment Loss Allowance	3,738.62	4,660.96
Total (Net) - C (i)	1,53,883.50	1,18,884.57
(ii) loans outside India	-	-
Less : Impairment loss allowance	-	-
Total (Net) - C (i+ ii)	1,53,883.50	1,18,884.57

Note: There is no loan asset measured at FVOCI. There is no impairment loss allowance in staff loans which are recognised at FVTPL.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



(₹ in lakhs)

	As at 31st March 2023				As at 31st March 2022				Total		
	Amortised Cost	Through OCI	Through P & L	Sub-Total	Others (At cost)	Total	Through OCI	Through P & L		Sub-Total	Others (At cost)
Note 6 : Investments											
Units of mutual funds											
Investment in Equity Instruments											
Quoted											
Premier Cryogenics Limited (Not traded - 2021-22) (200000 shares of ₹s.10/- each)	-	353.17	-	353.17	-	353.17	-	241.15	241.15	-	241.15
Unquoted											
Gauhati Neurological Research Centre Limited (Unquoted 250,000 shares @ 10/- per share)	-	412.42	-	412.42	-	412.42	-	49.86	49.86	-	49.86
Konokata Mahila Urban Co-Op Bank Ltd. (Unquoted 5,000 shares @ 100/- per share)	-	28.05	-	28.05	-	28.05	-	26.42	26.42	-	26.42
RGVN (North East) Microfinance Ltd. (Unquoted 3,00,000 Equity Shares @ 10/- per share)	-	1,313.51	-	1,313.51	-	1,313.51	-	1,306.53	1,306.53	-	1,306.53
Nightingale Finvest Pvt. Ltd. (Unquoted 665,000 Equity Shares of 10/- per share)	-	141.83	-	141.83	-	141.83	-	129.08	129.08	-	129.08
YVU Financial Services Pvt. Ltd. (Unquoted 86,000 Equity Shares of 100/- per share)	-	86.84	-	86.84	-	86.84	-	82.08	82.08	-	82.08
Grameen Development & Finance Pvt. Ltd. (Unquoted 50,000 Equity Shares of 10/- per share)	-	60.07	-	60.07	-	60.07	-	62.17	62.17	-	62.17
North East Small Finance Bank Limited (Unquoted 2,96,384 Equity Shares of 10/- per share)	-	26.33	-	26.33	-	26.33	-	50.00	50.00	-	50.00
Investment in Equity Instruments of subsidiaries											
NEDFI Venture Capital Ltd. (Unquoted 49,400 Equity Shares of 10/- per share, fair value ₹s.318.75/- based P.V. ₹s. 63.6, 300.30/- lakhs)	-	-	-	-	4.94	4.94	-	-	-	4.94	4.94
NEDFI Trustee Ltd. (Unquoted 2,96,384 Equity Shares of 10/- per share, fair value ₹s. 13,71/- based P.V. ₹s. 1222/- lakhs)	-	-	-	-	4.94	4.94	-	-	-	4.94	4.94
Investment in Preference Shares											
Aggar Finance Private Limited (50000 optionally convertible preference shares of ₹s.10/- each)	-	49.78	-	49.78	-	49.78	-	58.24	58.24	-	58.24
Grameen Development & Finance Pvt. Ltd. (200000 optionally convertible preference shares of ₹s.10/- each)	-	264.33	-	264.33	-	264.33	-	273.54	273.54	-	273.54
Nightingale Finvest Pvt. Ltd. (200000 optionally convertible preference shares of ₹s.10/- each)	-	469.22	-	469.22	-	469.22	-	427.04	427.04	-	427.04
YVU Financial Services Private Limited (100000 optionally convertible preference shares of ₹s.10/- each)	-	191.04	-	191.04	-	191.04	-	180.59	180.59	-	180.59
SA TRA, Development Pvt. Ltd. (50000 optionally convertible preference shares of ₹s.100/- each)	-	72.09	-	72.09	-	72.09	-	70.10	70.10	-	70.10
North East Small Finance Bank Limited (50,328 Compulsory convertible preference shares of 10/- each)	1,000.00	500.23	-	500.23	-	500.23	-	950.00	950.00	-	950.00
Investment in Bonds											
North East Small Finance Bank Limited (10 Units of Unsecured Redeemable Non-Convertible Subordinated Tier II bonds of 100 lakh each)	-	-	-	-	-	1,000.00	-	-	-	-	-
Investment in Associates											
North East Venture Fund (Value as on 31.03.2023 ₹s.40,17,10,982/- P.V. ₹s.31,68,74,75/-/)	-	-	-	-	5,055.62	5,055.62	-	-	-	3,872.12	3,872.12
i) Investments outside India	1,000.00	2,422.22	-	3,881.49	5,065.50	12,369.22	-	1,947.28	26,615.89	3,882.00	30,497.89
ii) Investments in India	1,000.00	2,422.22	-	3,881.49	5,065.50	12,369.22	-	1,947.28	26,615.89	3,882.00	30,497.89
Less - Allowance for Impairment Loss (C)	-	-	-	-	-	-	-	-	-	-	-
Total - Net D (A - C)	1,000.00	2,422.22	-	3,881.49	5,065.50	12,369.22	-	1,947.28	26,615.89	3,882.00	30,497.89

Investment in units of mutual funds are measured based on their published NAV - based on quoted market price. Such instruments are usually Level 1 or 2 hierarchy of fair value. In respect of shares / scrips / bonds quoted in recognised stock exchange and traded, latest quotation nearest to the balance sheet date is taken to ascertain the market value. Such instruments are usually Level 1 hierarchy of fair value. In respect of unquoted shares / quoted and non-traded/scrips / bonds/preference shares, fair value is ascertained by dividing the net worth with the number of shares as per the latest available audited Balance Sheet. Such instruments are usually Level 3 hierarchy of fair value (unobservable inputs). All investments other than mutual fund units are valued using net worth method except in case of investment in subsidiary and associate where the investment is recognised at cost. No impairment loss have been recognised.

NOTES ON STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in lakhs)

Note 7 : OTHER FINANCIAL ASSETS	As at 31st March, 2023	As at 31st March, 2022
Interest Receivable on Loans & Advances	689.78	692.17
Interest Receivable on Fixed Deposits	389.68	929.24
Interest Receivable on Fixed Deposits (TEDF)	152.32	263.75
Interest Receivable on Staff Housing Loan	423.12	387.08
Advances to Others	236.65	78.90
Advances to Staff	52.53	71.09
Earnest Money Deposit	36.45	42.45
Security Deposits (Unsecured, Considered good)	35.15	35.15
Term deposits with banks (maturity more than 12 months)		
- Free	1,000.00	3,997.00
- Under Lien	90.29	124.23
- Free (TEDF)	2,100.00	2,698.00
Prepaid Employee Benefit Expenses	222.58	44.26
Other receivables	436.87	334.73
	5,865.42	9,698.06

Note 8 : CURRENT TAX ASSETS (NET)	As at 31st March, 2023	As at 31st March, 2022
Advance Payment of Income tax & TDS	-	-
Less: Provision for Income Tax	-	-
	-	-

NOTES ON STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023



Note: 9A- PROPERTY PLANT AND EQUIPMENT

(₹ in lakhs)

Sl. No.	Particulars	Gross Block			Depreciation/ Amortisation			Net Block			
		As on 01.04.2022	Addition/Adjustment during the period	Deduction/Adjustment during the period	As on 31.03.2023	Upto 01.04.2022	During the period	Adjustment during the period	Upto 31.03.2023	As on 31.03.2023	As on 31.03.2022
1	<u>Land</u> Freehold Land at Dispur Freehold Land at Khanapara	169.70 924.00	- -	- -	169.70 924.00	- -	- -	- -	- -	169.70 924.00	169.70 924.00
2	<u>Buildings</u> Head Office Building Office at Agartala	1,927.77 143.67	- -	- -	1,927.77 143.67	900.76 37.62	56.28 5.16	- -	957.04 42.78	970.72 100.89	1,027.01 106.06
3	<u>Plant & Equipment</u> Air Conditioning System Electrical Installation Fire Alarm System Lift Machineries UPS System Water Installation System Solar Panels Computers	447.06 264.13 36.73 79.56 93.61 14.90 15.88 31.19 298.23	- - - - 12.18 - - - 51.37	- - - - - - - - 0.88	447.06 264.13 36.73 79.56 105.79 14.90 15.88 31.19 348.72	387.70 250.91 32.96 71.39 79.08 14.16 14.25 21.93 262.95	11.26 0.01 0.73 1.59 3.54 - 0.32 1.85 24.63	- - - - - - - - 0.83	398.96 250.92 33.69 72.98 82.63 14.16 14.57 23.78 286.74	48.10 13.21 3.04 6.59 23.17 0.75 1.31 7.41 61.99	59.36 13.22 3.78 8.18 14.53 0.75 1.63 9.26 35.28
4	<u>Furniture & Fixtures</u> Furniture & Fixtures (HO) Interior Furnishings & Fittings	135.14 1,186.16	10.39 54.39	- -	145.53 1,240.56	118.86 1,038.02	4.61 40.28	- -	123.47 1,078.30	22.07 162.26	16.28 148.15
5	<u>Vehicle</u>	14.62	25.22	-	39.84	13.89	6.23	-	20.13	19.72	0.73
6	<u>Office Equipments</u>	114.22	5.12	-	119.34	96.55	8.23	-	104.78	14.56	17.66
	Total - A	5,896.58	158.68	0.88	6,054.38	3,341.02	164.72	0.83	3,504.90	2,549.48	2,555.55

NOTES ON STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

Note: 9B - PROPERTY PLANT AND EQUIPMENT - INTANGIBLE ASSETS

Sl. No.	Particulars	Gross Block		Depreciation/ Amortisation			Net Block				
		As on 01.04.2022	Addition/Adj ustment during the period	Deduction/ Adjustment during the period	As on 31.03.2023	Upto 01.04.2022	During the period	Adjustment during the period	Upto 31.03.2023	As on 31.03.2023	As on 31.03.2022
1	Computer Software	342.02	-	-	342.02	239.42	68.40	-	307.82	34.20	102.61

Note: 9C - PROPERTY PLANT AND EQUIPMENT - Rights-Of-Use Assets

Sl. No.	Particulars	Gross Block		Depreciation/ Amortisation			Net Block				
		As on 01.04.2022	Addition/Adj ustment during the period	Deduction/ Adjustment during the period	As on 31.03.2023	Upto 01.04.2022	During the period	Adjustment during the period	Upto 31.03.2023	As on 31.03.2023	As on 31.03.2022
1	Rights-Of-Use Assets (Leasehold premises)	278.94	90.41	-	369.36	66.81	54.54	-	121.35	248.00	212.13
	Total ROU Assets (C)	278.94	90.41	-	369.36	66.81	54.54	-	121.35	248.00	212.13
	Total Assets (A+B+C)	6,517.54	249.10	0.88	6,765.76	3,647.25	287.66	0.83	3,934.07	2,831.68	2,870.29
	Capital Work In Progress									0.87	0.87

9D * Building includes Rs 199.51/- (previous year Rs 199.51/-) 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.

9E 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.

9F Depreciation on permanent stalls at IEM was provided by taking useful life as 60 years till 2019-20. But as per recommendation of CAG, the useful life of the said asset is changed from 60 years to 30 years, and accordingly depreciation for the year was calculated by taking the useful as 30 years. This change of useful life is taken as change in accounting estimate. Had the useful life been taken as 30 years since adoption of Schedule II of Companies Act 2013, since 2014-15, the total depreciation would have been Rs 113.60/-, whereas by taking useful life as 60 years the total depreciation has amounted to Rs 78.98/-. Thus depreciation to the extent of Rs 34.62/- has remained unabsorbed. This amount will be amortised over the remaining useful life of the asset.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



As at 31st March 2022
Note: 9A - PROPERTY PLANT AND EQUIPMENT

Sl. No.	Particulars	Gross Block			Depreciation/ Amortisation			Net Block			
		As on 01.04.2021	Addition/Adjustment during the period	Deduction/Adjustment during the period	As on 31.03.2022	Upto 01.04.2021	During the period	Adjustment during the period	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
1	<u>Land</u> Freehold Land at Dispur Freehold Land at Khanapara	169.70 924.00	- -	- -	169.70 924.00	- -	- -	- -	- -	169.70 924.00	169.70 924.00
2	<u>Buildings</u> Head Office Building Office at Agartala	1,927.77 143.67	- -	- -	1,927.77 143.67	840.69 32.19	60.07 5.43	- -	900.76 37.62	1,027.01 106.06	1,087.07 111.48
3	<u>Plant & Equipment</u> Air Conditioning System Electrical Installation Fire Alarm System Lift Machineries UPS System Water Installation System Solar Panels Computers	447.06 264.13 36.73 79.56 90.61 14.90 15.88 31.19 311.93	- - - - 3.00 - - - 24.27	- - - - - - - - 37.97	447.06 264.13 36.73 79.56 93.61 14.90 15.88 31.19 298.23	373.81 250.80 32.05 69.41 76.70 14.16 13.85 19.25 261.11	13.89 0.11 0.91 1.97 2.39 - 0.39 2.68 38.66	- - - - - - - - 36.82	387.70 250.91 32.96 71.39 79.08 14.16 14.25 21.93 262.95	59.36 13.22 3.78 8.18 14.53 0.75 1.63 9.26 35.28	73.25 13.32 4.69 10.15 13.92 0.75 2.03 11.94 50.82
4	<u>Furniture & Fixtures</u> Furniture & Fixtures (HO) Interior Furnishings & Fittings	132.40 1,142.40	2.74 47.33	- 3.56	135.14 1,186.16	115.24 1,001.36	3.62 40.04	- 3.38	118.86 1,038.02	16.28 148.15	17.16 141.04
5	<u>Vehicle</u>	14.62	-	-	14.62	13.89	-	-	13.89	0.73	0.73
6	<u>Office Equipments</u>	108.27	5.95	-	114.22	87.29	9.26	-	96.55	17.66	20.98
	Total - A	5,854.82	83.29	41.53	5,896.58	3,201.81	179.42	40.21	3,341.02	2,555.55	2,652.01

(₹ in lakhs)

NOTES ON STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

NOTE 9B: PROPERTY PLANT AND EQUIPMENT - INTANGIBLE ASSETS

(₹ in lakhs)

Sl. No.	Particulars	Gross Block			Depreciation/ Amortisation				Net Block		
		As on 01.04.2021	Addition/Adjustment during the period	Deduction/Adjustment during the period	As on 31.03.2022	Upto 01.04.2021	During the period	Adjustment during the period	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
1	Computer Software	342.02	-	-	342.02	171.01	68.40	-	239.42	102.61	171.01
	Total Intangible Assets (B)	342.02	-	-	342.02	171.01	68.40	-	239.42	102.61	171.01

NOTE 9C: PROPERTY PLANT AND EQUIPMENT - RIGHTS - OF - USE ASSETS

Sl. No.	Particulars	Gross Block			Depreciation/ Amortisation				Net Block		
		As on 01.04.2021	Addition/Adjustment during the period	Deduction/Adjustment during the period	As on 31.03.2022	Upto 01.04.2021	During the period	Adjustment during the period	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
1	Rights-Of-Use Assets (Leasehold premises)	197.58	87.55	6.19	278.94	32.05	40.94	6.19	66.81	212.13	165.52
	Total ROU Assets (C)	197.58	87.55	6.19	278.94	32.05	40.94	6.19	66.81	212.13	165.52
	Total Assets (A+B+C)	6,394.42	170.84	47.72	6,517.54	3,404.87	288.77	46.39	3,647.25	2,870.29	2,988.54

Capital Work In Progress		0.87	0.87
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(₹ in lakhs)

Note 10 : OTHER NON FINANCIAL ASSETS	As at 31st March, 2023	As at 31st March, 2022
Income Tax Refundable	-	171.28
	-	171.28

Note 11 : PAYABLES	As at 31st March, 2023	As at 31st March, 2022
(I) Trade Payables		
(i) -total outstanding dues of micro & small enterprises	-	-
(ii)- total outstanding dues of creditors other than micro & small enterprises	54.27	45.79
(II) Other Payables	-	-
	54.27	45.79

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



Trade Payable Aging Schedule :

As at 31st March 2023

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	35.59	8.42	0.05	10.21	54.27
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-

As at 31st March 2022

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	35.57	0.00	0.00	10.21	45.79
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-

Note 12 : BORROWINGS	As at 31st March, 2023	As at 31st March, 2022
Term Loan (Unsecured) from Others, amortised at cost (within India)		
Interest free loan from Government of India *	46,007.32	47,314.10
Interest free loan from Government for Venture	2,607.67	2,454.27
Loan from SIDBI	500.00	-
	49,114.99	49,768.37

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 Government Bonds which is 6.25% till FY 2019-20, 6.18% for FY 2020-21, 6.84% for FY 21-22 and 7.34% for FY 22-23.

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

NOTES ON STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in lakhs)

Note 13 : OTHER FINANCIAL LIABILITIES	As at 31st March, 2023	As at 31st March, 2022
GST, PF and other statutory liabilities	45.20	43.29
Notional Interest	24,885.01	24,731.63
Undisbursed Central Subsidies	10,022.81	8,569.53
Lease liability	270.98	225.19
Security Deposit	96.56	94.77
Other Liabilities	5,709.00	7,470.11
Interest payable on loans	0.11	-
	41,029.67	41,134.52

Note 14 : CURRENT TAX LIABILITIES(NET)	As at 31st March, 2023	As at 31st March, 2022
Provision of Income Tax	2,928.41	2,401.32
Less: Advance Payment of Income tax & TDS	(2,839.49)	(2,112.00)
	88.92	289.32

Note 15 : PROVISIONS	As at 31st March, 2023	As at 31st March, 2022
Provisions for employee benefits		
- Leave Encashment	1,199.28	1,043.31
- Leave Travel Concession / Allowance	75.77	80.88
- Salaries	891.00	625.00
Others		
Floating Provision against Advances	200.00	200.00
Provision for Diminution in Fair Value of Restructured Advance	13.35	13.35
	2,379.39	1,962.54

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



(₹ in lakhs)

Note 16 : DEFERRED TAX LIABILITIES (net) and Tax expense

(i)

Tax effect of items constituting (DTL)	As at 1st April 2021	(Charge)/credit to P & L	(Charge)/credit to OCI	Balance as at 31st March 2022	(Charge)/credit to P & L	(Charge)/credit to OCI	Balance as at 31st March 2023
	As at 1st April 2021	(Charge)/credit to P & L	(Charge)/credit to OCI	Balance as at 31st March 2022	(Charge)/credit to P & L	(Charge)/credit to OCI	Balance as at 31st March 2023
Related to Property, plant and equipment	(32.41)	35.08	-	2.68	(12.78)	-	(10.10)
Related to Right to Use Assets	(3,091.41)	(248.78)	-	(3,340.19)	(326.01)	-	(3,666.20)
Related to Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	(41.66)	(11.73)	-	(53.39)	(9.03)	-	(62.42)
	(3,165.47)	(225.43)	-	(3,390.90)	(347.82)	-	(3,738.72)
Tax effect of items constituting DTA	As at 1st April 2021	(Charge)/credit to P & L	(Charge)/credit to OCI	Balance as at 31st March 2022	(Charge)/credit to P & L	(Charge)/credit to OCI	Balance as at 31st March 2023
Related to Provisions	2,104.87	155.17	-	2,260.04	(224.20)	-	2,035.84
Related to Lease liability	43.97	12.71	-	56.68	11.52	-	68.20
Related to Effective Interest Rate	174.30	2.23	-	176.53	(32.56)	-	143.97
	2,323.13	170.11	-	2,493.24	(245.23)	-	2,248.01
Net DTA/(DTL)	(842.34)	(55.32)	-	(897.66)	(593.05)	-	(1,490.71)

NOTES ON STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(ii) (₹ in lakhs)

Income tax recognised in Statement of profit and loss	As at 31st March, 2023	As at 31st March, 2022
(a) Current tax :		
In respect of current year	2770.29	2372.71
In respect of prior years	228.40	81.66
	2998.69	2454.37
(b) Deferred tax :		
In respect of current year origination and reversal of temporary differences	593.05	55.32
	593.05	55.32
	3,591.74	2,509.69

(iii)

Income tax recognised in Other Comprehensive Income	As at 31st March, 2023	As at 31st March, 2022
Tax related to items recognised in OCI during the year		
Remeasurement of defined employee benefits	9.98	(17.27)
Net gain/(loss) on equity instruments through OCI	119.53	(7.10)
	129.52	(24.37)

(iv)

Reconciliation of estimated Income Tax expenses at tax rate to income tax expenses reported in the Statement of profit and loss :	As at 31st March, 2023	As at 31st March, 2022
Profit before tax	11,592.29	10,183.57
Applicable income tax rate	25.168%	25.168%
Expected income tax expense	2,917.55	2,563.00
Adjustment in respect of current income tax of prior years	228.40	81.66
<u>Non-deductible expenses</u>		
Corporate social responsibility expenditure not deductible	-	-
Effect of other expenses/provisions not deductible	674.19	(53.31)
Adjustment in respect of prior years	(228.40)	81.66
Reported income tax expense	3,591.74	2,509.69

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



(₹ in lakhs)

Note17 : SHARE CAPITAL	As at 31st March, 2023	As at 31st March, 2022
AUTHORISED		
50,00,00,000 Equity Shares of Rs. 10/- each (Previous Year: 50,00,00,000 Equity Shares of Rs. 10/- each)	50,000.00	50,000.00
	50,000.00	50,000.00
10,00,00,007 Equity Shares of Rs. 10/- each (Previous Year: 10,00,00,007 Equity Shares of Rs.10/- each)	10,000.00	10,000.00
PAID UP		
10,00,00,007 Equity Shares of Rs.10/- each (Previous Year: 10,00,00,007 Equity Shares of Rs. 10/- each)	10,000.00	10,000.00
	10,000.00	10,000.00

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

Equity Shares	As at 31st March, 2023	As at 31st March, 2022
At the beginning of the year (No. of Shares)	1,000.00	1,000.00
Issued during the year	-	-
Outstanding at the end of the year	1,000.00	1,000.00

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.

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

Name of the shareholders	As at 31/03/2023 No. of Shares % of holding	As at 31/03/2022 No. of Shares % of holding
i. IDBI Bank Limited (Promoter)	250.00 25%	250.00 25%
ii. Life Insurance Corporation of India(Promoter)	150.00 15%	150.00 15%
iii. State Bank of India(Promoter)	150.00 15%	150.00 15%
iv. Industrial Finance Corporation of India(Promoter)	100.00 10%	100.00 10%
v. ICICI Ltd.(Promoter)	100.00 10%	100.00 10%
vi. Small Industries Development Bank of India(Promoter)	100.00 10%	100.00 10%
vii. Administrator of Specified Undertaking of Unit Trust of India (Promoter)	100.00 10%	100.00 10%

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Notes 17.1: 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.

d) Dividend distributions made and proposed

i) Dividend on equity shares and paid during the year

(₹ in lakhs)

	As at 31st March, 2023	As at 31st March, 2022
Dividend paid	-	-
Profit for the relevant year	7,673.88	6,996.90
Dividend as a percentage of profit for the relevant year	-	-

ii) Dividend proposed for approval at the annual general meeting(not recognised as a liability as at respective reporting date)

	As at 31st March, 2023	As at 31st March, 2022
Face value per share(Rupees)	10.00	10.00
Dividend percentage	8.00%	-
Dividend per share(Rupees)	0.80	-
Total Dividend on Equity Shares(a)	800.00	-
Profit after tax for the relevant year(b)	8,000.55	-
Dividend proposed as a percentage of profit after tax(a/b)	10.00%	-

The dividend declared or paid during the year by the company is in compliance with Section 123 of the Companies Act, 2013, as applicable.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



(₹ in lakhs)

Note 18 : OTHER EQUITY	As at 31st March, 2023	As at 31st March, 2022
I. Other Reserves		
(a) North East Equity Fund		
Fund Balance	614.87	613.11
Less: Provision against Soft Loans under NEEDS	(0.39)	(1.76)
	615.26	614.87
(b) Statutory Reserve u/s 45-IC of RBI Act, 1934		
Opening Balance	16,809.89	15,275.06
Add: Transferred from Retained Earnings	1,600.11	1,534.83
	18,410.00	16,809.89
(c) Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961		
Opening Balance	13,271.56	12,283.09
Add: Transferred from P/L Account	1,295.34	988.47
	14,566.90	13,271.56
(d) Venture Capital Fund:		
Fund Balance	1,305.58	1,282.94
Add: Transferred from General Reserve	22.64	22.64
	1,328.21	1,305.58
(e) General Reserve		
Opening balance	42,093.19	42,688.94
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for :		
Transferred to Venture Capital Fund	(22.64)	(22.64)
Impairment Loss not transferred to Impairment Reserve	(130.14)	(573.12)
	41,940.42	42,093.19
(f) India Exposition Mart Stalls		
Opening balance	128.45	140.92
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	(10.99)	(12.46)
	117.46	128.45
(g) Techno Economic Development Fund		
Opening balance	3,981.96	4,014.05
Add: Additions / transfers during the year	273.83	338.24
Less: Utilisations / transfers during the year	(215.81)	(370.33)
	4,039.98	3,981.96
(h) Impairment Reserve*		
Opening balance	3,315.75	3,315.75
Add : Additions during the year	-	-
	3,315.75	3,315.75
(i) Retained Earnings		
Balance as per last Balance Sheet	12,260.99	9,321.00
Profit for the Period	8,000.55	7,674.17
Adjustments in initial recognition due to fair value changes :	-	(2,089.69)
Other comprehensive income	385.09	(121.18)
Less: Appropriations		
Transferred to General Reserve	-	-
Dividend Paid	-	-
Tax on Dividend	-	-
Transferred to Statutory Reserve under RBI Act, 1934	(1,600.11)	(1,534.83)
Transferred to Special Reserve	(1,295.34)	(988.47)
	17,751.19	12,260.99
TOTAL OTHER EQUITY	1,02,085.18	93,782.25

Note 18.1 : Nature and purpose of reserves

- Impairment Reserve has been created as per RBI Circular No. RBI/2019-20/170 DOR(NBFC).CC.PD. No.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards
- **Retained Earnings:** Retained Earnings are the profits that the company has earned till date, less any transfers to general.

NOTES ON STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in lakhs)

Note 19 : INTEREST INCOME	As at the end of 31st March, 2023	As at the end of 31st March, 2022
On financial instruments measured at Amortised cost		
Interest on loans	13,215.58	10,406.49
Interest on Fixed Deposits and Bonds	999.37	937.40
	14,214.95	11,343.88

*Interest income have been recognised using Effective Interest Rate (EIR) method as per "Ind AS 109 : Financial Instruments". Interest income includes interest earned from Micro Lending Scheme which is being implemented with support of Business Correspondents.

Note 20 : DIVIDEND INCOME	As at the end of 31st March, 2023	As at the end of 31st March, 2022
From equity investments	3.00	2.40
From preference share investments	54.00	54.00
	57.00	56.40

Note 21 : RENTAL INCOME	As at the end of 31st March, 2023	As at the end of 31st March, 2022
Rent Received	339.76	326.43
Maintenance Charges	141.41	136.40
Hall Charges	34.66	12.50
	515.83	475.33

Note 22 : FEE AND COMMISSION INCOME	As at the end of 31st March, 2023	As at the end of 31st March, 2022
Prepayment Charges	46.73	32.44
	46.73	32.44

*Interest income have been recognised using Effective Interest Rate (EIR) method. The Upfront fees received during the year have been netted off from outstanding to calculate EIR and amortised as per the repayment schedule.

Note 23 : NET GAIN/LOSS ON FAIR VALUE CHANGES	As at the end of 31st March, 2023	As at the end of 31st March, 2022
Net gain/(loss) on financial instruments at FVTPL		
Realised gain/(loss) from sale of Mutual Fund units	778.58	1,428.82
Realised gain/(loss) from sale of Equity Investments	2.25	102.00
Unrealised fair value gain/(loss) on Mutual Fund units	19.46	(45.83)
Unrealised fair value gain/(loss) on debt instruments	(412.81)	0.13
	387.48	1,485.12

Note 24 : OTHER OPERATING INCOME	As at the end of 31st March, 2023	As at the end of 31st March, 2022
Consultancy Fees	1,077.18	538.57
Deferred Interest	3,118.36	3,024.71
	4,195.55	3,563.28

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



(₹ in lakhs)

Note 25 : OTHER INCOME	As at the end of 31st March, 2023	As at the end of 31st March, 2022
Interest on loan to staff*	273.44	135.31
Miscellaneous Receipts	52.08	37.29
Bad Loans & Advances Recovered	968.15	2,641.38
Interest on I.T. Refund	39.21	144.36
Contribution to gratuity fund	-	6.64
	1,332.87	2,964.99

* Loans to staff given at concessional rates have been discounted to represent fair value. Market Rate have been considered at 9.35%- the rate charged by SBI for Regular Home Loan.

Note 26 : FINANCE COSTS	As at the end of 31st March, 2023	As at the end of 31st March, 2022
Interest on Borrowngs		
- SIDBI	0.11	-
Notional Interest on Government Loan	3,118.36	3,024.71
Prepaid Employee Benefit expenses amortised during the year	181.87	33.97
Interest Expense on lease liabilities	33.06	16.25
	3,333.41	3,074.93

Note 27 : IMPAIRMENT ON FINANCIAL INSTRUMENTS	As at the end of 31st March, 2023	As at the end of 31st March, 2022
On financial instruments measured at Amortised cost		
Bad debts and write offs	157.57	1,029.48
Loans	(1,051.70)	387.36
Trade receivables	-	67.00
	(894.13)	1,483.83

Note 28 : EMPLOYEE BENEFIT EXPENSES	As at the end of 31st March, 2023	As at the end of 31st March, 2022
<u>Salaries & Wages</u>		
- Salaries (Director)	63.27	60.92
- Salaries (Others)	2,921.17	2,838.96
- Leave Travel Concession / Allowance	238.38	122.59
- Leave Encashment	264.74	199.75
<u>Contribution to Provident and other Funds</u>		
- Employer's Provident Fund	218.48	204.60
- Gratuity	55.22	-
<u>Staff Welfare Expenses</u>		
- Medical Reimbursement	57.49	88.36
- House Rent	10.19	16.18
- Staff Welfare	313.99	134.00
	4,142.94	3,665.37

NOTES ON STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in lakhs)

Particulars	Gratuity		Leave Encashment	
	Current Year (')	Previous Year (')	Current Year (')	Previous Year (')
<u>i. Change in the present value of the defined benefit obligation</u>				
Opening benefit obligation	667.95	647.78	1,043.30	999.18
Current Interest Cost	47.55	43.98	74.28	67.84
Current Service Cost	26.33	27.98	57.13	59.07
Benefit Paid	(27.82)	(23.27)	(33.24)	(84.51)
Actuarial (Gain) / Loss	(3.50)	(28.52)	57.80	1.72
Closing benefit obligation	710.51	667.95	1,199.27	1,043.30

<u>ii. Change in Plan Assets</u>				
Opening Fair Value of Plan Assets	791.09	380.87	-	-
Actual Return on Plan Assets	54.84	39.02	-	-
Contribution	99.87	394.48	33.24	84.51
Benefit paid	(27.82)	(23.26)	(33.24)	(84.51)
Closing Fair Value of Plan Assets	917.98	791.09	-	-

iii. Reconciliation of Expense in Profit & Loss Statement

Closing present value of obligation	710.52	667.95	1,199.27	1,043.30
Opening present value of obligation	(667.95)	(647.78)	(1,043.30)	(999.18)
Benefit Paid	27.82	23.27	33.24	84.51
Actual Return on Assets	(54.83)	(39.01)	0.00	0.00
OCI	2.01	41.68	-	-
Expense recognised in Profit & Loss Account	17.57	46.10	189.21	128.63

iv. Net Cost recognized in Profit & Loss Account

Current Service cost	26.33	27.98	57.13	59.07
Net Interest Cost(Income)	(8.76)	18.12	74.28	67.84
Net actuarial (gain) / Loss	-	-	57.80	1.72
Expenses recognized in Profit & Loss Account	17.57	46.11	189.21	128.63

v. Reconciliation of opening and closing net liability recognized in Balance Sheet

Opening Net Liability	(123.15)	266.91	1,043.30	999.19
Expense charged to Profit & Loss Account	17.57	46.10	189.21	128.63
Benefit paid by Corporation	-	-	-	-
Contribution paid	(99.86)	(394.48)	(33.25)	(84.51)
OCI	(2.01)	(41.68)	-	-
Closing Net Liability/(Asset)	(207.45)	(123.15)	1,199.26	1,043.30

vi. Maturity Profile of Defined Benefit Obligation

Year 1	37.22	53.48	137.08	139.21
Year 2	37.09	33.27	157.24	104.73
Year 3	54.75	33.19	139.11	127.73
Year 4	68.81	50.13	159.49	107.58
Year 5	72.43	62.15	131.43	132.95
After 5th Year	1,241.23	1,175.37	1,339.53	1,160.73
Total	1,511.53	1,407.59	2,063.88	1,772.93

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



vii. Sensitivity Analysis for Gratuity

(₹ in lakhs)

Item	As at 31/03/2023	Impact (Absolute)	Impact %
Base Liability	710.52	0.00	
Increase Discount Rate by 0.5%	682.04	(28.47)	(4.01%)
Decrease Discount Rate by 0.5%	740.99	30.46	4.29%
Increase Salary Inflation by 1.00%	744.42	33.90	4.77%
Decrease Salary inflation by 1.00%	674.96	(35.56)	(5.00%)
Increase Withdrawal Rate by 1.00%	740.61	30.09	4.24%
Decrease Withdrawal Rate by 1.00%	679.79	(30.72)	(4.32%)

viii. Sensitivity Analysis for Leave Encashment

Item	As at 31/03/2023	Impact (Absolute)	Impact %
Base Liability	1,199.28	0.00	
Increase Discount Rate by 0.5%	1,164.45	(34.82)	(2.90%)
Decrease Discount Rate by 0.5%	1,236.06	36.78	3.07%
Increase Salary Inflation by 1.00%	1,275.83	76.55	6.38%
Decrease Salary inflation by 1.00%	1,129.52	(69.75)	(5.82%)
Increase Withdrawal Rate by 1.00%	1,201.03	1.75	0.15%
Decrease Withdrawal Rate by 1.00%	1,197.69	(1.58)	(0.13%)

Note : 1. The base liability is calculated at discount rate of 7.45% per annum and salary inflation rate of 3% per annum for all future years. 2. Liabilities are very sensitive to salary escalation rate, discount rate & withdrawal rate. 3. Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

ix. Investments under Plan Assets of Gratuity and Leave Encashment as on 31st March, 2023 are as under:

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

x. Principal Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	Current Year (%)	Previous Year (%)	Current Year (%)	Previous Year (%)
Discount Rate	7.45%	7.12%	7.45%	7.12%
Rate of increase in compensation levels	3.00%	3.00%	3.00%	3.00%
Rate of return on Plan Assets	7.12%	6.79%	-	-

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 has been taken @ 3% p.a. 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 ₹218.48 Lac (Previous Year ₹204.59 Lac) has been charged to Profit & Loss Account.

NOTES ON STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in lakhs)

Note 29 : DEPRECIATION, AMORTIZATION & IMPAIRMENT	As at the end of 31st March, 2023	As at the end of 31st March, 2022
Depreciation on Property, Plant and Equipment	153.72	166.96
Depreciation on Intangible Asset	68.40	68.40
Depreciation on ROU Asset	54.54	40.94
	276.67	276.30

(₹ in lakhs)

Note 30 : OTHER EXPENSES	As at the end of 31st March, 2023	As at the end of 31st March, 2022
<u>Rent, Taxes and Energy Cost</u>		
Electricity Charges & Electrical Expenses	63.98	58.83
Rent on short term leases	0.30	1.20
GST Expenses	27.77	71.10
Licence & Registration Fees	9.68	16.05
<u>Repairs & Maintenance</u>		
Repairs & Maintenance (Machine)	41.82	53.47
Manpower Cost (Security Services, Housekeeping Services etc)	392.94	275.99
Repair & Maintenance(Others)	140.63	93.26
Software Maintenance Expenses	93.92	21.45
<u>Communication Costs</u>		
Telephone Charges & Postage	28.28	24.10
Printing & Stationery	27.47	20.31
<u>Advertisement & Publicity</u>		
Advertisement Expenses	20.11	25.85
Business Promotion	52.34	26.24
Business Facilitation Centre Expenses	9.05	9.27
<u>Director's Fees, allowances and Expenses</u>		
BOD Meeting Expenses	76.65	49.80
<u>Auditors' Fees and Expenses</u>		
Tax Audit Fees	0.50	0.50
Statutory Audit Fees	3.20	3.20
Internal Audit Fees	-	-
Concurrent Audit Fees	2.40	1.40
Other services	0.20	0.20
Reimbursement of expenses	0.48	0.30
<u>Legal & Professional Fees and Expenses</u>	135.07	8.59
<u>Insurance charges</u>	11.64	6.74
<u>Other Expenses</u>		
Other Audit Expenses	5.46	7.93
Bank charges	1.05	1.33
Books & Periodicals	2.63	2.68
Car hire Expenses	46.97	39.85
Consultancy Expenses	308.55	83.67
Commission to Business Correspondent	87.62	0.70
Conveyance	3.59	2.60
Honararium	1.11	0.27
India Exposition Mart Expenses	6.72	0.62
Miscellaneous Expenses	39.99	7.46
Mission Organic Expenses	2.00	0.62
Research & Developmental Expenses	197.22	178.47
Seminar & Conference Expenses	30.54	10.99
Training Expenses	6.93	3.19
Travelling Expenses (Others)	78.05	14.80
Recruitment / Relocation Expenses	76.56	26.34
Loss on sale / disposal of assets (net)	0.01	0.48
CSR Expenses	207.43	87.26
FTSU Expenses	58.36	-
	2,299.24	1,237.42

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



(₹ in lakhs)

Note 31 : EARNINGS PER SHARE	As at the end of 31st March, 2023	As at the end of 31st March, 2022
The following table reconciles the numerators and denominators used to calculate Basic and Diluted Earning per Share for the year ended 31st March 2023.		
Particulars		
(a) Profit/(Loss) Attributable to Equity Shareholders (Rs. in Lacs)	8,385.65	7,552.99
(b) The weighted average number of Equity Share of Basic EPS	1,000	1,000
(c) The weighted average number of Equity Share of Diluted EPS	1,000	1,000
(d) Nominal value per Ordinary Share (Rs.)	10.00	10.00
(e) Earnings Per Share - Basic (Rs.)	8.39	7.55
(f) Earnings Per Share - Diluted (Rs.)	8.39	7.55

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE 32 : 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. PVSLN Murty	Chairman & Managing Director
	Mr. S.K. Baruah	Executive Director & CFO
	Mr. V.K. Agarwal	DGM & Company Secretary
	Dr. K V Pratap (w.e.f 06/09/2022)	Nominee Director (DoNER)
	Mr. R.S. Ramesh (upto 27/07/2022)	Nominee Director (SBI)
	Mr. A K Singh(w.e.f 28/07/2022, upto 04/01/2023)	Nominee Director (SBI)
	Mr. VM Devassy (w.e.f 05/01/2023)	Nominee Director (SBI)
	Mr. A. Kumar	Nominee Director (LIC)
	Mr. Bhaskar Jyoti Sarma	Independent Director
	Mr. Sanjay Kumar Pai	Independent Director
	Dr. Natalie West Kharkongor	Independent Director
	Mr. S. Chaudhuri (upto 20/07/2022)	Nominee Director (IDBI)
	Mr. Ugen Tashi(w.e.f 21/07/2022)	Nominee Director (IDBI)
	Sri J. Alam	Additional Director
Dr. R. Sharma	Additional 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

(₹ in lakhs)

Particulars	31 st March, 2023	31 st March, 2022
Key managerial personnel		
Short Term Employee Benefits		
-Mr. B.P. Muktieh	-	55.80
-Mr. PVSLN Murty	68.72	55.43
-Mr. S.K. Baruah	77.53	56.69
-Mr. V.K. Agarwal	51.71	50.52
Repayment/ Recovery of loans and advances		
-Mr. S.K. Baruah	4.49	8.10
-Mr. V.K. Agarwal	2.41	4.10
Director's Sitting Fees	50.90	41.50

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



(₹ in lakhs)

Subsidiaries		
NEDFi Venture Capital Limited -Receivable towards salary payments	194.23	168.32
Associates		
-Investment in North East Venture Fund	1183.50	357.00
-Receivable towards OCDS interest	-	41.31
Trusts / Funds under control of the Company		
NE SHILP		
-Payment towards purchase of craft products	10.79	1.75
-Payment towards reimbursement of expenses	3.99	5.77
-Payment towards various programmes	110.07	-

C. Outstanding Balance with Related Parties:

Particulars	31 st March, 2023		31 st March, 2022	
	Loan O/s	% to total loan & Advances	Loan O/s	% to total loan & Advances
Key managerial personnel				
Loans & Advances				
-Mr. S.K. Baruah	6.04	0.00%	11.03	0.00%
-Mr. V.K. Agarwal	17.55	0.00%	1.96	0.00%
Subsidiaries				
-Receivable from NEDFi Venture Capital Limited		194.23		168.32
Associates				
-Receivable towards OCDS interest		-		41.31
Trusts / Funds under control of the Company				
-Advance to NE SHILP		1.95		NIL

NOTE 33 : CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	2022-23	2021-22
i) Contingent liabilities		
Other money for which company is contingently liable.	1364.00	1364.00
ii) Commitments		
Other commitments (loan sanctioned but not disbursed)	36371.61	75801.72

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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. 36371.61 lakhs, which shall be disbursed in due course, subject to compliance of requisite formalities.

c. The service tax department had raised a demand of Rs.197.07 lakhs towards short payment of service tax (Rs. 109.70 lakhs), non-payment of service tax on pre-payment charges (Rs. 11.68 lakhs) and interest amount (Rs.75.68 lakhs). The Corporation had already deposited Rs.175.47 lakhs 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 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 Department for Promotion of Industry & Internal Trade (DPIIT), formerly known as DIPP, raised the demand of Rs.1342 lakhs towards refund of interest earned on unspent central subsidy funds received. However, DPIIT had taken a decision on March 22, 2000 to allow the Corporation to meet its administrative expenses out of treasury operations of the funds released by DPIIT as no service charge was being paid to the Corporation. Further, DPIIT in meeting held on September 25, 2012 advised the Corporation to articulate the actual administrative expenses. The Corporation then reverted to DPIIT where the administrative cost incurred by the Corporation during 2000-2015 has been estimated to be Rs. 2415 lakhs. The Corporation has also requested DPIIT to pay an administrative charge @ 1% of the disbursed fund. Although the matter is being

pursued with DPIIT no response has been received. Since the administrative charge, when paid, will be higher than the interest refundable to DPIIT, no provision has been made in the books of accounts of the Corporation.

Note 34: 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 35: Special Reserve has been created and maintained in terms of section 36 (1) (viii) of the Income Tax Act, 1961.

Note 36: In accordance with the instructions in RBI circular RBI/2021-22/17DOR. STR.REC.4/21.04.048/2021-22 dated 07 April 2021, and the Indian Banks' Association ('IBA') advisory letter dated 19 April 2021, the Corporation has put in place a Board approved policy to refund/adjust the 'interest on interest' charged to borrowers during the moratorium period.i.e. 01 March 2020 to 31 August 2020. The Corporation has estimated the said amount and made a provision of Rs. 42.46 lakhs in the financial statements for the year ended 31 March 2021.

Note 37: The Provisioning Coverage Ratio of the Corporation is 71.17% (Previous Year 71.67%).

Note 38: The Corporation in association with the Ministry of Development of North Eastern Region (M-DoNER) has set up the first dedicated Venture Capital Fund for the NEER, namely "North East Venture Fund (NEVF)". The fund is a unit scheme under North East Venture Trust (NEVT), an umbrella trust, wherein the Corporation is the settlor. The trust has been registered under the Indian Registration Act, 1908 on 13th October 2016. The corpus of the fund is 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.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



Note 39: SEGMENT REPORTING

As required under Ind AS 108, the segment reporting is as under:

(₹ in lakhs)

1.	Segment Revenue	2022-23	2021-22
	Lending and Financing Activities	17348.82	16105.01
	Management of Surplus Funds	1386.85	2422.51
	Others	1077.18	538.57
	Total	19812.86	19066.09
2.	Segments Results		
	Lending and Financing Activities	8398.13	6454.70
	Management of Surplus Funds	1386.85	2422.51
	Others	869.75	451.31
	Total	10654.73	9328.52
	Unallocated Income	937.56	855.33
	Unallocated Expenses	-	-
3.	Operating Profit	11592.29	10183.85
	Income Tax	3591.74	2509.69
4.	Net Profit	8000.55	7674.17
5.	Other Information		
	Segment Assets		
	Lending and Financing Activities	154838.29	122109.27
	Management of Surplus Funds	41553.88	68340.30
	Others	1455.21	671.44
	Total	197847.38	191121.01
	Unallocated Assets	8395.76	6759.44
	Total	206243.14	197880.45
	Segment Liabilities		
	Lending and Financing Activities	92578.33	92911.22
	Management of Surplus Funds	-	-
	Others	-	-
	Unallocated Liabilities	10996.30	10533.59
	Total	103574.62	103444.81
	Net Capital Employed	102668.51	94435.64

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 40: Schedule to the Balance Sheet of a NBFC as required under Master Direction-NBFC-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) directions, 2016

	Particulars	As at 31/03/2023		As at 31/03/2022	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	<i>Liabilities side:</i>				
(1)	Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:				
	(a) Debentures : Secured				
	: Unsecured	NIL	NIL	NIL	NIL
	(b) Deferred Credits				
	(c) Term Loans	NIL	NIL	NIL	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL	NIL	NIL
	(e) Commercial Paper	NIL	NIL	NIL	NIL
	(f) Other Loans (specify nature) – GOI Loan*	49114.98	NIL	49768.37	NIL
	* taken at fair value				
	<i>Assets side:</i>				
				Amount outstanding	
(2)	Break-up to Loans and Advances including bills receivable other than those included in (3) below] :			As at 31/03/2023	As at 31/03/2022
	(a) Secured			149794.68	115117.27
	(b) Unsecured			7827.43	8428.25

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	-	-
	(i) Lease assets incl. lease rentals under sundry debtors: a) Financial lease b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors a) Assets on hire b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities a) Loans where assets have been repossessed b) Loans other than (a) above	-	-
(4)	Break-up of Investments:	As at 31/03/2023	As at 31/03/2022
	1. Quoted:		
	(i) Shares : (a) Equity	353.17	241.15
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds(Short Term)	2334.79	22709.10
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted:		
	(i) Shares : (a) Equity	2078.94	1716.01
	(b) Preference	1546.69	1959.51
	(ii) Debentures and Bonds	1000.00	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify) – North East Venture Trust	5055.62	3872.12
	Total	12369.21	30497.89

NOTES ON STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(5)	Borrower group-wise classification of assets financed as in (2) and (3) above:						
		As at 31/03/2023			As at 31/03/2022		
	Category	Amount net of provisions			Amount net of provisions		
		Secured	Unsecured	Total	Secured	Unsecured	Total
	1. Related Parties **						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	23.05	23.05	-	6.71	6.71
	2. Other than related parties	149794.68	7804.37	157599.06	115117.28	8421.54	123538.82
	Total	149794.68	7827.43	157622.11	115117.28	8428.25	123545.53
(6)	Investor group-wise classification of all investments in shares and securities (both quoted and unquoted)						
	Category	As at 31/03/2023		As at 31/03/2022			
		Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)		
	1. Related Parties**						
	(a) Subsidiaries	332.46	9.88	312.58	9.88		
	(b) Companies in the same group	NIL	NIL	NIL	NIL		
	(c) Other related parties (NEVF)	4017.11	5055.62	3168.75	3872.12		
	2. Other than related parties	7303.71	7303.71	26615.88	26615.89		
	Total	11653.28	12369.21	30097.21	30497.89		

**As per Indian Accounting Standard issued by MCA

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



(7) Other Information

	Particulars	As at 31/03/2023	As at 31/03/2022
(i)	Gross Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	5197.29	7738.06
(ii)	Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	1698.44	2391.86
(iii)	Assets acquired in satisfaction of debt	-	-

Note 41: Balance Sheet disclosures as required under Master direction-Non-Banking Financial Company-Systemically important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

a. Capital

Particulars	Current Year	Previous Year
i. CRAR	61.28%	60.92%
ii. CRAR – Tier I Capital	60.31%	59.92%
iii. CRAR – Tier II Capital	0.97%	0.99%
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 Lakhs)	Previous Year (Rs. In Lakhs)
1. Value of Investments		
i. Gross value of Investments		
a. In India	12369.22	30497.88
b. Outside India	-	-
ii. Provisions for Depreciation		
a. In India	-	-
b. Outside India	-	-
iii. Net value of Investments		
a. In India	12369.22	30497.88
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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

As at 31st March 2023

(₹ in lakhs)

	Upto 7 days	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*	1953.83	905.32	2,867.94	2,855.55	5,885.70	14,585.80	58,190.86	41,880.50	26284.93	155410.43
Investments	-	-	-	-	-	2334.79	-	1000.00	9034.43	12369.22
Borrowings**	-	-	-	8.62	5672.92	51.72	10524.00	9345.92	23511.81	49114.99
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-

* at cost

** at fair value

As at 31st March 2022

(₹ in lakhs)

	Upto 7 days	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*	2142.23	1755.16	1,705.04	1,269.40	5,285.03	12,612.59	46,734.46	33,341.51	17965.29	122810.71
Investments	-	-	-	-	-	22709.10	-	-	7788.78	30497.88
Borrowings**	-	-	-	-	-	5647.06	10317.12	9139.04	24665.16	49768.37
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-

* at cost

** at fair value

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



d) Details of Single Borrower Limit (SGL)/Group borrower (GBL) exceeded by the NBFC.

During the current and previous year, the Corporation has not exceeded the prudential exposure norms.

e) Unsecured Advances

As at 31st March 2023, the amount of unsecured advances stood at Rs. 7827.43 lakhs (31st March 2022 : Rs. 8428.25 lakhs)

f) Miscellaneous

a) Registration obtained from other financial sector regulators.

During the current year and the previous year, the Corporation has not obtained any registration from other financial sector regulators.

b) Disclosures of Penalties imposed by RBI and other regulators

j) Provisions and Contingencies

(₹ in lakhs)

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	(1845.60)	814.58
Provision made towards Income Tax	2770.29	2372.71
Other Provision and Contingencies		
Leave Encashment	155.97	44.12
Gratuity	(84.31)	390.06
LTC	(5.12)	(13.77)
Diminution in Fair Value of Restructured Advance	-	-
Provision for Standard Assets	793.90	(425.46)

k). Concentration of Advances (at cost)

(₹ in lakhs)

	As at 31/03/2023	As at 31/03/2022
Total Advances to twenty largest borrowers	44527.43	42249.04
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	28.64%	34.40%

l) Concentration of Exposures (at cost)

(₹ in lakhs)

	As at 31/03/2023	As at 31/03/2022
Total Exposures to twenty largest borrowers	44527.43	42249.04
Percentage of Exposures to twenty largest borrowers to Total Exposures of the NBFC	28.64%	34.40%

During the current year and the previous year, there are no penalties imposed by RBI and other regulators.

c) Related Party Transactions

(Refer Note 32)

d) Rating assigned by credit rating agencies and migration of ratings during the year.

The Corporation has not been assigned any rating as yet.

g) Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no such material items which require disclosures in the notes to Accounts in terms of the relevant Accounting Standard.

h) Revenue Recognition

Refer Significant Accounting Policies.

i) Indian Accounting Standard 110-Consolidated Financial Statements (CFS)

All the subsidiaries of the Company have been consolidated as per Indian Accounting standard 110. Refer Consolidated Financial Statements (CFS).

NOTES ON STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

m) Concentration of NPAs

(₹ in lakhs)

	As at 31/03/2023	As at 31/03/2022
Total Exposure to top four NPA accounts	2302.20	3213.72

n). Sector wise NPAs (Percentage of NPAs to Total Advances in that Sector) :

Sl. No.	Sector	As at 31/03/2023	As at 31/03/2022
1	Agriculture & allied activities	0.56%	0.63%
2	MSME	4.08%	7.62%
3	Corporate Borrowers	NIL	13.82%
4	Services	3.36%	4.87%
5	Unsecured personal loans	NIL	NIL
6	Auto loans	NIL	NIL
7	Other personal loans	NIL	NIL

o). Movement of NPAs

Particulars	Current Year	Previous Year
i. Net NPAs to Net Advances (%)	1.12%	2.04%
ii. Movement of NPAs (gross)		
a. Opening balance	7738.06	7434.03
b. Additions during the year	748.68	1911.35
c. Reductions during the year	3289.45	1607.32
d. Closing balance	5197.29	7738.06
iii. Movement of net NPAs		
a. Opening balance	2391.86	2900.39
b. Additions during the year	604.58	1601.63
c. Reductions during the year	1298.00	2110.16
d. Closing balance	1698.44	2391.86
iv. Movement of provisions for NPAs		
a. Opening balance	5346.25	4533.63
b. Provisions made during the year	(1847.36)	814.58
c. Write off / Write backs	(0.04)	1.96
d. Closing balance	3498.85	5346.25

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



p. Disclosure as per Micro, Small and Medium Enterprises Development Act, 2006 :

	Particulars	31 March 2023	31 March 2022
a)	Dues remaining unpaid to any supplier -Principal -Interest on the above	- -	- -
b)	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year - Principal paid beyond the appointed date - Interest paid in terms of Sec 16 of the Act	- -	- -
c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
d)	Amount of interest accrued and remaining unpaid	-	-
e)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-
	Total	-	-

Note 42: Disclosure requirements under Scale Based Regulation (SBR)- A Revised Regulatory Framework for NBFCs as per circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022.

Section – I

(A) Exposure

1. Exposure to Real Estate Sector (At cost)

(₹ in lakhs)

Items	31/03/2023	31/03/2022
a) Direct Exposure		
(i) Residential Mortgages [all individual housing loans]	1401.73	1265.42
(ii) Commercial Real Estate	10823.53	8025.42
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures:		
a) Residential	Nil	Nil
b) Commercial	Nil	Nil
b) Indirect Exposure Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil
Total Real Estate Exposure	12225.26	9290.84

NOTES ON STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

2) Exposure to Capital Market

(₹ in lakhs)

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;	3432.10	1957.16
(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;	-	-
(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)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	-	-
(ix)	Financing to stockbrokers for margin trading	-	-
(x)	All exposures to Alternative Investment Funds : (i) Category I (ii) Category II (iii) Category III		
(xi)	all exposures to Venture Capital Funds (both registered and unregistered)	5055.62	3872.12
Total Exposure to Capital Market		8487.72	5829.28

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



3) Sectoral exposure (At cost)

(₹ in lakhs)

Sectors	Current Year			Previous Year		
	Total Exposure	Gross NPAs	% of Gross NPAs to Total exposure in that sector	Total Exposure	Gross NPAs	% of Gross NPAs to Total exposure in that sector
1. Agriculture & Allied Activities	6,513.67	274.91	4.22%	7,457.83	183.35	2.46%
2. Industry	64,829.13	1,264.38	1.95%	48,939.83	3,392.69	6.93%
3. Services						
i. Educational and training institute	13,994.84	420.60	3.01%	12,594.78	243.53	1.93%
ii. Hospitals and Nursing Homes	15,290.12	-	0.00%	15,675.35	-	0.00%
iii. Hotels	20,484.59	1,192.74	5.82%	14,560.48	1,452.92	9.98%
iv. Others	21,510.03	1,523.58	7.08%	12,558.47	1,834.55	14.61%
4. Loan to staff	3,006.40	-	0.00%	1,480.52	-	0.00%
5. Microfinance Loans(Loans to MFIs, Business Correspondents)	12,788.06	521.08	4.07%	11,023.95	631.01	5.72%
Total	158,416.83	5,197.29		124,291.21	7,738.06	

NOTES ON STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

4) Intra-group exposures

(₹ in lakhs)

Particulars		Current Year	Previous Year
(i)	Total amount of intra-group exposures	-	-
(ii)	Total amount of top 20 intra-group exposures	-	-
(iii)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	-	-

5) Unhedged foreign currency exposure

A) The company does not have any exposure to unhedged foreign currency exposure as at 31st March 2023. (31st March 2022 : NIL)

B) Related Party disclosure(Refer Note no. 32)

C) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers :

Complaints received by the NBFC from its customers				Current Year	Previous Year
1.		Number of complaints pending at beginning of the year		-	-
2.		Number of complaints received during the year		01	01
3.		Number of complaints disposed during the year		01	01
	3.1	Of which, number of complaints rejected by the NBFC		-	-
4.		Number of complaints pending at the end of the year		-	-
5.*		Number of maintainable complaints received by the NBFC from Office of Ombudsman		-	-
	5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman		-	-
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman		-	-
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC		-	-
6.*		Number of Awards unimplemented within the stipulated time(other than those appealed)		-	-

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



2) Top five grounds of complaints received by the NBFs from customers :

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Staff Behavior	NIL	1(one)	NA	NIL	NIL
Total	NIL	1(one)	NA	NIL	NIL
Previous Year					
Total	NA	NA	NA	NA	NA

Section – II

A) Breach of covenant

During the current year and previous year there is no instance of breach of covenant of loan availed or debt securities issued.

B) Divergence in Asset Classification and Provisioning

Disclosure of details of divergence, if either or both of the following conditions are satisfied:

a) the additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period, or

b) the additional Gross NPAs identified by RBI/NHB exceeds 5 per cent of the reported Gross NPAs for the reference period.

There is no assessment of Divergence in Asset Classification and Provisioning by RBI for the reference period 31st March 2023 and 31st March 2022 and hence the details as required in tabular form is not presented here.

NOTE 43: Expected Credit Loss policy of the Corporation

The measurement of impairment losses on loan assets as per Ind AS 109 : Financial Instruments requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Corporation's Expected Credit Loss (ECL) calculation is the output of a model with a number of underlying assumptions including segmentation of loan and advances, selection of time horizon, data, forward-looking

economic scenarios based on past experiences etc. The Corporation's customer segments, loan products and operational areas has not changed significantly over the years. This is to mention that the Corporation operates in North East India which enjoys significant government support to the local entrepreneurs in the form of subsidy among others. Although North East India (NER) region is not untouched due to COVID-19 pandemic, it is imperative to mention that local calamities and geo-political disturbances impacts the region more than anything else. The Corporation has generated stable internal data based on past pattern. The Corporation has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Corporation. The historical credit loss experience reflects impacts of economic downturn specific to NER and any support measures provided by government.

It has been the Corporation's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

Inputs considered in the ECL Model

(i) Exposure at default(EAD)

Exposure at Default (EAD) represents the gross carrying amount of the assets i.e the outstanding of the Corporation.

(ii) Probability of default(PD)

Probability of default is applied on Stage 1 and 2 on the portfolio basis and for Stage 3 PD at 100%. This is calculated as an average of the last 7 years monthly movements of default rates.

(iii) Loss Given Default(LGD)

LGD is an estimate of the loss from a portfolio given that a default occurs. LGD component of ECL is independent of deterioration of asset quality and thus applied uniformly across various stages.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Of the various methodologies used to estimate LGD, the Corporation has adopted Workout LGD method to calculate Loss Given Default based on the Corporation's own loss and recovery experience. On a more conservative basis, the Corporation has applied LGD of 40%.

In assessing the impairment of loan and advances under the ECL model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The Corporation categorizes loan assets into stages primarily on Days Past Due status.

Stage 1 : 0-30 DPD
Stage 2 : 31-90 DPD
Stage 3 : More than 90 DPD.

As per Ind AS109, the company is recognizing loss allowance (i.e. impairment) for expected credit losses on trade receivables based on forward-looking expected credit loss (ECL) model using the simplified approach. Simplified approach measures impairment loss as lifetime ECL.

NOTE 44: Disclosure as required under RBI notification no. RBI Circular No. RBI/2019-20/170 DOR(NBFC).CC.PD. No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards

As on 31st March 2023

(₹ in lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per IND AS	Loss Allowances (Provisions) as per IND AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
Performing Assets						
Standard	Stage 1	134,966.77	723.06	134,243.70	540.01	183.06
	Stage 2	15,246.36	936.64	14,309.73	2,313.05	(1,376.41)
Subtotal for standard		150,213.13	1,659.70	148,553.43	2,853.06	(1,193.35)
Non-Performing Assets (NPA)						
Substandard	Stage 3	748.68	299.47	449.21	144.10	155.37
Doubtful- up to 1 year	Stage 3	1,591.36	636.54	954.81	497.49	139.05
1 to 3 years	Stage 3	1,037.49	415.00	622.50	1,037.49	(622.50)
More than 3 years	Stage 3	-	-	-	-	
Subtotal for doubtful		2,628.85	1,051.54	1,577.31	1,534.99	(483.45)
Loss	Stage 3	1,819.76	727.90	1,091.86	1,819.76	(1,091.86)
Subtotal for NPA		5,197.29	2,078.92	3,118.38	3,498.85	(1,419.93)

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	134,966.77	723.06	134,243.70	540.01	183.06
	Stage 2	15,246.36	936.64	14,309.73	2,313.05	(1,376.41)
	Stage 3	5,197.29	2,078.92	3,118.38	3,498.85	(1,419.93)

As on 31st March 2023, the impairment allowance required under Ind AS 109 is lower than the provisions as per IRACP, the difference of Rs. 2612.89 lakhs was required to be transferred to Impairment Reserve. However, since the company has already created Impairment Reserve of Rs. 3316.00 lakhs in previous year, no new transfer was made from the reserve.

NOTES ON STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

As on 31st March 2022

(₹ in lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per IND AS	Loss Allowances (Provisions) as per IND AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
Performing Assets						
Standard	Stage 1	93,434.47	634.55	92,799.93	373.74	260.81
	Stage 2	21,638.47	931.19	20,707.28	1,685.42	(754.23)
Subtotal for standard		115,072.95	1,565.74	113,507.21	2,059.16	(493.42)
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,911.35	764.54	1,146.81	309.72	454.82
Doubtful- up to 1 year	Stage 3	128.64	51.46	77.19	128.64	(77.19)
1 to 3 years	Stage 3	2,284.05	913.62	1,370.43	1,493.82	(580.20)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		2,412.69	965.08	1,447.61	1,622.46	(657.39)
Loss	Stage 3	3,414.03	1,365.61	2,048.42	3,414.03	(2,048.42)
Subtotal for NPA		7,738.06	3,095.23	4,642.84	5,346.21	(2,250.98)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	93,434.47	634.55	92,799.93	373.74	260.81
	Stage 2	21,638.47	931.19	20,707.28	1,685.42	(754.23)
	Stage 3	7,738.06	3,095.23	4,642.84	5,346.21	(2,250.98)

As on 31st March 2022, the impairment allowance required under Ind AS 109 is lower than the provisions as per IRACP, the difference of Rs. 2744.40 lakhs was required to be transferred to Impairment Reserve. However, since the company has already created Impairment Reserve of Rs. 3316.00 lakhs in previous year, no new transfer was made from the reserve.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



Note 45: Risk Management Framework of the Corporation Market Risk

Whilst risk is inherent in the Corporation's activities, it is managed through a risk management framework, including ongoing identification, measurement and monitoring subject to risk limits and other controls. In the course of its business, the Corporation is exposed to certain financial risks namely credit risk, liquidity risk and market risk.

The Board of Directors provide guiding principles for overall risk management of the Corporation, as well as policies covering specific areas, such as, credit risk, liquidity risk, and investment of surplus deployable funds. The Board has approved the Risk Management Policy of the Corporation to oversee the overall risk of the Corporation. The Corporation's risk management is carried out by its Risk Management Committee of the Board (RMCB), a sub-committee of the Board, as per the policies approved by the Board of Directors.

The Corporation has also put in place Board approved policies, such as Loan Policy and other related policies to oversee the credit risk; Operation Risk Management (ORM) Policy to oversee the various operational risk and Asset Liability Management (ALM) Policy to oversee the various market and liquidity of the Corporation. In addition, the Corporation has also constituted an Internal Risk Management Committee (IRMC), under the chairmanship of the Executive Director (ED).

The Risk Management Department, headed by the Executive Director (ED), along with the concerned departments has been looking after various risks of the Corporation under the supervision of the Chairman and Managing Director (CMD) and the guidance of the RMCB.

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations leading to financial loss to the Company. The Corporation's credit decisions are guided by its Loan Policy, Operational Manuals for Credit Appraisal & Management and other credit related policies approved by the Board. Based on various RBI guidelines, the Corporation takes adequate steps to mitigate the risks arising from its business decisions, such as detailed appraisal of the proposals before sanctioning of loans; adequate security coverage / collaterals, except to small entrepreneurs who are covered under CGTMSE; exposure limits to Industry sectors, Individual Borrower as well as Group Borrower as per RBI Guidelines and Exposure Norms Policy of the Corporation approved by the Board wherein the limits for individual and group borrowers have been kept at lower level considering the size and the risk taking ability of the Corporation; regular site visits and review of loan portfolio; monitoring of defaulting units and Potential NPAs; Credit Rating Assessment (CRA) System for all PFD loans and MSE loans with loan size above Rs.50 lakh; Income Recognition and Asset classification as per RBI Prudential Norms and adequate provisioning for NPAs, etc. In addition, the Corporation has also set up a separate cell called Stress Asset Management Cell (SAMC) to closely monitor and recover from stressed assets accounts of the Corporation. Various policies of the Corporation are being revised keeping in view of the risk appetite of the Corporation.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return. The Corporation is also exposed to change in interest rates to a certain extent. Lowering of interest rate in the market resulted in fall in interest yield from investment as well as business generation and income from thereon.

Asset Liability Management Committee (ALCO), headed by CMD looks into various aspects of market risk (primarily interest rate and liquidity risk). The Corporation has put in place an Asset Liability Management (ALM) Policy to oversee the market risk.

The Corporation has also put in place an Investment Policy for deployment of its surplus funds. It may be mentioned that the level of treasury operation is limited and is presently limited to FDs/ Liquid funds of Mutual funds. Although the Corporation is exposed to price risk on such investments; which arises on account of movement in interest rates, liquidity and credit quality of underlying securities, it carries minimal volatility and ensures adequate liquidity. Hence temporary market volatility, if any is not considered to have material impact on the carrying value of these Investments.

Liquidity Risk

The Corporation's principal sources of liquidity are 'cash and cash equivalents, investments in money market instruments' and cash flows that are generated from operations. Liquidity risk in the Corporation may primarily arise from its inability to fulfill the committed liabilities (disbursement) and repayment of debt (loans).

Liquidity Risk is managed by the Asset Liability Management Committee (ALCO) of the Corporation on periodical basis. Cash flow analysis of the Corporation is being done periodically to analyze the liquidity condition whereas fund balance position as well as disbursement requirements are also monitored, and the surplus fund are deployed in the form of investment in FDs/ Liquid scheme of Mutual fund which are redeemable at very short notice. Presently around Rs.13144.79 lakhs of surplus fund has been invested in various FDs/ liquid schemes of various mutual funds.

It is to be mentioned that the Corporation has been receiving the interest free loan from the Government of India since FY2002-03 through the Ministry of DoNER (MDoNER), which are repayable after 15 years in bullet repayment. So far the Corporation has received interest free loan amounting to Rs.904.11 Cr., out of which Rs.45 Cr. was given for creation of Venture Capital Fund. First instalment of repayment of loan from MDoNER became due in FY17-18. So far, the Corporation has repaid six instalments amounting to Rs.169.11 Cr. on time and the 7th instalment of Rs.60 Cr. will become due in the current financial year. The Corporation has also availed refinance from various institutions/ agencies like SIDBI, NBCFDC, NSFDC and NSTFDC. Till FY22, the Corporation has taken refinance of Rs.120.98 Cr. from these institutions and the entire amount has already been fully repaid with no default in repayment of any of

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

the aforesaid loan and interest thereof. Further, NABARD and MUDRA has approached NEDFi to associate with them for refinancing and other activities based on its performance in the region. During FY 22-23, the Corporation was sanctioned a limit of Rs.100 Cr. by SIDBI, out of which Rs.5 Cr. disbursement was availed. The balance of Rs.95 Cr. is available to the Corporation for disbursement during FY 23-24. Further, the Corporation initiated various steps for mobilization of funds from various channels for fund requirement of growing business and long-term targets. Considering the above, the Corporation believes that its cash flow will be sufficient to meet the financial liabilities within maturity period.

Operational Risk

The Corporation has adopted the Operational Risk Management Policy to manage operational risks to an acceptable level across all areas of its operations. The Corporation manages operational risks through comprehensive internal control systems and detailed procedures laid down in the various stages of its lending business. Operational Manual for Project Financing (for PFD/MSE departments) and Operational Manual for Microfinance Department have already been implemented whereas for the other core departments are being prepared.

Presently, the Risk Management Department along with other departments are reviewing the operational risks. Further, the Internal Auditor of the Corporation during its Quarterly Audit including Branch Audit also reviews various

operational aspects/ risks. Till FY21, the internal audit function was outsourced to some reputed Chartered Accountants firm. Internal Audit Department of the Corporation, which was set up during FY21, for monitoring and controlling of financial transactions, credit operation, NPAs, policy compliance, operational risk, etc. started its functioning from April 1, 2021. After the creation of in-house Internal Audit team, the Corporation also implemented the concurrent audit from FY22.

Moreover, the Corporation has initiated the exercise of Risk Control & Self-Assessment (RCSA) for each department at Head Office. Suitable training programmes on the Operational Risk Management is being looked into for the officers of the Risk Management and other core departments.

The Corporation has put in place a robust Disaster Recovery (DR) and Business Continuity Plan (BCP) to ensure continuity of operations including services to customers, if any eventuality happens such as natural disasters, technological outage, etc. Robust periodic testing will be carried out, and results will be analyzed to address gaps in the framework, if any. DR and BCP audits are being conducted on a periodical basis to provide assurance regarding the effectiveness of the Corporation's readiness.

Note 46: Disclosure as per Para 53 of IND AS 116: Leases

(₹ in lakhs)

Particulars	As at 31/03/2023	As at 31/03/2022
i) Depreciation charge for ROU assets for Leasehold premises (presented under Note 29 : " Depreciation , amortization and impairment"	54.54	40.94
ii) Interest expense on lease liabilities (presented under Note 26 Finance Cost)	23.68	16.25
iii) Expense relating to short-term leases (included in Note 30 Other Expenses)	0.30	1.20
iv) Payments for principal portion of lease liability	69.38	52.24
v) Additions to ROU assets during the year	90.41	87.55
vi) Carrying amount of ROU assets at the end of reporting period by class of underlying assets (Refer Note 9C)	248.00	212.13
vii) Lease liabilities (Refer Note 13)	270.98	225.19

Pursuant to amendments brought in by the Ministry of Corporate Affairs through the Companies (Indian Accounting Standards) Amendment Rules, 2020 vide notification dated 24 July 2020, Ind AS 116 - Leases was amended by inserting certain paragraphs (46A and 46B) related to application of practical expedient to Covid-19-Related Rent Concessions. Corporation has not received/given any such concessions.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



Maturity Analysis of Lease Liabilities as per Ind AS : Leases

Particulars	As at 31/03/2023	As at 31/03/2022
Less than 1 year	9.01	1.50
1 – 3 years	37.40	47.87
3 -5 years	7.55	27.63
More than 5 years	217.01	148.17
Total lease liabilities	270.98	225.19

Note 47: Disclosure as required under Guidelines on Resolution Framework for COVID-19- related Stress issued by RBI vide notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/ 2020-21 and RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2021 dated 6th August 2020

(i) For year ended 31 March 2023

Type of borrower	(A) No. of accounts where resolution plan has been implemented under the window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal loans	-	-	-	-	-
Corporate persons	-	-	-	-	-
Of which, MSME	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

(i) For year ended 31 March 2023

No. of accounts restructured	Amount(Rs. In lakhs)
-	-

NOTES ON STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(iii) For year ended 31 March 2022

Type of borrower	(A) No. of accounts where resolution plan has been implemented under the window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal loans	-	-	-	-	-
Corporate persons	-	-	-	-	-
Of which, MSME	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

(iii) For year ended 31 March 2022

No. of accounts restructured	Amount(Rs. In lakhs)
320	6568.01

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



Note 48 : Additional Regulatory Information

- I. All Title deeds of Immovable Property are held in name of the Company.
- II. The company has not revalued its property, plant and equipment and Intangible Assets during the year.
- III. The company has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

IV. Capital-Work-in Progress(CWIP)

- a) For Capital-work-in progress :

As on 31st March 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	0.87	0.87

As on 31st March 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	0.87	0.87

(b) There is no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(v) The company has used the borrowings from banks and financial institutions for the specific purpose for which it is taken at the balance sheet date.

(vi) There are no intangible assets under development.

(vii) There are no proceedings been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder as the company is not holding any such property.

(viii) The company has borrowings from banks or financial institutions on the basis of security of loan assets. The quarterly statements submitted by the company to the financial institution are on historic cost method instead of effective interest rate/amortised cost method as prescribed under Ind AS.

(ix) The company does not have any default and hence has not been declared as willful defaulter by any bank or financial institution or other lenders.

(x) The Company does not have transactions with struck off companies u/s 248 of Companies Act, 2013 or u/s 560 of Companies Act 1956 as per our knowledge and information.

(xi) The company does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

(xvi) Analytical Ratios :

Ratio	As at 31 st March 23	As at 31 st March 22
Tier -I Capital	102668.51	94435.63
Tier -II Capital	1659.70	1565.74
Total Capital	104328.21	96001.37
Aggregate of Risk Weighted Assets	170245.72	157594.77
Tier I CRAR	60.31%	59.92%
Tier II CRAR	0.97%	0.99%
CRAR	61.28%	60.92%

Tier I Capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund as at 31st March, 2023.

"Owned Fund" means paid up equity capital and free reserves e.g. reserve created u/s 45-IC of RBI Act, 1934 and u/s 36(1) (viii) of the Income Tax Act, 1961, General Reserve and Retained Earnings.

(xii) The company does not have any noncompliance under clause (87) of Section 2 of Companies Act, 2013 read with Companies (Restrictions on number of Layers) Rules, 2017.

(xiii) The company has not entered into any Scheme of Arrangement in terms of sections 230 to 237 of the Companies Act, 2013.

(xiv) The company has not advanced or loaned nor invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(xv) The company has not received any fund from any other person(s) or entity(ies), including foreign entities (Funding Party) with the understanding that it shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



Tier II capital” includes the following

(a) general provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets. 12 month expected credit loss (ECL) allowances for financial instruments i.e. where the credit risk has not increased significantly since initial recognition, shall be included under general provisions and loss reserves in Tier II capital within the limits specified by extant regulations. Lifetime ECL shall not be reckoned for regulatory capital (numerator) while it shall be reduced from the risk weighted assets.

(b) hybrid debt capital instruments; and

(c) subordinated debt to the extent the aggregate does not exceed Tier I capital.

Aggregate Risk Weighted Assets (Denominator) –

Under RBI Guidelines, degrees of credit risk expressed as

percentage weightages have been assigned to each of the on-balance sheet assets and off- balance sheet assets. Hence, the value of each of the on-balance sheet assets and off- balance sheet assets requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

(xvii) Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The CSR Policy of NEDFi supports initiatives and activities which result in improvement of quality of life of the people belonging to the 8 States of the North Eastern Region of India. The areas for CSR activities of the Corporation promote employment enhancing vocational skills, livelihood enhancement projects, women empowerment, handloom and handicrafts of the region and development of rural and backward areas through promotion of entrepreneurship.

(₹ in lakhs)

Particulars	As at 31/03/2023	As at 31/03/2022
i) Amount required to be spent by the Company	160.77	147.16
ii) Amount of expenditure incurred	207.43	128.19
iii) Shortfall at the end of the year	NA	18.97
iv) Total of previous year shortfall	18.97	-
v) Reason of shortfall	Ongoing Project	Ongoing project
vi) Nature of CSR activities	<p>To take up initiatives for promotion of employment enhancing vocational skills, livelihood enhancement projects or women empowerment.</p> <p>To promote the traditional arts and handicraft sector including handloom of the N. E. Region, by providing necessary support to the artisans, weavers and craftsperson engaged in the sector through skill-upgradation, market linkage and/ or infrastructural support, wherever necessary.</p> <p>To undertake projects and programmes for development of Rural and Backward Areas through promotion of entrepreneurship and income generating activities.</p> <p>Flood Relief, COVID-19 relief etc.</p>	
vii) Details of related party transaction, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	110.07*	-
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	-	-

* For implementation of different project like Handloom, Water Hyacinth etc.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(xvii)(a) Gross amount required to be spent: Rs. 160.77 lakhs (P.Y. Rs. 147.16 lakhs). 2% of the average profit before tax of last three financial years i.e. 2% of Rs. 8038.58 lakhs (P.Y. Rs. 7357.86 lakhs) = Rs.160.77 lakhs (P.Y. Rs. 147.16 lakhs). The Corporation has spent Rs. 207.43 lakhs (P.Y. Rs. 87.26 lakhs) on CSR.

(xvii)(b) Amount spent during the year on (Rs. In lakhs) :

	In Cash		Yet to be paid in cash		Total	
	C.Y.	P.Y	C.Y.	P.Y	C.Y.	P.Y
(i)Construction / acquisition of any asset	-	-	-	-	-	-
On purposes other than (i) above	207.43	87.26	-	18.97	207.43	106.23

(xvii)(c) 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.

(xvii)(d) As on 31st March 2022, the Company had transferred the shortfall of Rs. 18.97 lakh to a separate bank account. The entire amount has been expended during the year and there is no shortfall as on 31st March 2023.

(xviii) There are no undisclosed income or transactions recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. There are no previously unrecorded income and related assets recorded during the year.

(xix) The Company has not traded nor invested in Crypto currency or Virtual currency during the financial year.

INDEPENDENT AUDITORS' REPORT



TO
THE MEMBERS OF
NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED
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** ("hereinafter 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 2023 and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the 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 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, and based on the consideration of reports of the other auditors on separate financial statements of the Subsidiaries referred to in the Other Matters section below, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2023, and the Consolidated Profit, their consolidated total comprehensive income, changes in consolidated 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 (ICAI) 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 made thereunder, 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 on the consolidated financial statements.

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 and presentation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flow of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. 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 respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective entities 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 consolidated 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 Consolidated 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding 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 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors 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 of two subsidiaries whose financial statements reflect total assets of Rs 538.37 lakhs as at 31 March, 2023, total revenues of Rs.217.65 lakhs and net decrease in cash flows amounting to Rs 344.92 lakhs for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These financial statements have been audited by other auditors, the report of which has been furnished to us by the Management. 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 other auditors.

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 work done and the reports of the other auditors and the financial information certified by the Management.

INDEPENDENT AUDITORS' REPORT



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, based on our audit 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 as required by law relating to the preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept by the Company so far as it appears from our examination of those books & the reports of the other auditors;

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Financial Statements;

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

e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Company and the reports of the management of its subsidiary companies, none of the directors of the group companies is disqualified as on 31 March, 2023, 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 with reference to Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"** which is based on the auditors' report of the Holding company and reports of the management of its subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Internal Financial Controls with reference to Financial Statements of those companies.

g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 33 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.

iv.

(a) The respective Managements of the company and its subsidiaries whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries whose financial statements have been audited under the Act, has represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

INDEPENDENT AUDITORS' REPORT

v. The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports

issued by the auditors of the subsidiaries included in the Consolidated Ind AS Financial Statements of the Company, to which reporting under CARO as applicable, provided to us by the management of the Company and based on the identification of matters of qualifications or adverse remarks in the CARO reports by the respective auditors. We report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report.

Place: Guwahati
Dated: 03-08-2023

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



CA. Himanshu Chowkhani
Partner
Membership No. 301901
UDIN: 23301901BGVKAC8011

ANNEXURE “A”

To the Independent Auditors’ Report



(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, 2023)

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 2022-23, 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. Whether such cases are properly accounted for?	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 (grants/subsidy etc.) received / receivable for specific schemes from Central / State Government or its 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: 23301901BGVKAC8011

Place: Guwahati
Dated: 03-08-2023

To the Independent Auditors’ Report

(Referred to in para 2(f) under ‘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, 2023)

Report on the internal financial controls with reference to Consolidated Financial Statements 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** (“the Company”) as of and for the year ended 31 March, 2023, we have audited the Internal Financial Controls with reference to Consolidated Financial Statements of the Company for the year ended on that date.

Management’s Responsibility For Internal Financial Control

The respective Boards of Directors of the Parent and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements 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 (the “Guidance Note”). 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 respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Internal Financial Controls with reference to financial statements of the Parent and its subsidiary companies, based on our audit. We conducted our audit in accordance with 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 internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls System with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to Consolidated

Financial Statements included obtaining an understanding of Internal Financial Controls with reference to Consolidated Financial Statements, 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 Consolidated Ind AS financial statements whether due to fraud or error.

Meaning Of Internal Financial Controls With Reference To Financial Statements

A company’s Internal Financial Controls with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A company’s Internal Financial Controls with reference to Consolidated Financial Statements 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 Consolidated 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 Consolidated Ind AS financial statements.

Inherent Limitations Of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of Internal Financial Controls with reference to Consolidated Financial Statements, 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 Internal Financial Controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ANNEXURE “B”



Opinion

In our opinion, to the best of our Information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements are operating

effectively as at March 31, 2023, based on the criteria for internal control with reference to Financial Statements 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

A handwritten signature in black ink, appearing to read 'Himanshu', with a horizontal line underneath.

CA. Himanshu Chowkhani

Partner

Membership No. 301901

UDIN: 23301901BGVKAC8011

Place: Guwahati
Dated: 03-08-2023

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 2023

The preparation of Consolidated financial statements of **North Eastern Development Finance Corporation Limited** for the period ended 31 March 2023 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 auditors appointed by the Comptroller and Auditor General of India under section 139(5) or 139(7) read with section 129(4) of the Act is/are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **3rd August 2023**.

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 2023 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of **NEDFI Trustee Limited** and **NEDFI Venture Capital Limited** for the year ended 31 March 2023. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

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



**(Rajiv Kumar Pandey)
Director General of Audit
(Central Expenditure), New Delhi**

Place: New Delhi
Date: 29.09.2023

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2023



(₹ in lakhs)

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
(1) Financial Assets			
(a) Cash & Cash Equivalents	2	18,325.46	19,060.06
(b) Bank Balance other than (a) above	3	12,056.56	16,469.99
(c) Receivables			
- Trade receivables	4	1,421.46	650.51
(d) Loans	5	1,53,883.50	1,18,884.57
(e) Investments	6	12,359.34	30,488.01
(f) Other Financial Assets	7	5,679.72	9,619.58
		2,03,726.04	1,95,172.71
(2) Non Financial Assets			
(a) Current Tax Assets (Net)	8	-	-
(b) Property Plant & Equipment	9	2,797.48	2,767.69
(c) Capital Work-in-progress	9	0.87	0.87
(d) Intangible Assets	9	34.20	102.61
(e) Other Non Financial Assets	10	-	171.28
		2,832.55	3,042.45
Total Assets		2,06,558.59	1,98,215.16
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial Liabilities			
(a) Payables	11		
Trade Payables			
i) total outstanding dues of micro enterprise and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprise and		54.27	45.79
<u>Other Payables</u>			
i) total outstanding dues of micro enterprise and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprise and		-	-
(b) Borrowings (Other than Debt Securities)	12	49,114.99	49,768.37
(c) Other Financial Liabilities	13	41,030.55	41,156.18
		90,199.82	90,970.34
(2) Non Financial Liabilities			
(a) Current Tax Liabilities (Net)	14	70.69	275.76
(b) Provisions	15	2,379.39	1,962.54
(c) Deferred Tax Liabilities (Net)	16	1,490.71	897.66
		3,940.78	3,135.96
(3) Equities			
(a) Equity Share Capital	17	10,000.00	10,000.00
(b) Other Equity	18	1,02,413.88	94,104.83
Non Controlling Interest		4.11	4.04
		1,12,417.99	1,04,108.87
Total Liabilities and Equity		2,06,558.59	1,98,215.16
The accompanying notes form an integral part of the financial statements	1-47		

As per our Report of even date

For H.K. Agrawala and Associates

Chartered Accountants

Firm Regn No. 319293E

CA Himanshu Chowkhani

Partner

(M. No. 301901)

UDIN: 23301901BGVKAC8011

Place : Guwahati

Date : 03/08/2023

For and on behalf of the Board of Directors

(PVSLN Murty)

Chairman and Managing Director

DIN : 07355708

(S. K. Baruah)

Chief Financial Officer

(V. K. Agarwal)

Company Secretary

SMALL STEPS BIG IMPACT

CONSOLIDATED STATEMENT

OF PROFIT & LOSS FOR THE YEAR ENDED

MARCH 31, 2023

(₹ in lakhs)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
(i) Interest Income	19	14,222.78	11,361.53
(ii) Dividend Income	20	57.00	56.40
(iii) Rental Income	21	515.83	475.33
(iv) Fees and Commission Income	22	46.73	32.44
(v) Net gain/(loss) on Fair value changes	23	387.48	1,485.12
(vi) Other Operating Income	24	4,405.37	3,749.28
I Total Revenue from Operations		19,635.19	17,160.09
II Other Income	25	1,332.87	2,964.99
III Total Income (I + II)		20,968.07	20,125.08
EXPENSES			
(i) Finance Costs	26	3,333.41	3,074.93
(ii) Impairment on financial instruments	27	(894.13)	1,483.83
(iii) Employee Benefit Expenses	28	4,337.17	3,833.70
(iv) Depreciation, amortisation and impairment	29	276.67	276.30
(v) Other Expenses	30	2,314.37	1,245.58
IV Total Expenses		9,367.49	9,914.34
V Profit / (Loss) before exceptional items and tax (III-IV)		11,600.58	10,210.74
VI Exceptional Items		-	-
VII Profit / (Loss) before Tax (V+VI)		11,600.58	10,210.74
VIII Tax Expense			
Current Tax		2,772.37	2,379.48
Deferred Tax		593.05	55.32
Tax adjustment of earlier years		228.40	81.66
		3,593.83	2,516.45
IX Profit / (Loss) for the period (VII-VIII)		8,006.75	7,694.29
X Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement gain/(loss) on defined benefits plans		39.67	(68.60)
- Net gain/(loss) on equity instruments through OCI		474.94	(28.21)
(ii) Tax impact thereon		(129.52)	(24.37)
Subtotal (A)		385.09	(121.18)
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Tax impact thereon		-	-
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		385.09	(121.18)
Non Controlling Interest Profit/Loss		0.07	0.24
XI Total Comprehensive Income for the period		8,391.84	7,573.11
Profit for the year attributable to :			
- Owners of the Company		8,006.68	7,694.04
- Non-Controlling Interest		0.07	0.24
		8,006.75	7,694.29
Other Comprehensive Income for the year			
- Owners of the Company		385.09	(121.18)
- Non-Controlling Interest		-	-
		385.09	(121.18)

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2023



Total Other Comprehensive Income for the year			
- Owners of the Company		8,391.77	7,572.86
- Non-Controlling Interest		0.07	0.24
		8,391.84	7,573.11
Earning per equity share of face value of ₹ 10 each	31		
Basic (Rs.)		8.39	7.57
Diluted (Rs.)		8.39	7.57
The accompanying notes form an integral part of the financial statements	1-47		

As per our Report of even date

For H.K. Agrawala and Associates

Chartered Accountants

Firm Regn No. 319293E

CA Himanshu Chowkhani

Partner

(M. No. 301901)

UDIN: 23301901BGVKAC8011

Place : Guwahati

Date : 03/08/2023

For and on behalf of the Board of Directors

(PVSLN Murty)

Chairman and Managing Director

DIN : 07355708

(S. K. Baruah)

Chief Financial Officer

(V. K. Agarwal)

Company Secretary

CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023

Particulars	A. Equity share capital:	
	No. of Shares	Amount Rs.
Equity shares of Rs. 10 each issued, subscribed and fully paid	1,000.00	10,000.00
As at April 01, 2021	-	-
Changes in Equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in Equity share capital	-	-
As at March 31, 2022	1,000.00	10,000.00
As at April 01, 2022	1,000.00	10,000.00
Changes in Equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in Equity share capital	-	-
As at March 31, 2023	1,000.00	10,000.00

Particulars	Reserve and Surplus										Other Comprehensive Income		Total Other Equity
	North East Equity Fund	Statutory Reserve u/s 45-C of RBI Act, 1934	Special Reserve created and maintained u/s 38(1)(viii) of the Income Tax Act, 1961	Venture Capital Fund	General Reserve	Indie Exposition Mart Stalls	Techno Economic Development Fund	Impairment Reserve	Retained Earnings	Equity Instruments through OCI	Accrual gain/(losses) on post retirement benefits	Total Other Equity	
As at April 01, 2022	614.87	16,809.89	13,271.56	1,305.58	42,093.19	128.45	3,981.96	3,315.75	12,725.84	16.50	(158.78)	94,104.83	
Changes in accounting policies/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	
Restated balance as at April 01, 2021	614.87	16,809.89	13,271.56	1,305.58	42,093.19	128.45	3,981.96	3,315.75	12,725.84	16.50	(158.78)	94,104.83	
Addition/Deletion during the year	0.39	-	-	22.64	(152.77)	(10.99)	58.02	-	-	-	-	(82.72)	
Profit/ (Loss) for the year	-	-	-	-	-	-	-	-	8,006.68	355.41	29.68	8,391.77	
Total Other Comprehensive Income/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-	
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	
Tax on dividend	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to / from Retained Earnings	-	1,600.11	1,295.34	-	-	-	-	-	(2,895.45)	-	-	-	
As at March 31, 2023	615.26	18,410.00	14,566.90	1,328.21	41,940.42	117.46	4,039.98	3,315.75	17,837.07	371.91	(129.09)	1,02,413.88	

Particulars	Reserve and Surplus										Other Comprehensive Income		Total Other Equity
	North East Equity Fund	Statutory Reserve under RBI Act, 1934	Special Reserve created and maintained u/s 38(1)(viii) of the Income Tax Act, 1961	Venture Capital Fund	General Reserve	Indie Exposition Mart Stalls	Techno Economic Development Fund	Impairment Reserve	Retained Earnings	Equity Instruments through OCI	Accrual gain/(losses) on post retirement benefits	Total Other Equity	
As at April 01, 2021	613.11	15,275.06	12,283.09	1,282.94	42,688.94	140.92	4,014.05	3,315.75	9,644.79	51.81	(72.91)	89,237.56	
Changes in accounting policies/prior period errors	-	-	-	-	-	-	-	-	(2,089.69)	-	-	(2,089.69)	
Restated balance as at April 01, 2020	613.11	15,275.06	12,283.09	1,282.94	42,688.94	140.92	4,014.05	3,315.75	7,555.10	51.81	(72.91)	87,147.87	
Addition/Deletion during the year	1.76	-	-	22.64	(595.75)	(12.46)	(32.09)	-	7,694.04	(35.31)	(85.87)	(615.91)	
Profit/ (Loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Comprehensive Income/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-	
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	
Tax on dividend	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to / from Retained Earnings	-	1,534.83	988.47	-	-	-	-	-	(2,523.31)	-	-	-	
As at March 31, 2022	614.87	16,809.89	13,271.56	1,305.58	42,093.19	128.45	3,981.96	3,315.75	12,725.84	16.50	(158.78)	94,104.83	

As per our Report of even date

For and on behalf of the Board of Directors

For H.K. Agrawala and Associates
Chartered Accountants
Firm Regn No. 319293E

CA Himanshu Chowkhani
Partner
(M. No. 301901)
UDIN: 23301901BGVKAC8011
Place : Guwahati
Date : 03/08/2023

(PVSIN Murty)
Chairman and Managing Director
DIN : 073555708

(S. K. Baruah)
Chief Financial Officer

(V. K. Agarwal)
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023



(₹ in lakhs)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Cash flows from Operating activities		
Net profit before income tax	11,600.58	10,210.74
Adjustment for:		
Depreciation charge for the year	276.67	276.30
Loans Provisions & Write offs	(894.13)	1,483.83
Fixed Assets written off/Loss on sale	-	-
Profit / Loss on sale of Investments	(387.48)	(1,485.12)
Dividend received	(57.00)	(56.40)
Provision for Gratuity, Leave Encashment and LTC / LTA	264.74	199.75
Operating profit before working capital changes	10,803.38	10,629.11
Adjustments for:		
(Increase) / Decrease in Advances (Financial Assets)	(34,104.80)	(13,033.61)
(Increase) / Decrease in Other Financial Assets	7,837.29	(11,736.28)
(Increase) / Decrease in Non Financial Assets	(2,829.49)	(2,347.28)
Increase / (Decrease) in Other Financial Liabilities	2,864.47	6,561.50
Cash Flow from operations	(15,429.16)	(9,926.55)
Direct Taxes paid (net of refund received)	(2,829.49)	(2,347.28)
Net cash flow / (used in) from operating activities	(18,258.65)	(12,273.83)
Cash flows from Investing activities		
(Increase) / Decrease in Investment in Equity Instruments	(2,245.63)	1,098.33
(Increase) / Decrease in Investment in Mutual Funds	20,374.31	12,651.81
(Increase)/Decrease in Capital Work in Progress	-	-
Purchase of fixed assets (net of sales)	(249.05)	(169.52)
Dividend Received	57.00	56.40
Profit / Loss on sale of Investments	387.48	1,485.12
Net cash flow / (used in) from Investing activities	18,324.10	15,122.14
Cash flows from Financing activities		
Dividend and Dividend Tax paid	-	-
Increase / (Decrease) in Borrowings (Financial Liabilities)	(653.38)	1,359.40
Increase / (Decrease) in Capital Reserves / Other Equity Funds	58.41	(30.33)
Increase / (Decrease) in Non-Financial Liabilities	(205.07)	234.33
Net cash flow / (used in) from financing activities	(800.05)	1,563.40
Net increase in cash and cash equivalents from Operating, Investing and Financing Activities	(734.60)	4,411.71

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Cash and cash equivalents at beginning of period		
- Own funds	18,460.03	14,128.01
- Nodal Agency and Implementing Agency funds	600.03	520.32
Cash and cash equivalents at end of period		
- Own funds	17,959.17	18,460.03
- Nodal Agency and Implementing Agency funds	366.29	600.03

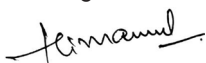
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
<u>Cash and bank balances</u>		
Cash in hand	1.06	0.48
Balance at Bank		
-With Scheduled Bank		
(i) In Current Account	17,958.11	18,459.55
(ii) In Fixed Deposits		
Balance (TEDF)		
(a) With Scheduled Bank		
(i) In Current Account	366.29	600.03
(ii) In Fixed Deposits	-	-
Grand Total	18,325.46	19,060.06

As per our Report of even date

For H.K. Agrawala and Associates

Chartered Accountants

Firm Regn No. 319293E



CA Himanshu Chowkhani

Partner

(M. No. 301901)

UDIN: 23301901BGVKAC8011

Place : Guwahati

Date : 03/08/2023

For and on behalf of the Board of Directors



(P.V.S.L.N. Murty)

Chairman and Managing Director

DIN : 07355708



(S. K. Baruah)

Chief Financial Officer



(V. K. Agarwal)

Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

Relating to Consolidated Financial Statements



NOTE 1: SIGNIFICANT ACCOUNTING POLICIES RELATING TO STANDALONE 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.

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 31.03.2023
			31.03.2023	31.03.2022	
1.	NEDFi Venture Capital Limited	India	98.8%	98.8%	Audited
2.	NEDFi Trustee Limited	India	98.8%	98.8%	Audited

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 Corporation and changes in accounting policy are separately disclosed.

• Historical Cost Convention

The financial statements are prepared on the historical cost convention and on the accrual basis of accounting, except for certain financial instruments which are measured at fair values as required by relevant Ind AS. The financial statements 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.

• Presentation of Financial Statement

The financial statements of the Corporation are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, unless otherwise indicated.

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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Following are the areas that involved a higher degree of estimates and judgements or complexity:

- Effective Interest Rate (EIR) Method.
- Impairment of Financial Assets- Expected Credit Loss model.
- Provisions and other contingent liabilities.
- Defined Benefit Plans.
- Provisions for Income Tax and deferred tax assets.
- Fair value measurements.
- Sole Payments of Principal & Interest Test (SPPI Test).

Impact of COVID-19

The COVID -19 pandemic has significantly affected various sectors of Indian economy including that of North East Region of India. The pandemic necessitated government to respond at unprecedented levels to protect health, local economies and livelihoods. Both the first and second wave have severely impacted the overall economic growth outlook of India and increased uncertainty of the economic revival. Also there remains risk of subsequent waves of infections in India. Although North East Region of India has also been impacted due to COVID-19 pandemic the region has not been as hard hit as the rest of the country. This may be largely due to fact that North East Region has less population density than rest of India and curbs related to pandemic have largely been successful. The businesses in the North East India have more or largely withstood the impact of pre-pandemic economic setbacks such as demonstrations, agitations, insurgency, floods, earthquakes etc. The COVID-19 pandemic was also immediately preceded by month long demonstrations and agitations mainly in the state of Assam.

As a result of government and bank support measures, significant credit deterioration has not yet occurred. The Corporation operates only in the North Eastern part of India, a region which faces issues which are largely localized such as insurgency and natural calamities. Economic effects of the pandemic may or may not impact the estimates and judgments stated above. The Corporation will continue to monitor the recoverability of loans and any material changes due to future economic conditions.

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. The company depreciates property, plant and equipment over their estimated useful lives using written down value method. The estimated useful lives of assets are as follows:

Building	60 years
Lift	15 years
Water Installation	15 years
Electrical Installation	10 years
Air Conditioning System	15 years
Fire Alarm System	15 years
UPS System	6 years
Machineries	15 years
Furniture & Fixture	10 years
Interior Furnishings	10 years
Office Equipments	5 years
Computers	3 years
Office Space at Agartala	60 years
Solar Plant at HO	8 years

Useful lives for some assets have been considered different from the useful lives as prescribed in Companies Act 2013. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance sheet date is classified under Other Financial Assets.

In accordance with Ind AS 116- Leases, w.e.f 1st April 2019, the Right-of-use assets are initially recognized at cost which comprises of lease liability recognized at inception for lease payments made at commencement date of lease. These are subsequently measured at cost less accumulated depreciation. Right-of -use assets are depreciated on a straight line basis over the shorter of the lease term and useful life of the underlying asset (premature termination of lease).

Collateral repossessed

In the normal course of business, the Corporation repossess assets/properties in its loan portfolio both symbolically or otherwise and also engages recovery agents to repossess and recover funds, generally by selling at auction, to settle outstanding amount. The Corporation's interest lies only in recovery of loan and does not recognize any future economic benefits accruing from such assets as stated in Ind AS 16 : Property, Plant and Equipment. Any surplus funds are returned to the customers/ obligors. As a result of this practice, the assets / properties under legal repossession processes are not separately recorded on the balance sheet.

SIGNIFICANT ACCOUNTING POLICIES



D. Capital Work In Progress

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

E. 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. Depreciation methods, useful life and residual values are reviewed in each financial year and changes if any, are accounted for prospectively.

F. 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 Corporation 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.

G. Leases

Where NEDFi is a lessee

The corporation's lease asset classes primarily consist of leases for office spaces. The corporation assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Corporation assesses whether

- The contract involves the use of an identified asset.
- The corporation has substantially all of the economic benefits from use of the asset through the period of the lease and
- The corporation has the right to direct the use of the asset.

At the date of commencement of the lease, the Corporation recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is lessee, except for leases with a term of 12 months or less and low value leases. For these short term leases, the Corporation recognizes the lease payments as an operating expense on a straight line basis over the term of the lease.

Measurement of lease liability

At the time of initial recognition, NEDFi measures lease liability as PV of all lease payments discounted using Corporation's incremental borrowing rate assumed @ 8% i.e. the rate

charged to borrowers from micro, small and medium sector. Subsequently the lease liability is

- Increased by interest on lease liability;
- Reduced by lease payments made; and
- Remeasured to reflect any reassessment or lease modification.

Measurement of rights-of-use assets

At the time of initial recognition, NEDFi measures ROU as PV of all lease payments. Subsequently ROU assets is measured using Cost less depreciation as per specified in Ind AS 116 "Leases".

Exception on ROU assets for low value assets and short term leases has been adopted by the Corporation.

Where NEDFi is a lessor

Leases in which the Corporation does not transfer substantially all the risks and benefits of the ownership of assets are classified as operating leases. Lease income of operating asset is recognized in the Statement of Profit and loss.

H. 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.

I. Classification and measurement of Financial Assets:

On initial recognition, a financial asset is classified as measured at follows:

Amortized cost –

The Corporation's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest ('SPPI') on the principal amount outstanding. Accordingly, the Corporation measures Bank balances, Loans, Trade receivables and other financial instruments at amortized cost.

FVOCI – debt instruments –

The Corporation measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments -

The Corporation subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

If the Corporation decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

Investments representing equity interest in subsidiary and associate are carried at cost less any provision for impairment.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Corporation changes its business model for managing financial assets. If the Corporation decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments. Investments representing equity interest in subsidiary and associate are carried at cost less any provision for impairment. All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL (E.g. investment in units of mutual funds).

Subsequent measurement of financial assets

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, and impairment provisions are recognized in Statement of profit and loss. Any gain and loss on derecognition is recognized in Statement of profit and loss. Debt investment at FVOCI are subsequently measured at fair value. Interest income at coupon rate and impairment provision, if any, are recognized in Statement of profit and loss. Net gains or losses on fair valuation are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss. For equity investments, the Corporation makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognized in Statement of profit and loss. Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL

and subsequent changes in fair value are recognized in Statement of profit and loss. Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of profit and loss.

J. Determination of fair value :

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurements, the Corporation measures certain categories of financial instruments at fair value on each balance sheet date. The Corporation has established procedures with respect to the measurement of fair values. The Corporation uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Ind AS 113 : Fair Value Measurement does not prescribe hierarchy for valuation techniques however Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows :

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

K. Impairment of Financial Assets :

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 provisions is made for assets as per the said guidelines as applicable to Banks, NBFCs etc. In the case of loan accounts classified as NPAs, as 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 @ 1.00 %. A provision of 5.00 % is made against restructured standard accounts as per extant RBI guidelines. The Corporation is following a higher provisioning norm that that is applicable for NBFC/Bank. This practice is being followed consistently over the years to maintain a higher provisioning coverage ratio and a lower Net NPA Ratio.

The Corporation recognizes lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases

SIGNIFICANT ACCOUNTING POLICIES



in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Corporation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and information specific relevant to North East Region of India.

The expected credit losses on these financial assets are estimated using a provision matrix based on the Corporation's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. Loss allowances for financial assets including Trade Receivables from Consultancy & Advisory are deducted from the gross carrying amount of the assets. No loss allowance is recognized for loans measured at FVTPL.

The Corporation has not recognized any loss allowance on Trade Receivables of the Corporation comprising of rent receivables from operating leases since the Corporation has no past experience of any impairment on these receivables.

L. Derecognition of financial assets:

A financial asset is derecognised only when :

The Corporation has transferred the rights to receive cash flows from the financial asset, or the contractual rights to the cash flows from the financial assets expires.

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 Corporation has transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised.

Where the Corporation 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 Corporation has not retained control of the financial asset.

M. Financial liabilities

Initial recognition and measurement

The Corporation 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.

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

N. 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.

O. 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 Corporation 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.

P. Revenue Recognition

a) Interest income is recognized in Statement of profit and loss using the effective interest method for loans and advances other than credit-impaired assets.

Effective Interest Rate (EIR) Method

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument and is based on best estimate of a constant rate of return over the expected life of the loans given. The calculation of the effective interest rate considers transaction cost/income (upfront fees) that are an integral part of the contract. Transaction costs/income include incremental costs and income that are directly attributable to the acquisition of financial asset. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments.

b) Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Corporation on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes.

c) Interest charged from loans provided to staff at concessional rates have been recognized as per market rate and prepaid employee benefit expenses have been recognized in profit and loss as per amortization basis.

d) Dividends are recognized in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

e) Interest income from investments is recognized when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

f) 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.

g) 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 including changes in fair value.

Q. Taxation:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax assets and liabilities are recognised for taxable or deductible temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. In case of taxable temporary difference Deferred Tax Liability is created and when there is deductible temporary difference Deferred Tax Asset is created. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realized simultaneously.

Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority or capitalized in the case of Property, Plant and Equipment, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

R. 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 Corporation provides gratuity and leave encashment to all eligible employees, which are

SIGNIFICANT ACCOUNTING POLICIES



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.

S. 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.

T. Dividends

Dividends paid 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.

U. Earnings per Share

The Corporation 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.

V. 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.

W. 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.

X. 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 by the company and will be distributed to respective contributors along with income received from the funds as per their instruction.

Y. Distribution and Scheme Expenses:

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in lakhs)

Note 2 : CASH AND CASH EQUIVALENTS	As at 31st March, 2023	As at 31st March, 2022
Cash in hand	1.06	0.48
Cheque in hands	2.21	550.79
Balances with banks in current accounts	17,955.90	17,908.76
Balances with banks in current accounts(TEDF)	366.29	600.03
	18,325.46	19,060.06

Note 3 : BANK BALANCE OTHER THAN (2) above	As at 31st March, 2023	As at 31st March, 2022
Term deposits with maturity less than 12 months		
- Free	10,242.87	14,749.75
- Under lien	13.69	5.24
- Free (TEDF)	1,800.00	1,715.00
	12,056.56	16,469.99

Note 4 : Receivables	As at 31st March 2023	As at 31st March 2022
Trade Receivables(Unsecured, Considered good)		
- Consultancy & Advisory Charges Receivable	1,455.21	671.44
- Rent and Hall Charges Receivable	33.25	46.07
Less : Impairment Loss Allowance	(67.00)	(67.00)
	1,421.46	650.51

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



Trade Receivables aging schedule: As at 31st March 2023:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	621.42	519.47	295.21	6.22	15.48	1457.80
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	30.66	30.66
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

As at 31st March 2022:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	513.72	116.21	19.06	1.19	0.03	650.20
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	12.37	54.93	67.30
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in lakhs)

Note 5 : LOANS	As at 31st March, 2023	As at 31st March, 2022
A. Loans :		
(i) Term Loans (at amortised cost)	1,54,838.29	1,22,109.27
Less : Impairment Loss Allowance	3,738.62	4,660.96
Sub total Net (i)	1,51,099.67	1,17,448.31
(ii) Term Loans to staff (at FVTPL)		
Related Party	23.05	6.71
Others	2,760.77	1,429.55
Less : Impairment Loss Allowance	-	-
Sub total Net (ii)	2,783.82	1,436.26
Total (Net)- A (i+ii)	1,53,883.50	1,18,884.57
B.		
(i) Secured by tangible assets	1,49,794.68	1,15,117.28
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank/Government guarantees	-	-
(iv) Unsecured	7,827.43	8,428.25
Total (Gross)	1,57,622.11	1,23,545.53
Less : Impairment Loss Allowance	3,738.62	4,660.96
Total (Net)- B	1,53,883.50	1,18,884.57
C.		
(i) Loans in India		
a) Public Sector	-	-
b) Others	1,57,622.11	1,23,545.53
Total (Gross)	1,57,622.11	1,23,545.53
Less : Impairment Loss Allowance	3,738.62	4,660.96
Total (Net) - C (i)	1,53,883.50	1,18,884.57
(ii) loans outside India	-	-
Less : Impairment loss allowance	-	-
Total (Net) - C (ii)	-	-
Total (Net) - C (i+ ii)	1,53,883.50	1,18,884.57

Note: There is no loan asset measured at FVOCI. There is no impairment loss allowance in staff loans which are recognised at FVTPL.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023



(₹ in lakhs)

	As at 31st March 2023					As at 31st March 2022						
	Amortised Cost	Through OCI	Fair Value Through P & L	Sub-Total	Others (At cost)	Total	Amortised Cost	Through OCI	Fair Value Through P & L	Sub-Total	Others (At cost)	Total
Note 6 : Investments												
Units of mutual funds	-	-	2,334.79	2,334.79	-	2,334.79	-	-	22,709.10	-	22,709.10	
Investment in Equity Instruments												
Quoted												
Premier Cryogenics Limited (Net traded - 2021-22) (200000 shares of ₹. 10/- each)	-	353.17	-	353.17	-	353.17	-	241.15	-	-	241.15	
Unquoted												
Gauhati Neurological Research Centre Limited (Unquoted 250,000 shares @ 10/- per share)	-	412.42	-	412.42	-	412.42	-	49.86	-	-	49.86	
Konokota Mahila Urban Co-Op Bank Ltd. (Unquoted 5,000 shares @ 100/- per share)	-	28.05	-	28.05	-	28.05	-	26.42	-	-	26.42	
RGVN (North East) Microfinance Ltd. (Unquoted 3,00,000 Equity Shares @ 10/- per share)	-	1,313.51	-	1,313.51	-	1,313.51	-	1,306.53	-	-	1,306.53	
Nightingale Invest Pvt. Ltd. (Unquoted 665,000 Equity Shares of 100/- per share)	-	141.83	-	141.83	-	141.83	-	129.08	-	-	129.08	
YVU Financial Services Pvt. Ltd. (Unquoted 50,000 Equity Shares of 100/- per share)	-	86.84	-	86.84	-	86.84	-	82.08	-	-	82.08	
Grameen Development & Finance Pvt. Ltd. (Unquoted 300,000 Equity Shares of 100/- per share)	-	60.07	-	60.07	-	60.07	-	62.17	-	-	62.17	
North East Small Finance Bank Limited (Unquoted 2,56,384 Equity Shares of 10/- per share)	-	26.33	-	26.33	-	26.33	-	50.00	-	-	50.00	
Investment in Preference Shares												
Alagar Finance Private Limited (500000 optionally convertible preference shares of ₹. 10/- each)	-	-	49.78	49.78	-	49.78	-	58.24	-	-	58.24	
Grameen Development & Finance Pvt. Ltd. (200000 optionally convertible preference shares of ₹. 100/- each)	-	-	264.33	264.33	-	264.33	-	273.54	-	-	273.54	
Nightingale Finvest Pvt. Ltd. (200000 optionally convertible preference shares of ₹. 100/- each)	-	-	469.22	469.22	-	469.22	-	427.04	-	-	427.04	
YVU Financial Services Private Limited (1000000 optionally convertible preference shares of ₹. 100/- each)	-	-	191.04	191.04	-	191.04	-	180.59	-	-	180.59	
SATRA Development Pvt Ltd (50000 optionally convertible preference shares of ₹. 100/- each)	-	-	72.09	72.09	-	72.09	-	70.10	-	-	70.10	
North East Small Finance Bank Limited (653,198 compulsorily Convertible Preference Shares of 10/- each)	-	-	500.23	500.23	-	500.23	-	950.00	-	-	950.00	
Investment in Bonds	1,000.00	-	-	-	-	1,000.00	-	-	-	-	-	
North East Small Finance Bank Limited (10 Units of Unsecured Redeemable Non-Convertible Subordinated Tier II bonds of 100 (lakhs each))	-	-	-	-	-	-	-	-	-	-	-	
Investment in Associates												
North East Venture Fund (Value as on 31.03.2023 ₹.40,17,10,962/- (₹. 51,68,74,715/-))	-	-	-	-	5,055.62	5,055.62	-	-	-	3,872.12	3,872.12	
Total - Gross (A)	1,000.00	2,422.22	3,881.49	6,303.71	5,055.62	12,359.34	1,947.28	24,668.61	26,615.89	3,872.12	30,488.01	
i) Investments outside India	1,000.00	2,422.22	3,881.49	6,303.71	5,055.62	12,359.34	1,947.28	24,668.61	26,615.89	3,872.12	30,488.01	
ii) Investments in India	1,000.00	2,422.22	3,881.49	6,303.71	5,055.62	12,359.34	1,947.28	24,668.61	26,615.89	3,872.12	30,488.01	
Less: Allowance for Impairment Loss (C)	-	-	-	-	-	-	-	-	-	-	-	
Total - Net D (A - C)	1,000.00	2,422.22	3,881.49	6,303.71	5,055.62	12,359.34	1,947.28	24,668.61	26,615.89	3,872.12	30,488.01	

Investment in units of mutual funds are measured based on their published NAV- based on quoted market price. Such instruments are usually Level 1 or 2 hierarchy of fair value. In respect of shares / scrips / bonds quoted in recognised stock exchange and traded, latest quotation nearest to the balance sheet date is taken to ascertain the market value. Such instruments are usually Level 1 hierarchy of fair value. In respect of unquoted shares / quoted and non-traded/scrips / bonds/preference shares, fair value is ascertained by dividing the net worth with the number of unquoted shares latest available audited Balance Sheet. Such instruments are usually Level 3 hierarchy of fair value (unobservable inputs). All investments other than mutual fund units are valued using net worth method except in case of investment in subsidiary and associate where the investment is recognised at cost. No impairment loss have been recognised.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in lakhs)

Note 7 : OTHER FINANCIAL ASSETS	As at 31st March, 2023	As at 31st March, 2022
Interest Receivable on Loans & Advances	689.78	692.17
Interest Receivable on Fixed Deposits	389.69	929.24
Interest Receivable on Fixed Deposits (TEDF)	152.32	263.75
Interest Receivable on Staff Housing Loan	423.12	387.08
Advances to Others	236.65	78.90
Advances to Staff	52.53	71.09
Earnest Money Deposit	36.45	42.45
Security Deposits (Unsecured, Considered good)	35.35	35.35
Term deposits with banks (maturity more than 12 months)		
- Free	1,000.00	3,997.00
- Under Lien	90.29	124.23
- Free (TEDF)	2,100.00	2,698.00
Prepaid Employee Benefit Expenses	222.58	44.26
Other receivables	250.96	256.05
	5,679.72	9,619.58

Note 8 : CURRENT TAX ASSETS(NET)	As at 31st March, 2023	As at 31st March, 2022
Advance Payment of Income tax & TDS	-	-
Less: Provision for Income Tax	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023



Note 9A: PROPERTY PLANT AND EQUIPMENT

(₹ in lakhs)

Sl. No.	Particulars	Gross Block			Depreciation/ Amortisation				Net Block		
		As on 01.04.2022	Addition/Adjustment during the period	Deduction/Adjustment during the period	As on 31.03.2023	Upto 01.04.2022	During the period	Adjustment during the period	Upto 31.03.2023	As on 31.03.2023	As on 31.03.2022
1	<u>Land</u>										
	Freehold Land at Dispur	169.70	-	-	169.70	-	-	-	-	169.70	169.70
	Freehold Land at Khanapara	924.00	-	-	924.00	-	-	-	-	924.00	924.00
2	<u>Buildings</u>										
	Head Office Building	1,927.77	-	-	1,927.77	900.76	56.28	-	957.04	970.72	1,027.01
	Office at Agartala	143.67	-	-	143.67	37.62	5.16	-	42.78	100.89	106.06
3	<u>Plant & Equipment</u>										
	Air Conditioning System	447.06	-	-	447.06	387.70	11.26	-	398.96	48.10	59.36
	Electrical Installation	264.13	-	-	264.13	250.91	0.01	-	250.92	13.21	13.22
	Fire Alarm System	36.73	-	-	36.73	32.96	0.73	-	33.69	3.04	3.78
	Lift	79.56	-	-	79.56	71.39	1.59	-	72.98	6.59	8.18
	Machineries	93.61	12.18	-	105.79	79.08	3.54	-	82.63	23.17	14.53
	UPS System	14.90	-	-	14.90	14.16	-	-	14.16	0.75	0.75
	Water Installation System	15.88	-	-	15.88	14.25	0.32	-	14.57	1.31	1.63
	Solar Panels	31.19	-	-	31.19	21.93	1.85	-	23.78	7.41	9.26
	Computers	298.23	51.37	0.88	348.72	262.95	24.63	0.83	286.74	61.99	35.28
4	<u>Furniture & Fixtures</u>										
	Furniture & Fixtures (HO)	135.14	10.39	-	145.53	118.86	4.61	-	123.47	22.07	16.28
	Interior Furnishings & Fittings	1,186.16	54.39	-	1,240.56	1,038.02	40.28	-	1,078.30	162.26	148.15
5	<u>Vehicle</u>	14.62	25.22	-	39.84	13.89	6.23	-	20.13	19.72	0.73
6	<u>Office Equipments</u>	114.22	5.12	-	119.34	96.55	8.23	-	104.78	14.56	17.66
	Total - A	5,896.58	158.68	0.88	6,054.38	3,341.02	164.72	0.83	3,504.90	2,549.48	2,555.55

Note 9B: PROPERTY PLANT AND EQUIPMENT- INTANGIBLE ASSEST

Sl. No.	Particulars	Gross Block			Depreciation/ Amortisation				Net Block		
		As on 01.04.2022	Addition/Adjustment during the period	Deduction/Adjustment during the period	As on 31.03.2023	Upto 01.04.2022	During the period	Adjustment during the period	Upto 31.03.2023	As on 31.03.2023	As on 31.03.2022
1	<u>Computer Software</u>	342.02	-	-	342.02	239.42	68.40	-	307.82	34.20	102.61
	Total Intangible Assets (B)	342.02	-	-	342.02	239.42	68.40	-	307.82	34.20	102.61

Note 9C: PROPERTY PLANT AND EQUIPMENT- RIGHTS OF USE ASSETS

Sl. No.	Particulars	Gross Block			Depreciation/ Amortisation				Net Block		
		As on 01.04.2022	Addition/Adjustment during the period	Deduction/Adjustment during the period	As on 31.03.2023	Upto 01.04.2022	During the period	Adjustment during the period	Upto 31.03.2023	As on 31.03.2023	As on 31.03.2022
1	<u>Rights-Of-Use Assets (Leasehold premises)</u>	278.94	90.41	-	369.36	66.81	54.54	-	121.35	248.00	212.13
	Total ROU Assets (C)	278.94	90.41	-	369.36	66.81	54.54	-	121.35	248.00	212.13
	Total Assets (A+B+C)	6,517.54	249.10	0.88	6,765.76	3,647.25	287.66	0.83	3,934.07	2,831.68	2,870.29
	Capital Work In Progress									0.87	0.87

9D * 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 IND AS-16, the asset has been taken at cost in the books and the corresponding depreciation is charged to the fund every year.

9E 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.

9F Depreciation on permanent stalls at IEM was provided by taking useful life as 60 years till 2019-20. But as per recommendation of CAG, the useful life of the said asset is changed from 60 years to 30 years, and accordingly depreciation for the year was calculated by taking the useful as 30 years. This change of useful life is taken as change in accounting estimate. Had the useful life been taken as 30 years since adoption of Schedule II of Companies Act 2013, since 2014-15, the total depreciation would have been Rs 11,359,896/-, whereas by taking useful life as 60 years the total depreciation has amounted to Rs 78,97,993/-. Thus depreciation to the extent of Rs 34,61,903/- has remained unabsorbed. This amount will be amortised over the remaining useful life of the asset.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 9A: PROPERTY PLANT AND EQUIPMENT

(₹ in lakhs)

Sl. No.	Particulars	Gross Block			Depreciation/ Amortisation				Net Block		
		As on 01.04.2021	Addition/Adjustment during the period	Deduction/Adjustment during the period	As on 31.03.2022	Upto 01.04.2021	During the period	Adjustment during the period	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
1	<u>Land</u>										
	Freehold Land at Dispur	169.70	-	-	169.70	-	-	-	-	169.70	169.70
	Freehold Land at Khanapara	924.00	-	-	924.00	-	-	-	-	924.00	924.00
2	<u>Buildings</u>										
	Head Office Building	1,927.77	-	-	1,927.77	840.69	60.07	-	900.76	1,027.01	1,087.07
	Office at Agartala	143.67	-	-	143.67	32.19	5.43	-	37.62	106.06	111.48
3	<u>Plant & Equipment</u>										
	Air Conditioning System	447.06	-	-	447.06	373.81	13.89	-	387.70	59.36	73.25
	Electrical Installation	264.13	-	-	264.13	250.80	0.11	-	250.91	13.22	13.32
	Fire Alarm System	36.73	-	-	36.73	32.05	0.91	-	32.96	3.78	4.69
	Lift	79.56	-	-	79.56	69.41	1.97	-	71.39	8.18	10.15
	Machineries	90.61	3.00	-	93.61	76.70	2.39	-	79.08	14.53	13.92
	UPS System	14.90	-	-	14.90	14.16	-	-	14.16	0.75	0.75
	Water Installation System	15.88	-	-	15.88	13.85	0.39	-	14.25	1.63	2.03
	Solar Panels	31.19	-	-	31.19	19.25	2.68	-	21.93	9.26	11.94
	Computers	311.93	24.27	37.97	298.23	261.11	38.66	36.82	262.95	35.28	50.82
4	<u>Furniture & Fixtures</u>										
	Furniture & Fixtures (HO)	132.40	2.74	-	135.14	115.24	3.62	-	118.86	16.28	17.16
	Interior Furnishings & Fittings	1,142.40	47.33	3.56	1,186.16	1,001.36	40.04	3.38	1,038.02	148.15	141.04
5	<u>Vehicle</u>	14.62	-	-	14.62	13.89	-	-	13.89	0.73	0.73
6	<u>Office Equipments</u>	108.27	5.95	-	114.22	87.29	9.26	-	96.55	17.66	20.98
	Total - A	5,854.82	83.29	41.53	5,896.58	3,201.81	179.42	40.21	3,341.02	2,555.55	2,652.01

Note 9B: PROPERTY PLANT AND EQUIPMENT- INTANGIBLE ASSET

Sl. No.	Particulars	Gross Block			Depreciation/ Amortisation				Net Block		
		As on 01.04.2021	Addition/Adjustment during the period	Deduction/Adjustment during the period	As on 31.03.2022	Upto 01.04.2021	During the period	Adjustment during the period	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
1	<u>Computer Software</u>	342.02	-	-	342.02	171.01	68.40	-	239.42	102.61	171.01
	Total Intangible Assets (B)	342.02	-	-	342.02	171.01	68.40	-	239.42	102.61	171.01

Note 9C: PROPERTY PLANT AND EQUIPMENT- RIGHTS OF USE ASSETS

Sl. No.	Particulars	Gross Block			Depreciation/ Amortisation				Net Block		
		As on 01.04.2021	Addition/Adjustment during the period	Deduction/Adjustment during the period	As on 31.03.2022	Upto 01.04.2021	During the period	Adjustment during the period	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021
1	<u>Rights-Of-Use Assets (Leasehold premises)</u>	197.58	87.55	6.19	278.94	32.05	40.94	6.19	66.81	212.13	165.52
	Total ROU Assets (C)	197.58	87.55	6.19	278.94	32.05	40.94	6.19	66.81	212.13	165.52
	Total Assets (A+B+C)	6,394.42	170.84	47.72	6,517.54	3,404.87	288.77	46.39	3,647.25	2,870.29	2,988.54
	Capital Work In Progress									0.87	0.87

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



(₹ in lakhs)

Note 10 : OTHER NON FINANCIAL ASSETS	As at 31st March, 2023	As at 31st March, 2022
Income Tax Refundable		171.28
	-	171.28

Note 11 : PAYABLES	As at 31st March, 2023	As at 31st March, 2022
(I) Trade Payables		
(i) -total outstanding dues of micro & small enterprises	-	-
(ii)- total outstanding dues of creditors other than micro & small enterprises	54.27	45.79
(II) Other Payables	-	-
	54.27	45.79

Trade Payable Aging Schedule :

As at 31st March 2023

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	35.59	8.42	0.05	10.21	54.27
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-

As at 31st March 2022

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	35.57	0.00	0.00	10.21	45.79
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in lakhs)

Note 12 : BORROWINGS	As at 31st March, 2023	As at 31st March, 2022
Term Loan (Unsecured) from Others, amortised at cost (within India)		
Interest free loan from Government of India *	46,007.32	47,314.10
Interest free loan from Government for Venture Loan from SIDBI	2,607.67 500.00	2,454.27 -
	49,114.99	49,768.37

Note:

* 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 Government Bonds which is 6.25% till FY 2019-20, 6.18% for FY 2020-21, 6.84% for FY 21-22 and 7.34% for FY 22-23.

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

Note 13 : OTHER FINANCIAL LIABILITIES	As at 31st March, 2023	As at 31st March, 2022
GST, PF and other statutory liabilities	45.22	58.04
Notional Interest	24,885.01	24,731.63
Undisbursed Central Subsidies	10,022.81	8,569.53
Lease liability	270.98	225.19
Security Deposit	96.56	94.77
Other Liabilities	5,709.60	7,470.76
Fees for services	0.26	6.26
Interest payable on loans	0.11	-
	41,030.55	41,156.18

* From FY 20-21 loans have been recognised at amortised cost using Effective Interest Rate. Upfront Fee received in advance have been considered in calculation of the same.

Note 14 : CURRENT TAX LIABILITIES(NET)	As at 31st March, 2023	As at 31st March, 2022
Provision for Income Tax	2,930.50	2,408.09
Less: Advance Payment of Income tax & TDS	(2,859.81)	(2,132.33)
	70.69	275.76

Note 15 : PROVISIONS	As at 31st March, 2023	As at 31st March, 2022
Provisions for employee benefits		
- Leave Encashment	1,199.28	1,043.31
- Leave Travel Concession / Allowance	75.77	80.88
- Salaries	891.00	625.00
Others		
Floating Provision against Advances	200.00	200.00
Provision for Diminution in Fair Value of Restructured Advance	13.35	13.35
	2,379.39	1,962.54

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023



Note 16: Deferred Tax Liabilities (Net) and Tax Expense

(i)

(₹ in lakhs)

Tax effect of items constituting (DTL)	As at 1st April 2021	(Charge)/credit to P & L	(Charge)/credit to OCI	Balance as at 31st March 2022	(Charge)/credit to P & L	(Charge)/credit to OCI	Balance as at 31st March 2023
	As at 1st April 2021	(Charge)/credit to P & L	(Charge)/credit to OCI	Balance as at 31st March 2022	(Charge)/credit to P & L	(Charge)/credit to OCI	Balance as at 31st March 2023
Related to Property, plant and equipment	(32.41)	35.08	-	2.68	(12.78)	-	(10.10)
Related to Right to Use Assets	(3,091.41)	(248.78)	-	(3,340.19)	(326.01)	-	(3,666.20)
Related to Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	(41.66)	(11.73)	-	(53.39)	(9.03)	-	(62.42)
	(3,165.47)	(225.43)	-	(3,390.90)	(347.82)	-	(3,738.72)
Tax effect of items constituting DTA	As at 1st April 2021	(Charge)/credit to P & L	(Charge)/credit to OCI	Balance as at 31st March 2022	(Charge)/credit to P & L	(Charge)/credit to OCI	Balance as at 31st March 2023
Related to Provisions	2,104.87	155.17	-	2,260.04	(224.20)	-	2,035.84
Related to Lease liability	43.97	12.71	-	56.68	11.52	-	68.20
Related to Effective Interest Rate	174.30	2.23	-	176.53	(32.56)	-	143.97
	2,323.13	170.11	-	2,493.24	(245.23)	-	2,248.01
Net DTA/(DTL)	(842.34)	(55.32)	-	(897.66)	(593.05)	-	(1,490.71)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(ii)	(₹ in lakhs)	
Income tax recognised in Statement of profit and loss	As at 31st March, 2023	As at 31st March, 2022
(a) Current tax :		
In respect of current year	2770.29	2372.71
In respect of prior years	228.40	81.66
	2998.69	2454.37
(b) Deferred tax :		
In respect of current year origination and reversal of temporary differences	593.05	55.32
	593.05	55.32
	3,591.74	2,509.69
(iii)		
Income tax recognised in Other Comprehensive Income	As at 31st March, 2023	As at 31st March, 2022
Tax related to items recognised in OCI during the year		
Remeasurement of defined employee benefits	9.98	(17.27)
Net gain/(loss) on equity instruments through OCI	119.53	(7.10)
	129.52	(24.37)
(iv)		
Reconciliation of estimated Income Tax expenses at tax rate to income tax expenses reported in the Statement of profit and loss :	As at 31st March, 2023	As at 31st March, 2022
Profit before tax	11,592.29	10,183.57
Applicable income tax rate	25.168%	25.168%
Expected income tax expense	2,917.55	2,563.00
Adjustment in respect of current income tax of prior years	228.40	81.66
Non-deductible expenses		
Corporate social responsibility expenditure not deductible	2,299.24	1,237.42
Effect of other expenses/provisions not deductible	95.52	(1,290.73)
Adjustment in respect of prior years	(228.40)	81.66
Reported income tax expense	3,591.74	2,509.69

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



(₹ in lakhs)

Note17 : SHARE CAPITAL	As at 31st March, 2023	As at 31st March, 2022
AUTHORISED		
50,00,00,000 Equity Shares of Rs. 10/- each (Previous Year: 50,00,00,000 Equity Shares of Rs. 10/- each)	50,000.00	50,000.00
	50,000.00	50,000.00
10,00,00,007 Equity Shares of Rs. 10/- each (Previous Year: 10,00,00,007 Equity Shares of Rs.10/- each)	10,000.00	10,000.00
	-	-
PAID UP		
10,00,00,007 Equity Shares of Rs.10/- each (Previous Year: 10,00,00,007 Equity Shares of Rs. 10/- each)	10,000.00	10,000.00
	10,000.00	10,000.00

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

Equity Shares	As at 31st March, 2023	As at 31st March, 2022
At the beginning of the year (No. of Shares)	1,000.00	1,000.00
Issued during the year	-	-
Outstanding at the end of the year	1,000.00	1,000.00

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.

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

Name of the shareholders	As at 31/03/2023 No. of Shares % of holding	As at 31/03/2022 No. of Shares % of holding
i. IDBI Bank Limited(Promoter)	250.00 25%	250.00 25%
ii. Life Insurance Corporation of India(Promoter)	150.00 15%	150.00 15%
iii. State Bank of India(Promoter)	150.00 15%	150.00 15%
iv. Industrial Finance Corporation of India(Promoter)	100.00 10%	100.00 10%
v. ICICI Ltd.(Promoter)	100.00 10%	100.00 10%
vi. Small Industries Development Bank of India(Promoter)	100.00 10%	100.00 10%
vii. Administrator of Specified Undertaking of Unit Trust of India (Promoter)	100.00 10%	100.00 10%

Notes 17.1: 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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

d) Dividend distributions made and proposed

i) Dividend on equity shares and paid during the year

(₹ in lakhs)

	As at 31st March, 2023	As at 31st March, 2022
Dividend paid	-	-
Profit for the relevant year	7,673.88	6,996.90
Dividend as a percentage of profit for the relevant year	-	-

ii) Dividend proposed for approval at the annual general meeting(not recognised as a liability as at respective reporting

	As at 31st March, 2023	As at 31st March, 2022
Face value per share(Rupees)	10.00	10.00
Dividend percentage	8.00%	-
Dividend per share(Rupees)	0.80	-
Total Dividend on Equity Shares(a)	800.00	-
Profit after tax for the relevant year(b)	8,000.55	-
Dividend proposed as a percentage of profit after tax(a/b)	10.00%	-

The dividend declared or paid during the year by the company is in compliance with Section 123 of the Companies Act, 2013, as applicable.

Note 18 : OTHER EQUITY	As at 31st March, 2023	As at 31st March, 2022
I. Other Reserves		
(a) North East Equity Fund		
Fund Balance	614.87	613.11
Less: Provision against Soft Loans under NEEDS	(0.39)	(1.76)
	615.26	614.87
(b) Statutory Reserve under RBI Act, 1934		
Opening Balance	16,809.89	15,275.06
Add: Transferred from Retained Earnings	1,600.11	1,534.83
	18,410.00	16,809.89
(c) Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961		
Opening Balance	13,271.56	12,283.09
Add: Transferred from P/L Account	1,295.34	988.47
	14,566.90	13,271.56
(d) Venture Capital Fund:		
Fund Balance	1,305.58	1,282.94
Add: Transferred from General Reserve	22.64	22.64
	1,328.21	1,305.58
(e) General Reserve		
Opening balance	42,093.19	42,688.94
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for:		
Others : Transferred to Venture Capital Fund	(22.64)	(22.64)
Impairment Loss not transferred to Impairment Reserve	(130.14)	(573.12)
	41,940.42	42,093.19

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



(₹ in lakhs)

(f) India Exposition Mart Stalls		
Opening balance	128.45	140.92
Add: Additions / transfers during the year		
Less: Utilisations / transfers during the year	(10.99)	(12.46)
	117.46	128.45
(g) Techno Economic Development Fund		
Opening balance	3,981.96	4,014.05
Add: Additions / transfers during the year	273.83	338.24
Less: Utilisations / transfers during the year	(215.81)	(370.33)
	4,039.98	3,981.96
(h) Impairment Reserve*		
Opening balance	3,315.75	3,315.75
Add : Additions during the year	-	-
	3,315.75	3,315.75
Retained Earnings		
Balance as per last Balance Sheet	12,583.56	9,623.69
Profit for the Period	8,006.68	7,694.04
Adjustments in initial recognition due to fair value changes :		(2,089.69)
Other comprehensive income	385.09	(121.18)
Less: Appropriations		
Transferred to General Reserve	-	-
Dividend Paid	-	-
Tax on Dividend		
Transferred to Statutory Reserve under RBI Act, 1934	(1,600.11)	(1,534.83)
Transferred to Special Reserve	(1,295.34)	(988.47)
	18,079.89	12,583.56
TOTAL OTHER EQUITY	1,02,413.88	94,104.83

Note 18.1: Nature and purpose of reserves

* Impairment Reserve has been created as per RBI Circular No. RBI/2019-20/170 DOR(NBFC).CC.PD. No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards,

Note 19 : INTEREST INCOME	As at the end of 31st March, 2023	As at the end of 31st March, 2022
On financial instruments measured at Amortised cost		
Interest on loans	13,215.58	10,406.49
Interest on Fixed Deposits and Bonds	1,007.19	955.05
	14222.78	11361.53

*Interest income have been recognised using Effective Interest Rate (EIR) method as per "Ind AS 109 : Financial Instruments". Interest income includes interest earned from Micro Lending Scheme which is being implemented with support of Business Correspondents.

Note 20 : DIVIDEND INCOME	As at the end of 31st March, 2023	As at the end of 31st March, 2022
From equity investments	3.00	2.40
From preference share investments	54.00	54.00
	57.00	56.40

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in lakhs)

Note 21 : RENTAL INCOME	As at the end of 31st March, 2023	As at the end of 31st March, 2022
Rent Received	339.76	326.43
Maintenance Charges	141.41	136.40
Hall Charges	34.66	12.50
	515.83	475.33

Note 22 : FEE AND COMMISSION INCOME	As at the end of 31st March, 2023	As at the end of 31st March, 2022
Prepayment Charges	46.73	32.44
	46.73	32.44

*Interest income have been recognised using Effective Interest Rate (EIR) method. The Upfront fees received during the year have been netted off from outstanding to calculate EIR and amortised as per the repayment schedule.

Note 23 : NET GAIN/LOSS ON FAIR VALUE CHANGES	As at the end of 31st March, 2023	As at the end of 31st March, 2022
Net gain/(loss) on financial instruments at FVTPL		
Realised gain/(loss) from sale of Mutual Fund units	778.58	1,428.82
Unrealised fair value gain/(loss) on Mutual Fund units	2.25	102.00
Unrealised fair value gain/(loss) on debt instruments	19.46	(45.83)
Unrealised fair value gain/(loss) on debt instruments	(412.81)	0.13
	387.48	1,485.12

Note 24 : OTHER OPERATING INCOME	As at the end of 31st March, 2023	As at the end of 31st March, 2022
Consultancy Fees	1,077.18	538.57
Management Fees	191.00	183.00
Trusteeship Fees	3.00	3.00
Fund Setup Fees(MSVF)	7.50	-
Fund Setup Fees(NRL IAF)	8.33	-
Deferred Interest	3,118.36	3,024.71
	4,405.37	3,749.28

Note 25 : OTHER INCOME	As at the end of 31st March, 2023	As at the end of 31st March, 2022
Interest on loan to staff*	273.44	135.31
Miscellaneous Receipts	52.08	37.29
Bad Loans & Advances Recovered	968.15	2,641.38
Interest on I.T. Refund	39.21	144.36
Contribution to gratuity fund	-	6.64
	1,332.87	2,964.99

* Loans to staff given at concessional rates have been discounted to represent fair value. Market Rate have been considered at 9.35%- the rate charged by SBI for Regular Home Loan.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



(₹ in lakhs)

Note 26 : FINANCE COSTS	As at the end of 31st March, 2023	As at the end of 31st March, 2022
Interest on Borrowings		
- SIDBI	0.11	-
Notional Interest on Government Loan	3,118.36	3,024.71
Prepaid Employee Benefit expenses amortised during the year	181.87	33.97
Interest Expense on lease liabilities	33.06	16.25
	3,333.41	3,074.93

Note 27 : IMPAIRMENT ON FINANCIAL INSTRUMENTS	As at the end of 31st March, 2023	As at the end of 31st March, 2022
On financial instruments measured at Amortised cost		
Bad debts and write offs	157.57	1,029.48
Loans	(1,051.70)	387.36
Trade receivables	-	67.00
	(894.13)	1,483.83

Note 28 : EMPLOYEE BENEFIT EXPENSES	As at the end of 31st March, 2023	As at the end of 31st March, 2022
<u>Salaries & Wages</u>		
- Salaries (Director)	63.27	60.92
- Salaries (Others)	3,115.41	3,007.29
- Leave Travel Concession / Allowance	238.38	122.59
- Leave Encashment	264.74	199.75
<u>Contribution to Provident and other Funds</u>		
- Employer's Provident Fund	218.48	204.60
- Gratuity	55.22	-
<u>Staff Welfare Expenses</u>		
- Medical Reimbursement	57.49	88.36
- House Rent	10.19	16.18
- Staff Welfare	313.99	134.00
	4,337.17	3,833.70

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

The following table sets out the status of the defined benefit Gratuity and Leave Encashment Plan (₹ In lakhs)

Particulars	Gratuity		Leave Encashment	
	Current Year (₹)	Previous Year (₹)	Current Year (₹)	Previous Year (₹)
<i>i. Change in the present value of the defined benefit obligation</i>				
Opening benefit obligation	667.95	647.78	1,043.30	999.18
Current Interest Cost	47.55	43.98	74.28	67.84
Current Service Cost	26.33	27.98	57.13	59.07
Benefit Paid	(27.82)	(23.27)	(33.24)	(84.51)
Actuarial (Gain) / Loss	(3.50)	(28.52)	57.80	1.72
Closing benefit obligation	710.51	667.95	1,199.27	1,043.30
<i>ii. Change in Plan Assets</i>				
Opening Fair Value of Plan Assets	791.09	380.87	-	-
Actual Return on Plan Assets	54.84	39.02	-	-
Contribution	99.87	394.48	33.24	84.51
Benefit paid	(27.82)	(23.26)	(33.24)	(84.51)
Closing Fair Value of Plan Assets	917.98	791.09	-	-
<i>iii. Reconciliation of Expense in Profit & Loss Statement</i>				
Closing present value of obligation	710.52	667.95	1,199.27	1,043.30
Opening present value of obligation	(667.95)	(647.78)	(1,043.30)	(999.18)
Benefit Paid	27.82	23.27	33.24	84.51
Actual Return on Assets	(54.83)	(39.01)	-	-
OCI	2.01	41.68	-	-
Expense recognised in Profit & Loss Account	17.57	46.10	189.21	128.63
<i>iv. Net Cost recognized in Profit & Loss Account</i>				
Current Service cost	26.33	27.98	57.13	59.07
Net Interest Cost(Income)	(8.76)	18.12	74.28	67.84
Net actuarial (gain) / Loss	-	-	57.80	1.72
Expenses recognized in Profit & Loss Account	17.57	46.11	189.21	128.63
<i>v. Reconciliation of opening and closing net liability recognized in Balance Sheet</i>				
Opening Net Liability	(123.15)	266.91	1,043.30	999.19
Expense charged to Profit & Loss Account	17.57	46.10	189.21	128.63
Benefit paid by Corporation	-	-	-	-
Contribution paid	(99.86)	(394.48)	(33.25)	(84.51)
OCI	(2.01)	(41.68)	-	-
Closing Net Liability/(Asset)	(207.45)	(123.15)	1,199.26	1,043.30
<i>vi. Maturity Profile of Defined Benefit Obligation</i>				
Year 1	37.22	53.48	137.08	139.21
Year 2	37.09	33.27	157.24	104.73
Year 3	54.75	33.19	139.11	127.73
Year 4	68.81	50.13	159.49	107.58
Year 5	72.43	62.15	131.43	132.95
After 5th Year	1,241.23	1,175.37	1,339.53	1,160.73
Total	1,511.53	1,407.59	2,063.88	1,772.93

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



vii. Sensitivity Analysis for Gratuity

(₹ in lakhs)

Item	As at 31/03/2023	Impact (Absolute)	Impact %
Base Liability	710.52	-	
Increase Discount Rate by 0.5%	682.04	(28.47)	(4.01%)
Decrease Discount Rate by 0.5%	740.99	30.46	4.29%
Increase Salary Inflation by 1.00%	744.42	33.90	4.77%
Decrease Salary inflation by 1.00%	674.96	(35.56)	(5.00%)
Increase Withdrawal Rate by 1.00%	740.61	30.09	4.24%
Decrease Withdrawal Rate by 1.00%	679.79	(30.72)	(4.32%)

viii. Sensitivity Analysis for Leave Encashment

Item	As at 31/03/2023	Impact (Absolute)	Impact %
Base Liability	1,199.28	-	
Increase Discount Rate by 0.5%	1,164.45	34.82	(2.90%)
Decrease Discount Rate by 0.5%	1,236.06	36.78	3.07%
Increase Salary Inflation by 1.00%	1,275.83	76.55	6.38%
Decrease Salary inflation by 1.00%	1,129.52	(69.75)	(5.82%)
Increase Withdrawal Rate by 1.00%	1,201.03	1.75	0.15%
Decrease Withdrawal Rate by 1.00%	1,197.69	(1.58)	(0.13%)

Note : 1. The base liability is calculated at discount rate of 7.45% per annum and salary inflation rate of 3% per annum for all future years. 2. Liabilities are very sensitive to salary escalation rate, discount rate & withdrawal rate. 3. Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

ix. Investments under Plan Assets of Gratuity and Leave Encashment as on 31st March, 2023 are as under:

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

x. Principal Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	Current Year (%)	Previous Year (%)	Current Year (%)	Previous Year (%)
Discount Rate	7.45%	7.12%	7.45%	7.12%
Rate of increase in compensation levels	3.00%	3.00%	3.00%	3.00%
Rate of return on Plan Assets	7.12%	6.79%	-	-

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 has been taken @ 3% p.a.

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 ₹ 218.48 Lakh (Previous Year ₹ 204.60 Lakh) has been charged to Profit & Loss Account.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in lakhs)

Note 29 : DEPRECIATION, AMORTIZATION & IMPAIRMENT	As at the end of 31st March, 2023	As at the end of 31st March, 2022
Depreciation on Property, Plant and Equipment	153.72	166.96
Depreciation on Intangible Asset	68.40	68.40
Depreciation on ROU Asset	54.54	40.94
	276.67	276.30

Note 30 : OTHER EXPENSES	As at the end of 31st March, 2023	As at the end of 31st March, 2022
Rent, Taxes and Energy Cost		
Electricity Charges & Electrical Expenses	63.98	58.83
Rent on short term leases	0.30	1.20
GST Expenses	27.77	71.10
Licence & Registration Fees	10.03	16.05
Repairs & Maintenance		
Repairs & Maintenance (Machine)	41.82	53.47
Manpower Cost (Security Services, Housekeeping Services etc)	392.94	275.99
Repair & Maintenance(Others)	140.63	93.26
Software Maintenance Expenses	93.92	21.45
Communication Costs		
Telephone Charges & Postage	28.28	24.10
Printing & Stationery		
Printing & Stationery	27.52	20.31
Advertisement & Publicity		
Advertisement Expenses	20.11	25.85
Business Promotion	52.42	26.24
Business Facilitation Centre Expenses	9.05	9.27
Director's Fees, allowances and Expenses		
BOD Meeting Expenses	76.65	49.80
Auditors' Fees and Expenses		
Tax Audit Fees	0.50	0.50
Statutory Audit Fees	3.80	3.80
Internal Audit Fees	-	1.40
Concurrent Audit Fees	2.40	-
Other services	0.20	0.20
Reimbursement of expenses	0.48	0.30
Legal & Professional Fees and Expenses		
Legal & Professional Fees and Expenses	137.43	16.33
Insurance charges		
Insurance charges	11.64	6.74
Other Expenses		
Other Audit Expenses	5.46	7.93
Bank charges	1.06	1.33
Books & Periodicals	2.63	2.68
Car hire Expenses	46.97	39.85
Consultancy Expenses	308.55	83.67
Commission to Business Correspondent	87.62	0.70
Conveyance	3.59	2.60
Honarium	1.11	0.27
India Exposition Mart Expenses	6.72	0.62
Miscellaneous Expenses	40.06	7.46
Mission Organic Expenses	2.00	0.62
Research & Developmental Expenses	197.22	178.47
Seminar & Conference Expenses	30.54	10.99
Training Expenses	6.93	3.19
Travelling Expenses (Others)	78.05	14.80
Recruitment / Relocation Expenses	76.56	26.34
Annual Custody Fees	0.30	0.10
Loss on sale / disposal of assets (net)	0.01	0.48
CSR Expenses	207.43	87.26
FTSU Expenses	58.36	-
Fund Setup Fees (MSVF)	3.00	-
Fund Setup Fees (NRL IAF)	8.33	-
	2,314.37	1,245.58

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



(₹ in lakhs)

Note 31 : EARNINGS PER SHARE	As at the end of 31st March, 2023	As at the end of 31st March, 2022
The following table reconciles the numerators and denominators used to calculate Basic and Diluted Earning per Share for the year ended 31st March 2023		
Particulars		
(a) Profit/(Loss) Attributable to Equity Shareholders (Rs. in Lacs)	8,391.84	7,573.11
(b) The weighted average number of Equity Share of Basic EPS	1,000	1,000
(c) The weighted average number of Equity Share of Diluted EPS	1,000	1,000
(d) Nominal value per Ordinary Share (Rs.)	10.00	10.00
(e) Earnings Per Share - Basic (Rs.)	8.39	7.57
(f) Earnings Per Share - Diluted (Rs.)	8.39	7.57

NOTE 32 : 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. PVSLN Murty	Chairman & Managing Director
	Mr. S.K. Baruah	Executive Director & CFO
	Mr. V.K. Agarwal	DGM & Company Secretary
	Dr. K V Pratap (w.e.f 06/09/2022)	Nominee Director (DoNER)
	Mr. R.S. Ramesh (upto 27/07/2022)	Nominee Director (SBI)
	Mr. A K Singh(w.e.f 28/07/2022, upto 04/01/2023)	Nominee Director (SBI)
	Mr. VM Devassy (w.e.f 05/01/2023)	Nominee Director (SBI)
	Mr. A. Kumar	Nominee Director (LIC)
	Mr. Bhaskar Jyoti Sarma	Independent Director
	Mr. Sanjay Kumar Pai	Independent Director
	Dr. Natalie West Kharkongor	Independent Director
	Mr. S. Chaudhuri (upto 20/07/2022)	Nominee Director (IDBI)
	Mr. Ugen Tashi(w.e.f 21/07/2022)	Nominee Director (IDBI)
	Sri J. Alam	Additional Director
	Dr. R. Sharma	Additional 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)	

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

B. Transaction with Related Parties during the year

(₹ in lakhs)

Particulars	31 st March, 2023	31 st March, 2022
Key managerial personnel		
Short Term Employee Benefits		
-Mr. B.P. Muktieh	-	55.80
-Mr. PVSLN Murty	68.72	55.43
-Mr. S.K. Baruah	77.53	56.69
-Mr. V.K. Agarwal	51.71	50.52
Repayment/ Recovery of loans and advances		
-Mr. S.K. Baruah	4.49	8.10
-Mr. V.K. Agarwal	2.41	4.10
Director's Sitting Fees	50.90	41.50
Subsidiaries		
NEDFi Venture Capital Limited		
-Receivable towards salary payments	194.23	168.32
Associates		
-Investment in North East Venture Fund	1183.50	357.00
-Receivable towards OCDS interest	-	41.31
Trusts / Funds under control of the Company		
NE SHILP		
-Payment towards purchase of craft products	10.79	1.75
-Payment towards reimbursement of expenses	3.99	5.77
-Payment towards various programmes	110.07	-

C. Outstanding Balance with Related Parties:

Particulars	31 st March, 2023		31 st March, 2022	
	Loan O/s	% to total loan & Advances	Loan O/s	% to total loan & Advances
Key managerial personnel				
Loans & Advances				
-Mr. S.K. Baruah	6.04	0.00%	11.03	0.00%
-Mr. V.K. Agarwal	17.55	0.00%	1.96	0.00%
Subsidiaries				
-Receivable from NEDFi Venture Capital Limited		194.23		168.32
Associates				
-Receivable towards OCDS interest		-		41.31
Trusts / Funds under control of the Company				
-Advance to NE SHILP		1.95		NIL

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



Note 33: : CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)

Particulars	2022-23	2021-22
i) Contingent liabilities		
Other money for which company is contingently liable.	1364.00	1364.00
ii) Commitments		
Other commitments (loan sanctioned but not disbursed)	36371.61	75801.72

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. 36371.61 lakhs, which shall be disbursed in due course, subject to compliance of requisite formalities.

c. The service tax department had raised a demand of Rs.197.07 lakhs towards short payment of service tax (Rs. 109.70 lakhs), non-payment of service tax on pre-payment charges (Rs. 11.68 lakhs) and interest amount (Rs.75.68 lakhs). The Corporation had already deposited Rs.175.47 lakhs 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 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 Department for Promotion of Industry & Internal Trade (DPIIT), formerly known as DIPP, raised the demand of Rs.1342 lakhs towards refund of interest earned on unspent central subsidy funds received. However, DPIIT had taken a decision on March 22, 2000 to allow the Corporation to meet its administrative expenses out of treasury operations of

the funds released by DPIIT as no service charge was being paid to the Corporation. Further, DPIIT in meeting held on September 25, 2012 advised the Corporation to articulate the actual administrative expenses. The Corporation then reverted to DPIIT where the administrative cost incurred by the Corporation during 2000-2015 has been estimated to be Rs. 2415 lakhs. The Corporation has also requested DPIIT to pay an administrative charge @ 1% of the disbursed fund. Although the matter is being pursued with DPIIT no response has been received. Since the administrative charge, when paid, will be higher than the interest refundable to DPIIT, no provision has been made in the books of accounts of the Corporation.

Note 34: 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 35: Special Reserve has been created and maintained in terms of section 36 (1) (viii) of the Income Tax Act, 1961.

Note 36: In accordance with the instructions in RBI circular RBI/2021-22/17DOR. STR.REC.4/21.04.048/2021-22 dated 07 April 2021, and the Indian Banks' Association ('IBA') advisory letter dated 19 April 2021, the Corporation has put in place a Board approved policy to refund/ adjust the 'interest on interest' charged to borrowers during the moratorium period.i.e. 01 March 2020 to 31 August 2020. The Corporation has estimated the said amount and made a provision of Rs. 42.46 lakhs in the financial statements for the year ended 31 March 2021.

Note 37: The Provisioning Coverage Ratio of the Corporation is 71.17% (Previous Year 71.67%).

Note 38: 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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

Note 39: SEGMENT REPORTING

As required under Ind AS 108, the segment reporting is as under:

(₹ in lakhs)

		2022-23	2021-22
1.	Segment Revenue		
	Lending and Financing Activities	17348.82	16105.01
	Management of Surplus Funds	1394.68	2440.16
	Others	1287.01	724.57
	Total	20030.51	19269.75
2.	Segments Results		
	Lending and Financing Activities	8188.76	6277.93
	Management of Surplus Funds	1394.68	2440.16
	Others	1079.58	637.31
	Total	10663.02	9355.41
	Unallocated Income	937.56	855.33
	Unallocated Expenses	-	-
3.	Operating Profit	11600.58	10210.74
	Income Tax	3593.83	2516.45
4.	Net Profit	8006.75	7694.29
5.	Other Information		
	Segment Assets		
	Lending and Financing Activities	154838.29	122109.27
	Management of Surplus Funds	42055.03	68753.50
	Others	1455.21	671.44
	Total	198348.53	191534.21
	Unallocated Assets	8210.06	6680.95
	Total	206558.59	198215.16
	Segment Liabilities		
	Lending and Financing Activities	92579.21	92911.22
	Management of Surplus Funds	-	-
	Others	-	-
	Unallocated Liabilities	10982.17	10545.72
	Total	103561.38	103456.95
	Net Capital Employed	102997.21	94758.21

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



(7) Other Information

(₹ in lakhs)

	Particulars	As at 31/03/2023	As at 31/03/2022
(i)	Gross Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	5197.29	7738.06
(ii)	Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	1698.44	2391.86
(iii)	Assets acquired in satisfaction of debt	-	-

Note 41: Balance Sheet disclosures as required under Master direction-Non-Banking Financial Company-Systemically important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

a. Capital

Particulars	Current Year	Previous Year
i. CRAR	61.54%	61.16%
ii. CRAR – Tier I Capital	60.57%	60.16%
iii. CRAR – Tier II Capital	0.98%	0.99%
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 Lakhs)	Previous Year (Rs. In Lakhs)
1. Value of Investments		
i. Gross value of Investments		
a. In India	12359.34	30488.01
b. Outside India	-	-
ii. Provisions for Depreciation		
a. In India	-	-
b. Outside India	-	-
iii. Net value of Investments		
a. In India	12359.34	30488.01
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 MARCH 31, 2023

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

As at 31st March 2023

(₹ in lakhs)

	Upto 7 days	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*	1953.83	905.32	2,867.94	2,855.55	5,885.70	14,585.80	58,190.86	41,880.50	26284.93	155410.43
Investments	-	-	-	-	-	2334.79	-	1000.00	9024.55	12359.34
Borrowings**	-	-	-	8.62	5672.92	51.72	10524.00	9345.92	23511.81	49114.99
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-

*at cost

**at fair value

As at 31st March 2022

(₹ in lakhs)

	Upto 7 days	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*	2142.23	1755.16	1,705.04	1,269.40	5,285.03	12,612.59	46,734.46	33,341.51	17965.29	122810.71
Investments	-	-	-	-	-	22709.10	-	-	7778.91	30488.00
Borrowings**	-	-	-	-	-	5647.06	10317.12	9139.04	24665.16	49768.37
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-

*at cost

**at fair value

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



d) Details of Single Borrower Limit(SGL)/Group borrower(GBL) exceeded by the NBFC

During the current and previous year, the Corporation has not exceeded the prudential exposure norms.

e) Unsecured Advances

As at 31st March 2023, the amount of unsecured advances stood at Rs. 7827.43 lakhs (31st March 2022 : Rs. 8428.25 lakhs)

f) Miscellaneous

a) Registration obtained from other financial sector regulators

During the current year and the previous year, the Corporation has not obtained any registration from other financial sector regulators.

b) Disclosures of Penalties imposed by RBI and other regulators

During the current year and the previous year, there are no penalties imposed by RBI and other regulators.

c) Related Party Transactions
(Refer Note 32)

d) Rating assigned by credit rating agencies and migration of ratings during the year.

The Corporation has not been assigned any rating as yet.

g) Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no such material items which require disclosures in the notes to Accounts in terms of the relevant Accounting Standard.

h) Revenue Recognition

Refer Significant Accounting Policies.

i) Indian Accounting Standard 110-Consolidated Financial Statements (CFS)

All the subsidiaries of the Company have been consolidated as per Indian Accounting standard 110. Refer Consolidated Financial Statements(CFS).

j) Provisions and Contingencies

(₹ in lakhs)

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	(1845.60)	812.82
Provision made towards Income Tax	2770.29	2379.48
Other Provision and Contingencies		
Leave Encashment	155.97	44.12
Gratuity	(84.31)	390.06
LTC	(5.12)	(13.77)
Diminution in Fair Value of Restructured Advance	-	-
Provision for Standard Assets	793.90	(425.46)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

l) Concentration of Exposures (at cost)

(₹ in lakhs)

	As at 31/03/2023	As at 31/03/2022
Total Exposures to twenty largest borrowers	44527.43	42249.04
Percentage of Exposures to twenty largest borrowers to Total Exposures of the NBFC	28.64%	34.40%

m) Concentration of NPAs

	As at 31/03/2023	As at 31/03/2022
Total Exposure to top four NPA accounts	2302.20	3213.72

n). Sector wise NPAs (Percentage of NPAs to Total Advances in that Sector) :

Sl. No.	Sector	As at 31/03/2023	As at 31/03/2022
1	Agriculture & allied activities	0.56%	0.63%
2	MSME	4.08%	7.62%
3	Corporate Borrowers	NIL	13.82%
4	Services	3.36%	4.87%
5	Unsecured personal loans	NIL	NIL
6	Auto loans	NIL	NIL
7	Other personal loans	NIL	NIL

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



o). Movement of NPAs

(₹ in lakhs)

Particulars	Current Year	Previous Year
i. Net NPAs to Net Advances (%)	1.12%	2.04%
ii. Movement of NPAs (gross)		
a. Opening balance	7738.06	7434.03
b. Additions during the year	748.68	1911.35
c. Reductions during the year	3289.45	1607.32
d. Closing balance	5197.29	7738.06
iii. Movement of net NPAs		
a. Opening balance	2391.86	2900.39
b. Additions during the year	604.58	1601.63
c. Reductions during the year	1298.00	2110.16
d. Closing balance	1698.44	2391.86
iv. Movement of provisions for NPAs		
a. Opening balance	5346.25	4533.63
b. Provisions made during the year	(1847.36)	814.58
c. Write off / Write backs	(0.04)	1.96
d. Closing balance	3498.85	5346.25

p. Disclosure as per Micro, Small and Medium Enterprises Development Act, 2006 :

	Particulars	31 March 2023	31 March 2022
a)	Dues remaining unpaid to any supplier		
	-Principal	-	-
	-Interest on the above	-	-
b)	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	- Principal paid beyond the appointed date	-	-
	- Interest paid in terms of Sec 16 of the Act	-	-
c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
d)	Amount of interest accrued and remaining unpaid	-	-
e)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-
	Total	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 42: Disclosure requirements under Scale Based Regulation (SBR)- A Revised Regulatory Framework for NBFCs as per circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022.

Section - I

(A) Exposure

1. Exposure to Real Estate Sector (At cost)

(₹ in lakhs)

Items	31/03/2023	31/03/2022
a) Direct Exposure		
(i) Residential Mortgages [all individual housing loans]	1401.73	1265.42
(ii) Commercial Real Estate	10823.53	8025.42
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures:		
a) Residential	Nil	Nil
b) Commercial	Nil	Nil
b) Indirect Exposure		
Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil
Total Real Estate Exposure	12225.26	9290.84

2) Exposure to Capital Market

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;	3422.22	1947.28
(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;	-	-
(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) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds :		
(i) Category I		
(ii) Category II		
(iii) Category III		
(xi) all exposures to Venture Capital Funds (both registered and unregistered)	5055.62	3872.12
Total Exposure to Capital Market	8477.84	5819.40

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



3) Sectoral exposure (at cost)

(₹ in lakhs)

Sectors	Current Year			Previous Year		
	Total Exposure	Gross NPAs	% of Gross NPAs to Total exposure in that sector	Total Exposure	Gross NPAs	% of Gross NPAs to Total exposure in that sector
1. Agriculture & Allied Activities	6,513.67	274.91	4.22%	7,457.83	183.35	2.46%
2. Industry	64,829.13	1,264.38	1.95%	48,939.83	3,392.69	6.93%
3. Services						
i. Educational and training institute	13,994.84	420.60	3.01%	12,594.78	243.53	1.93%
ii. Hospitals and Nursing Homes	15,290.12	-	0.00%	15,675.35	-	0.00%
iii. Hotels	20,484.59	1,192.74	5.82%	14,560.48	1,452.92	9.98%
iv. Others	21,510.03	1,523.58	7.08%	12,558.47	1,834.55	14.61%
4. Loan to staff	3,006.40	-	0.00%	1,480.52	-	0.00%
5. Microfinance Loans (Loans to MFIs, Business Correspondents)	12,788.06	521.08	4.07%	11,023.95	631.01	5.72%
Total	158,416.83	5,197.29		124,291.21	7,738.06	

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

4) Intra- group exposure

(₹ in lakhs)

Particulars		Current Year	Previous Year
(i)	Total amount of intra-group exposures	-	-
(ii)	Total amount of top 20 intra-group exposures	-	-
(iii)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	-	-

5) Unhedged foreign currency exposure

A) The company does not have any exposure to unhedged foreign currency exposure as at 31st March 2023. (31st March 2022 : NIL)

B) Related Party disclosure (Refer Note No. 32)

c) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers :

Complaints received by the NBFC from its customers				
			Current Year	Previous Year
1.		Number of complaints pending at beginning of the year	-	-
2.		Number of complaints received during the year	01	01
3.		Number of complaints disposed during the year	01	01
	3.1	Of which, number of complaints rejected by the NBFC	-	-
4.		Number of complaints pending at the end of the year	-	-
5.*		Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
	5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6.*		Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



2. Top five grounds of complaints received by the NBFCs from customers:

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Staff Behavior	NIL	1(one)	NA	NIL	NIL
Total	NIL	1(one)	NA	NIL	NIL
Previous Year					
Total	NA	NA	NA	NA	NA

Section – II

A) Breach of covenant

During the current year and previous year there is no instance of breach of covenant of loan availed or debt securities issued.

B) Divergence in Asset Classification and Provisioning

Disclosure of details of divergence, if either or both of the following conditions are satisfied:

- a) the additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period, or
- b) the additional Gross NPAs identified by RBI/NHB exceeds 5 per cent of the reported Gross NPAs for the reference period.

There is no assessment of Divergence in Asset Classification and Provisioning by RBI for the reference period 31st March 2023 and 31st March 2022 and hence the details as required in tabular form is not presented here.

Note 43: Expected Credit Loss policy of the Corporation

The measurement of impairment losses on loan assets as per Ind AS 109 : Financial Instruments requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Corporation's Expected Credit Loss (ECL) calculation is the output of a model with a number of underlying assumptions including segmentation of loan and advances, selection of time horizon, data, forward-looking economic scenarios based on past experiences etc. The Corporation's customer segments, loan products and operational areas has not changed significantly over the years. This is to mention that the Corporation operates in North East India which enjoys significant government support to the local entrepreneurs in the form of subsidy

among others. Although North East India (NER) region is not untouched due to COVID-19 pandemic, it is imperative to mention that local calamities and geo-political disturbances impacts the region more than anything else. The Corporation has generated stable internal data based on past pattern. The Corporation has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Corporation. The historical credit loss experience reflects impacts of economic downturn specific to NER and any support measures provided by government.

It has been the Corporation's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

Inputs considered in the ECL Model

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(I) Exposure at default(EAD)

Exposure at Default (EAD) represents the gross carrying amount of the assets i.e the outstanding of the Corporation.

(ii) Probability of default(PD)

Probability of default is applied on Stage 1 and 2 on the portfolio basis and for Stage 3 PD at 100%. This is calculated as an average of the last 7 years monthly movements of default rates.

(III) Loss Given Default(LGD)

LGD is an estimate of the loss from a portfolio given that a default occurs. LGD component of ECL is independent of deterioration of asset quality and thus applied uniformly across various stages.

Of the various methodologies used to estimate LGD, the Corporation has adopted Workout LGD method to calculate Loss Given Default based on the Corporation's own loss and recovery experience. On a more conservative basis, the Corporation has applied LGD of 40%.

In assessing the impairment of loan and advances under the ECL model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The Corporation categorizes loan assets into stages primarily on Days Past Due status.

Stage 1 : 0-30 DPD
Stage 2 : 31-90 DPD
Stage 3 : More than 90 DPD.

As per Ind AS 109, the company is recognizing loss allowance (i.e. impairment) for expected credit losses on trade receivables based on forward-looking expected credit loss (ECL) model using the simplified approach. Simplified approach measures impairment loss as lifetime ECL.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



Note 44: Disclosure as required under RBI notification no. RBI Circular No. RBI/2019-20/170 DOR(NBFC).CC.PD. No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards

(₹ in lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per IND AS	Loss Allowances (Provisions) as per IND AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
Performing Assets						
Standard	Stage 1	134,966.77	723.06	134,243.70	540.01	183.06
	Stage 2	15,246.36	936.64	14,309.73	2,313.05	(1,376.41)
Subtotal for standard		150,213.13	1,659.70	148,553.43	2,853.06	(1,193.35)
Non-Performing Assets (NPA)						
Substandard	Stage 3	748.68	299.47	449.21	144.10	155.37
Doubtful- up to 1 year	Stage 3	1,591.36	636.54	954.81	497.49	139.05
1 to 3 years	Stage 3	1,037.49	415.00	622.50	1,037.49	(622.50)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		2,628.85	1,051.54	1,577.31	1,534.99	(483.45)
Loss	Stage 3	1,819.76	727.90	1,091.86	1,819.76	(1,091.86)
Subtotal for NPA		5,197.29	2,078.92	3,118.38	3,498.85	(1,419.93)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	134,966.77	723.06	134,243.70	540.01	183.06
	Stage 2	15,246.36	936.64	14,309.73	2,313.05	(1,376.41)
	Stage 3	5,197.29	2,078.92	3,118.38	3,498.85	(1,419.93)

As on 31st March 2023, the impairment allowance required under Ind AS 109 is lower than the provisions as per IRACP, the difference of Rs. 2612.89 lakhs was required to be transferred to Impairment Reserve. However, since the company has already created Impairment Reserve of Rs. 3316.00 lakhs in previous year, no new transfer was made from the reserve.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

As on 31st March 2022

(₹ in lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per IND AS	Loss Allowances (Provisions) as per IND AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
Performing Assets						
Standard	Stage 1	93,434.47	634.55	92,799.93	373.74	260.81
	Stage 2	21,638.47	931.19	20,707.28	1,685.42	(754.23)
Subtotal for standard		115,072.95	1,565.74	113,507.21	2,059.16	(493.42)
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,911.35	764.54	1,146.81	309.72	454.82
Doubtful- up to 1 year	Stage 3	128.64	51.46	77.19	128.64	(77.19)
1 to 3 years	Stage 3	2,284.05	913.62	1,370.43	1,493.82	(580.20)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		2,412.69	965.08	1,447.61	1,622.46	(657.39)
Loss	Stage 3	3,414.03	1,365.61	2,048.42	3,414.03	(2,048.42)
Subtotal for NPA		7,738.06	3,095.23	4,642.84	5,346.21	(2,250.98)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	93,434.47	634.55	92,799.93	373.74	260.81
	Stage 2	21,638.47	931.19	20,707.28	1,685.42	(754.23)
	Stage 3	7,738.06	3,095.23	4,642.84	5,346.21	(2,250.98)

As on 31st March 2022, the impairment allowance required under Ind AS 109 is lower than the provisions as per IRACP, the difference of Rs. 2744.40 lakhs was required to be transferred to Impairment Reserve. However, since the company has already created Impairment Reserve of Rs. 3316.00 lakhs in previous year, no new transfer was made from the reserve.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



Note 45: Risk Management Framework of the Corporation

Whilst risk is inherent in the Corporation's activities, it is managed through a risk management framework, including ongoing identification, measurement and monitoring subject to risk limits and other controls. In the course of its business, the Corporation is exposed to certain financial risks namely credit risk, liquidity risk and market risk.

The Board of Directors provide guiding principles for overall risk management of the Corporation, as well as policies covering specific areas, such as, credit risk, liquidity risk, and investment of surplus deployable funds. The Board has approved the Risk Management Policy of the Corporation to oversee the overall risk of the Corporation. The Corporation's risk management is carried out by its Risk Management Committee of the Board (RMCB), a sub-committee of the Board, as per the policies approved by the Board of Directors.

The Corporation has also put in place Board approved policies, such as Loan Policy and other related policies to oversee the credit risk; Operation Risk Management (ORM) Policy to oversee the various operational risk and Asset Liability Management (ALM) Policy to oversee the various market and liquidity of the Corporation. In addition, the Corporation has also constituted an Internal Risk Management Committee (IRMC), under the chairmanship of the Executive Director (ED).

The Risk Management Department, headed by the Executive Director (ED), along with the concerned departments has been looking after various risks of the Corporation under the supervision of the Chairman and Managing Director (CMD) and the guidance of the RMCB.

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations leading to financial loss to the Company. The Corporation's credit decisions are guided by its Loan Policy, Operational Manuals for Credit Appraisal & Management and other credit related policies approved by the Board. Based on various RBI guidelines, the Corporation takes adequate steps to mitigate the risks arising from its business decisions, such as detailed appraisal of the proposals before sanctioning of loans; adequate security coverage / collaterals, except to small entrepreneurs who are covered under CGTMSE; exposure limits to Industry sectors, Individual Borrower as well as Group Borrower as per RBI Guidelines and Exposure Norms Policy of the Corporation approved by the Board wherein the limits for individual and group borrowers have been kept at lower level considering the size and the risk taking ability of the Corporation; regular site visits and review of loan portfolio; monitoring of defaulting units and Potential NPAs; Credit Rating Assessment (CRA) System for all PFD loans and MSE loans with loan size above Rs.50 lakh; Income Recognition and Asset classification as per RBI Prudential Norms and adequate provisioning for NPAs, etc. In addition, the Corporation has also set up a separate cell called Stress Asset Management Cell (SAMC) to closely monitor and recover from stressed assets accounts of the Corporation. Various policies of the Corporation are

being revised keeping in view of the risk appetite of the Corporation.

Market Risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return. The Corporation is also exposed to change in interest rates to a certain extent. Lowering of interest rate in the market resulted in fall in interest yield from investment as well as business generation and income from thereon.

Asset Liability Management Committee (ALCO), headed by CMD looks into various aspects of market risk (primarily interest rate and liquidity risk). The Corporation has put in place an Asset Liability Management (ALM) Policy to oversee the market risk.

The Corporation has also put in place an Investment Policy for deployment of its surplus funds. It may be mentioned that the level of treasury operation is limited and is presently limited to FDs/ Liquid funds of Mutual funds. Although the Corporation is exposed to price risk on such investments; which arises on account of movement in interest rates, liquidity and credit quality of underlying securities, it carries minimal volatility and ensures adequate liquidity. Hence temporary market volatility, if any is not considered to have material impact on the carrying value of these investments.

Liquidity Risk

The Corporation's principal sources of liquidity are 'cash and cash equivalents, investments in money market instruments' and cash flows that are generated from operations. Liquidity risk in the Corporation may primarily arise from its inability to fulfill the committed liabilities (disbursement) and repayment of debt (loans).

Liquidity Risk is managed by the Asset Liability Management Committee (ALCO) of the Corporation on periodical basis. Cash flow analysis of the Corporation is being done periodically to analyze the liquidity condition whereas fund balance position as well as disbursement requirements are also monitored, and the surplus fund are deployed in the form of investment in FDs/ Liquid scheme of Mutual fund which are redeemable at very short notice. Presently around Rs.13144.79 lakhs of surplus fund has been invested in various FDs/ liquid schemes of various mutual funds.

It is to be mentioned that the Corporation has been receiving the interest free loan from the Government of India since FY2002-03 through the Ministry of DoNER (MDoNER), which are repayable after 15 years in bullet repayment. So far the Corporation has received interest free loan amounting to Rs.904.11 Cr., out of which Rs.45 Cr. was given for creation of Venture Capital Fund. First instalment of repayment of loan from MDoNER became due in FY17-18. So far, the Corporation has repaid six instalments amounting to Rs.169.11 Cr. on time and the 7th instalment of Rs.60 Cr. will become due in the current financial year. The Corporation has also availed refinance from various institutions/agencies like SIDBI, NBCFDC, NSFDC and NSTFDC. Till FY22, the Corporation has taken refinance of Rs.120.98 Cr. from

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

these institutions and the entire amount has already been fully repaid with no default in repayment of any of the aforesaid loan and interest thereof. Further, NABARD and MUDRA has approached NEDFi to associate with them for refinancing and other activities based on its performance in the region. During FY 22- 23, the Corporation was sanctioned a limit of Rs.100 Cr. by SIDBI, out of which Rs.5 Cr. disbursement was availed. The balance of Rs.95 Cr. is available to the Corporation for disbursement during FY 23-24. Further, the Corporation initiated various steps for mobilization of funds from various channels for fund requirement of growing business and long-term targets. Considering the above, the Corporation believes that its cash flow will be sufficient to meet the financial liabilities within maturity period.

Operational Risk

The Corporation has adopted the Operational Risk Management Policy to manage operational risks to an acceptable level across all areas of its operations. The Corporation manages operational risks through comprehensive internal control systems and detailed procedures laid down in the various stages of its lending business. Operational Manual for Project Financing (for PFD/ MSE departments) and Operational Manual for Microfinance Department have already been implemented whereas for the other core departments are being prepared.

Presently, the Risk Management Department along with other departments are reviewing the operational risks. Further, the Internal Auditor of the Corporation during its Quarterly Audit including Branch Audit also reviews various operational aspects/ risks. Till FY21, the internal audit function was outsourced to some reputed Chartered Accountants firm. Internal Audit Department of the Corporation, which was set up during FY21, for monitoring and controlling of financial transactions, credit operation, NPAs, policy compliance, operational risk, etc. started its functioning from April 1, 2021. After the creation of in-house Internal Audit team, the Corporation also implemented the concurrent audit from FY22.

Moreover, the Corporation has initiated the exercise of Risk Control & Self-Assessment (RCSA) for each department at Head Office. Suitable training programmes on the Operational Risk Management is being looked into for the officers of the Risk Management and other core departments.

The Corporation has put in place a robust Disaster Recovery (DR) and Business Continuity Plan (BCP) to ensure continuity of operations including services to customers, if any eventuality happens such as natural disasters, technological outage, etc. Robust periodic testing will be carried out, and results will be analyzed to address gaps in the framework, if any. DR and BCP audits are being conducted on a periodical basis to provide assurance regarding the effectiveness of the Corporation's readiness.

Note 46: Disclosure as per Para 53 of Ind AS 116 : Leases

(₹ in lakhs)

Particulars	As at 31/03/2023	As at 31/03/2022
i) Depreciation charge for ROU assets for Leasehold premises (presented under Note 29 : " Depreciation , amortization and impairment"	54.54	40.94
ii) Interest expense on lease liabilities (presented under Note 26 Finance Cost)	23.68	16.25
iii) Expense relating to short-term leases (included in Note 30 Other Expenses)	0.30	1.20
iv) Payments for principal portion of lease liability	69.38	52.24
v) Additions to ROU assets during the year	90.41	87.55
vi) Carrying amount of ROU assets at the end of reporting period by class of underlying assets (Refer Note 9C)	248.00	212.13
vii) Lease liabilities (Refer Note 13)	270.98	225.19

Pursuant to amendments brought in by the Ministry of Corporate Affairs through the Companies (Indian Accounting Standards) Amendment Rules, 2020 vide notification dated 24 July 2020, Ind AS 116 - Leases was amended by inserting certain paragraphs (46A and 46B) related to application of practical expedient to Covid-19-Related Rent Concessions. Corporation has not received/given any such concessions.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



Maturity Analysis of Lease Liabilities as per Ind AS : Leases

(₹ in lakhs)

Particulars	As at 31/03/2023	As at 31/03/2022
Less than 1 year	9.01	1.50
1 – 3 years	37.40	47.87
3 –5 years	7.55	27.63
More than 5 years	217.01	148.17
Total lease liabilities	270.98	225.19

Note 47: Disclosure as required under Guidelines on Resolution Framework for COVID-19- related Stress issued by RBI vide notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/ 2020-21 and RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2021 dated 6th August 2020

(i) For year ended 31 March 2023

Type of borrower	(A) No. of accounts where resolution plan has been implemented under the window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal loans	-	-	-	-	-
Corporate persons	-	-	-	-	-
Of which, MSME	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

(ii) For year ended 31 March 2023

No. of accounts restructured	Amount(Rs. In lakhs)
-	-

(iii) For year ended 31 March 2022

Type of borrower	(A) No. of accounts where resolution plan has been implemented under the window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal loans	-	-	-	-	-
Corporate persons	-	-	-	-	-
Of which, MSME	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(iv) For year ended 31 March 2022

No. of accounts restructured	Amount(Rs. In lakhs)
320	6568.01

Note 48 : Additional Regulatory Information

- (i) All Title deeds of Immovable Property are held in name of the Company.
- (ii) The company has not revalued its property, plant and equipment and Intangible Assets during the year.
- (iii) The company has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

(iv) Capital-Work-in Progress(CWIP)

- (a) For Capital-work-in progress :

As at 31 st March 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	0.87	0.87

As at 31 st March 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	0.87	0.87

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



(b) There is no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

(v) The company has used the borrowings from banks and financial institutions for the specific purpose for which it is taken at the balance sheet date.

(vi) There are no intangible assets under development.

(vii) There are no proceedings been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder as the company is not holding any such property.

(viii) The company has borrowings from banks or financial institutions on the basis of security of loan assets. The quarterly statements submitted by the company to the financial institution are on historic cost method instead of effective interest rate/amortised cost method as prescribed under Ind AS.

(ix) The company does not have any default and hence has not been declared as willful defaulter by any bank or financial institution or other lenders.

(x) The Company does not have transactions with struck off companies u/s 248 of Companies Act, 2013 or u/s 560 of Companies Act 1956 as per our knowledge and information.

(xi) The company does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

(xii) The company does not have any noncompliance under clause (87) of Section 2 of Companies Act, 2013 read with Companies (Restrictions on number of Layers) Rules, 2017.

(xiii) The company has not entered into any Scheme of Arrangement in terms of sections 230 to 237 of the Companies Act, 2013.

(xiv) The company has not advanced or loaned nor invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(xv) The company has not received any fund from any other person(s) or entity(ies), including foreign entities (Funding Party) with the understanding that it shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(xvi) Analytical Ratios :

Ratio	As at 31 st March 23	As at 31 st March 22
Tier -I Capital	102997.21	94758.20
Tier -II Capital	1659.70	1565.74
Total Capital	104656.91	96323.94
Aggregate of Risk Weighted Assets	170050.14	157506.41
Tier I CRAR	60.57%	60.16%
Tier II CRAR	0.98%	0.99%
CRAR	61.54%	61.16%

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Tier I Capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund as at 31st March, 2023.

“Owned Fund” means paid up equity capital and free reserves e.g. reserve created u/s 45-IC of RBI Act, 1934 and u/s 36(1)(viii) of the Income Tax Act, 1961, General Reserve and Retained Earnings.

Tier II capital” includes the following

(a) general provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets. 12 month expected credit loss (ECL) allowances for financial instruments i.e. where the credit risk has not increased significantly since initial recognition, shall be included under general provisions and loss reserves in Tier II capital within the limits specified by extant regulations. Lifetime ECL shall not be reckoned for regulatory capital (numerator) while it shall be reduced from the risk weighted assets.

(b) hybrid debt capital instruments; and

(c) subordinated debt to the extent the aggregate does not exceed Tier I capital.

Aggregate Risk Weighted Assets (Denominator) –

Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on-balance sheet assets and off- balance sheet assets. Hence, the value of each of the on-balance sheet assets and off- balance sheet assets requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

(xvii) Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The CSR Policy of NEDFi supports initiatives and activities which result in improvement of quality of life of the people belonging to the 8 States of the North Eastern Region of India. The areas for CSR activities of the Corporation promote employment enhancing vocational skills, livelihood enhancement projects, women empowerment, handloom and handicrafts of the region and development of rural and backward areas through promotion of entrepreneurship.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023



Particulars	As at 31/03/2023	As at 31/03/2022
i) Amount required to be spent by the Company	160.77	147.16
ii) Amount of expenditure incurred	207.43	128.19
iii) Shortfall at the end of the year	NA	18.97
iv) Total of previous year shortfall	18.97	-
v) Reason of shortfall	Ongoing Project	Ongoing project
vi) Nature of CSR activities	<p>To take up initiatives for promotion of employment enhancing vocational skills, livelihood enhancement projects or women empowerment.</p> <p>To promote the traditional arts and handicraft sector including handloom of the N. E. Region, by providing necessary support to the artisans, weavers and craftsperson engaged in the sector through skill-upgradation, market linkage and/ or infrastructural support, wherever necessary.</p> <p>To undertake projects and programmes for development of Rural and Backward Areas through promotion of entrepreneurship and income generating activities.</p> <p>Flood Relief, COVID-19 relief etc.</p>	
vii) Details of related party transaction, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	110.07*	-
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	-	-

* For implementation of different project like Handloom, Water Hyacinth etc.

(xvii)(a) Gross amount required to be spent: Rs. 160.77 lakhs(P.Y. Rs. 147.16 lakhs). 2% of the average profit before tax of last three financial years i.e. 2% of ` Rs. 8038.58 lakhs(P.Y. Rs. 7357.86 lakhs)= Rs.160.77 lakhs(P.Y. Rs. 147.16 lakhs). The Corporation has spent Rs. 207.43 lakhs(P.Y. Rs. 87.26 lakhs) on CSR.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(xvii)(b) Amount spent during the year on (Rs. In lakhs) :

	In Cash		Yet to be paid in cash		Total	
	C.Y.	P.Y	C.Y.	P.Y	C.Y.	P.Y
(i) Construction / acquisition of any asset	-	-	-	-	-	-
On purposes other than (i) above	207.43	87.26	-	18.97	207.43	106.23

(xvii)(c) 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.

(xvii)(d) As on 31st March 2022, the Company had transferred the shortfall of Rs. 18.97 lakh to a separate bank account. The entire amount has been expended during the year and there is no shortfall as on 31st March 2023.

(xviii) There are no undisclosed income or transactions recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. There are no previously unrecorded income and related assets recorded during the year.

(xix) The Company has not traded nor invested in Crypto currency or Virtual currency during the financial year.

**ADDITIONAL INFORMATION TO
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**



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	99.6952%	1,12,075.30	99.9261%	8,385.65
Subsidiaries				
Indian				
NEDFi Trustee Ltd.	0.0137%	15.38	0.0200%	1.68
NEDFi Venture Capital Ltd.	0.2875%	323.20	0.0530%	4.45
Foreign	-	-	-	-
Non Controlling Interest in all subsidiaries/associates (Investment as per equity method)				
Indian				
NEDFi Trustee Ltd.	0.0002%	0.19	0.0002%	0.02
NEDFi Venture Capital Ltd.	0.0035%	3.93	0.0006%	0.05
Foreign	-	-	-	-
Joint Ventures (as per proportionate consolidation / investment as per equity method)				
Indian	-	-	-	-
Foreign	-	-	-	-
Total		1,12,417.99		8,391.84

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

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	5.00
5	Reserves & Surplus	10.57	322.12
6	Total Assets	16.48	523.41
7	Total Liabilities	0.91	196.29
8	Investments	-	-
9	Turnover	3.55	214.10
10	Profit before Taxation / (Loss)	2.27	6.02
11	Provision for Taxation	0.57	1.51
12	Profit after Taxation / (Loss)	1.70	4.50
13	Proposed Dividend	-	-
14	% of shareholding	98.80%	98.80%

Part B - Associates and Joint Ventures - Nil

Note:

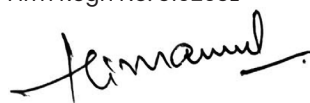
1. None of the subsidiaries have been liquidated or sold during the year.

As per our Report of even date

For H.K. Agrawala and Associates

Chartered Accountants

Firm Regn No. 319293E



CA Himanshu Chowkhani

Partner

(M. No. 301901)

UDIN: 23301901BGVKAC8011

Place : Guwahati

Date : 03/08/2023

For and on behalf of the Board of Directors



(PVSLN Murty)

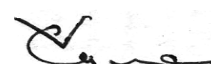
Chairman and Managing Director

DIN : 07355708



(S. K. Baruah)

Chief Financial Officer

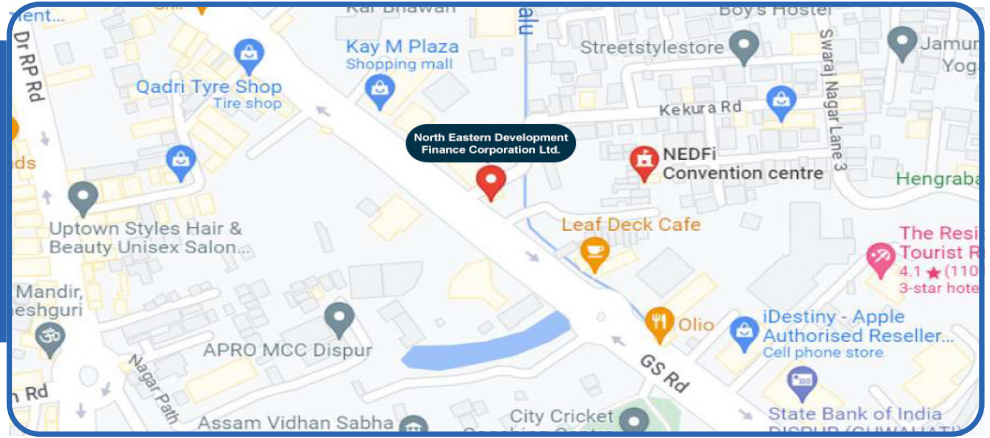


(V. K. Agarwal)

Company Secretary

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Lunglei-796701
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NAMCHI

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District: Namchi,
South Sikkim-737126,
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BOMDILA

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ZIRO

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UKHRUL

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Khaivaren Tang, Hungpung,
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SENAPATI

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TAMENGLONG

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TURA

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