

# ANNUAL REPORT

2023-24

Navigating  
New Frontiers  
Going beyond comfort zone



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 Companies Act, 1956, on August 9, 1995 with an authorised capital of ₹500 crore and a paid-up capital of ₹100 crore. It is notified as a public financial institution under Section 4-A of the Companies Act 1956. NEDFi was categorised by Reserve Bank of India (RBI) as Non Banking Financial Company (NBFC) - Loan Company. At present it is re-categorised as NBFC-ICC.

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



## Navigating New Frontiers

### Going beyond comfort zone

**N**orth Eastern Development Finance Corporation Ltd. (NEDFi) has long been a cornerstone of economic development in the North Eastern Region of India. As a pioneer in fostering inclusive and sustainable growth, NEDFi is committed to reaching the most remote corners of the region through various initiatives.

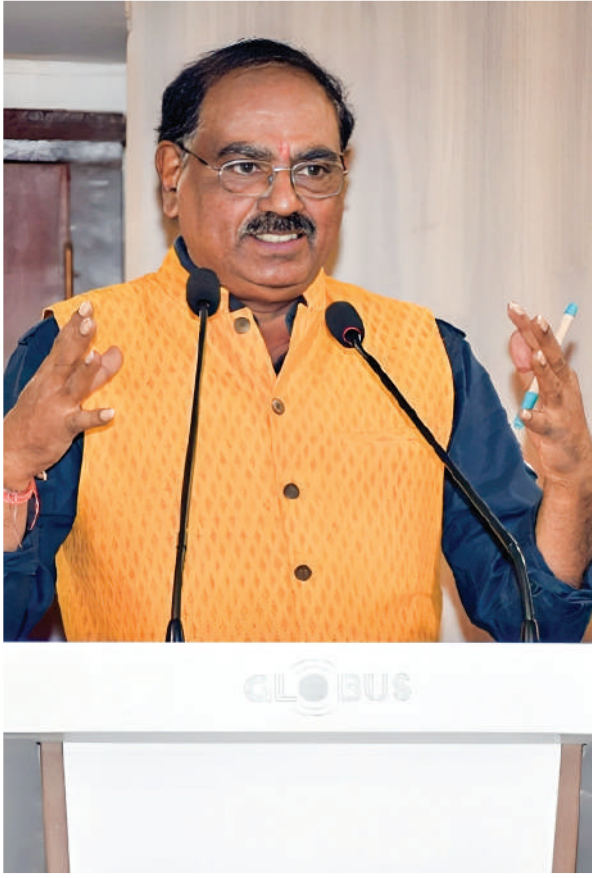
The journey of "Navigating New Frontiers" goes beyond mere economic development; it represents a commitment to breaking barriers and exploring innovative pathways for fostering inclusive and sustainable growth. By stepping outside of its comfort zone and taking small, deliberate actions, NEDFi, as a dynamic and responsive organization that catalyzes the economic development of the North Eastern Region, justifies its vision and mission by identifying and financing commercially viable industries, providing valuable advisory and consultancy services, promoting entrepreneurship through effective mentoring, as well as supporting skill development and capacity building for micro, small, and medium enterprises across North-East India. Additionally, NEDFi is dedicated to generating sustainable livelihoods through microfinance and CSR activities.

# ANNUAL REPORT 2023-24



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FROM THE DESK OF THE  
**CHAIRMAN**  
AND  
**MANAGING**  
**DIRECTOR**

Dear Shareholders,

I am delighted to welcome you all to the 29th 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 2023-24 (FY24).

### PERFORMANCE HIGHLIGHTS

#### Business

During the year, your Corporation achieved record-breaking results across various metrics. The Corporation's sanction grew to ₹846.37 crore from ₹798.03 crore in the previous year. As on March 31, 2024, financial assistance was extended to 19,916 projects with cumulative sanction of ₹8231.40 crore. The loan outstanding grew by 18% to ₹1833.51 crore from ₹1,554.10 crore in the previous year.

#### Income and Earnings

FY24 saw a 15.29% increase in our gross income to ₹239.22 crore from ₹207.50 crore, mainly attributed to interest income. Our gross profit grew by 14.19% to ₹132.37 crore from ₹115.92 crore, and net profit increased by 25.25% to ₹100.20 crore from ₹80.00 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 FY 24.

#### Asset Quality

Our efforts to manage stressed accounts paid off and the Corporation registered significant improvements on the asset quality front in FY24. The gross NPA decreased to 3.10% from 3.34% in the previous 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, 2024, the Fund had committed investments of almost ₹100 crore to 68 start-up companies.

## **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 515 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 4729 artisans.

## **WAY FORWARD**

In FY25, the Corporation is poised to achieve ambitious growth targets by focusing on the MSME and microfinance segment. Key priorities include extending affordable credit to underserved areas, advancing skill development, boosting employment and empowering women, while also nurturing traditional crafts and startups. The strategy emphasizes strengthening risk management, reducing NPAs and improving credit monitoring and expanding outreach. By prioritizing innovation, continuous improvement and a customer-centric approach, the Corporation aims to ensure operational efficiency and successfully meet its strategic objectives.

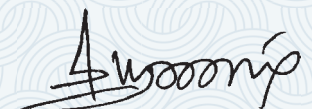
## **ACKNOWLEDGMENT**

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.

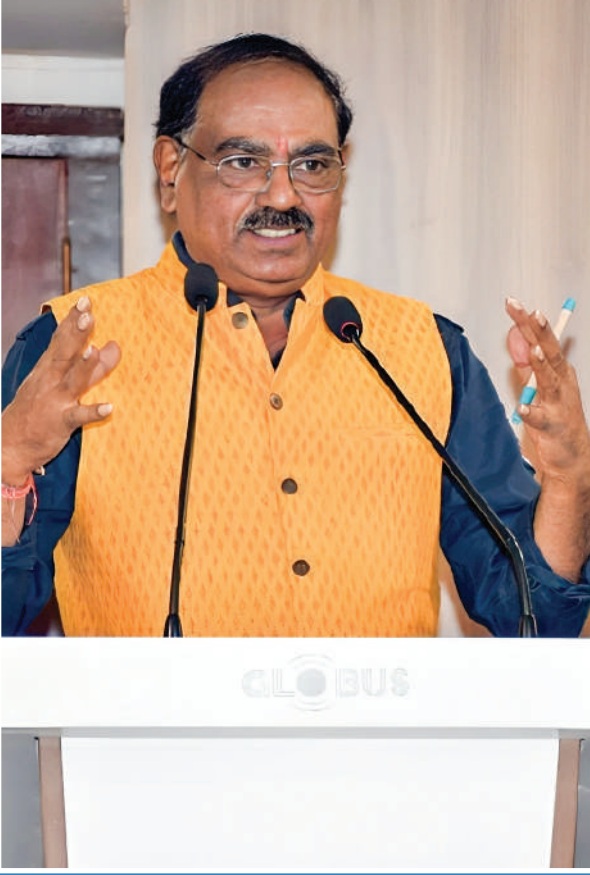
I am confident that driven by dedication and commitment of a young, enthusiastic and professionally qualified team, your Corporation will live up to the expectations of the stakeholders to play the catalytic role in economic development of the North Eastern Region.

I look forward to your continued support in this journey.

With best wishes,



(PVSLN Murty)



# अध्यक्ष एवं प्रबंध निदेशक की कलम से

प्रिय शेयरधारकों,

मुझे आपके निगम की 29वीं 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 2023-24 (वित्त वर्ष 24) के दौरान हमारे प्रदर्शन की मुख्य विशेषताएं आपके सामने प्रस्तुत करते हुए खुशी हो रही है।

## प्रदर्शन की मुख्य बिंदु

### व्यापार

वर्ष के दौरान, आपके निगम ने विभिन्न मैट्रिक्स में रिकॉर्ड-तोड़ परिणाम हासिल किए। निगम की मंजूरी पिछले वर्ष के ₹798.03 करोड़ से बढ़कर ₹846.37 करोड़ हो गई। 31 मार्च, 2024 तक, ₹8231.40 करोड़ की संचयी मंजूरी के साथ 19,916 परियोजनाओं को वित्तीय सहायता दी गई थी। बकाया ऋण पिछले वर्ष के ₹1,554.10 करोड़ से 18% बढ़कर ₹1833.51 करोड़ हो गया।

### आय और लाभ

वित्त वर्ष 24 में हमारी सकल आय 15.29% बढ़कर ₹207.50 करोड़ से ₹239.22 करोड़ हो गई, जिसका मुख्य कारण ब्याज आय है। हमारा सकल लाभ पिछले वित्तीय वर्ष में ₹115.92 करोड़ से 14.19% बढ़कर ₹132.37 करोड़ हो गया, और शुद्ध लाभ ₹80.00 करोड़ से 25.25% बढ़कर ₹100.20 करोड़ हो गया।

### लाभांश

मुझे यह घोषणा करते हुए खुशी हो रही है कि निगम के निदेशक मंडल ने वित्त वर्ष 24 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 24 में परिसंपत्ति गुणवत्ता के मोर्चे पर महत्वपूर्ण सुधार दर्ज किया। सकल एनपीए पिछले वर्ष के 3.34% से घटकर 3.10% 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, 2024 तक, फंड ने 68 स्टार्ट-अप कंपनियों को लगभग ₹100 करोड़ का निवेश की प्रतिबद्धता जताई है।

## 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 515 लाभार्थियों को सहायता प्रदान की।

निगम अपने विविध शोरूमों 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 4729 कारीगरों को विपणन सहायता प्रदान की गई।

## आगे बढ़ने का रास्ता

वित्त वर्ष 2025 में, निगम सूक्ष्म, लघु और मध्यम उद्यम (एमएसएमई) और माइक्रोफाइनेंस सेगमेंट पर ध्यान केंद्रित करके महत्वाकांक्षी विकास लक्ष्यों को प्राप्त करने के लिए तैयार है। मुख्य प्राथमिकताओं में वंचित क्षेत्रों में किफायती ऋण प्रदान करना, कौशल विकास को आगे बढ़ाना, रोजगार को बढ़ावा देना और महिलाओं को सशक्त बनाना शामिल है, साथ ही पारंपरिक शिल्प और स्टार्टअप को बढ़ावा देना भी शामिल है। रणनीति में जोखिम प्रबंधन को मजबूत करने, एनपीए को कम करने और ऋण निगरानी में सुधार करने तथा पहुंच का विस्तार करने पर जोर दिया गया है। नवाचार, निरंतर सुधार और ग्राहक-केंद्रित दृष्टिकोण को प्राथमिकता देकर, निगम का लक्ष्य परिचालन दक्षता सुनिश्चित करना और अपने रणनीतिक उद्देश्यों को सफलतापूर्वक पूरा करना है।

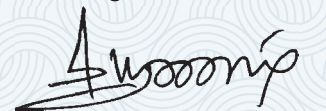
## आभार

मैं इस अवसर पर बोर्ड के सदस्यों को उनके बहुमूल्य मार्गदर्शन, समर्थन और परामर्श के लिए हार्दिक आभार व्यक्त करता हूं। मैं एम-डोनर, अन्य केंद्र सरकार के मंत्रालयों और उनके संगठनों, क्षेत्र की राज्य सरकारों, वित्तीय संस्थानों और उत्तर पूर्व के अन्य संगठनों से प्राप्त निरंतर समर्थन के लिए भी सच्ची सराहना व्यक्त करना चाहता हूं। मैं अपने सभी शेयरधारकों - आईडीबीआई बैंक, एलआईसीआई, एसबीआई, सिडबी, आईसीआईसीआई बैंक, आईएफसीआई, एसयूटीआई, जीआईसी और सहायक कंपनियों के विश्वास और समर्थन के लिए भी कृतिज्ञता ज्ञापित करता हूं।

मुझे विश्वास है कि एक युवा, उत्साही और पेशेवर रूप से योग्य कर्मचारियों के समर्पण और प्रतिबद्धता से प्रेरित, आपका निगम क्षेत्र के आर्थिक विकास में उत्प्रेरक 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 हूं।

शुभकामना सहित,



(पीवीएसएलएन मूर्ति)

## FINANCIAL HIGHLIGHTS

### STANDALONE

(₹ in Crore)

Financial Year	2023-24	2022-23
Authorised Capital	500.00	500.00
Paid up Capital	100.00	100.00
Net worth	1113.44	1026.68
Loan Outstanding	1833.51	1554.10
Capital to Risk (Weighted) Assets Ratio (CRAR) (%)	55.72	61.28
<b>Working Results</b>		
Gross Income	239.22	207.50
Interest Income	172.29	142.14
Non-Interest Income	66.93	65.36
Gross Expenditure	106.85	91.58
Profit Before Tax	132.37	115.92
Tax Expenses	32.17	35.92
Profit After Tax	100.20	80.00
Earning per share (in ₹)	10.09	8.39

### CONSOLIDATED

(₹ in Crore)

Financial Year	2023-24	2022-23
Total Income	242.11	209.68
Total Expenses	108.85	93.67
Profit Before Tax	133.26	116.01
Tax Expense	32.22	35.94
Profit After Tax	101.04	80.07
Earnings Per Share (₹)	10.18	8.39



## PERFORMANCE HIGHLIGHTS

### SANCTION

(₹ in lakh)

Financial Year	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative 1996-2014	26,140.43	2,09,078.76	13,451.98	50,964.12	6,254.73	6,607.78	7,000.77	13,471.90	3,32,970.41
2014-2015	3,623.00	15,069.69	4,404.45	4,285.74	681.20	810.00	1,111.30	1,217.97	31,203.35
2015-2016	1,047.00	24,654.63	2,048.50	4,587.50	571.30	488.95	2,096.25	692.05	36,186.18
2016-2017	3,273.00	21,091.03	3,299.85	7,166.81	490.33	623.10	2,117.00	1,427.10	39,488.22
2017-2018	1,599.50	15,087.53	3,957.72	1,463.05	623.50	1,174.50	1,322.00	3,688.00	28,915.80
2018-2019	1,549.50	18,882.45	4,900.62	4,945.07	780.30	716.00	1,443.50	2,737.80	35,955.24
2019-2020	1,620.00	27,330.35	5,792.70	2,049.25	2,408.00	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	1,870.50	52,268.22	10,357.10	2,738.65	3,455.80	2,063.40	3,820.51	3,229.52	79,803.70
2023-2024	1,793.50	58,310.75	2,163.71	8,796.00	4,715.00	3,141.15	2,556.50	3,160.70	84,637.31
<b>Total</b>	<b>45,950.68</b>	<b>5,15,720.27</b>	<b>59,533.99</b>	<b>1,00,118.78</b>	<b>21,660.13</b>	<b>18,915.92</b>	<b>27,433.84</b>	<b>33,806.90</b>	<b>8,23,140.45</b>

### DISBURSEMENT

(₹ in lakh)

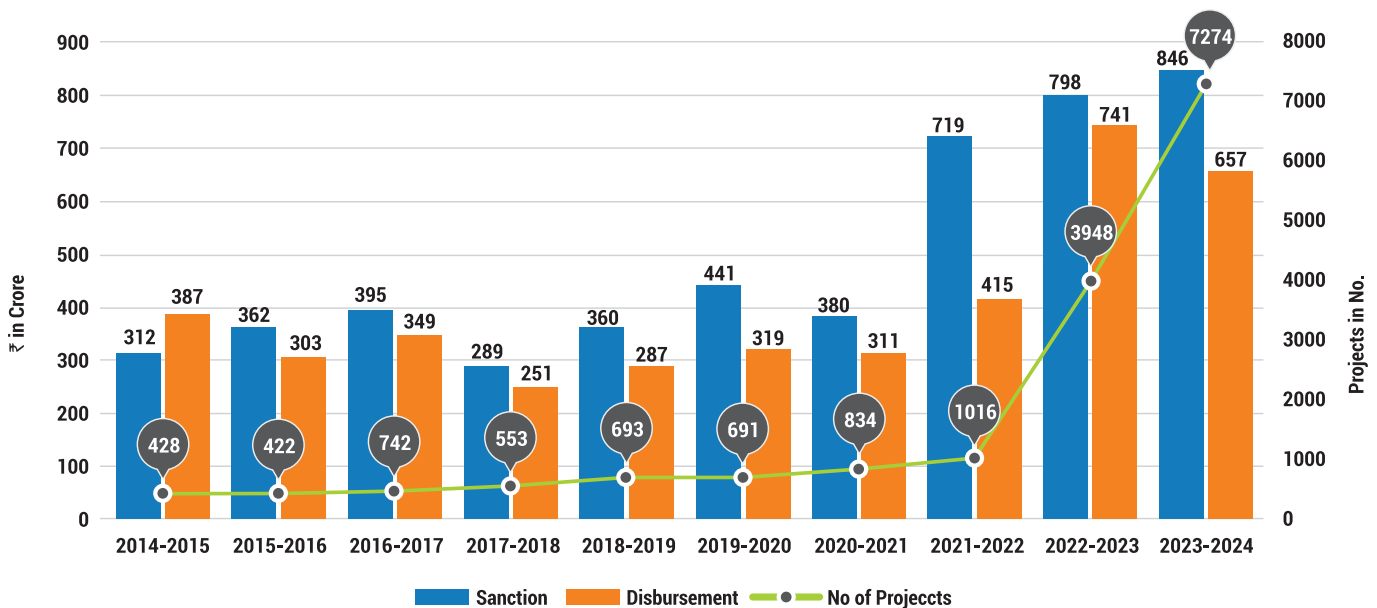
Financial Year	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative 1996-2014	17,984.02	1,46,648.73	9,949.75	36,418.22	4,726.58	4,735.19	4,332.75	7,780.17	2,32,575.40
2014-2015	3,799.85	20,726.39	3,858.78	5,989.06	701.92	725.00	1,799.80	1,119.42	38,720.22
2015-2016	1,072.01	17,278.44	2,895.94	5,510.86	556.50	633.23	1,468.25	883.47	30,298.70
2016-2017	2,371.70	18,527.08	4,644.26	4,463.30	474.83	553.89	2,436.00	1,437.90	34,908.97
2017-2018	1,780.50	15,671.70	2,636.80	1,290.25	478.53	916.50	1,252.50	1,114.65	25,141.43
2018-2019	803.70	15,518.35	4,372.30	3,506.77	794.75	753.50	1,244.50	1,683.15	28,677.02
2019-2020	795.00	16,818.78	6,496.39	1,726.90	1,859.84	1,060.90	1,285.89	1,899.00	31,942.70
2020-2021	1,709.80	19,645.90	4,143.61	1,877.92	936.71	948.89	961.32	905.12	31,129.27
2021-2022	1,582.75	27,250.54	4,384.21	3,162.33	1,315.88	1,109.47	1,280.91	1,436.65	41,522.74
2022-2023	1,615.47	46,269.91	6,426.43	7,987.07	3,516.33	1,848.70	3,950.25	2,500.07	74,114.23
2023-2024	1,605.40	39,569.12	4,509.86	7,924.87	4,129.25	2,702.40	2,367.76	2,929.71	65,738.37
<b>Total</b>	<b>35,120.20</b>	<b>3,83,924.94</b>	<b>54,318.33</b>	<b>79,857.55</b>	<b>19,491.12</b>	<b>15,987.67</b>	<b>22,379.93</b>	<b>23,689.31</b>	<b>6,34,769.05</b>

**PROJECTS**

(₹ in lakh)

Financial Year	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Cumulative 1996-2014	314	1300	311	235	306	343	401	375	3585
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
2023-2024	112	3990	676	233	932	277	508	546	7274
<b>Total</b>	<b>848</b>	<b>8598</b>	<b>2104</b>	<b>710</b>	<b>2141</b>	<b>1379</b>	<b>2045</b>	<b>2091</b>	<b>19916</b>

**SANCTION, DISBURSEMENT AND PROJECTS**



## SUCCESS STORIES

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 set up viable 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.

### BABINA HOSPITAL



Babina Hospital is a multispecialty hospital located at Imphal East, Manipur. NEDFi sanctioned Rs.3100.00 lakh under Rupee Term Loan (RTL) scheme for setting up the unit.

### CHEMEX GLOBAL



Chemex Global is an Active Pharmaceutical Ingredient (API) manufacturing unit located at Kamrup(R), Assam. NEDFi sanctioned Rs.2600.00 lakh under Rupee Term Loan (RTL) scheme for setting up the unit.

### BUDAKIA MINERALS LLP



Budakia Minerals LLP is a quicklime & limestone powder manufacturing unit located at East Khasi Hills District, Meghalaya. NEDFi sanctioned Rs.2350.00 lakh under Rupee Term Loan (RTL) scheme for setting up the unit.

### INSTITUTE OF UROLOGY AND KIDNEY DISEASES (IUKD) HOSPITAL



Institute of Urology and Kidney Diseases (IUKD) Hospital is located at Sonapur, Assam. NEDFi sanctioned Rs.1760.00 lakh under Rupee Term Loan (RTL) scheme for setting up the unit.

**PRECAUTION HEALTHCARE PVT. LTD**



Precaution Healthcare Pvt. Ltd is a surgical & examination gloves manufacturing unit, located at Nalbari, Assam. NEDFi sanctioned Rs.950.00 lakh under Rupee Term Loan (RTL) & Rs.259.00 lakh under Working Capital Term Loan (WCTL) schemes.

**NIDAN HOSPITAL**



Nidan Hospital is located at Nagaon, Assam. NEDFi sanctioned Rs.900.00 lakh under Rupee Term Loan (RTL) scheme for setting up the unit.

**NORBU GHANG RETREAT**



Norbu Ghang Retreat is a hotel located at Gangtok, East Sikkim. NEDFi sanctioned Rs.550.00 lakh under Rupee Term Loan (RTL) scheme for setting up the unit.

**KIRAN ACADEMY**



Kiran Academy is located at Dhemaji, Assam. NEDFi sanctioned an amount of Rs.200.00 lakh under Rupee Term Loan (RTL) scheme for its expansion.

**PADMASHINI GASTRO AND LIVER CARE CLINIC**



Padmashini Gastro and Liver Care Clinic located at Dibrugarh, Assam. NEDFi sanctioned Rs.100.00 lakh under Healthcare Development Scheme (HDS) for setting up the unit.

**MAGEN INN**



Magen Inn is a boutique hotel located at Ukhrul, Manipur. NEDFi sanctioned Rs.100.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for its expansion.

**FOLKLAND PARK**



Folkland Park is an amusement park located at Aizawl, Mizoram. NEDFi sanctioned Rs.100.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for its expansion.

**VANTAWNG VILLAGE**



Vantawng Village is a resort located at Serchhip District, Mizoram. NEDFi sanctioned Rs.100.00 lakh under Rupee Term Loan (RTL) scheme for setting up the unit.

**FVL RINGA COMMERCIAL COMPLEX**



FVL Ringa Commercial Complex is located at Aizawl, Mizoram. NEDFi sanctioned Rs.100.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for its expansion.

**KTB ENTERPRISE**



KTB Enterprise is a sports multipurpose hall located at Lunglei, Mizoram. NEDFi sanctioned Rs.100.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

**THEPFUZAKIE COMPLEX**



Thepfuzakie Complex is a commercial complex located at Kohima, Nagaland. NEDFi sanctioned Rs.100.00 lakh under Rupee Term Loan (RTL) scheme for setting up the unit.

**SPRING VALLEY RANGAPARA**



Spring Valley Rangapara is a bakery & restaurant unit located at Sonitpur, Assam. NEDFi sanctioned Rs. 79.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

**RIGAL INTERIOR**



Rigal Interior is a furniture manufacturing unit located at Dharmanagar, North Tripura. NEDFi sanctioned Rs.75.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

**SWAGAT MOTORS**



Swagat Motors is a car servicing center and dealer of pre-owned vehicle located at Barpeta, Assam. NEDFi sanctioned Rs.75.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

**BAJRANG NETTINGS**



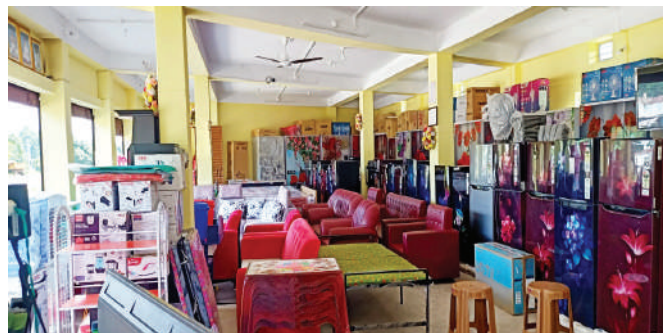
Bajrang Nettings is a mosquito net manufacturing unit located at Tinsukia, Assam. NEDFi sanctioned Rs.70.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

**HIMBS' HOSPITALITY**



Himbs' Hospitality is a hotel located at Dimapur, Nagaland. NEDFi sanctioned Rs.50.00 lakh under Rupee Term Loan (RTL) scheme for setting up of unit.

**ROY ELECTRONICS**



Roy Electronics is located at Panisagar, North Tripura. NEDFi sanctioned Rs.50.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

**TINT VISION**



Tint Vision is an UPVC Doors and Windows manufacturing unit located at Dibrugarh, Assam. NEDFi sanctioned Rs.50.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

**MOHAN LAL PARAKH**



Mohan Lal Parakh is a trading unit located at Unakoti, Tripura. NEDFi sanctioned Rs.50.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

**CITY HEALTH CLINIC AND DIAGNOSTICS**



City Health Clinic and Diagnostics is located at Guwahati, Assam. NEDFi sanctioned Rs.50.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

**MEILI RESORT**



Meili Resort is located at East Khasi Hills District, Meghalaya. NEDFi sanctioned Rs.50.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

**SEEMA TRADING**



Seema Trading is a readymade garments unit located at Guwahati, Assam. NEDFi sanctioned Rs.50.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

**VIVACE RESTAURANT**



Vivace Restaurant is located at Pakyong, Sikkim. NEDFi sanctioned Rs.50.00 lakh under NEDFi Opportunity Scheme for Small Enterprise (NOOSE) for setting up the unit.

**PARAKH & SONS**



Parakh & Sons is a readymade garment trading unit located at Dharmanagar, North Tripura. NEDFi sanctioned Rs.50.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

**RAKSHIT AGRO FOOD**



Rakshit Agro Food is a poultry unit located at Tinsukia, Assam. NEDFi sanctioned Rs.50.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

**PUNYO TUTHU COMMERCIAL COMPLEX CUM GIRLS PG**



Punyo Tuthu Commercial Complex cum Girls PG is located at Itanagar, Arunachal Pradesh. NEDFi sanctioned Rs.50.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

**ELORA HOSTEL & RESTAURANT**



Elora Hostel & Restaurant is located at Kohima, Nagaland. NEDFi sanctioned Rs.40.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

**SAHA ENTERPRISE**



Saha Enterprise is a recycled plastic granule making unit located at Agartala, Tripura. NEDFi sanctioned Rs.40.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

**MY DENTAL CARE**



My Dental Care is located at Papum Pare District, Arunachal Pradesh. NEDFi sanctioned Rs.35.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

**RANGDHALI E-MOTORS**



Rangdhali E-Motors is a E-rickshaw showroom and servicing centre located at Barpeta, Assam. NEDFi sanctioned Rs.35.00 lakh under Enterprise Development Scheme (EDS) for its expansion.



**RINCHIN DROMA HOME STAY**



Rinchin Droma Home Stay is located at West Kameng District, Arunachal Pradesh. NEDFi sanctioned Rs.35.00 lakh under NEDFi Opportunity Scheme for Small Enterprises (NOSSE) for setting up the unit.

**RAJENDRA PRASAD RADHESHYAM**



Rajendra Prasad Radheshyam is a readymade garment trading unit located at Guwahati, Assam. NEDFi sanctioned Rs.25.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

**NEW KALACHAND BHANDER**



New Kalachand Bhander is a utensils and decorative items trading unit located at Dharmanagar, North Tripura. NEDFi sanctioned Rs.30.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

**MODERN LIVING**



Modern Living is a furniture unit located at Guwahati, Assam. NEDFi sanctioned Rs.25.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

**CINDY ENTERPRISE**



Cindy Enterprise is a guest house located at Lunglei, Mizoram. NEDFi sanctioned Rs.25.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**LIFE PRO**



Life Pro is a sound, video & event management unit located at Kohima, Nagaland. NEDFi sanctioned Rs.25.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

**AADEEP TRADERS**



Aadeep Traders is a bakery ingredient products unit located at Guwahati, Assam. NEDFi sanctioned Rs.25.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

**TRANSCENDENT DENTAL CLINIC**



Transcendent Dental Clinic is located at Agartala, Tripura. NEDFi sanctioned Rs.25.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

**VINCA LODGE**



Vinca Lodge is located at Namchi, South Sikkim. NEDFi sanctioned Rs.25.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**VOUGE**



Vouge is a ready-made garments unit located at Hojai, Assam. NEDFi sanctioned Rs.25.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**KRISHI HOMADHAN**



Krishi Homadhan is an agricultural and livestock related products unit located at Dhemaji, Assam. NEDFi sanctioned Rs.25.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

**ARGHYA ENTERPRISE**



Arghya Enterprise is a retail & wholesale construction materials unit located at Sabroom, South Tripura. NEDFi sanctioned Rs.23.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

**SWEET NURSERY**



Sweet Nursery is located at Barpeta, Assam. NEDFi sanctioned Rs.21.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

**NEW BANIK ENTERPRISE**



New Banik Enterprise is a wholesale/retail trading unit of rexine fabric materials located at Agartala, Tripura. NEDFi sanctioned Rs.20.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

**DAKSHIN UDYAVAN**



Dakshin Udyavan is a restaurant located at Guwahati, Assam. NEDFi sanctioned Rs.20.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**HEALTH CARE DIAGNOSTIC CENTRE AND POLYCLINIC**



Health Care Diagnostic Centre and Polyclinic is located at Sepahijala, Tripura. NEDFi sanctioned Rs.20.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**RITIK INTERIOR SHOPEE**



Ritik Interior Shoppee is a hardware & interior fittings unit located at Guwahati, Assam. NEDFi sanctioned Rs.20.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

**FLAVOUR'S RESTAURANT**



Flavour's restaurant is located at Namchi, South Sikkim. NEDFi sanctioned Rs.20.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**M. P. TRADERS**



M.P. Traders is a hardware store located at Guwahati, Assam. NEDFi sanctioned Rs.20.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**WINTER CASTLE**



Winter Castle is a hotel cum restaurant located at Lachung, North Sikkim. NEDFi sanctioned Rs.20.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**RAMTHAKUR JEWELLERS**



Ramthakur Jewellers is located at Gomati Tripura. NEDFi sanctioned Rs.20.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**NEW SIULI MEDICAL HALL**



New Siuli Medical Hall is located at Gomati Tripura. NEDFi sanctioned 18.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

**CHAWNGFIANGA MEMORIAL SCHOOL**



Chawngfianga Memorial School is located at Lunglei, Mizoram. NEDFi sanctioned Rs.16.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

**UNNATH ENTERPRISES**



Unnath Enterprises is a hardware store located at Changlang, Arunachal Pradesh. NEDFi sanctioned Rs.15.00 lakh under the Enterprises Development Scheme (EDS) for its expansion.

**M/S EZZYFIT GYM**



EzzyFit Gym is located at Guwahati, Assam. NEDFi sanctioned Rs.15.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**HAVELLS STORE**



Havells Store is located at Gomati Tripura. NEDFi sanctioned Rs.15.00 lakh under Enterprise Development Scheme (EDS) for setting up the unit.

**BAWMRANG STUDIO**



Bawmrang Studio is located at Aizawl, Mizoram. NEDFi sanctioned Rs.10.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**PMR CENTRE**



PMR Centre is a medical clinic located at Shillong, Meghalaya. NEDFi sanctioned Rs.10.00 lakh under Healthcare Development Scheme (HDS) for setting up the unit.

**AMA ENGINEERING**



Ama Engineering is a car detailing studio located at Papum Pare District, Arunachal Pradesh. NEDFi sanctioned Rs. 10.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**FUN WORLD**



Fun World is a soft play area for kids with restaurant located at Kohima, Nagaland. NEDFi sanctioned Rs.10.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**RNS AGENCIES**



RNS Agencies is a departmental store located at Papum Pare, Arunachal Pradesh. NEDFi sanctioned Rs.10.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**PROJECT FITNESS**



Project Fitness is a fitness center located at Aizawl, Mizoram. NEDFi sanctioned Rs.10.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

**PAMPA PIGGERY & GOAT FARM**



Pampa Piggery & Goat Farm is located at Dharmanagar, North Tripura. NEDFi sanctioned Rs.10.00 lakh under Enterprise Development Scheme (EDS) for setting up the unit.

**KEN BAG INDUSTRIES**



Ken Bag Industries is a bag manufacturing unit located at Imphal West, Manipur. NEDFi sanctioned Rs.10.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

**HAV' A SIT**



Hav' A Sit is a restaurant located at Guwahati, Assam. NEDFi sanctioned Rs.10.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**SETE BOXING ACADEMY**



Sete Boxing Academy is located at Aizawl, Mizoram. NEDFi sanctioned Rs.10.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

**JACOB VILLA**



Jacob Villa is a resort located at Lunglei, Mizoram. NEDFi sanctioned Rs.10.00 lakh under Women Enterprises Development Scheme (WEDS) for setting up the unit.

**BODHUBORON**



Bodhuboron is a readymade garment trading unit located at Unakoti, Tripura. NEDFi sanctioned Rs.10.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

**LORES WEAVING UNIT**



Lores Weaving Unit is located at Kohima, Nagaland. NEDFi sanctioned Rs. 10.00 lakh under Women Enterprises Development Scheme (WEDS) for its expansion.

**PAKHA HOMESTAY**



Pakha Homestay is located at Namchi, South Sikkim. NEDFi sanctioned Rs.10.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**SUBALA HOTEL & RESTAURANT**



Subala Hotel & Restaurant is located at Baksa, Assam. NEDFi sanctioned Rs. 10.00 lakh under the North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**MESH ACADEMY**



Mesh Academy is a HS School located at Shillong, Meghalaya. NEDFi sanctioned Rs.10.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**CLASSIC CAFE**



Classic Cafe is a restaurant located at Lunglei, Mizoram. NEDFi sanctioned Rs. 10.00 lakh under the North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**MAHABIR FOOD PRODUCTS**



Mahabir Food Products is Noodle manufacturing unit located at Renters Colony, Agartala, Tripura. NEDFi sanctioned Rs.10.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

**DO THE GYM**



Do The Gym is located at Tezpur, Assam. NEDFi sanctioned Rs. 10.00 lakh under the North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

**DENZONG HIMALAYAN INCENSE**



Denzong Himalayan Incense is an incense sticks and noodles manufacturing of unit located at Gangtok, Sikkim. NEDFi sanctioned Rs.10.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**ZOPAR VARIETY STORE**



Zopar Variety Store is a handicraft unit located at Aizawl, Mizoram. NEDFi Sanctioned Rs.9.00 lakh under Women Enterprises Development Scheme (WEDS) for its expansion.

**EMMAI RESTAURANT**



EMMAI Restaurant is located at Kohima, Nagaland. NEDFi sanctioned Rs.9.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.



**VS DENTAL CLINIC**



VS Dental Clinic is located at Dimapur, Nagaland. NEDFi Sanctioned Rs.9.00 Lakh under Women Enterprises Development Scheme (WEDS) for setting up the unit.

**ECO FRIENDLY**



Eco Friendly is a biodegradable leaf plates & bowls manufacturing unit located at Chumukedima, Nagaland. NEDFi sanctioned Rs.9.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for expansion of the unit.

**GUWAHATI EYE N MULTISPECIALITY CENTER**



Guwahati Eye N Multispeciality Center is located at Guwahati, Assam. NEDFi sanctioned Rs.8.50 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

**GREEN ROCKET TV**



Green Rocket TV is an audio visual and art production unit located at Aizawl, Mizoram. NEDFi sanctioned Rs.8.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

**AB ENTERPRISE**



AB Enterprise is a paper napkin manufacturing unit located at Tinsukia, Assam. NEDFi sanctioned Rs.7.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**H.W. AUTO SPARE PARTS**



H.W. Auto Spare Parts is located at West Khasi Hills District, Meghalaya. NEDFi sanctioned Rs.7.00 lakh under Enterprise Development Scheme (EDS) for its expansion.

**BITOPAN BELL METAL & BRASS METAL INDUSTRY**



Bitopan Bell Metal & Brass Metal Industry is located at Barpeta, Assam. NEDFi sanctioned Rs.7.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for its expansion.

**LENBUANG HANDLOOM AND HANDICRAFT**



Lenbuang Handloom and Handicraft is located at Aizawl, Mizoram. NEDFi sanctioned Rs.5.00 lakh under Women Enterprises Development Scheme (WEDS) for its expansion.

**NEELAM BEAUTY PARLOUR**



Neelam Beauty Parlour is located at Namchi, South Sikkim. NEDFi sanctioned Rs.5.00 lakh under the Women Enterprise Development Scheme (WEDS) for its expansion.

**WABI-SABI ART STORE**



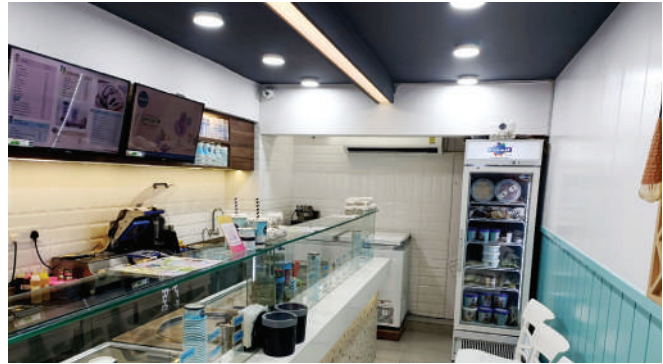
Wabi-Sabi Art Store is a resin art workshop located at Shillong, Meghalaya. NEDFi sanctioned Rs.5.00 lakh under Women Enterprise Development Scheme (WEDS) for setting up the unit.

**LRT HAIRCUT**



LRT Haircut is a Men's Hair Salon located at Aizawl, Mizoram. NEDFi sanctioned Rs.5.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

**SR ENTERPRISE**



SR Enterprise is a ice cream parlor located at Tezpur, Assam. NEDFi sanctioned Rs.5.00 lakh under North East Entrepreneurs Development Scheme (NEEDS) for setting up the unit.

## MICRO LENDING

NEDFi Micro Lending Scheme (NMLS) is a strategic initiative designed to empower micro borrowers, particularly women, in the North Eastern region by providing affordable credit and reducing dependence on high-interest informal lending. By collaborating with experienced Business Correspondents and utilizing innovative financial tools, the scheme prioritizes inclusive economic development, employment generation and the upliftment of socially vulnerable groups, driving significant socio-economic transformation in the North East. NEDFi aims to extend its services to remote areas, lowering credit costs for first-generation entrepreneurs. Below are some examples of how NMLS has positively impacted the lives of its beneficiaries.

### SUMINA RAI



Sumina Rai, a resident of Pakyong, Ranipool, Sikkim, was running a small grocery store with limited stock. After learning about the NEDFi Micro Lending Scheme through NEDFi's Business Correspondent, UNACCO Financial Services Pvt. Ltd., she was sanctioned a loan of ₹2.00 lakh. Sumina used the loan to expand her inventory, enabling her to stock a wider variety of grocery items. As a result, her sales increased, her business improved significantly, and her income grew, ultimately enhancing her quality of life. Her success story became an inspiration to others in her locality.

### JHUNU SARMA



Jhunu Sarma, a resident of Tikrikilla in West Garo Hills, Meghalaya, is the backbone of a family of four. Their primary source of income comes from running a tea and sweet shop. To expand their business, Jhunu Sarma secured a loan of ₹2 lakh under the

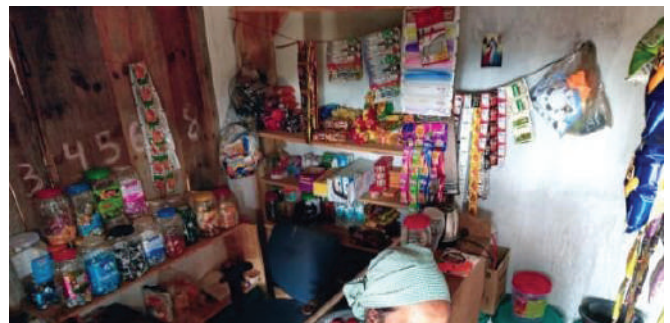
NEDFi Micro Lending Scheme, facilitated by NEDFi's Business Correspondent, M/s Grameen Development & Finance Pvt Ltd. This financial support allowed the family to upgrade their shop's facilities and services, adding new bakery items, which boosted overall sales and significantly increased the family's net income.

### SANGITA RANA



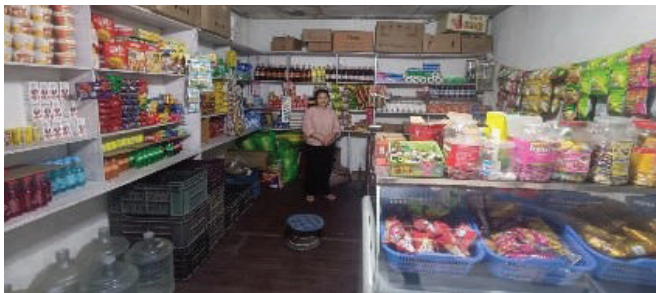
Sangita Rana, a resident of Namchi, Sikkim, had been supporting her family by selling vegetables. To achieve greater financial stability, she decided to expand her business and secured a loan of ₹1 lakh under the NEDFi Micro Lending Scheme, through NEDFi's Business Correspondent, UNACCO Financial Services Pvt Ltd. With the loan, she increased her stock of high-demand vegetables, which enabled her to grow the business. As a result, her income improved, providing better financial security for her family.

### MARGARITA THANGKHEW



Margarita Thangkiew, a resident of Nongkesh, Meghalaya, learned about the NEDFi Micro Lending Scheme through NEDFi's Business Correspondent, M/s Grameen Development & Finance Pvt. Ltd. With a loan of ₹1 lakh, she and her husband, Martin Mayllem Umlong, opened a grocery shop. Their unwavering dedication and collaborative efforts have led to a thriving business, demonstrating how even modest ventures can drive significant change, providing both economic empowerment and a strong sense of community in their area.

**NUNGSANGYULA**



Nungsangyula, a resident of Officers Hill, Kohima, Nagaland, began her entrepreneurial journey with a microfinance loan from M/s Grameen Development & Finance Pvt Ltd to start a grocery store. After years of successful operation, she expanded her business by securing Rs. 1 lakh loan under the NEDFi Micro Lending Scheme, setting up a grocery mart near New Life Church. Her venture not only provided the community with essential daily supplies but also created local job opportunities, showcasing how financial support and hard work can significantly enhance livelihoods and drive positive change.

**VERONICA SAIHMINGLIANI SAILO**



Veronica Saihmingliani Sailo, a resident of Luangmual, Aizawl, Mizoram, co-manages an auto repair workshop with her husband, John Varhmingliana Royte. To expand their business, Veronica secured a Rs. 1.50 lakh loan under the NEDFi Micro Lending

Scheme through BC M/s Grameen Development and Finance Private Limited. This loan enabled her to purchase essential tools and equipment, enhancing their services and attracting more customers. Thanks to her hard work and the financial support, Veronica has established herself as a successful auto mechanic in Luangmual and the surrounding areas.

**ALEMLA JAMIR**



Alemla Jamir, from Aoyimkum Village, Dimapur, Nagaland, aspired to open her own grocery store. With learned about NEDFi Micro Lending Scheme from NEDFi's Business Correspondent, M/s Grameen Development and Finance Pvt. Ltd. and secured a Rs. 2.00 lakh loan. This funding allowed Alemla to rent a space in her village and establish her store. Her business quickly gained popularity, attracting a steady stream of local customers. Alemla's success story highlights the significance of supporting rural entrepreneurs and demonstrates how targeted financial assistance can transform aspirations into reality.

**LANUCHILA AIER**



Lanuchila Aier, a resident of Aokong Colony in Dimapur, Nagaland, had long aspired to run her own beauty parlour. With the backing of her husband, Lanuchila secured a loan of Rs. 1.10 lakh under the NEDFi Micro Lending Scheme from the Business Correspondent of NEDFi, M/s Grameen Development and Finance Private Limited. This support enabled Lanuchila to realize her entrepreneurial dream, provide financial stability for her family, and create employment opportunities within her community.

## ADVISORY & CONSULTANCY

NEDFi offers a comprehensive range of advisory and consultancy services across key sectors including Government and Public Sector Advisory, Monitoring & Evaluation, Program Implementation Support, Training & Capacity Building, Engineering Services and Management Consultancy. The primary domains of these services are Agriculture & Allied, Food Processing, Handloom, Textile & Handicrafts, Tourism & Hospitality, Urban Infrastructure, Water Resources, Natural Resources Management, Environment & Forest, Education & Skill Development and IT & ITES Sectors.

### GOVERNMENT AND PUBLIC SECTOR ADVISORY:



Launch of NEC Yearbook 2024 by Hon'ble Minister of Home Affairs, Shri Amit Shah at 71<sup>st</sup> Plenary Session of NEC.

NEDFi delivers practical solutions to address multiple challenges faced by Central & State Governments as well as Public Sector organizations. These services focus on areas such as public policy, vision formulation, strategic planning, governance and sustainability strategies. Key assignments completed include the NEC Yearbook 2024, Connectivity Projects Study for NER & Neighboring Countries, Resource Mapping & Development Plan for BTR, Study to Reduce Road Accidents in Meghalaya, Bamboo Resource Assessment in Assam and Impact Assessment Study of NEC-funded projects.

### MONITORING & EVALUATION (M&E):



Third Party Inspection of Jal Jeevan Mission (JJM) Schemes in Meghalaya

M&E services of NEDFi focus on improving the projects implemented by Government both at Central and State level by offering solutions such as Concurrent Process Monitoring, Post Implementation Evaluation, Impact Assessment & Performance Audit. Significant projects include Third Party Inspections for the Jal Jeevan Mission in Meghalaya and Tripura, Third Party Monitoring of PMGSY Roads in Arunachal Pradesh, Meghalaya & Assam, Third Party Quality Monitoring of CSS & State Funded Projects in Arunachal Pradesh and Third Party Quality Monitoring of 852 dwelling units under PMAY (U) in Meghalaya.

### PROGRAM IMPLEMENTATION SUPPORT:



Launch of the portal and app on NE-RACE by Hon'ble Union Minister of Communications and Minister of DoNER, Shri Jyotiraditya Scindia on 12th July, 2024 at NEC Office, Shillong.

This service 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 project 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



*Exhibiting the products under APART Project to Shri Chanchal Kumar, Secretary, MDoNER*



*Training Programme on Natural Dye and Banana Fibre under the project on Entrepreneurship Development Programme (EDP) for New/Existing Entrepreneurs*



*Career Counselling Session for the students of Class 12 at Kendriya Vidyalaya, IIT-G under "Advancing North East"*

of MDoNER & NEC schemes in NER, 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. NEDFi has also developed NE-RACE portal, an information repository for Agri-Horti products of NER.

**TRAINING & CAPACITY BUILDING:**

Capacity Building & Institutional Strengthening services focuses on capacity building and upgrading the operational capabilities of clients for implementing various projects, regular training of various departments to improve their operational capabilities, advising policy makers, central and state government & its agencies in developing systems to create responsive institutional and administrative structures. NEDFi is working on projects Entrepreneurship Development Programme (EDP) for New/Existing Entrepreneurs.

**ENGINEERING SERVICES:**



*Survey works for Short Landing Strips in Nagaland*

Engineering Services of NEDFi aims at Infrastructure requirements of multiple sectors of Economy focusing on services related to Project Management Consultancy (PMC) that involves project conceptualization, feasibility studies, detailed project reports and supervision of construction works. Current assignments include the DPR preparation for Short Landing Strips in Nagaland and DPR for an Integrated Bamboo Park in Assam.

## VENTURE CAPITAL

NEDFi, in collaboration with the Ministry of Development of North Eastern Region (M-DoNER), established the North East Venture Fund (NEVF) with a corpus of ₹100 crore to support first-generation entrepreneurs and address the equity capital gap in the North Eastern Region. Managed by NEDFi Venture Capital Ltd. (NVCL), a wholly-owned subsidiary of NEDFi, NEVF is registered as an Alternate Investment Fund (AIF) - Category I (VCF) with SEBI. Expanding its efforts to strengthen the startup ecosystem, NVCL launched the NRL Ideation Angel Fund with a corpus of ₹35 crore in FY 2023-24, contributed by Numaligarh Refinery Limited (NRL) and NEDFi, and the Manipur Startup Venture Fund with ₹30 crore, in collaboration with the Government of Manipur. Both funds are registered as AIF - Category I with SEBI. NVCL has been instrumental in promoting innovation and entrepreneurship, creating a robust ecosystem for startups and early-stage companies in the region. A few success stories of beneficiaries are given below.

### TGG TECHNOLOGY



TGG Technology Private Limited, under its brand "ChfMart," offers an online platform that simplifies the ordering process for restaurants and hotels of all sizes. By bringing the entire supply chain online, ChfMart enables food service professionals to place and manage orders, communications, invoices, and payments—all in one place. The platform's goal is to digitize traditionally paper-driven processes, allowing stakeholders to spend less time on operations and focus more on creating exceptional food. Currently, the company serves 282 clients in Guwahati and 52 across other states in North East India.

### IMAGE3D CONVERSION



Empowered with i3dc's Cutting-Edge Technologies in **3D Planning, Design and Manufacturing**

Image 3D Conversion Private Limited is a Guwahati based company which has pioneered digital dentistry applications in India. It offers services such as implant planning & 3D printing of surgical guides, imparts training of dental practitioners on digital dentistry methodologies, distributorship of Blue-Sky Bio 3D planning software and the Company has forayed in the clear aligner market with investment from NEVF.

### BINBAGS ENVIRONMENT



Binbag Environmental Services Pvt. Ltd. (BESPL) is an e-waste management company having pan-India operations. The company offers end-to-end e-waste management services using their digital platform – 'Binbag'. The Company, through its wholly owned subsidiary, Binbag Recycling Services Pvt. Ltd. (BRSPL) is operating two e-waste recycling plants at Hindupur, Andhra Pradesh and Guwahati, Assam with a combined capacity of 420 TPA.

**INITIATIVES IN ADVANCING THE STARTUP ECOSYSTEM IN NER**

NEDFi has taken several initiatives to advance the startup ecosystem in the North Eastern Region, offering expertise as a jury member, mentor & panelist in venture funding and business development. Below are key events where NEDFi has played a pivotal role in driving the region's startup ecosystem forward.



Shri Chanchal Kumar, IAS, Secretary of MDoNER, visited NEDFi's stall during the Vibrant Gujarat Global Summit 2024, held from January 10-12 in Gandhinagar, Gujarat, where NEDFi facilitated the participation of investee companies.



Shri PVSLN Murty, CMD of NEDFi, participating in the panel discussion and cheque distribution ceremony at the Northeast Startup Summit, on January 29, 2024, at Hotel Vivanta, Guwahati, highlighting the region's startup ecosystem.



NEDFi served as jury member in Equity Research Challenge organized by Finance & Economics Club - IIT, Guwahati in the month of January 2024



NEDFi team served as jury member in Pitching Competition at NE Vent 2, held at The Hub Jorhat in May 2023.



NEDFi team served as jury members for the PRIME Meghalaya Chief Minister's E-Championship Challenge 4.0 Pitching Program in Tura, November 2023.



NEDFi participating in panel discussions at Startup Mahakumbh 2024, held in March at Bharat Mandapam, New Delhi.



## TECHNO ECONOMIC DEVELOPMENT FUND (TEDF)

The Techno Economic Development fund (TEDF) of NEDFi undertakes techno economic feasibility studies for resource mapping and identification of investment potential, sector specific and state specific techno economic project profiles for entrepreneurs and prospective investors, strategic plans and road maps in crucial sectors for policy implementation by North East State governments.



Study review by expert committee for TEDF study on, 'Value Addition to Tea with special reference to the small tea growers of the NER'.



Presentation meeting on TEDF with Senior Economic Advisor, MDoNER & Chairman, TEDF at N. Delhi.



Discussion on TEDF study proposals from Nagaland with Principal Secretary & Development Commissioner, Planning and Transportation Department Nagaland.



Stakeholder cum Draft Final Report Presentation & expert review of the TEDF study on, 'Urban Renewal in Towns and Cities of Meghalaya and Measures for transforming them as Engines of Sustainable Growth and Development' at Shillong Secretariat.



Agreement signing with IIT Guwahati for the TEDF study on, 'Survey and Studies on Remediation of Microplastic on shorelines of Brahmaputra River'.



Final Report Presentation Meeting of the TEDF study on, 'Resource Mapping of the Bodoland Territorial Region (BTR) and Pre-Investment Feasibility Study for BTR'.

## CORPORATE SOCIAL RESPONSIBILITY

NEDFi's Corporate Social Responsibility (CSR) policy focuses on women empowerment, development of craft sector in rural & backward areas, promoting health care including preventive health 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 Loin Loom held at Dimapur, Nagaland in January 2024



Training programme on Banana Fiber Craft for artisans of Mizoram, Nagaland and Assam held at Craft Incubation Centre, Khetri in September, 2023



Training on Cane, Bamboo, Water Hyacinth, and Banana Fiber Craft for Bhutanese Artisans held at Craft Incubation Centre, Khetri where BCCI, Vice President along with other officials participated in the Valedictory Programme



Training programme on Cane and Bamboo Craft at Sokhymphore Village, Meghalaya in the month of November/December 2023



Training programme on Handloom at Dima Hasao, Assam in the month of June/July 2023



NEDFi provided nutritional support to 100 TB patients in Baksa district under the Pradhan Mantri TB Mukta Bharat Abhiyan



NEDFi organized Awareness Program on Organ Donation in NE region



National Organ Day Celebration at NEDFi House, Guwahati



NEDFi organized Medical Health Camp in Assam in association with Sewa Bharati Purvanchal, Guwahati



NEDFi participated in Bharat Tex Exhibition held at New Delhi, in February, 2024



NEDFi participated in IHGF Spring held at NEDFi Pavillion, Greater Noida in the month of February 2024



Hon'ble Union Minister of DoNER, Sri G. Kishan Reddy and Hon'ble Minister of Earth Sciences and Food Processing, Govt of India Sri Kiran Rijju visited NEDFi Stall at North East Sammelan at Ambedkar Centre, New Delhi in February 2024



Hon'ble Minister of Industries & Commerce, Govt. of Assam, Shri Bimal Borah visited NEDFi Stall at Siu-Ka-Pha Divas Exhibition at Tingkhong, Assam in December 2023



Addnl. C S, Govt. of Assam Dr. Ravi Kota, IAS visited NEDFi stall at IITF, New Delhi in November 2023



NESHILP participated in Silk N Dye Festival held at Kaziranga, Assam in December 2023

**VISIT**



Shri Jyotiraditya M. Scindia, Hon'ble Union Minister of Communications and DoNER, accompanied by Shri Ashok Singhal, Hon'ble Minister, Department of Housing and Urban Affairs & Irrigation Department, Govt. of Assam, interacting with the NEDFi assisted micro entrepreneurs and start ups at NEDFi House on 27th July 2024

**EK PED MAA KE NAAM**



Hon'ble Union Minister Shri Jyotiraditya Scindia planted a tree under Ek Ped Maa Ke Naam campaign at NEDFi House premises on 27th July 2024



Shri Chanchal Kumar, IAS, Secretary, Ministry of DoNER (GoI) planted a tree under Ek Ped Maa Ke Naam campaign at NEDFi House premises on 13th July 2024

## AWARDS



NEDFi received SKOCH Award 2023 under Finance Gold category for NEDFi Micro Lending Scheme



MD Leadership Award at the 6th India BFSI Conclave & Awards organized by Governance Now



NEDFi received 5th Editions of ETBFSI Excellence Awards 2023 under Category: Operations Excellence Initiative of the Year [NBFC / Housing Finance / Micro Finance Companies]



North East Brand Leadership Awards by CMO Asia



Bizox Media Network Leaders Awards 2024

## MoU



Shri PVSLN Murty, CMD of NEDFi, and Dr. USN Murty, Director of NIPER, signed an MoU to collaborate on fostering the startup ecosystem in the North Eastern Region (NER)



Signing of an MoU between Govt of BTR represented by Hon'ble CEM of BTR Shri Pramod Boro and NEDFi represented by Executive Director Shri S K Baruah for industrial growth and employment generation in BTR



MoU signed by Shri S.K. Baruah, Executive Director, NEDFi and Shri Ravi Pokharna, Executive Director, Pehle India Foundation for socio-economic related studies in NER.



An MoU was signed by Shri Ashim Kr. Das, General Manager of NEDFi, and Shri Sai Singh Khongrymmai, Group General Manager and Regional Head (NERPO) of RITES Limited for jointly taking up infrastructure development projects in NER.

## INCORPORATION DAY



NEDFi Celebrated 29th Incorporation Day

## INTERNATIONAL YOGA DAY



International Yoga Day celebrated at NEDFi House, Guwahati

## NATIONAL SPORTS DAY



National Sports Day celebrated at NEDFi House, Guwahati

## HINDI WEEK



नेड्फी ने मनाया हिंदी सप्ताह



## INDEPENDENCE DAY



Independence Day celebration at NEDFi House, Guwahati.  
Shri PVSLN Murty, CMD NEDFi felicitating Ex Army personnel on the occasion of Independence Day

## BUSINESS MEETS



ARUNACHAL PRADESH



ASSAM



MEGHALAYA



MIZORAM



NAGALAND



SIKKIM



TRIPURA

## VIGILANCE AWARENESS WEEK

### Head Office



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



Prize distribution of slogan competition on the theme "Say no to Corruption; commit to the Nation" in NEDFi House, Guwahati



Photo of Speech Session with special emphasis on theme "Say no to Corruption; commit to the Nation" at Hatigaon High School, Guwahati

### Branch Offices



Itanagar Branch



Imphal Branch



Shillong Branch



Kohima Branch



Aizawl Branch



Namchi Branch



Udaipur Branch

Vigilance Awareness Week was observed in Branch Offices of NEDFi in all the North Eastern States

## 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. RAVI KOTA, IAS



**Dr. Ravi Kota, IAS**, Chief Secretary to the Govt. of Assam, brings with him over 30 years of distinguished service. A 1993 batch officer of the Assam-Meghalaya cadre and a gold medalist with a Ph.D. in Agronomy, Dr. Kota has excelled in various key governmental roles, both in India and abroad. His expertise includes pivotal positions such as Additional Chief Secretary, Home & Political and Industries, Commerce & Public Enterprises Departments in Assam. Internationally, he has represented India as the Minister (Economic) at the Indian Embassy in Washington, D.C., where he played a crucial role in strengthening India-US economic relations, managing monetary issues and attracting global investments. Dr. Kota's substantial contributions to India's fiscal policy, particularly during his tenure as Joint Secretary in the Fifteenth Finance Commission and as Principal Finance Secretary in Assam, highlight his adeptness in navigating complex financial landscapes. He also handled matters related to the World Bank, IMF and the US-India Clean Energy and Climate Partnership 2030, further underscoring his wide-ranging expertise.

### SHRI DONALD PHILLIPS WAHLANG, IAS



**Shri Donald Phillips Wahlang, IAS**, Chief Secretary to the Govt. of Meghalaya, is a 1993 batch officer of the Assam-Meghalaya Joint Cadre. With over 30 years of experience in the government, predominantly in the social sector, Mr. Wahlang has served in various key capacities. His roles have spanned departments such as Information & Technology, Health & Family Welfare, Finance (including banking operations), Sports & Youth Affairs, Labour, Community & Rural Development, Urban Affairs, Education, and Public Health Engineering in the Govt. of Meghalaya.

A graduate in Electronics and Electrical Engineering, Shri Wahlang also holds a Post Graduate Degree in Management from the Indian Institute of Management, Calcutta. Before joining the Indian Administrative Service, he worked in the private sector. Beyond his professional achievements, he is an enthusiastic athlete, footballer, marathon runner, swimmer and a musician.



**DR. MD. NAZMUDDIN, IES**

**Dr. Md. Nazmuddin, IES**, Sr. Economic Adviser to the Government of India at the Ministry of Development of North Eastern Region, has a distinguished career spanning over 30 years in the Indian Economic Service (IES). He holds a Ph.D. in Economics from Jawaharlal Nehru University and has specialized in development economics, finance, infrastructure, and the textiles sector.

Throughout his career, Dr. Nazmuddin has held prominent positions in key government departments, including NITI Aayog, Ministry of Textiles, Department of Telecommunications, and Ministry of Defence. His vast experience includes formulating policies in crucial areas such as transport, telecom, defence production and public finance. Dr. Nazmuddin has attended training programs at Duke University and IIM Lucknow, further enhancing his expertise. He also attended six monthly training programme at IDE Advanced School (IDEAS), Japan.

He is also a prolific author, having contributed extensively on topics like the development of the handloom sector and foreign direct investment in telecom. His expertise spans planning, infrastructure, public finance, and labour economics, with focus on rural development and industrial policy.



**SHRI UGEN TASHI**

**Shri Ugen Tashi** is the Executive Director, Human Resources, Training, Administration and Infrastructure Management Department at IDBI Bank Ltd. He holds a Bachelor's Degree in Technology and a Master's 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 areas of Venture Capital, Corporate Finance, MSME Finance and Retail Banking.



**SHRI S. RADHAKRISHNAN**

**Shri S. Radhakrishnan** is the Chief General Manager, State Bank of India (SBI), Guwahati Circle, overseeing operations across seven North Eastern states. He joined SBI as a Probationary Officer in 1994 and has since held numerous key assignments within the Bank. Prior to his current role, he served as CGM Operations at SBI's Corporate Centre in Mumbai, where he was responsible for banking operations, KYC compliance and managing outsourcing arrangements.

With a banking career spanning three decades, Shri Radhakrishnan has extensive experience across various domains, including Retail Banking, International Banking and Operations. He has served in several locations across India, as well as in SBI's offices in Singapore and New York, further enriching his global banking expertise.



### SHRI BIBEKANANDA ACHARYA

**Shri Bibekananda Acharya** represents the LIC of India as a Nominee Director at NEDFi, where he served in the Director cadre. He holds a Post Graduate degree in Agriculture, a Post Graduate Diploma in Computer Applications, a Diploma in Health Insurance, and a Fellowship from the Insurance Institute of India.

With over 34 years of distinguished service at LIC, Shri Acharya held multiple leadership roles across four zones, driving improvements in operations and key organizational metrics. A people-centric leader, he is known for his ability to mentor, motivate, and optimize teams. His expertise spans Sales & Marketing, Customer Relationship Management, Human Resources Management, Finance & Accounts and Training, particularly in leadership development and sales methodologies. With a strategic mindset and comprehensive exposure to the insurance sector, Shri Acharya continues to contribute as a socially conscious leader, supporting NEDFi's mission of catalyzing economic development in the North Eastern Region of India.



### SHRI ANOOP KUMAR

**Shri Anoop Kumar** 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.



**MS. NANDITA HAZARIKA**

**Ms. Nandita Hazarika**, is a retired civil servant from the Government of Assam, with over 27 years of distinguished service. She retired as Additional Secretary & State Mission Director of the Assam State Rural Livelihood Mission, where she played a pivotal role in developing and implementing livelihood strategies aimed at empowering poor rural women, guiding them towards sustainable livelihoods.

Before her work in the livelihood sector, Ms. Hazarika was a State Coordinator for disaster management in Assam, working on the UN Disaster Risk Reduction Project. She was on deputation to the United Nations Development Programme (UNDP) for nearly a decade, where she contributed significantly to disaster management efforts.

She was also selected as an ITEC expert by the Government of India and was assigned to Mauritius for one and a half years as an ITEC expert for conducting a Training Needs Assessment (TNA) of the Mauritius Civil Service in Port Louis, Mauritius.

Ms. Hazarika is also a Master Trainer of the Government of India and has developed various training modules including one which she had co-authored on Gender and Disaster Management which has been published by UNDP, India & Ministry of Home Affairs, Government of India. She was developed as a trainer on Gender & Disaster Management by UNDP at Colombo, Sri Lanka and has the experience of training the Afghanistan National Disaster Management Authority officials on Gendering Disaster Risk Reduction which was held at Kabul, Afghanistan. She has also been trained on Distance Learning at Manchester University and has prepared distance learning training modules on Assam Civil Service Conduct Rules, Discipline and Appeal Rules and Assam Leave Rules.

Presently she has been nominated as Director (Independent) NEDFi.

She is also involved in public and social welfare activities through Socio Educational Welfare Association (SEWA) <https://sewango.org>, an NGO focused on Elderly Care, TI (AIDS) Project, Sustainable livelihoods, Mental Health, Natural Farming, Gender Awareness etc.

## DIRECTORS' REPORT

The Directors of your Corporation have the pleasure in presenting their 29<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the financial year ended March 31, 2024 (FY 24).

### FINANCIAL REVIEW

The Standalone financial results for the year are highlighted below:

(₹ in Crore)

Financial Year	2023-24	2022-23
Authorised Capital	500.00	500.00
Paid up Capital	100.00	100.00
Net worth	1113.44	1026.68
Loan Outstanding	1833.51	1554.10
Capital to Risk (Weighted) Assets Ratio (CRAR) (%)	55.72	61.28
<b>Working Results</b>		
Gross Income	239.22	207.50
Interest Income	172.29	142.14
Non-Interest Income	66.93	65.36
Gross Expenditure	106.85	91.58
Profit Before Tax	132.37	115.92
Tax Expenses	32.17	35.92
Profit After Tax	100.20	80.00
Earning per share (in ₹)	10.09	8.39

The Consolidated financial results for the year are highlighted below:

(₹ in Crore)

Financial Year	2023-24	2022-23
Total Income	242.11	209.68
Total Expenses	108.85	93.67
Profit Before Tax	133.26	116.01
Tax Expense	32.22	35.94
Profit After Tax	101.04	80.07
Earnings Per Share (₹)	10.18	8.39

## PERFORMANCE OF THE CORPORATION

During the year under review NEDFi's sanctions and disbursements were ₹846.37 crore and ₹657.38 crore against the previous year's figure of ₹798.03 crore and ₹741.14 crore respectively. As on March 31, 2024, the Corporation had extended financial assistance to 19,916 projects with cumulative sanctions & disbursements of ₹8231.40 crore and ₹6347.69 crore respectively. The loan outstanding as on March 31, 2024 was ₹1833.51 crore against ₹1554.10 crore in the previous year.

The gross income of the Corporation grew year-on-year by 15.29% to ₹239.22 crore against ₹207.50 crore. The interest income grew by 21.21% to ₹172.29 crore against ₹142.14 crore in the previous year and non-interest income increased by 2.40% to ₹66.93 crore from ₹65.36 crore. The gross expenditure increased by 16.67% to ₹106.85 crore from ₹91.58 crore. Gross profit of the Corporation increased by 14.19% to ₹132.37 crore against ₹115.92 crore and net profit increased by 25.25% to ₹100.20 crore against ₹80.00 crore in the previous year.

The gross NPAs of the Corporation reduced to 3.10% as on March 31, 2024 from 3.34% in the previous financial year while the net NPAs increased to 1.25% from 1.12%.

The Capital Adequacy Ratio was 55.72% as on March 31, 2024, against 61.28% 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.

As per the requirement of regulations under RBI, the Corporation has transferred the following amounts to various reserves during the financial year ended March 31, 2024:

Amount transferred to	₹ in crore
Statutory Reserve	20.04
Special Reserve	13.18

## 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 ₹43.15 crore and disbursed ₹41.45 crore under the Micro Finance Scheme. As of March 31, 2024, the cumulative sanctions and disbursements, under the scheme reached ₹1035.11 crore and ₹1027.67 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 ₹69.14 crore to 5958 borrowers under the Scheme. As on March 31, 2024, an amount of ₹104.36 crore was extended to 8808 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, 18 business meets were conducted with participation of 703 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, 1105 first generation entrepreneurs were provided mentoring services through the Corporation's BFCs, out of which 529 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 137 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 25 training programmes, where 515 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, Aizawl in Mizoram, Namchi in Sikkim, IEML in Grater Noida, Mahabalipuram & Kanyakumari in Tamil Nadu. During the year, the Corporation facilitated marketing support to 4729 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 31<sup>st</sup> March, 2024, 107 studies were completed and 16 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 ₹617.37 crore was released under various Central Subsidy Schemes. The details of disbursements under various schemes are given below.

(₹ in Crore)

Scheme	FY 2022-23	FY 2023-24	Cumulative as on March 31, 2024
Transport Subsidy Scheme	0.24	5.81	4433.20
Central Capital Investment Subsidy Scheme	43.85	185.67	3118.21
Central Interest Subsidy Scheme	18.53	26.26	525.91
Central Comprehensive Insurance Subsidy Scheme	28.17	8.42	145.11
Freight Subsidy Scheme	230.86	69.4	943.79
CCIIAC OF NEIDS-2017	117.93	321.81	475.58
<b>Total</b>	<b>439.58</b>	<b>617.37</b>	<b>9641.80</b>

### 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 executed and inspected numerous roads and bridge projects under the PMGSY Scheme, CSS, State-funded initiatives, the BADP scheme, and connectivity projects between the North Eastern Region and neighboring countries for the Ministry of External Affairs, Government of India. These efforts, along with the implementation of Jal Jeevan Mission (JJM) schemes, significantly benefited the region's infrastructure. Additionally, the Corporation was awarded several key projects, including the assessment of bamboo resources in Assam, preparation of the NEC Yearbook 2024 and studies on road accident reduction in Meghalaya. The Corporation also undertook projects to develop a pineapple and jackfruit-based economy in Tripura. NEDFi further demonstrated its diverse range of advisory and consultancy services through projects focused on entrepreneurship development, impact assessment of multiple initiatives, and capacity building for artisans in digital marketing.

During the year, total order booked in Advisory & Consultancy Services was ₹15.85 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 99 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:**

- a) To take up initiatives for promotion of employment enhancing vocational skills, livelihood enhancement projects and women empowerment.
- b) To promote the traditional arts and handicraft sector including handloom of the N. E. Region, by providing necessary support to the artisans, weavers and craftsperson engaged in the sector through skill-up gradation, market linkage and/or infrastructural support, wherever necessary.
- c) To undertake projects and programmes for development of Rural and Backward Areas through promotion of entrepreneurship and income generating activities.
- d) To organise workshop on Creating Awareness about Organ Donation in NE.
- e) To provide nutritional support to the TB patients for six months.

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 2023-24**

- Establishment of a Fruit and Vegetable Processing Centre at Pfutsero, Nagaland, providing a state-of-the-art facility for local produce.
- A handloom project covering 20 villages in Baksa Development Block, Assam, with residential training, exposure visits, and participation in exhibitions.
- A program on Mima Grass in Ziro, Arunachal Pradesh, providing training, stitching machines, and various tools to artisans.
- Craft Cluster Projects focusing on Bamboo and Cane clusters in Meghalaya, including skill upgradation of village weavers in using fly shuttle looms instead of traditional loin looms.
- Establishing cane and bamboo clusters in Sokhymphore village (Jaintia Hills) for bamboo stool making, and Nongshken village (East Khasi Hills) for bamboo mat making.
- Vocational training programs on cutting, tailoring, and embroidery in Nagaland.
- Capacity-building initiatives for crafts like cardamom fiber, handloom, water hyacinth, banana fiber, and cane/bamboo.
- Provided Common Facility Centre Service at Khetri, Assam for women artisans for production of craft products and market linkage.
- Under NESHILP, a society promoted by NEDFi, provided market linkage to the artisanal produce of NER through exhibition participation and its various showrooms at Guwahati & Khetri in Assam, Aizawl in Mizoram, Namchi in Sikkim, IEML in Greater Noida, Mahabalipuram & Kanyakumari in Tamil Nadu.
- The Corporation supported organising workshop on Creating Awareness about Organ Donation in North Eastern region. In the first phase the Corporation covered the States of Assam, Meghalaya, Mizoram, and Sikkim as the programme targets to create awareness among the younger generation.
- The Corporation provided nutritional support to the 100 TB patients from Baksa district of Assam for six months under the Pradhan Mantri TB (Tuberculosis) Mukt Bharat Abhiyaan (PMTBMBA).

**CSR Committee:**
**A. Board Level Committee as on 31<sup>st</sup> March 2024**

Shri P.V.S.L.N. Murty	- Chairman and Managing Director
Smt. Nandita Hazarika	- Woman Director
Shri V.M. Devassy	- Director
Shri B. Archarya	- Director
Shri A. Kumar	- Director
Shri K. Sinha	- Director

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

**C. Average Net Profit of Last three Financial Years:**
*(₹ in Cr.)*

Year	Net Profit (PBT)
2020-21	83.61
2021-22	101.83
2022-23	115.92
<b>Total</b>	<b>301.36</b>
<b>Average Net profit</b>	<b>100.45</b>

CSR Budget allocation for the FY 2023-24 : ₹210.00 Lakhs.

CSR Expenditure made during FY 2023-24 : ₹221.62 Lakhs.

**Details of CSR spent during the FY 2023-24:**

- i. Total minimum amount to be spent in the financial year: 201.00 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	68.00
2	Capacity Building Programmes	38.00
3	Marketing Support: Showrooms & Exhibitions	75.55
4	Promoting Health Care including preventive health	27.47
5	Miscellaneous and Contingency	12.60
	<b>Total</b>	<b>221.62</b>

**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)	2.82	2.82	Nil	2.82	NESHILP a NEDFi promoted society
			Assam	Dima Hasao	4.71	4.71		4.71	NESHILP
			Arunachal Pradesh	Lower Subansiri/Towang	4.55	4.55	Nil	4.55	NESHILP
			Nagaland	Dimapur	3.85	3.85	Nil	3.85	Direct
			Manipur	West Imphal	1.08	1.08	Nil	1.08	Direct
			Pan North East	Pan North East	20.99	20.99	Nil	20.99	Direct/NESHILP
			<b>Sub Total (A)</b>					<b>38.00</b>	<b>38.00</b>
2	Cluster Level Project	Livelihood Enhancement	Arunachal Pradesh	Lower Subansiri	8.00	8.00	Nil	8.00	NESHILP
			Arunachal Pradesh	Changlang	3.48	3.48	Nil	3.48	NGO, R.K. Mossang Memorial Society
			Assam	Baksa	19.76	19.76	Nil	19.76	NESHILP
			Meghalaya	Jayantia Hills/ East Khasi Hills	18.41	18.41	Nil	18.41	NESHILP
			Nagaland	Phek	18.35	18.35	Nil	18.35	NESHILP
			<b>Sub Total (B)</b>					<b>68.00</b>	<b>68.00</b>

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		
3	Marketing Support: Showroom & Exhibition	Livelihood Enhancement	Pan North East	Pan North East	75.55	75.55	Nil	75.55	Direct
			Sub Total (C)		75.55	75.55		75.55	
4	Miscellaneous and Contingencies	Livelihood Enhancement	Pan North East	Pan North East	12.60	12.60	Nil	12.60	Direct
			Sub Total (D)		12.60	12.60		12.60	
5	Promoting Health Care including preventive health	Health	Assam	Baksa	2.99	2.99	Nil	2.99	NGO, Gramya Vikash Mancha
			Assam	Morigaon	10.00	10.00	Nil	10.00	NGO, Sewa Bharti Purbanchal
			Pan North East	Pan North East	14.48	14.48	Nil	14.48	NGO, Zuble Foundation
		Sub Total (E)		27.47	27.47		27.47		
<b>Grand Total (A+B+C+D+E)</b>					<b>221.62</b>	<b>221.62</b>		<b>221.62</b>	

### 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.

### 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 Vikash Surana & Associates, Chartered Accountants, Guwahati, having registration number FRN 324128E, were appointed as Statutory Auditors' of the Corporation by the Comptroller and Auditor General of India (C&AG) for FY24. 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, 2024 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, 2024 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](http://www.nedfi.com)

### **The Corporation's Policy Relating to Directors Appointment, Payment of Remuneration and discharge of their duties (Nomination and Remuneration Committee):**

As per the Provisions of Section 178(1) of the Companies Act, 2013, the Corporation's Nomination and Remuneration Committee comprises of 7 (Seven) Directors; of which 6 (Six) are Non-Executive Directors and 1 (one) Whole Time Director. The table sets out the composition of the Committee as on March 31, 2024. The Chairman is elected among the members.

Name of the Director	Position held in the Committee	Category of the Director
Sri B. Acharya	Member	Non-Executive Non-Independent Director
Sri A. Kumar	Member	Non-Executive Independent Director
Sri U Tashi	Member	Non-Executive Non-Independent Director
Sri V M Devassy	Member	Non-Executive Non-Independent Director

Name of the Director	Position held in the Committee	Category of the Director
Smt. Nandita Hazarika	Member	Non-Executive Independent Woman Director
Sri K Sinha	Member	Non-Executive Independent Director
Sri PVSLN Murty	Member	Whole Time Director

### REMUNERATION POLICY

#### **Remuneration to whole time Executive Director**

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

#### **Remuneration to Non-Executive Directors:**

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

### NUMBER OF BOARD MEETINGS:

During FY 24, the Board of Directors met 5 (Five) times viz. on 27<sup>th</sup> April 2023, 21<sup>st</sup> July 2023, 7<sup>th</sup> September 2023, 15<sup>th</sup> December 2023 and 2<sup>nd</sup> March 2024.

### 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 31<sup>st</sup> March, 2024, 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 31<sup>st</sup> March, 2024 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, 2024, the Fund had provided, in-principle, commitment of almost ₹100 crore for 68 portfolio companies.

The financial performance of NVCL & NTL during the financial year 2023-24 is given below.

(₹in Lakh)

PARTICULARS	NVCL	NTL
Total Income	283.02	5.62
Total Expenditure	267.80	0.81
Profit before tax	15.22	4.81
Tax expense	3.83	1.21
Profit for the year	11.39	3.60
Earnings per share (₹)	22.78	7.20



## DEPOSITS:

The Corporation has not accepted deposits since its inception.

## DETAILS OF DIRECTORS/ KEY MANAGERIAL PERSONNEL AND CHANGES THEREON:

The Corporation's Board had 9 (Nine) Directors, of which all except one were Non-Executive Directors. In the last Annual General Meeting held on September 29, 2023, 2(two) Directors retired by rotation.

Since the last Annual General Meeting, Sri J Alam (DIN:07613364), Chief Secretary to Government of Nagaland, Dr. R. Sharma (DIN:02797298), Chief Secretary to Government of Mizoram, Sri Anoop Kumar (DIN:09036480), Nominee Director of LIC, Dr. Devajit Khound (DIN: 10328133), Senior Economic Advisor, Ministry of DoNER and Sri V. M. Devassy (DIN : 09850306), CGM SBI, relinquished their office as Directors. The Board placed on record its appreciation of the services rendered by them during their respective tenure at NEDFi.

Sri Anoop Kumar (DIN: 09036480) has been appointed as additional Director with effect from 03/10/2023, Sri B. Acharya (DIN: 10349293) appointed as Nominee Director LIC with effect from 11/10/2023, Smt. Nandita Hazarika (DIN:10349292) appointed as Additional Director with effect from 12/10/2023, Sri D. P. Wahlang (DIN:02600478), Chief Secretary to Government of Meghalaya, appointed as Additional Director with effect from 31/10/2023, Dr. Md. Nazmuddin (DIN:08377468), Senior Economic Advisor, Ministry of DoNER. appointed as Additional Director with effect from 28/03/2024, Dr. Ravi Kota (DIN:07090704), Chief Secretary to Government of Assam, appointed as Additional Director with effect from 23/05/2024 and Sri S Radhakrishnan (DIN : 10707454), Chief General Manager, State Bank of India, Guwahati Circle appointed as Additional Director with effect from 26/07/2024 and will hold office upto the date of ensuing Annual General Meeting of the Company. Necessary resolution in all the above additional director appointments has been incorporated in the notice of Twenty-ninth 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, 13 (thirteen) 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 ₹10 lakh respectively. During the year under review, 16 (sixteen) Corporate Credit Committee (I), 28 (twenty-eight) Corporate Credit committee (II) and 47 (forty-seven) Corporate Credit Committee (III) meetings were held.

## DECLARATION BY INDEPENDENT DIRECTORS

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

## DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE

An Audit Committee comprising of Non-Executive/ Independent Directors provides direction to the audit and risk management function of the Corporation. As per the provisions of section 177 of the Companies Act, 2013 the Audit Committee consists of the following Members as on March, 2024.

Name of the Director	Position held in the Committee	Category of the Director
Sri B. Acharya	Member	Non-Executive Non-Independent Director
Sri K Sinha	Member	Non-Executive Independent Director

Name of the Director	Position held in the Committee	Category of the Director
Smt. Nandita Hazarika	Member	Non-Executive Independent Woman Director
Sri A. Kumar	Member	Non-Executive Independent Director
Sri V.M. Devassy	Member	Non-Executive Non Independent Director

The Chairman is elected among the members. 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 1<sup>st</sup> 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.

Place: Guwahati

Dated: 06-09-2024

**By order of the Board**



**(Chairman & Managing Director)**

**DIN: 07355708**

## ATTENDANCE SHEET

### BOARD MEETING ATTENDANCE FOR THE FINANCIAL YEAR 2023-24

Sl. No.	NAME OF DIRECTOR	138 <sup>th</sup> meeting dated 27.04.2023	139 <sup>th</sup> meeting dated 21.07.2023	140 <sup>th</sup> meeting dated 07.09.2023	141 <sup>st</sup> meeting dated 15.12.2023	142 <sup>nd</sup> meeting dated 02.03.2024
1	Sri PVSLN Murty	Present	Present	Present	Present	Present
2	Dr. KV Pratap, MDoNER	Present	Present	Absent	--	--
3	Sri V.M. Devassy, SBI	Absent	Absent	Present	Present	Present
4	Sri U Tashi, IDBI	Present	Present	Present	Present	Present
5	Sri A Kumar, LIC	Present	Present	Present	Present	Present
6	Sri B Acharya, LIC	--	--	--	Present	Present
7	Sri BJ Sarma, Independent Director	Present	--	--	--	--
8	Sri S.K. Pai, Independent Director	Present	Present	--	--	--
9	Dr. N.W. Kharkongor, Woman Director	Present	Present	Present	--	--
10	Sri K. Sinha, Independent Director	--	Present	Present	Present	Present
11	Smt Nandita Hazarika Woman Director	--	--	--	Present	Present
12	Dr. R Sharma, IAS, Chief Secretary, Mizoram	Absent	Absent	Absent	--	--
13	Sri J Alam. IAS Chief Secretary, Nagaland	Absent	Absent	Absent	--	--
14	Sri D. Khaund, MDoNER	--	--	--	Present	Absent
15	Shri D.P. Wahlang, IAS Chief Secretary, Meghalaya	--	--	--	Present	Absent

### SANCTIONING COMMITTEE MEETING ATTENDANCE FOR THE FINANCIAL YEAR 2023-24

Sl. No.	Name of Director	172 <sup>nd</sup> meeting dated 10.05.2023	173 <sup>rd</sup> meeting dated 30.05.2023	174 <sup>th</sup> meeting dated 22.06.2023	175 <sup>th</sup> meeting dated 28.06.2023	176 <sup>th</sup> meeting dated 20.07.2023	177 <sup>th</sup> meeting dated 08.08.2023
1	Sri PVSLN Murty	Present	Present	Present	Present	Present	Present
2	Sri S. K. Pai	Present	Present	Present	Present	Present	--
3	Sri A. Kumar	Present	Present	Present	Present	Present	Present
4	Sri U Tashi	--	--	--	--	--	Present
5	Sri B Acharya	--	--	--	--	--	--
6	Sri K Sinha	Present	Present	Present	Present	Present	Present

Sl. No.	Name of Director	178 <sup>th</sup> meeting dated 15.09.2023	179 <sup>th</sup> meeting dated 16.10.2023	180 <sup>th</sup> meeting dated 17.11.2023	181 <sup>st</sup> meeting dated 14.12.2023	182 <sup>nd</sup> meeting dated 17.01.2024	183 <sup>rd</sup> meeting dated 13.02.2024	184 <sup>th</sup> meeting dated 22.03.2024
1	Sri PVSLN Murty	Present	Present	Present	Present	Present	Present	Present
3	Sri S. K. Pai	--	--	--	--	--	--	--
4	Sri A. Kumar	Absent	Present	Present	Present	Present	Present	Present
5	Sri U Tashi	Present	Present	absent	Present	Present	absent	Present
6	Sri B Acharya	--	--	Present	Present	Present	Present	Present
7	Sri K Sinha	Present	Present	Present	Present	Present	Present	Present

#### AUDIT COMMITTEE MEETING ATTENDANCE FOR THE FINANCIAL YEAR 2023-24

Sl. No.	Name of Director	83 <sup>rd</sup> meeting dated 27.04.2023	84 <sup>th</sup> meeting dated 20.07.2023	85 <sup>th</sup> meeting dated 07.09.2023	86 <sup>th</sup> meeting dated 14.12.2023	87 <sup>th</sup> meeting dated 02.03.2024
1	Sri B. J. Sarma	Present	--	--	--	--
2	Sri VM Devassy, SBI	Absent	Absent	Absent	Absent	Present
3	Sri S. K. Pai	Present	Present	--	--	--
4	Dr. N. W. Kharkongor	Present	Present	Present	--	--
5	Sri A. Kumar, LIC	Present	Present	Present	Present	Present
6	Sri B Acharya	--	--	--	Present	Present
7	Sri K Sinha	--	Present	Present	Present	Present
8	Smt Nandita Hazarika	--	--	--	Present	Present

#### CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE MEETING ATTENDANCE FOR THE FINANCIAL YEAR 2023-24

Sl. No.	Name of Director	22 <sup>nd</sup> meeting dtd. 14.12.2023	23 <sup>rd</sup> meeting dtd. 22.03.2024
1	Sri PVSLN Murty	Present	Present
2	Sri A. Kumar, LIC	Present	Present
3	Sri VM Devassy, SBI	Absent	Absent
4	Sri B Acharya	Present	Present
5	Sri K Sinha	Present	Present
6	Smt Nandita Hazarika	Present	Present

#### NOMINATION AND REMUNERATION COMMITTEE (NRC) MEETING ATTENDANCE FOR THE FINANCIAL YEAR 2023-24.

Sl. No.	Name of Director	24 <sup>th</sup> meeting dated 21.07.2023	25 <sup>th</sup> meeting dated 07.09.2023	26 <sup>th</sup> meeting dated 15.12.2023	27 <sup>th</sup> meeting dated 13.02.2024
1	Sri PVSLN Murty	Present	Present	Present	Present
2	Sri S. K. Pai	Present	--	--	--
3	Sri U. Tashi, IDBI Bank	Present	Present	Present	Present

Sl. No.	Name of Director	24 <sup>th</sup> meeting dated 21.07.2023	25 <sup>th</sup> meeting dated 07.09.2023	26 <sup>th</sup> meeting dated 15.12.2023	27 <sup>th</sup> meeting dated 13.02.2024
4	Dr. N. W. Kharkongor	Present	Present	--	--
5	Sri A. Kumar	Present	Present	Present	Present
6	Sri B Acharya, LICl	--	--	Present	Present
7	Sri K Sinha	Present	Present	Present	Present
8	Smt Nandita Hazarika	--	--	Present	Present

**RISK MANAGEMENT COMMITTEE OF THE BOARD (RMCB) MEETING ATTENDANCE FOR THE FINANCIAL YEAR 2023-24**

Sl. No.	Name of Director	15 <sup>th</sup> meeting dated 20.07.2023	16 <sup>th</sup> meeting dated 14.12.2023	17 <sup>th</sup> meeting dated 22.03.2024
1	Sri PVSLN Murty	Present	Present	Present
2	Dr. N. W. Kharkongor	Present	--	--
3	Sri VM Devassy, SBI	Absent	Absent	Absent
4	Sri S. K. Pai	Present	--	--
5	Sri A. Kumar	Present	Present	Present
6	Sri B Acharya., LICl	--	Present	Present
7	Sri K Sinha	Present	Present	Present
8	Smt Nandita Hazarika	--	Present	Present

## REPORT ON CORPORATE GOVERNANCE

Corporate Governance deals with laws, practices and implicit rules that determine a Corporation's ability to take informed managerial decision vis-à-vis its Stakeholders – in particular, its shareholders, customers, government and employees. The management of the Corporation always 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 9 (Nine) Directors, including 1(one) Whole-time Director, 3 (three) nominee Directors from State Bank of India, LIC of India and IDBI Bank, Chief Secretary of North Eastern States of Meghalaya 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 31<sup>st</sup> March, 2024 is as under:

Name	Executive / Non – Executive / Independent	No. of Other		No. of other committee membership held	
		Directorships held	No. of other committee membership held	Public	Private
		Public	Private	Public	Private
Sri PVSLN Murty	Chairman & Managing Director	2	Nil	Nil	Nil
Sri B. Acharya	Non-Executive Non-Independent Director	Nil	Nil	Nil	Nil
Sri D. P. Wahlang, IAS	Non Executive Non Independent Director	Nil	Nil	Nil	Nil
Sri U. Tashi	Non-Executive Non Independent Director	Nil	Nil	Nil	Nil
Smt Nandita Hazarika	Non-Executive Independent Woman Director	Nil	Nil	Nil	Nil
Sri K Sinha	Non-Executive Independent Director	Nil	Nil	Nil	Nil
Sri D. Khound , IES	Non-Executive Non-Independent Director	Nil	Nil	Nil	Nil

Name	Executive / Non – Executive / Independent	No. of Other		No. of other committee membership held	
		Directorships held	No. of other committee membership held	Public	Private
Sri V. M. Devassy	Non-Executive Non Independent Director	Nil	Nil	Nil	Nil
Sri A. Kumar	Non-Executive Independent Director	Nil	Nil	Nil	Nil

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

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

**(iii) Board Meetings, Committee Meetings and Procedures:**

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

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

Sl. No.	Board Meeting No.	Date	Board Strength	No. of Directors present
1	138 <sup>th</sup> Board Meeting	27 <sup>th</sup> April 2023	10	07
2	139 <sup>th</sup> Board Meeting	21 <sup>st</sup> July 2023	10	07
3	140 <sup>th</sup> Board Meeting	7 <sup>th</sup> September 2023	09	06
4	141 <sup>st</sup> Board Meeting	15 <sup>th</sup> December 2023	09	09
5	142 <sup>nd</sup> Board Meeting	2 <sup>nd</sup> March 2024	09	07

- 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 2023-24:

Sl. No.	RMCB Meeting No.	Date	Committee Strength	No. of members present
1.	15 <sup>th</sup> RMCB Meeting	20 <sup>th</sup> July 2023	06	05
2.	16 <sup>th</sup> RMCB Meeting	14 <sup>th</sup> December 2023	06	05
3.	17 <sup>th</sup> RMCB Meeting	22 <sup>nd</sup> March 2024	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 2024 were as follows:

Sl. No.	Name of the Director & Category	Chairman / Member
1.	Sri K Sinha, Independent Director	Member
2.	Sri B. Acharya, Nominee Director of LIC of India	Member
3.	Smt. Nandita Hazarika, Independent Woman Director	Member
4.	Sri V.M. Devassy, Nominee Director of State Bank of India	Member
5.	Sri A. Kumar, Independent Director	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.	83 <sup>rd</sup> Audit Committee	27 <sup>th</sup> April 2023	05	04
2.	84 <sup>th</sup> Audit Committee	20 <sup>th</sup> July 2023	05	04
3.	85 <sup>th</sup> Audit Committee	7 <sup>th</sup> September 2023	05	04
4.	86 <sup>th</sup> Audit Committee	14 <sup>th</sup> December 2023	05	04
5.	87 <sup>th</sup> Audit Committee	2 <sup>nd</sup> March 2024	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:

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

### **D. Terms of Reference of the Audit Committee**

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

- k) It should review the quarterly 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 120<sup>th</sup> Board of Directors Meeting held on 21-10-2019. The Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2024 were as follows:

Name of the Director	Position held in the Committee	Category of the Director
Sri K. Sinha	Member	Non-Executive Independent Director
Sri A. Kumar	Member	Non-Executive Independent Director
Sri U. Tashi	Member	Non-Executive Non-Independent Director
Sri B. Acharya	Member	Non-Executive Non-Independent Director
Smt. Nandita Hazarika	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 2023-24 are given below:

Director	Designation	Salary (Rs.)	Perquisites (Rs.)	Total (Rs.)
Sri PVSLN Murty	Chairman & Managing Director	55,30,400/-	15,55,691/-	70,86,091/-

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
2020-21	22 <sup>nd</sup> November, 2021	3:00 P.M.	NEDFi House, Guwahati
2021-22	27 <sup>th</sup> September, 2022	3:00 P.M.	NEDFi House, Guwahati
2022-23	29 <sup>th</sup> September, 2023	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
IDBI Bank Ltd.	250,00002	25%
Life Insurance Corporation of India	150,00001	15%

Name of Shareholder	No. of equity share held	Percentage
State Bank of India	150,00001	15%
Industrial Finance Corporation of India	100,00001	10%
ICICI Bank Ltd.	100,00001	10%
Small Industries Development Bank of India	100,00000	10%
Administrator of the Specified Undertaking of the 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 Assurance 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

Dated : 06-09-2024

## REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FINANCIAL YEAR 2023-24

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	2	2
02	Smt. Nandita Hazarika	Woman Director	2	2
03	Shri B. Archarya	Director	2	2
04	Shri V.M. Devassy	Director	2	0
05	Shri A. Kumar	Director	2	2
06	Shri K. Sinha	Director	2	2

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](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.10045.33 Lakh.**

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135. **Rs. 201.00 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. 201.00 lakh**

6. (a) Amount spent on CSR Projects (both ongoing project and other then ongoing project) : **Rs. 221.62 Lakh**

(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		Assam	Kamrup (Metro)	2.82	2.82	Nil	2.82	NESHILP a NEDFi promoted society		
			Assam	Dima Hasao	4.71	4.71		4.71	NESHILP		
			Arunachal Pradesh	Lower Subansiri/ Towang	4.55	4.55	Nil	4.55	NESHILP		
			Nagaland	Dimapur	3.85	3.85	Nil	3.85	Direct		
			Manipur	West Imphal	1.08	1.08	Nil	1.08	Direct		
			Pan North East	Pan North East	20.99	20.99	Nil	20.99	Direct/ NESHILP		
			<b>Sub Total (A)</b>				<b>38.00</b>	<b>38.00</b>	<b>Nil</b>	<b>38.00</b>	
2	Cluster Level Project	Livelihood Enhancement	Arunachal Pradesh	Lower Subansiri	8.00	8.00	Nil	8.00	NESHILP		
			Arunachal Pradesh	Changlang	3.48	3.48	Nil	3.48	NGO, R.K. Mossang Memorial Society		
			Assam	Baksa	19.76	19.76	Nil	19.76	NESHILP		
			Meghalaya	Jayantia Hills/East Khasi Hills	18.41	18.41	Nil	18.41	NESHILP		
			Nagaland	Phek	18.35	18.35	Nil	18.35	NESHILP		
			<b>Sub Total (B)</b>				<b>68.00</b>	<b>68.00</b>		<b>68.00</b>	
			3	Marketing Support: Showroom & Exhibition	Livelihood Enhancement	Pan North East	Pan North East	75.55	75.55	Nil	75.55
<b>Sub Total (C)</b>											
4	Miscellaneous and Contingencies	Livelihood Enhancement	Pan North East	Pan North East	12.60	12.60	Nil	12.60	Direct		
			<b>Sub Total (D)</b>								
5	Promoting Health Care including preventive health	Health	Assam	Baksa	2.99	2.99	Nil	2.99	NGO, Gramya Vikash Mancha		
			Assam	Morigaon	10.00	10.00	Nil	10.00	NGO, Sewa Bharti Purbanchal		
			Pan North East	Pan North East	14.48	14.48	Nil	14.48	NGO, Zuble Foundation		
<b>Sub Total (E)</b>				<b>27.47</b>	<b>27.47</b>		<b>27.47</b>				
<b>Grand Total (A+B+C+D+E)</b>					<b>221.62</b>	<b>221.62</b>		<b>221.62</b>			

- (b) Amount spent in Administrative Overheads **NIL**  
 (c) Total amount spent for the Financial Year {(a)+(b)+(c)+ (d)+(e )} **221.62 lakh**  
 (d) 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
221.62 Lakh	NIL	NA	NA	NIL	NA

(e) 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	201.00 lakh
(ii)	Total amount spent for the Financial Year	221.62 Lakh
(iii)	Excess amount spent for the Financial Year {(ii)-(i)}	20.62 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)}	20.62 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	2022-23	NIL	NIL	221.62 lakh	NIL	NIL	NIL	NIL
2	2021-22	NIL	NIL	128.19 lakh	NIL	NIL	18.97 Lakh	NIL
3	2020-21	NIL	NIL	271.79 Lakh	NIL	NIL	NIL	NIL

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. 221.62 Lakh** during the financial year 2023-24 as against the prescribed CSR obligation of **Rs. 201.00 lakh**



(Chairman CSR Committee)



## MANAGEMENT'S DISCUSSION & ANALYSIS

### MACRO-ECONOMIC ENVIRONMENT DURING FINANCIAL YEAR 2023-24 (FY 24)

During FY24, global monetary policies peaked as central banks effectively addressed inflation. The US Federal Reserve raised its funds rate to 5.38% by July 2023, coupled with quantitative tightening that reduced its balance sheet. Core inflation dropped significantly from 5.4% in September 2022 to 2.6% by March 2024, mainly due to easing global commodity prices and improved supply chains. Despite strong growth, inflationary pressures persisted, leading the Fed to maintain restrictive policies. While the US economy remained resilient with strong labor demand and robust consumption, other developed markets experienced weaker growth, prompting their central banks to consider rate cuts in FY25.

India's economy exhibited strong growth, with GDP expanding by 8.2% in FY24, driven by government-led investment. The investment-to-GDP ratio reached an 11-year high, though consumption remained subdued due to weak rural demand. Urban demand, supported by higher wages and formal employment, stayed robust, contributing to a revival in bank credit growth, which surged to 20.2%. This growth was particularly evident in retail and services loans. Additionally, credit quality improved across the banking sector, prompting the Reserve Bank of India to raise risk weights for consumer credit to ensure stability and effective monetary transmission.

### ECONOMIC ENVIRONMENT IN THE NORTH-EAST DURING THE FINANCIAL YEAR 2023-24 (FY 24)

In FY 2023-24, the North-East region of India emerged as a pivotal area for national development, receiving significant focus from policymakers, including the Hon'ble Prime Minister, who highlighted its role as a key growth driver. Efforts to harness the region's potential included diversifying funding sources beyond traditional government channels, with greater involvement from multilateral agencies, CSR initiatives, private investments, and public-private partnerships (PPPs). Infrastructure development in rail, road, and aviation, supported by the PM-

DevINE Scheme, continued to advance. The region's economic outlook remained positive, with Assam leading the way, reporting a 15.6% growth in nominal GSDP for FY 2023-24, with real GSDP growth of 5.9%. Revenue receipts and expenditures in the region also saw significant increases.

### PERFORMANCE OF THE CORPORATION DURING FINANCIAL YEAR 2023-24 (FY 24)

During FY 2023-24, NEDFi experienced significant growth in its operations in various parameters viz. sanction, no of projects assisted, assistance to micro & small enterprises segment, private capital investment generation etc. The Corporation's sanctions and disbursements were ₹846.37 crore and ₹657.38 crore against the previous year's figure of ₹798.03 crore and ₹741.14 crore respectively. As on March 31, 2024, the Corporation had extended financial assistance to 19,916 projects with cumulative sanctions & disbursements of ₹8231.40 crore and ₹6347.69 crore respectively. The loan outstanding as on March 31, 2024 was ₹1833.51 crore against ₹1554.10 crore in the previous year.

The gross income of the Corporation grew year-on-year by 15.29% to ₹239.22 crore against ₹207.50 crore. The interest income grew by 21.21% to ₹172.29 crore against ₹142.14 crore in the previous year and non-interest income increased by 2.40% to ₹66.93 crore from ₹65.36 crore. The gross expenditure increased by 16.67% to ₹106.85 crore from ₹91.58 crore. Gross profit of the Corporation increased by 14.19% to ₹132.37 crore against ₹115.92 crore and net profit increased by 25.25% to ₹100.20 crore against ₹80.00 crore in the previous year.

The gross NPAs of the Corporation reduced to 3.10% as on March 31, 2024 from 3.34% in the previous financial year while the net NPAs increased to 1.25% from 1.12%.

### MACRO-ECONOMIC OUTLOOK FOR FINANCIAL YEAR 2024-25 (FY 25)

The IMF's latest 'World Economic Outlook' report has raised India's economic growth forecast for 2024-25 to 7.0 percent, driven by a notable increase

in consumption, particularly in rural areas. This upward revision reinforces India's position as the fastest-growing economy among emerging markets and developing economies. The country's journey toward greater stability and prosperity is further bolstered by strong corporate profits and favorable economic conditions.

The macro-economic outlook for North East India in FY 2024-25 is optimistic, driven by growth in agriculture, tourism and renewable energy. Significant infrastructure investments, such as the construction of National Highways, expansion of air connectivity and development of waterway infrastructure, are expected to stimulate economic activity. The GST regime has contributed increase in revenue. These positive economic developments are set to benefit the banking sector in North East India significantly. Enhanced economic activity and infrastructure development will drive demand for banking services, including credit and investment products. As businesses and startups expand, they will require financing for growth, boosting bank lending. Improved connectivity and infrastructure will also facilitate better financial inclusion, with more people in remote areas accessing banking services. Additionally, the increased financial confidence and rising credit-to-debt ratios indicate a healthier banking environment, encouraging further investments and financial stability in the region. Overall, these factors will likely lead to a stronger and more dynamic banking sector in North East.

### **OUTLOOK FOR THE CORPORATION FOR FINANCIAL YEAR 2024-25 (FY 25)**

The Corporation is gearing up for an ambitious target for FY 2024-25, driven by a comprehensive strategy and transformative actions. Key initiatives include empowering micro borrowers through affordable financing options, expanding support to underserved districts and leveraging its role as the Central Nodal Agency to augment fund and fee-based income. The Corporation will persistently focus on the MSME sector, aligned with State government priorities, while also expanding outreach to previously untouched areas to foster inclusive geographical development. Streamlining monitoring mechanisms, nurturing collaboration, and prioritizing innovation, continuous enhancement and customer-centricity will be vital to the Corporation's success. The Corporation is committed to constantly improving its

business strategy and risk management practices to align with industry best practices, underpinned by a well-crafted action plan to ensure operational efficiency and strategic alignment. This multi-pronged approach, coupled with efficient execution and periodic review, is expected to steer the realization of the Corporation's ambitious business plan 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 business 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 **31<sup>ST</sup> MARCH, 2024**

*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 **31<sup>ST</sup> day of March, 2024 ("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 **31<sup>ST</sup> March, 2024** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Rules, regulations and guidelines issued by the Reserve Bank of India as are applicable to Non-Banking Financial Companies.
- (iii) Other Laws as may be applicable to the Company as provided by the Company.
- (iv) On test check basis we observed that the Company has complied here in above laws, the acts, the rules and or laws which are not applicable to the company has not been considered while preparing this Secretarial Audit Report.

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

(i) Secretarial Standards pursuant to section 118(10) of the Act, 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. The decisions were carried unanimously.

**Place: GUWAHATI**

**Dated: 27-07-2024**

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:

- (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.

**FOR AMIT PAREEK & ASSOCIATES**

**COMPANY SECRETARIES**

**UDIN: F005714F000837171**



**(AMIT PAREEK)**

**Proprietor**

**FCS: 5714, COP. 4289**

**Peer Review no. 989/2020**

## INDEPENDENT AUDITORS' REPORT

**TO**  
**THE MEMBERS OF**  
**NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED**  
**REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

### **OPINION:**

We have audited the accompanying standalone financial statements of North Eastern Development Finance Corporation Limited ("the company"), which comprise the Balance Sheet as at 31 March 2024 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the standalone financial statements, including a summary of material 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 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 31<sup>st</sup> March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity 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 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

### **KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Sr. No.	Key Audit Matters	Auditor's Response
1	<p><b>Allowances for Expected Credit Losses ("ECL"):</b></p> <p>As at 31st March 2024, the carrying value of loan assets measured at amortised cost, aggregated ₹178659.65 Lakhs (net of allowance of expected credit loss ₹4003.75 lakhs) constituting approximately 76.39% of the Company's total assets. Significant judgment is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets measured at amortized cost is a critical estimate involving greater level of management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the Standalone Financial Statements. The elements of estimating ECL which involved increased level of audit focus are the following:</p> <ul style="list-style-type: none"> <li>• Qualitative and quantitative factors used in staging the loan assets measured at amortised cost;</li> <li>• Basis used for estimating Probabilities of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") at product level with past trends;</li> <li>• Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and</li> <li>• Adjustments to model driven ECL results to address emerging trends.</li> <li>• These parameters are derived from the Company's internally developed statistical models with the help of management experts and other historical data. Considering the significance of the above matter to the standalone financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit.</li> </ul>	<p>We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ("ECL Model") that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost. Our audit procedures related to the allowance for ECL included the following, among others:</p> <p>A. Testing the design and operating effectiveness of the following:</p> <ul style="list-style-type: none"> <li>• completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied;</li> <li>• completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and</li> <li>• accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro-economic adjustment basis forward looking information.</li> </ul> <p>B. Test of details on a sample in respect of the following:</p> <ul style="list-style-type: none"> <li>• accuracy and completeness of the input data such as period of default and other related information used in estimating the PD;</li> <li>• the mathematical accuracy of the ECL computation by using the same input data as used by the Company;</li> <li>• completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed;</li> <li>• assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in standalone financial statements are appropriate and sufficient.</li> </ul>

Sr. No.	Key Audit Matters	Auditor's Response
2	<p><b>Information Technology and General Controls:</b></p> <p>The Company is dependent on its Information Technology ("IT") systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a Key Audit Matter.</p>	<p>We have obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular:</p> <ul style="list-style-type: none"> <li>• We tested the design, implementation, and operating effectiveness of the Company's general IT controls over the IT systems relevant to financial reporting. This included evaluation of Company's controls over segregation of duties and access rights being provisioned / modified based on duly approved requests and access for exit cases being revoked in a timely manner.</li> <li>• We also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materiality impact the standalone Financial Statements.</li> </ul>

### **INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the Standalone Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude

that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and

design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors is responsible for assessing the Company's ability 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 intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 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 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 with reference to Standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone 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 financial statements, including the disclosures, and whether the Standalone 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 financial controls 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 section 143(11) 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. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable 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 except for not complying with the requirement of audit trail as stated in h (vi) below.
    - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account except for IND-AS adjustment that is being calculated outside the IT system, as application for implementation of IND-AS is yet to be configured in the existing IT system.
- d) In our opinion, the aforesaid Standalone 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 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2024, 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements. Refer Note 33 to the standalone financial statements.
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses as at 31<sup>st</sup> March, 2024.
    - iii. There were no amounts which required

to be transferred by the Company to the Investor Education and Protection Fund during the year ended 31<sup>st</sup> March, 2024.

- 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 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 management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. The final dividend paid by the Company during the year in respect of the same declared in the previous year, is in accordance with section 123 of the Act, to the extent it applies to payment of dividend.

No dividend is proposed for the financial year 2023-24 by the Board of Directors of the Company till the date of our audit report.

- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31<sup>st</sup> March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of accounts. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was enabled and operating.

**For Vikash Surana and Associates**  
Chartered accountants  
Firm's Registration No. 324128E



**(CA. Mayur Jain)**  
Partner

Membership No. 309233  
UDIN: 24309233BKCANE4940

Place: Guwahati  
Dated: 26-07-2024

## 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 Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2024]

In terms of the information and explanations sought by us and given by the company and the books of account and 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 the 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 company), 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 to the company.
- (e) No proceedings have been initiated during the year or are pending against the company as at 31st March, 2024 for holding any benami property under The Benami Transactions (Prohibition) Act, 1988 (as amended) and the rules made thereunder.
- (ii) (a) The Company is engaged primarily in lending activities and consequently does not hold any physical inventories. Thus, clause 3 (ii)(a) of the Companies (Auditor's Report) Order, 2020 is not applicable.  
(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹5 crore, in aggregate, from financial institutions on the basis of security of book debt & Loan receivables (assets). We have observed that the monthly/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, 2024, aggregating Rs. 5,680.39 lakhs were categorised as credit impaired ("Stage 3") and Rs. 6,381.44 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 45 to the Standalone Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at 31st March, 2024 aggregating Rs. 1,71,288.92 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. 194.75 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, 2024. 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, 2024 is Rs. 5680.39 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) 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) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Hence reporting under clause 3 (vi) of the Order is not applicable.
- (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, 2024, for a period of more than six months from the date they

became payable.

- (b) Details of dues of Income-tax and Service Tax Act which have not been deposited as on 31st March, 2024, on account of disputes are given below:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994 (Service Tax)	Service Tax	21.60	FY 2011-12 to FY 2016-17	CESTAT (Custom, Excise and Service Tax Appellate Tribunal, Guwahati)
Income Tax Act, 1961	Income Tax	262.47	FY 2017-18 (AY 2018-19)	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	598.30	FY 2018-19 (AY 2019-20)	Commissioner of Income Tax (Appeals)

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (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 during the year.
- (b) The company has not been declared willful defaulter by any bank or financial institutions or government or any other government authority.
- (c) In our opinion, terms loans availed by the company during the year were applied by the company for the purpose for which the loans were obtained.
- (d) On an overall examination of the Standalone 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 its subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix) (f) of the order is not applicable.
- (x) (a) The company has not raised money by way of Initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) is not applicable to the company.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year under review and hence reporting under clause 3(x)(b) of the order is not applicable to the company.
- (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) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.
- (xii) The company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, and the requisite details have been disclosed in the Standalone Financial Statements as required by the applicable accounting standard.
- (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 taken into consideration, the reports of the Internal Auditor received by the company during the year and provided to us while 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 its 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 required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration
- (b) The company has conducted the Non-Banking Financial activities with 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, reporting under clause 3(xviii) of the order is not applicable to the company.
- (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) As per our examination of the financial statements, the company does not have any unspent amounts towards Corporate Social

Responsibility (CSR) in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For Vikash Surana and Associates**  
Chartered accountants  
Firm's Registration No. 324128E



**(CA. Mayur Jain)**  
Partner

Membership No. 309233  
UDIN: 24309233BKCANE4940

Place: Guwahati  
Dated: 26-07-2024


## ANNEXURE-B TO INDEPENDENT AUDITORS' REPORT ON THE AUDIT OF THE STANDALONE 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 financial statements for the year ended 31st March, 2024)

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 2023-24, 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.	There is no such case and the Company is regular in servicing its debts and borrowing obligations. .
3	Whether funds (grants/subsidy etc.) 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.	Yes, the funds (grants/subsidy etc.) received for specific schemes from Central / State agencies were properly accounted for / utilized as per its term and conditions.

**For Vikash Surana and Associates**  
Chartered accountants  
Firm's Registration No. 324128E

  
**(CA. Mayur Jain)**  
Partner

Membership No. 309233  
UDIN: 24309233BKCANE4940

Place: Guwahati  
Dated: 26-07-2024



## ANNEXURE-C TO INDEPENDENT AUDITORS' REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

(Referred to in para 3(f) 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 financial statements for the year ended 31st March, 2024)

### **Independent Auditor's Report on the internal financial controls with reference to the aforesaid Standalone Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the Internal Financial Controls with reference to Standalone Financial Statements of **North Eastern Development Finance Corporation Limited** ("the Company") as of 31 March, 2024, in conjunction with our audit of the Standalone Financial Statements of the company for the year ended on that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statements based on 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 prescribed under Section

143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 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.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls with reference to Standalone Financial Statements.

### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE 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 financial statements for external purposes in accordance with Generally Accepted

Accounting Principles. A company's Internal 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 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 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 Standalone 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 with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements are operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to Standalone 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 Vikash Surana and Associates**  
Chartered accountants  
Firm's Registration No. 324128E



**(CA. Mayur Jain)**  
Partner

Membership No. 309233  
UDIN: 24309233BKCANE4940

Place: Guwahati  
Dated: 26-07-2024

# NON-BANKING FINANCIAL COMPANIES AUDITORS' REPORT

FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2024

To,

Board of Directors

North Eastern Development Finance Corporation Ltd

Dear Sir,

We have audited the accompanying Standalone financial statements of North Eastern Development Finance Corporation Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 material 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 31.03.2024.
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 27.04.2023 for non-acceptance of any public deposit during FY 2023-24.
4. The Company has not accepted any public deposits during the financial year 2023-24.
5. The financial statements of the Company for the financial year 2023-2024 have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. Accordingly, the Company is following Board approved methodology for computation of Impairment Allowance towards provisioning for its loan assets and classification thereof. In view of regulatory compliance of Companies Act, 2013 for adoption of a mechanism for preparation of financial statements, the Company is required to make provision of impairment loss as per Ind AS 109 and not required to follow the Prudential norms relating to income recognition, asset classification and provisioning (IRACP norms) for Bad and Doubtful debts in terms of Directions 2016. However, in this regard, in compliance of RBI Notification No. DOR(NBFC). CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, the Company has calculated provision required under IRACP Norms (including standard assets provisions). As on 31<sup>st</sup> March 2024, the impairment allowance required under Ind AS 109 is lower than the provisions as per IRACP, the difference of Rs. 2019.78 lakhs were required to be transferred to Impairment Reserve. However, since the company has already created Impairment Reserve of Rs. 3315.75 lakhs in the earlier years and so, the company is not required to appropriate any further amount to "Impairment Reserve".

6. As per information and explanation given to us, the statement of capital funds, risk assets/exposures and risk asset ratio (DNBS-3 return) has been filed by company for all the quarters of FY 2023-24 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 31.03.2024 has been correctly arrived at and it is in compliance with minimum prescribed CRAR by RBI.

**For Vikash Surana and Associates**

Chartered accountants

Firm's Registration No. 324128E

Place: Guwahati

Dated: 26-07-2024



**(CA. Mayur Jain)**

Partner

Membership No. 309233

UDIN: 24309233BKCANE4940

## CAG COMMENTS


### COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED, GUWAHATI FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024

The preparation of financial statements of North Eastern Development Finance Corporation Limited, Guwahati for the year ended 31<sup>st</sup> March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 the (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143(2) 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 26<sup>th</sup> July 2024.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of North Eastern Development Finance Corporation Limited, Guwahati for the year ended 31 March 2024 under section 143 (6)(a) of the Act.

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

**Date: 17.09.2024  
Place: New Delhi**



(Rajiv Kumar Pandey)  
Director General of Audit  
(Central Expenditure)

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

₹ in lakhs

Particulars		Notes	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>ASSETS</b>				
<b>(1) Financial Assets</b>				
(a)	Cash & Cash Equivalents	2	28,445.52	18,247.30
(b)	Bank Balance other than (a) above	3	3,970.13	11,623.69
(c)	Receivables			
	- Trade receivables	4	2,033.92	1,421.46
(d)	Loans	5	1,81,421.19	1,53,883.50
(e)	Investments	6	12,414.62	12,369.22
(f)	Other Financial Assets	7	2,154.61	5,642.85
			<b>2,30,439.98</b>	<b>2,03,188.01</b>
<b>(2) Non Financial Assets</b>				
(a)	Current Tax Assets (Net)	8	-	-
(b)	Property Plant & Equipment	9	2,686.39	2,797.48
(c)	Capital Work-in-progress	9	0.87	0.87
(d)	Intangible Assets	9	-	34.20
(e)	Other Non Financial Assets	10	746.33	222.58
			<b>3,433.59</b>	<b>3,055.13</b>
	<b>Total Assets</b>		<b>2,33,873.57</b>	<b>2,06,243.14</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>(1) Financial Liabilities</b>				
(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		49.69	54.27
	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	57,752.41	49,114.99
(c)	Other Financial Liabilities	13	51,094.59	41,029.67
			<b>1,08,896.68</b>	<b>90,198.94</b>
<b>(2) Non Financial Liabilities</b>				
(a)	Current Tax Liabilities (Net)	14	47.23	88.92
(b)	Provisions	15	2,007.22	2,379.39
(c)	Deferred Tax Liabilities (Net)	16	2,227.12	1,490.71
			<b>4,281.57</b>	<b>3,959.02</b>

**Standalone Balance sheet (Contd.)**

Particulars		Notes	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>(3) Equities</b>				
(a)	Equity Share Capital	17	10,000.00	10,000.00
(b)	Other Equity	18	1,10,695.31	1,02,085.18
			<b>1,20,695.32</b>	<b>1,12,085.18</b>
	<b>Total Liabilities and Equity</b>		<b>2,33,873.57</b>	<b>2,06,243.14</b>
The accompanying notes form an integral part of the financial statements		1-49		

As per our Report of even date.

**For Vikash Surana and Associates**

Chartered accountants

Firm's Registration No. 324128E



**(CA. Mayur Jain)**

Partner

Membership No. 309233

UDIN: 24309233BKCANE4940

Place: Guwahati

Dated: 26-07-2024

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 AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

₹ in lakhs

Particulars		Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Revenue from operations</b>				
(i)	Interest Income	19	17,229.39	14,214.95
(ii)	Dividend Income	20	57.00	57.00
(iii)	Fees and Commission Income	21	1,286.12	1,123.91
(iv)	Net gain/(loss) on Fair value changes	22	56.52	387.48
(v)	Other Operating Income	23	3,065.64	3,118.36
<b>I</b>	<b>Total Revenue from Operations</b>		<b>21,694.67</b>	<b>18,901.71</b>
<b>II</b>	<b>Other Income</b>	<b>24</b>	<b>2,227.34</b>	<b>1,848.71</b>
<b>III</b>	<b>Total Income (I + II)</b>		<b>23,922.01</b>	<b>20,750.42</b>
<b>EXPENSES</b>				
(i)	Finance Costs	25	3,319.07	3,333.41
(ii)	Impairment on financial instruments	26	(16.40)	(894.13)
(iii)	Employee Benefit Expenses	27	4,566.02	4,142.94
(iv)	Depreciation, amortisation and impairment	28	240.29	276.67
(v)	CSR Expenses	29	222.01	207.43
(vi)	Other Expenses	30	2,353.88	2,091.81
<b>IV</b>	<b>Total Expenses</b>		<b>10,684.87</b>	<b>9,158.12</b>
<b>V</b>	<b>Profit / (Loss) before exceptional items and tax (III-IV)</b>		<b>13,237.14</b>	<b>11,592.29</b>
<b>VI</b>	<b>Exceptional Items</b>		<b>-</b>	<b>-</b>
<b>VII</b>	<b>Profit / (Loss) before Tax (V+VI)</b>		<b>13,237.14</b>	<b>11,592.29</b>
<b>VIII</b>	<b>Tax Expense</b>			
	Current Tax		2,925.10	2,770.29
	Deferred Tax		553.67	593.05
	Tax adjustment of earlier years		(261.92)	228.40
			3,216.85	3,591.74
<b>IX</b>	<b>Profit / (Loss) for the period (VII-VIII)</b>		<b>10,020.29</b>	<b>8,000.55</b>
<b>X</b>	<b>Other Comprehensive Income</b>			
(A)	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement gain/(loss) on defined benefits plans		(121.57)	39.67
	- Net gain/(loss) on equity instruments through OCI		219.38	474.94
	(ii) Tax impact thereon		(24.62)	(129.52)
	<b>Subtotal (A)</b>		<b>73.19</b>	<b>385.09</b>
(B)	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Tax impact thereon		-	-
	<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>
	<b>Other Comprehensive Income (A + B)</b>		<b>73.19</b>	<b>385.09</b>



**Standalone Statement of profit and loss (Contd.)**


Particulars		Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
XI	Total Comprehensive Income for the period		10,093.49	8,385.65
	Earning per equity share of face value of ₹10 each	31		
	Basic (Rs.)		10.09	8.39
	Diluted (Rs.)		10.09	8.39
	The accompanying notes form an integral part of the financial statements	1-49		

As per our Report of even date.

**For Vikash Surana and Associates**

Chartered accountants

Firm's Registration No. 324128E



**(CA. Mayur Jain)**

Partner

Membership No. 309233

UDIN: 24309233BKCANE4940

Place: Guwahati

Dated: 26-07-2024

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, 2024

₹ in lakhs

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, 2022	-	-
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	-	-
<b>As at March 31, 2023</b>	<b>1,000.00</b>	<b>10,000.00</b>
As at April 01, 2023	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	-	-
<b>As at March 31, 2024</b>	<b>1,000.00</b>	<b>10,000.00</b>

### 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)(viii) 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		Actuarial gain/(losses) on post retirement benefits
As at April 01, 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
Changes in accounting policies/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 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
Addition/Deletion during the year	2.65	-	-	24.69	(617.42)	(9.72)	(83.56)	-	-	-	-	(683.35)
Profit/ (Loss) for the year	-	-	-	-	-	-	-	-	10,020.29	164.16	(90.97)	10,093.49
Total Other Comprehensive Income/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	(800.00)	-	-	(800.00)
Transfer to / from Retained Earnings	-	2,004.06	1,317.67	-	-	-	-	-	(3,321.73)	-	-	-
<b>As at March 31, 2024</b>	<b>617.91</b>	<b>20,414.06</b>	<b>15,884.57</b>	<b>1,352.91</b>	<b>41,323.00</b>	<b>107.74</b>	<b>3,956.42</b>	<b>3,315.75</b>	<b>23,406.93</b>	<b>536.08</b>	<b>(220.06)</b>	<b>1,10,695.31</b>

**Standalone Statement Of Changes In Equity (Contd.)**

B. Other Equity Contd:

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)(viii) 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	Actuarial 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, 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
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	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to / from Retained Earnings	-	1,600.11	1,295.34	-	-	-	-	-	(2,895.45)	-	-	-
<b>As at March 31, 2023</b>	<b>615.26</b>	<b>18,410.00</b>	<b>14,566.90</b>	<b>1,328.21</b>	<b>41,940.42</b>	<b>117.46</b>	<b>4,039.98</b>	<b>3,315.75</b>	<b>17,508.37</b>	<b>371.91</b>	<b>(129.09)</b>	<b>1,02,085.18</b>

As per our Report of even date.

**For Vikash Surana and Associates**  
Chartered accountants  
Firm's Registration No. 324128E

**(CA. Mayur Jain)**  
Partner

Membership No. 309233  
UDIN: 24309233BKCANE4940

Place: Guwahati  
Dated: 26-07-2024

For and on behalf of the Board of Directors

**(PVS LN Murty)**

Chairman and Managing Director  
DIN : 07355708

**(S. K. Baruah)**

Chief Financial Officer  
Company Secretary

## Standalone Cash Flow Statement for the year ended March 31, 2024

₹ (in lakhs)

	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
Cash flows from Operating activities		
Net profit before income tax	13,237.14	11,592.29
Adjustment for:		
Depreciation charge for the year	240.29	276.67
Loans Provisions & Write offs	(16.40)	(894.13)
Fixed Assets written off/Loss on sale	-	-
Profit / Loss on sale of Investments	(56.52)	(387.48)
Dividend received	(57.00)	(57.00)
Provision for Gratuity, Leave Encashment and LTC / LTA	492.21	264.74
Operating profit before working capital changes	13,839.73	10,795.09
Adjustments for:		
(Increase) / Decrease in Advances (Financial Assets)	(27,521.30)	(34,104.80)
(Increase) / Decrease in Other Financial Assets	10,529.34	8,162.95
(Increase) / Decrease in Non Financial Assets	(3,186.93)	(2,827.41)
Increase / (Decrease) in Other Financial Liabilities	11,045.09	2,883.15
Cash Flow from operations	4,705.93	(15,091.01)
Direct Taxes paid (net of refund received)	(2,986.13)	(2,827.41)
Net cash flow / (used in) from operating activities	1,719.79	17,918.42)
Cash flows from Investing activities		
(Increase) / Decrease in Investment in Equity Instruments	(1,203)	(2,246)
(Increase) / Decrease in Investment in Mutual Funds	1,157.18	20,374.31
(Increase)/Decrease in Capital Work in Progress	-	-
Purchase of fixed assets (net of sales)	(104.71)	(249)
Dividend Received	57.00	57.00
Profit / Loss on sale of Investments	56.52	387.48
Net cash flow / (used in) from Investing activities	(36.60)	18,324.10
Cash flows from Financing activities		
Dividend and Dividend Tax paid	-	-
Increase / (Decrease) in Borrowings (Financial Liabilities)	8,637.42	(653.38)
Increase / (Decrease) in Capital Reserves / Other Equity Funds	(80.91)	58.41
Increase / (Decrease) in Non-Financial Liabilities	(41.69)	(200.39)
Net cash flow / (used in) from financing activities	8,514.81	(795.37)
Net increase in cash and cash equivalents from Operating, Investing and Financing Activities	10,198	(390)
Cash and cash equivalents at beginning of period		
- Own funds	17,881	18,037
- Nodal Agency and Implementing Agency funds	366.29	600.03
Cash and cash equivalents at end of period		
- Own funds	28364.36402	17881.00567
- Nodal Agency and Implementing Agency funds	81.15	366.29
Note 1		
Cash and cash equivalents consist of cash in hand and balances with banks.		
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and bank balances		
Cash in hand	1	1
Balance at Bank		
-With Scheduled Bank		
(i) In Current Account	28,364	17,880
(ii) In Fixed Deposits		
Balance (TEDF)		
(a) With Scheduled Bank		
(i) In Current Account	81	366
(ii) In Fixed Deposits	-	-
Grand Total	28,446	18,247

As per our Report of even date.

For Vikash Surana and Associates

Chartered accountants

Firm's Registration No. 324128E

  
(CA. Mayur Jain)

Partner

Membership No. 309233

UDIN: 24309233BKCAN4940

Place: Guwahati


Dated: 26-07-2024

For and on behalf of the Board of Directors

  
(PVS LN Murty)

Chairman and Managing Director

DIN : 07355708

  
(S. K. Baruah)  
Chief Financial Officer

  
(V. K. Agarwal)  
Company Secretary

# NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

## NOTE 1: MATERIAL ACCOUNTING POLICIES RELATING TO STANDALONE FINANCIAL STATEMENTS

### COMPANY INFORMATION

North Eastern Development Finance Corporation Limited ("NEDFi" of the "Company"), CIN no. U65923AS1995GOI004529 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 Scale Based Regulations ("SBR") were notified by the Reserve Bank of India ("RBI") vide its circular dated 22nd October 2021 pursuant to which the company is classified as NBFC in the Middle Layer(ML).

#### 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 Indian Accounting Standards (IND AS) 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).

### 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
Building other than above	30 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

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

### Amortisation

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 amortised 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

- a) The contract involves the use of an identified asset.
- b) The corporation has substantially all of the economic benefits from use of the asset through the period of the lease and
- c) 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

- 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 accumulated 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 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 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. New amendments to existing standards :**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements:**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Corporation does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes:**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The Corporation does not expect this amendment to have any change in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The Corporation does not expect this amendment to have any significant impact in its financial statements.

The Company adopted these amendments from annual periods beginning on or after April 1, 2023.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

₹ in lakhs

NOTE 2 : CASH AND CASH EQUIVALENTS	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Cash in hand	0.50	1.03
Cheque in hands	17.16	2.21
Balances with banks in current accounts	28,346.70	17,877.76
Balances with banks in current accounts(TEDF)	81.15	366.29
	<b>28,445.52</b>	<b>18,247.30</b>

NOTE 3 : BANK BALANCE OTHER THAN (2) ABOVE	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Term deposits with maturity less than 12 months		
- Free	564.29	9,810.00
- Under lien	5.84	13.69
- Free (TEDF)	3,400.00	1,800.00
	<b>3,970.13</b>	<b>11,623.69</b>

NOTE 4 : RECEIVABLES	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Trade Receivables (Unsecured, Considered good)</b>		
- Consultancy & Advisory Charges Receivable	1,995.25	1,424.55
- Rent and Hall Charges Receivable	34.00	33.25
<b>Trade Receivables( Unsecured, Which have significant increase in credit risk)</b>		
- Consultancy & Advisory Charges Receivable	28.66	30.66
- Rent and Hall Charges Receivable	-	-
	2,057.92	1,488.46
Less : Impairment Loss Allowance	(24.00)	(67.00)
	<b>2,033.92</b>	<b>1,421.46</b>

### Trade Receivables aging schedule:

As at 31<sup>st</sup> March 2024 :

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment				More than 3 years	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years		
(i) Undisputed Trade receivables - considered good	930.88	232.89	629.18	230.16	6.15	2029.26
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	0.80	3.28	0.00	6.15	18.42	28.66
(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 31<sup>st</sup> March 2023:**

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment				More than 3 years	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 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	-	-	-	-	-	-

<b>NOTE 5 : LOANS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
<b>A. Loans :</b>		
(i) Term Loans (at amortised cost)	1,82,663.41	1,54,838.29
Less : Impairment Loss Allowance	4,003.75	3,738.62
<b>Sub total Net (i)</b>	<b>1,78,659.65</b>	<b>1,51,099.67</b>
(ii) Term Loans to staff (at FVTPL)		
Related Party	31.89	23.05
Others	2,729.65	2,760.77
Less : Impairment Loss Allowance	-	-
<b>Sub total Net (ii)</b>	<b>2,761.54</b>	<b>2,783.82</b>
<b>Total (Net)- A ( i+ii)</b>	<b>1,81,421.19</b>	<b>1,53,883.50</b>
<b>B.</b>		
(i) Secured by tangible assets	1,77,131.69	1,49,794.68
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank/Government guarantees	-	-
(iv) Unsecured	8,293.25	7,827.43
<b>Total ( Gross)</b>	<b>1,85,424.94</b>	<b>1,57,622.11</b>
Less : Impairment Loss Allowance	4,003.75	3,738.62
<b>Total (Net)- B</b>	<b>1,81,421.19</b>	<b>1,53,883.50</b>
<b>C.</b>		
(i) Loans in India		
a) Public Sector	-	-
b) Others	1,85,424.94	1,57,622.11
<b>Total ( Gross)</b>	<b>1,85,424.94</b>	<b>1,57,622.11</b>
Less : Impairment Loss Allowance	4,003.75	3,738.62
<b>Total (Net) - C (i)</b>	<b>1,81,421.19</b>	<b>1,53,883.50</b>
(ii) loans outside India	-	-
Less : Impairment loss allowance	-	-
<b>Total (Net) - C (ii)</b>	<b>-</b>	<b>-</b>
<b>Total (Net) - C ( i+ ii)</b>	<b>1,81,421.19</b>	<b>1,53,883.50</b>

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

₹ in lakhs

NOTE 6 : INVESTMENTS	As at 31 <sup>st</sup> March 2024				As at 31 <sup>st</sup> March 2023				
	Amortised Cost	Fair Value			Amortised Cost	Fair Value			
		Through OCI	Through P & L	Sub-Total		Through OCI	Through P & L	Sub-Total	
Units of mutual funds	-	1,177.61	1,177.61	-	-	2,334.79	2,334.79	-	2,334.79
<b>Investment in Equity Instruments</b>									
<b>Quoted</b>									
Premier Cyogenics Limited (Not traded - 23-24) (200000 shares of Rs 10/- each)	-	353.17	353.17	-	353.17	-	353.17	-	353.17
<b>Unquoted</b>									
Gauhati Neurological Research Centre Limited (Unquoted 250,000 shares @ 10/- per share)	-	347.15	347.15	-	412.42	-	412.42	-	412.42
Konoklota Mahila Urban Co-Op Bank Ltd. (Unquoted 5,000 shares @ 100/- per share)	-	30.58	30.58	-	28.05	-	28.05	-	28.05
RGVN (North East) Microfinance Ltd. (Unquoted 3,000,000 Equity Shares @ 10/- per share)	-	1,312.80	1,312.80	-	1,313.51	-	1,313.51	-	1,313.51
Nightingale Finvest Pvt. Ltd. (Unquoted 665,000 Equity Shares of 10/- per share)	-	154.61	154.61	-	141.83	-	141.83	-	141.83
YVU Financial Services Pvt. Ltd. (Unquoted 50,000 Equity Shares of 100/- per share)	-	92.51	92.51	-	86.84	-	86.84	-	86.84
Grameen Development & Finance Pvt. Ltd. (Unquoted 500,000 Equity Shares of 10/- per share)	-	59.17	59.17	-	60.07	-	60.07	-	60.07
North East Small Finance Bank Limited (Unquoted 97,96,383 Equity Shares of 10/- per share)(P.Y. Unquoted 2,96,384 Equity Shares of 10/- per share)	-	291.61	291.61	-	26.33	-	26.33	-	26.33
<b>Investment in Equity Instruments of subsidiaries</b>									
NEDFI Venture Capital Ltd. (Unquoted 49,400 Equity Shares of 10/- per share, fair value Rs.334.45/- (P.Y. Rs. 323.19/-))	-	-	-	4.94	-	-	-	4.94	4.94
NEDFI Trustee Ltd. (Unquoted 49,400 Equity Shares of 10/- per share, fair value Rs. 18.93/- (P.Y. Rs 15.38/-))	-	-	-	4.94	-	-	-	4.94	4.94
<b>Investment in Preference Shares</b>									
Ajagar Finance Private Limited (500000 optionally convertible preference shares of Rs. 10/- each)	-	51.85	51.85	-	51.85	-	49.78	-	49.78

₹ in lakhs

NOTE 6 : INVESTMENTS	As at 31 <sup>st</sup> March 2024				As at 31 <sup>st</sup> March 2023			
	Amortised Cost	Fair Value			Amortised Cost	Fair Value		
		Through OCI	Through P & L	Sub-Total		Through OCI	Through P & L	Sub-Total
			Others (At cost)	Total			Others (At cost)	Total
Griameen Development & Finance Pvt. Ltd. (2000000 optionally convertible preference shares of Rs. 10/- each)	-	260.35	-	260.35	-	264.33	-	264.33
Nightingale Finvest Pvt. Ltd. (2000000 optionally convertible preference shares of Rs. 10/- each)	-	511.49	-	511.49	-	469.22	-	469.22
YVU Financial Services Private Limited (1000000 optionally convertible preference shares of Rs. 10/- each)	-	203.53	-	203.53	-	191.04	-	191.04
SATRA Development Pvt Ltd (50000 optionally convertible preference shares of Rs. 100/- each)	-	74.38	-	74.38	-	72.09	-	72.09
North East Small Finance Bank Limited (PY 5631298 Compulsorily Convertible Preference Shares of 10/- each)	1,000.00	-	-	1,000.00	-	-	-	1,000.00
<b>Investment in Bonds</b>								
North East Small Finance Bank Limited (10 Units of Unsecured Redeemable Non-Convertible Subordinated Tier II bonds of 100 lakh each)	1,000.00	-	-	1,000.00	-	-	-	1,000.00
Investment in NRL Ideation Angel Fund (Value as on 31.03.2024 Rs. 200.74/- lakhs (P.Y. NIL))	-	-	215.81	215.81	-	-	-	-
<b>Investment in Associates</b>								
North East Venture Fund (Value as on 31.03.2024 Rs. 4935.54/- lakhs (P.Y. Rs. 4017.11/- lakhs))	-	-	6,268.12	6,268.12	-	-	5,055.62	5,055.62
<b>Total - Gross (A)</b>	<b>1,000.00</b>	<b>2,641.60</b>	<b>2,279.21</b>	<b>4,920.81</b>	<b>1,000.00</b>	<b>2,422.22</b>	<b>3,881.49</b>	<b>6,303.71</b>
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	1,000.00	2,641.60	2,279.21	4,920.81	1,000.00	2,422.22	3,881.49	6,303.71
<b>Total - Gross (B)</b>	<b>1,000.00</b>	<b>2,641.60</b>	<b>2,279.21</b>	<b>4,920.81</b>	<b>1,000.00</b>	<b>2,422.22</b>	<b>3,881.49</b>	<b>6,303.71</b>
Less : Allowance for Impairment Loss (C)	-	-	-	-	-	-	-	-
<b>Total - Net D (A - C)</b>	<b>1,000.00</b>	<b>2,641.60</b>	<b>2,279.21</b>	<b>4,920.81</b>	<b>1,000.00</b>	<b>2,422.22</b>	<b>3,881.49</b>	<b>6,303.71</b>

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 / 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.



₹ in lakhs

<b>NOTE 7 : OTHER FINANCIAL ASSETS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
Interest Receivable on Loans & Advances	876.66	689.78
Interest Receivable on Fixed Deposits	50.72	389.68
Interest Receivable on Fixed Deposits (TEDF)	225.37	152.32
Interest Receivable on Staff Housing Loan	474.98	423.12
Interest Receivable on Bond	10.67	-
Advances to Others	85.12	236.65
Advances to Staff	23.92	52.53
Earnest Money Deposit	38.76	36.45
Security Deposits (Unsecured, Considered good)	35.15	35.15
Term deposits with banks (maturity more than 12 months)		
- Free	0.45	1,000.00
- Under Lien	34.91	90.29
- Free (TEDF)	-	2,100.00
Other receivables	297.89	436.87
	<b>2,154.61</b>	<b>5,642.85</b>

<b>NOTE 8 : CURRENT TAX ASSETS(NET)</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
Advance Payment of Income tax & TDS	-	-
Less: Provision for Income Tax	-	-

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

**NOTE: 9A - PROPERTY PLANT AND EQUIPMENT**

₹ in lakhs

Sl. No.	Particulars	Gross Block			Depreciation/ Amortisation			Net Block			
		As on 01.04.2023	Addition/ Adjustment during the period	Deduction/ Adjustment during the period	As on 31.03.2024	Upto 01.04.2023	During the period	Adjustment during the period	Upto 31.03.2024	As on 31.03.2024	As on 31.03.2023
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	957.04	52.80	-	1,009.84	917.93	970.72
	Office at Agartala	143.67	-	-	143.67	42.78	4.91	-	47.69	95.98	100.89
3	<u>Plant &amp; Equipment</u>										
	Air Conditioning System	447.06	-	-	447.06	398.96	9.12	-	408.08	38.98	48.10
	Electrical Installation	264.13	-	-	264.13	250.92	-	-	250.92	13.21	13.21
	Fire Alarm System	36.73	-	-	36.73	33.69	0.59	-	34.28	2.45	3.04
	Lift	79.56	-	-	79.56	72.98	1.28	-	74.26	5.31	6.59
	Machineries	105.79	3.72	1.84	107.67	82.63	4.43	1.75	85.31	22.36	23.17
	UPS System	14.90	-	-	14.90	14.16	-	-	14.16	0.75	0.75
	Water Installation System	15.88	-	-	15.88	14.57	0.26	-	14.82	1.06	1.31
	Solar Panels	31.19	-	-	31.19	23.78	1.31	-	25.09	6.10	7.41
	Computers	348.72	8.75	1.43	356.04	286.74	33.18	1.36	318.56	37.48	61.99
4	<u>Furniture &amp; Fixtures</u>										
	Furniture & Fixtures (HO)	145.53	13.15	-	158.69	123.47	6.89	-	130.36	28.33	22.07
	Interior Furnishings & Fittings	1,240.56	10.45	-	1,251.01	1,078.30	35.52	-	1,113.82	137.19	162.26
5	<u>Vehicle</u>	39.84	-	-	39.84	20.13	5.95	-	26.08	13.77	19.72
6	<u>Office Equipments</u>	119.34	0.59	12.56	107.37	104.78	5.14	11.93	98.00	9.38	14.56
	<b>Total - A</b>	<b>6,054.38</b>	<b>36.65</b>	<b>15.82</b>	<b>6,075.22</b>	<b>3,504.90</b>	<b>161.38</b>	<b>15.03</b>	<b>3,651.26</b>	<b>2,423.96</b>	<b>2,549.48</b>

₹ in lakhs

**NOTE: 9B -PROPERTY PLANT AND EQUIPMENT- INTANGIBLE ASSETS**

Sl. No.	Particulars	Gross Block			Depreciation/ Amortisation			Net Block			
		As on 01.04.2023	Addition/ Adjustment during the period	Deduction/ Adjustment during the period	As on 31.03.2024	Upto 01.04.2023	During the period	Adjustment during the period	Upto 31.03.2024	As on 31.03.2024	As on 31.03.2023
1	Computer Software	342.02	-	-	342.02	307.82	34.20	-	342.02	-	34.20
	<b>Total Intangible Assets (B)</b>	<b>342.02</b>	<b>-</b>	<b>-</b>	<b>342.02</b>	<b>307.82</b>	<b>34.20</b>	<b>-</b>	<b>342.02</b>	<b>-</b>	<b>34.20</b>

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

Sl. No.	Particulars	Gross Block			Depreciation/ Amortisation			Net Block			
		As on 01.04.2023	Addition/ Adjustment during the period	Deduction/ Adjustment during the period	As on 31.03.2024	Upto 01.04.2023	During the period	Adjustment during the period	Upto 31.03.2024	As on 31.03.2024	As on 31.03.2023
1	Rights-Of-Use Assets (Leasehold premises)	369.36	79.80	35.71	413.45	121.35	54.43	24.76	151.02	262.43	248.00
	<b>Total ROU Assets (C)</b>	<b>369.36</b>	<b>79.80</b>	<b>35.71</b>	<b>413.45</b>	<b>121.35</b>	<b>54.43</b>	<b>24.76</b>	<b>151.02</b>	<b>262.43</b>	<b>248.00</b>
	<b>Total Assets (A+B+C)</b>	<b>6,765.76</b>	<b>116.45</b>	<b>51.53</b>	<b>6,830.69</b>	<b>3,934.07</b>	<b>250.01</b>	<b>39.79</b>	<b>4,144.30</b>	<b>2,686.39</b>	<b>2,831.68</b>
	<b>Capital Work In Progress</b>									<b>0.87</b>	<b>0.87</b>

**9D** \* Building includes Rs 199.51/- lakhs (previous year Rs 199.51/- lakhs) 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 113.59/- lakhs, whereas by taking useful life as 60 years the total depreciation has amounted to Rs. 78.98/- lakhs. Thus depreciation to the extent of Rs 34.62/- lakh has remained unabsorbed. This amount will be amortised over the remaining useful life of the asset.

₹ in lakhs

**As at 31st March 2023**  
**NOTE: 9A -PROPERTY PLANT AND EQUIPMENT- INTANGIBLE 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	Land										
	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	Buildings										
	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	Plant & Equipment										
	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	-	106	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	Furniture & Fixtures										
	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	Vehicle	14.62	25.22	-	39.84	13.89	6.23	-	20.13	19.72	0.73
6	Office Equipments	114.22	5.12	-	119.34	96.55	8.23	-	104.78	14.56	17.66
	<b>Total - A</b>	<b>5,896.58</b>	<b>158.68</b>	<b>0.88</b>	<b>6,054.38</b>	<b>3,341.02</b>	<b>164.72</b>	<b>0.83</b>	<b>3,504.90</b>	<b>2,549.48</b>	<b>2,555.55</b>

₹ in lakhs

**NOTE: 9B - PROPERTY PLANT AND EQUIPMENT- INTANGIBLE 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	Computer Software	342.02	-	-	342.02	239.42	68.40	-	307.82	34.20	102.61
	<b>Total Intangible Assets (B)</b>	<b>342.02</b>	<b>-</b>	<b>-</b>	<b>342.02</b>	<b>239.42</b>	<b>68.40</b>	<b>-</b>	<b>307.82</b>	<b>34.20</b>	<b>102.61</b>

**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	Rights-Of-Use Assets (Leasehold premises)	278.94	90.41	-	369.36	66.81	54.54	-	121.35	248.00	212.13
	<b>Total ROU Assets (C)</b>	<b>278.94</b>	<b>90.41</b>	<b>-</b>	<b>369.36</b>	<b>66.81</b>	<b>54.54</b>	<b>-</b>	<b>121.35</b>	<b>248.00</b>	<b>212.13</b>
	<b>Total Assets (A+B+C)</b>	<b>6,517.54</b>	<b>249.10</b>	<b>0.88</b>	<b>6,765.76</b>	<b>3,647.25</b>	<b>287.66</b>	<b>0.83</b>	<b>3,934.07</b>	<b>2,831.68</b>	<b>2,870.29</b>
	<b>Capital Work In Progress</b>									<b>0.87</b>	<b>0.87</b>

**9D** \* Building includes Rs 199.51/- lakhs (previous year Rs 199.51/- lakhs) 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 113.59/- lakhs, whereas by taking useful life as 60 years the total depreciation has amounted to Rs. 78.98/- lakhs. Thus depreciation to the extent of Rs 34.62/- lakh has remained unabsorbed. This amount will be amortised over the remaining useful life of the asset.

₹ in lakhs

NOTE 10 : OTHER NON FINANCIAL ASSETS	As at 31st March, 2024	As at 31st March, 2023
Income Tax Refundable	322.95	-
Prepaid Employee Benefit Expenses	423.38	222.58
	<b>746.33</b>	<b>222.58</b>

NOTE 11 : PAYABLES	As at 31st March, 2024	As at 31st March, 2023
(I) Trade Payables		
(i) -total outstanding dues of micro & small enterprises	-	-
(ii)- total outstanding dues of creditors other than micro & small enterprises	49.69	54.27
(II) Other Payables	-	-
	<b>49.69</b>	<b>54.27</b>

**Trade Payable Aging Schedule :**  
**As at 31<sup>st</sup> March 2024:**

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	41.42	0.00	0.00	8.27	49.69
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-

**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	-	-	-	-	-

NOTE 12 : BORROWINGS	As at 31st March, 2024	As at 31st March, 2023
<b>Term Loan (Unsecured) from Others, amortised at cost (within India)</b>		
Interest free loan from Government of India	45,067.96	46,007.32
Interest free loan from Government for Venture	2,770.65	2,607.67
<b>Term Loan (Secured) from Others, amortised at cost (within India)</b>		
Loan from SIDBI	9,913.80	500.00
	<b>57,752.41</b>	<b>49,114.99</b>

**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, 7.34% for FY 22-23 & 7.05% for FY 23-24.

\* The Corporation has been sanctioned Rs. 100 lakh term loan by SIDBI @ 8% p.a. interest rate during FY 22-23 by way of term loan/resourse support for already created portfolio of qualifying assets of micro and small enterprises. The loan is secured by first charge by way of hypothecation of book debts and loan receivables from MSE beneficiaries. No discounting has been done to arrive at the carrying value of the term loan at reporting date.

- \* The Company has used the borrowings from Govt and financial institutions for the specific purpose for which these were availed.
- \* In respect of all the borrowings, there is no default in payment of either principal or interest.
- \* Disclosure of information related to borrowings from financial institutions on the basis of security of current assets: The monthly/quarterly returns or statements filed by the company with SIDBI 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.

₹ in lakhs

<b>NOTE 13 : OTHER FINANCIAL LIABILITIES</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
GST, PF and other statutory liabilities	37.13	45.20
Notional Interest	25,661.39	24,885.01
Undisbursed Central Subsidies	21,056.55	10,022.81
Lease liability	292.28	270.98
Security Deposit	70.64	96.56
Other Liabilities	3,934.76	5,709.00
Interest payable on loans	41.83	0.11
	<b>51,094.59</b>	<b>41,029.67</b>

<b>NOTE 14 : CURRENT TAX LIABILITIES(NET)</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
Provision of Income Tax	2,925.10	2,928.41
Less: Advance Payment of Income tax & TDS	(2,877.87)	(2,839.49)
	<b>47.23</b>	<b>88.92</b>

<b>NOTE 15 : PROVISIONS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
<b>Provisions for employee benefits</b>		
- Leave Encashment	448.75	1,199.28
- Leave Travel Concession / Allowance	28.92	75.77
- Salaries(Arrears)	1,316.20	891.00
<b>Others</b>		
Floating Provision against Advances	200.00	200.00
Provision for Diminution in Fair Value of Restructured Advance	13.35	13.35
	<b>2,007.22</b>	<b>2,379.39</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

**NOTE 16 : DEFERRED TAX LIABILITIES (net) and Tax expense**

₹ in lakhs

Tax effect of items constituting (DTL)	As at 1st April 2022	(Charge)/ credit to P & L	(Charge)/ credit to OCI	Balance as at 31st March 2023	(Charge)/ credit to P & L	(Charge)/ credit to OCI	Balance as at 31st March 2024
Related to Property, plant and equipment	2.68	(12.78)	-	(10.10)	(6.27)	-	(16.37)
Related to Right to Use Assets	(3,340.19)	(326.01)	-	(3,666.20)	(331.63)	-	(3,997.83)
Related to Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	(53.39)	(9.03)	-	(62.42)	(3.63)	-	(66.05)
Others	-	-	-	-	-	(55.21)	(213.34)
	(3,390.90)	(347.82)	-	(3,738.72)	(341.53)	(55.21)	(4,293.59)
<b>Tax effect of items constituting DTA</b>	<b>As at 1st April 2022</b>	<b>(Charge)/ credit to P &amp; L</b>	<b>(Charge)/ credit to OCI</b>	<b>Balance as at 31st March 2023</b>	<b>(Charge)/ credit to P &amp; L</b>	<b>(Charge)/ credit to OCI</b>	<b>Balance as at 31st March 2024</b>
Related to Provisions	2260.04	(224.20)	-	2035.84	(246.87)	-	1788.96
Related to Lease liability	56.68	11.52	-	68.20	5.36	-	73.56
Related to Effective Interest Rate	176.53	(32.56)	-	143.97	29.38	-	173.35
Others	-	-	-	-	-	30.60	30.60
	2493.24	(245.23)	-	2248.01	(212.14)	30.60	2066.47
<b>Net DTA/(DTL)</b>	<b>(897.66)</b>	<b>(593.05)</b>	<b>-</b>	<b>(1,490.71)</b>	<b>(553.67)</b>	<b>(24.62)</b>	<b>(2,227.12)</b>

Others include deferred tax on account of employee benefits & fair valuation. Adjustments of Rs. 158.12 lakhs pertaining to prior periods has been done with current tax liabilities.



NOTE 16 : DEFERRED TAX LIABILITIES (Contd.)

₹ in lakhs

(ii)

Income tax recognised in Statement of profit and loss	As at 31st March, 2024	As at 31st March, 2023
<b>(a) Current tax :</b>		
In respect of current year	2925.10	2770.29
In respect of prior years	(261.92)	228.40
	2663.18	2998.69
<b>(b) Deferred tax :</b>		
In respect of current year origination and reversal of temporary differences	553.67	593.05
	553.67	593.05
	<b>3216.85</b>	<b>3591.74</b>

(iii)

Income tax recognised in Other Comprehensive Income	As at 31st March, 2024	As at 31st March, 2023
<b>Tax related to items recognised in OCI during the year</b>		
Remeasurement of defined employee benefits	(30.60)	9.98
Net gain/(loss) on equity instruments through OCI	55.21	119.53
	<b>24.62</b>	<b>129.52</b>

(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, 2024	As at 31st March, 2023
Profit before tax	13,237.14	11,592.29
Applicable income tax rate	25.168%	25.168%
Expected income tax expense	3,331.52	2,917.55
Adjustment in respect of current income tax of prior years	(261.92)	228.40
<b>Non-deductible expenses</b>		
Corporate social responsibility expenditure not deductible	222.01	207.43
Effect of other expenses/provisions not deductible	(170.55)	466.76
Adjustment in respect of prior years	261.92	228.40
<b>Reported income tax expense</b>	<b>3,216.85</b>	<b>3,591.74</b>

NOTE17 : SHARE CAPITAL	As at 31st March, 2024	As at 31st March, 2023
<b>AUTHORISED</b>		
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
	<b>50,000.00</b>	<b>50,000.00</b>
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
	<b>10,000</b>	<b>10,000</b>
<b>PAID UP</b>		
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
	<b>10,000.00</b>	<b>10,000.00</b>

**NOTE17 : SHARE CAPITAL (Contd.)**

₹ in lakhs

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

Equity Shares	As at 31st March, 2024	As at 31st March, 2023
At the beginning of the year (No. of Shares)	1,000.00	1,000.00
Issued during the year	-	-
<b>Outstanding at the end of the year</b>	<b>1,000.00</b>	<b>1,000.00</b>

**b) Terms/Rights attached to Equity Shares**

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

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

Name of the shareholders	As at 31/03/2024 No. of Shares % of holding	As at 31/03/2023 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.

**d) Dividend distributions made and proposed**

- Dividend on equity shares and paid during the year

	As at 31st March, 2024	As at 31st March, 2023
Dividend paid	800.00	-
Profit for the relevant year	8,000.55	7,673.88
Dividend as a percentage of profit for the relevant year	10.00%	-

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

	As at 31st March, 2024	As at 31st March, 2023
Face value per share(Rupees)	10.00	10.00
Dividend percentage	8.00%	8.00%
Dividend per share(Rupees)	0.80	0.80
Total Dividend on Equity Shares(a)	800.00	800.00
Profit after tax for the relevant year(b)	10,020.29	10,020.29
Dividend proposed as a percentage of profit after tax(a/b)	10.00%	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, 2024	As at 31st March, 2023
<b>I. Other Reserves</b>		
<b>(a) North East Equity Fund</b>		
Fund Balance	615.26	614.87
Less: Provision against Soft Loans under NEEDS	(2.65)	(0.39)
	<b>617.91</b>	<b>615.26</b>
<b>(b) Statutory Reserve u/s 45-IC of RBI Act, 1934</b>		
Opening Balance	18,410.00	16,809.89
Add: Transferred from Retained Earnings	2,004	1,600.11
	<b>20,414</b>	<b>18,410.00</b>
<b>(c) Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961</b>		
Opening Balance	14,566.90	13,271.56
Add: Transferred from P/L Account	1,317.67	1,295.34
	<b>15,884.57</b>	<b>14,566.90</b>
<b>(d) Venture Capital Fund:</b>		
Fund Balance	1,328.21	1,305.58
Add: Transferred from General Reserve	24.69	22.64
	<b>1,352.91</b>	<b>1,328.21</b>
<b>(e) General Reserve</b>		
Opening balance	41,940.42	42,093.19
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for :		
Transferred to Venture Capital Fund	(24.69)	(22.64)
Impairment Loss not transferred to Impairment Reserve	(592.72)	(130.14)
	<b>41,323.00</b>	<b>41,940.42</b>
<b>(f) India Exposition Mart Stalls</b>		
Opening balance	117.46	128.45
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	(9.72)	(10.99)
	<b>107.74</b>	<b>117.46</b>
<b>(g) Techno Economic Development Fund</b>		
Opening balance	4,039.98	3,981.96

**NOTE 18 : OTHER EQUITY (Contd.)**

₹ in lakhs

NOTE 18 : OTHER EQUITY	As at 31st March, 2024	As at 31st March, 2023
Add: Additions / transfers during the year	302.50	273.83
Less: Utilisations / transfers during the year	(386.06)	(215.81)
	<b>3,956.42</b>	<b>4,039.98</b>
<b>(h) Impairment Reserve*</b>		
Opening balance	3,315.75	3,315.75
Add : Additions during the year	-	-
	<b>3,315.75</b>	<b>3,315.75</b>
<b>Retained Earnings</b>		
Balance as per last Balance Sheet	17,751.19	12,260.99
Profit for the Period	10,020.29	8,000.55
Other comprehensive income	73.19	385.09
<b>Less: Appropriations</b>		
Transferred to General Reserve	-	-
Dividend Paid	(800.00)	-
Transferred to Statutory Reserve under RBI Act, 1934	(2,004)	(1,600.11)
Transferred to Special Reserve	(1,317.67)	(1,295.34)
	<b>23,722.95</b>	<b>17,751.19</b>
<b>TOTAL OTHER EQUITY</b>	<b>1,10,695.31</b>	<b>1,02,085.18</b>

**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

₹ in lakhs

NOTE 19 : INTEREST INCOME	As at the end of 31st March, 2024	As at the end of 31st March, 2023
<b>On financial instruments measured at Amortised cost</b>		
Interest on loans	16,593.07	13,215.58
Interest on Fixed Deposits and Bonds	636.32	999.37
	<b>17,229.39</b>	<b>14,214.95</b>

\*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, 2024	As at the end of 31st March, 2023
From equity investments	12.00	3.00
From preference share investments	45.00	54.00
	<b>57.00</b>	<b>57.00</b>

NOTE 21 : FEE AND COMMISSION INCOME	As at the end of 31st March, 2024	As at the end of 31st March, 2023
Consultancy Fees	1,233.29	1,077.18
Prepayment Charges	52.84	46.73
	<b>1,286.12</b>	<b>1,123.91</b>

\*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 22 : NET GAIN/LOSS ON FAIR VALUE CHANGES	As at the end of 31st March, 2024	As at the end of 31st March, 2023
<b>Net gain/(loss) on financial instruments at FVTPL</b>		
Realised gain/(loss) from sale of Mutual Fund units	453.99	778.58
Realised gain/(loss) from sale of Equity Investments	9.66	2.25
Unrealised fair value gain/(loss) on Mutual Fund units	37.96	19.46
Unrealised fair value gain/(loss) on debt instruments	(445.10)	(412.81)
	<b>56.52</b>	<b>387.48</b>

NOTE 23 : OTHER OPERATING INCOME	As at the end of 31st March, 2024	As at the end of 31st March, 2023
Deferred Interest	3,065.64	3,118.36
	<b>3,065.64</b>	<b>3,118.36</b>

NOTE 24 : OTHER INCOME	As at the end of 31st March, 2024	As at the end of 31st March, 2023
Rent Received	339.91	339.76
Maintenance Charges	141.48	141.41
Hall Charges	46.49	34.66
Interest on loan to staff*	287.76	273.44
Miscellaneous Receipts	33.93	52.08
Bad Loans & Advances Recovered	1,376.70	968.15
Interest on I.T. Refund	-	39.21
Contribution to gratuity fund	-	-
Gain on disposal of assets(net)	1.08	-
	<b>2,227.34</b>	<b>1,848.71</b>

\* 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 25 : FINANCE COSTS	As at the end of 31st March, 2024	As at the end of 31st March, 2023
Interest on Borrowngs		
- SIDBI	76.66	0.11
Notional Interest on Government Loan	3,065.64	3,118.36
Prepaid Employee Benefit expenses amortised during the year	152.51	181.87
Interest Expense on lease liabilities	24.26	33.06
	<b>3,319.07</b>	<b>3,333.41</b>

NOTE 26 : IMPAIRMENT ON FINANCIAL INSTRUMENTS	As at the end of 31st March, 2024	As at the end of 31st March, 2023
<b>On financial instruments measured at Amortised cost</b>		
Bad debts and write offs	351.93	157.57
Loans	(325.33)	(1,051.70)
Trade receivables	(43.00)	-
	<b>(16.40)</b>	<b>(894.13)</b>

NOTE 27 : EMPLOYEE BENEFIT EXPENSES	As at the end of 31st March, 2024	As at the end of 31st March, 2023
<u>Salaries &amp; Wages</u>		
- Salaries (Director)	65.69	63.27
- Salaries (Others)	3,279.27	2,921.17

**NOTE 27 : EMPLOYEE BENEFIT EXPENSES (Contd.)**

₹ in lakhs

NOTE 27 : EMPLOYEE BENEFIT EXPENSES	As at the end of 31st March, 2024	As at the end of 31st March, 2023
- Leave Travel Concession / Allowance	160.69	238.38
- Leave Encashment	492.21	264.74
<b>Contribution to Provident and other Funds</b>		
- Employer's Provident Fund	246.81	218.48
- Gratuity	10.27	55.22
<b>Staff Welfare Expenses</b>		
- Medical Reimbursement	83.86	57.49
- House Rent	23.21	10.19
- Staff Welfare	204.01	313.99
	<b>4,566.02</b>	<b>4,142.94</b>

**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(₹)
<b>i. Change in the present value of the defined benefit obligation</b>				
Opening benefit obligation	710.51	667.95	1,199.27	1,043.30
Current Interest Cost	52.94	47.55	89.35	74.28
Current Service Cost	24.27	26.33	82.67	57.13
Benefit Paid	-	(27.82)	(91.34)	(33.24)
Actuarial (Gain)/ Loss	120.60	(3.50)	351.19	57.80
Closing benefit obligation	908.32	710.51	1,631.14	1,199.27
<b>ii. Change in Plan Assets</b>				
Opening Fair Value of Plan Assets	917.98	791.09	-	-
Actual Return on Plan Assets	67.42	54.84	-	-
Contribution	0.00	99.87	1,242.01	33.24
Benefit paid	-	(27.82)	(91.34)	(33.24)
Closing Fair Value of Plan Assets	985.40	917.98	-	-
<b>iii. Reconciliation of Expense in Profit &amp; loss Statement</b>				
Closing present value of obligation	908.32	710.52	1,631.14	1,199.27
Opening present value of obligation	(710.52)	(667.95)	(1,199.27)	(1,043.30)
Benefit Paid	0.00	27.82	33.24	33.24
Actual Return on Assets	(67.42)	(54.83)	91.34	0.00
OCI	(121.56)	2.01	(31.72)	-
Expense recognised in Profit & Loss Account	8.82	17.57	491.49	189.21
<b>iv. Net Cost recognized in Profit &amp; loss Account</b>				
Current Service cost	24.27	26.33	82.67	57.13
Net Interest Cost (Income)	(15.46)	(8.76)	57.62	74.28
Net actuar ial (gain)/ Loss	-	-	351.19	57.80
Expenses recognized in Profit & Loss Account	8.81	17.57	491.48	189.21
<b>v. Reconciliation of opening and closing net /liability recognized in Balance Sheet</b>				
Opening Net Liability	(207.45)	(123.15)	1,199.28	1,043.31

NOTE 27 : EMPLOYEE BENEFIT EXPENSES (Contd.)

₹ in lakhs

Particulars	Gratuity		Leave Encashment	
	Current Year(₹)	Previous Year(₹)	Current Year(₹)	Previous Year(₹)
Expense charged to Profit & Loss Account	8.81	17.57	140.30	131.41
Benefit paid by Corporation	-	-	-	-
Contribution paid	-	(99.86)	351.19	(33.25)
OCI	121.56	(2.01)	(1,242.02)	57.81
Closing Net Liability/(Asset)	(77.08)	(207.45)	448.75	1,199.28
<b>vi.Maturity Profile of Defined Benefit Obligation</b>				
Year 1	67.07	37.22	224.21	137.08
Year 2	46.86	37.09	191.83	157.24
Year 3	81.93	54.75	215.45	139.11
Year 4	86.10	68.81	181.64	159.49
Year 5	75.88	72.43	145.82	131.43
After 5th Year	1,484.33	1,241.23	1,782.39	1,339.53
<b>Total</b>	<b>1842.17</b>	<b>1511.53</b>	<b>2 741.34</b>	<b>2 063.88</b>

**vii.Sensitivity Analysis for Gratuity**

Item	As at 31/03/2024	Impact (Absolute)	Impact%
Base Liability	908.32		
Increase Discount Rate by 0.5%	872.85	(35.47)	-3.91%
Decrease Discount Rate by 0.5%	946.26	37.94	4.18%
Increase Salary Inflation by 1.00%	932.34	24.02	2.64%
Decrease Salary inflation by 1.00%	880.12	(28.19)	-3.10%
Increase Withdrawal Rate by 1.00%	949.65	41.32	4.55%
Decrease Withdrawal Rate by 1.00%	865.79	(42.52)	-4.68%

**viii.Sensitivity Analysis for Leave Encashment**

Item	As at 31/03/2024	Impact (Absolute)	Impact%
Base Liability	1,631.15		
Increase Discount Rate by 0.5%	1,584.05	(47.09)	-2.89%
Decrease Discount Rate by 0.5%	1,680.91	49.76	3.05%
Increase Salary Inflation by 1.00%	1,734.22	103.08	6.32%
Decrease Salary Inflation by 1.00%	1,537.30	(93.84)	-5.75%
Increase Withdrawal Rate by 1.00%	1,642.61	11.46	0.70%
Decrease Withdrawal Rate by 1.00%	1,619.66	(11.49)	-0.70%

Note : 1. The base liability is calculated at discount rate of 7.18% 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, 2024 are as under:**

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

**NOTE 27 : EMPLOYEE BENEFIT EXPENSES (Contd.)**

₹ in lakhs

**x. Principal Actuarial Assumptions**

Particulars	Gratuity		Leave Encashment	
	Current Year(₹)	Previous Year(₹)	Current Year(₹)	Previous Year(₹)
Discount Rate	7.18%	7.45%	7.18%	7.45%
Rate of increase in compensation levels	3.00%	3.00%	3.00%	3.00%
Rate of return on Plan Assets	7.45%	7.12%	Actual return	-

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.

<b>NOTE 28 : DEPRECIATION, AMORTIZATION &amp; IMPAIRMENT</b>	<b>As at the end of 31st March, 2024</b>	<b>As at the end of 31st March, 2023</b>
Depreciation on Property, Plant and Equipment	161.38	164.72
Less : Transfer to IEM Stall Fund	(9.72)	(10.99)
	<b>151.67</b>	<b>153.72</b>
Depreciation on Intangible Asset	34.20	68.40
Depreciation on ROU Asset	54.43	54.54
	<b>240.29</b>	<b>276.67</b>
<b>NOTE 29 : CSR EXPENSES</b>	<b>As at the end of 31st March, 2024</b>	<b>As at the end of 31st March, 2023</b>
CSR Expenses	222.01	207.43
	<b>222.01</b>	<b>207.43</b>
<b>NOTE 30 : OTHER EXPENSES</b>	<b>As at the end of 31st March, 2024</b>	<b>As at the end of 31st March, 2023</b>
<u>Rent, Taxes and Energy Cost</u>		
Electricity Charges & Electrical Expenses	79.94	63.98
Rent on short term leases	6.40	0.30
GST Expenses	33.73	27.77
Licence & Registration Fees	25.60	9.68
<u>Repairs &amp; Maintenance</u>		
Repairs & Maintenance (Machine)	65.56	41.82
Manpower Cost ( Security Services, Housekeeping Services etc)	463.71	392.94
Repair & Maintenance(Others)	111.32	140.63
Software Maintenance Expenses	51.37	93.92
<u>Communication Costs</u>		
Telephone Charges & Postage	28.90	28.28
<u>Printing &amp; Stationery</u>		
	31.35	27.47
<u>Advertisement &amp; Publicity</u>		
Advertisement Expenses	39.75	20.11
Business Promotion	50.60	52.34
Business Facilitation Centre Expenses	15.29	9.05



**NOTE 30 : OTHER EXPENSES (Contd.)**

₹ in lakhs

NOTE 30 : OTHER EXPENSES	As at the end of 31st March, 2024	As at the end of 31st March, 2023
<u>Director's Fees, allowances and Expenses</u>		
BOD Meeting Expenses	64.20	76.65
<u>Auditors' Fees and Expenses</u>		
Tax Audit Fees	0.50	0.50
Statutory Audit Fees	2.24	3.20
Concurrent Audit Fees	3.00	2.40
Other services	0.20	0.20
Reimbursement of expenses	0.35	0.48
<u>Legal &amp; Professional Fees and Expenses</u>	63.32	135.07
<u>Insurance charges</u>	12.05	11.64
<u>Other Expenses</u>		
Other Audit Expenses	4.10	5.46
Bank charges	0.98	1.05
Books & Periodicals	2.91	2.63
Car hire Expenses	52.03	46.97
Consultancy Expenses	373.78	308.55
Commission to Business Correspondent	363.90	87.62
Conveyance	9.83	3.59
Honararium	1.92	1.11
India Exposition Mart Expenses	6.40	6.72
Miscellaneous Expenses	22.04	39.99
Mission Organic Expenses	1.29	2.00
Research & Developmental Expenses	135.95	197.22
Seminar & Conference Expenses	31.89	30.54
Training Expenses	9.56	6.93
Travelling Expenses (Others)	62.70	78.05
Recruitment / Relocation Expenses	6.38	76.56
Loss on sale / disposal of assets (net)	0.05	0.01
FTSU Expenses	118.76	58.36
	<b>2,353.88</b>	<b>2,091.81</b>

NOTE 31 : EARNINGS PER SHARE	As at the end of 31st March, 2024	As at the end of 31st March, 2023
The following table reconciles the numerators and denominators used to calculate Basic and Diluted Earning per Share for the year ended 31st March 2024.		
<b>Particulars</b>		
(a) Profit/(Loss) Attributable to Equity Shareholders (Rs. in Lacs)	10,093.49	8,385.65
(b) The weighted average number of Equity Share of Basic EPS	1,000.00	1,000.00
(c) The weighted average number of Equity Share of Diluted EPS	1,000.00	1,000.00
(d) Nominal value per Ordinary Share (Rs.)	10.00	10.00
(e) Earnings Per Share - Basic (Rs.)	10.09	8.39
(f) Earnings Per Share - Diluted (Rs.)	10.09	8.39

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

**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:

<b>Key Management Personnel</b>	Mr. PVSLN Murty	Chairman & Managing Director
	Mr. S. K. Baruah	Executive Director & CFO
	Mr. V. K. Agarwal	DGM & Company Secretary
	Dr. K. V. Pratap (Up to 21/09/2023)	Nominee Director (DoNER)
	Mr. D. Khound (w.e.f 21/09/2023)	Nominee Director (DoNER)
	Mr. A. K. Singh (up to 04/01/2023)	Nominee Director (SBI)
	Mr. V. M. Devassy (w.e.f 05/01/2023)	Nominee Director (SBI)
	Mr. A. Kumar (Up to 03/10/2023)	Nominee Director (LIC)
	Mr. B. Acharya (w.e.f 11/10/2023)	Nominee Director (LIC)
	Mr. Ugen Tashi	Nominee Director (IDBI)
	Mr. Bhaskar Jyoti Sarma (Up to 29/04/2023)	Independent Director
	Mr. Kaushik Sinha (w.e.f 29/04/2023)	Independent Director
	Mr. Sanjay Kumar Pai (Up to 25/07/2023)	Independent Director
	Dr. Natalie West Kharkongor (Up to 02/09/2023)	Independent Director
	Smt. Nandita Hazarika (w.e.f 12/10/2023)	Independent Director
	Mr. A. Kumar (w.e.f 03/10/2023)	Independent Director
	Sri J. Alam (Up to 29/09/2023)	Additional Director
	Dr. R. Sharma (Up to 29/09/2023)	Additional Director
<b>Subsidiaries</b>	NEDFi Trustee Limited	
	NEDFi Venture Capital Limited	
<b>Associates</b>	North East Venture Fund	
<b>Trusts / Funds under control of the Company</b>	North East Society for Handicraft Incubation and Livelihood Promotion (NE SHILP)	

B. Transaction with Related Parties during the year:

₹ in lakhs

Particulars	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
<b>Key managerial personnel</b>		
Short Term Employee Benefits		
- Mr. PVSLN Murty	70.86	68.72
- Mr. S.K. Baruah	68.79	77.53
- Mr. V.K. Agarwal	59.64	51.71
Repayment/ Recovery of loans and advances		
- Mr. S.K. Baruah	4.03	4.49
- Mr. V.K. Agarwal	2.81	2.41
Disbursal of loans and advances		
- Mr. V.K. Agarwal	11.00	18.00
Director's Sitting Fees	41.70	50.90
<b>Subsidiaries</b>		
NEDFi Venture Capital Limited		
- Receivable towards salary payments	184.80	194.23
<b>Associates/JV</b>		
- Investment in North East Venture Fund	1216.25	1183.50
<b>Trusts / Funds under control of the Company</b>		
NE SHILP		
- Payment towards purchase of craft products	11.66	10.79
- Payment towards reimbursement of expenses	2.99	3.99
- Payment towards advances	120.81	88.30
- Adjustments of advances	107.45	86.35

C. Outstanding Balance with Related Parties:

Particulars	31 <sup>st</sup> March, 2024		31 <sup>st</sup> March, 2023	
	Loan O/s	% to total loan & Advances	Loan O/s	% to total loan & Advances
<b>Key managerial personnel</b>				
Loans & Advances				
-Mr. S.K. Baruah	2.01	0.00%	6.04	0.00%
-Mr. V.K. Agarwal	25.74	0.00%	17.55	0.00%
<b>Subsidiaries(Receivable)</b>				
-NEDFi Venture Capital Limited		184.80		194.23
<b>Subsidiaries(Closing)</b>				
-NEDFi Venture Capital Ltd.		4.94		4.94
-NEDFi Trustee Ltd.		4.94		4.94
<b>Associates(Closing)</b>				
-North East Venture fund		6268.12		5055.62
<b>Trusts / Funds under control of the Company</b>				
-Advance to NE SHILP		15.31		1.95

- There were no guarantees given on behalf of related parties during the year.

- The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial year ended March 31, 2024 and March 31, 2023.

**NOTE 33 : CONTINGENT LIABILITIES AND COMMITMENTS**
*₹ in lakhs*

Particulars	2023-24	2022-23
<b>i) Contingent liabilities</b>		
In respect of demand raised by Department for Promotion of Industry & Internal Trade(DPIIT)	1342.00	1342.00
In respect of service tax demand where the Corporation has filed appeal before to CESTAT.	21.60	21.60
In respect to income tax demands where the Corporation has filed appeal before CIT(Appeal) for A.Y. 2018-19	262.47	-
In respect to income tax demands where the Corporation has filed appeal before CIT(Appeal) for A.Y. 2019-20	598.30	-
<b>ii) Commitments</b>		
Other commitments (loan sanctioned but not disbursed)	46914.00	36371.61

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/authorities. It is not practicable for the Company to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

- 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. 46914.00 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.

- e. The Income Tax Department has raised demands for the AY 2018-19 and AY 2019-20 to the tune of Rs. 262.47 Lakhs and Rs. 598.30 Lakhs respectively. The amount pertains to disallowance of provisions for bad and doubtful debts. Only certain portion of provisions for bad and doubtful debts was allowed under section 36(1)(vii a) applicable for Banks and Non Banking Financial Companies. The same is not tenable, since the provisions in excess of that availed amount u/s 36(1)(vii a) is disallowed and income tax is paid on the same. In the later years, when the provisions are written back it is not offered for taxation as tax has already been paid and it will tantamount to double taxation. Accordingly, the Corporation has filed an appeal before the Commissioner of Income Tax (Appeal), Faceless against the demand and hearing of the same is yet to start. Based on the facts and decided cases, the Corporation is confident that the Hon'ble CIT (Appeal) will dispose off the case in favour of the Corporation. Hence, no provision has been made in the books of accounts.

**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:** The Provisioning Coverage Ratio of the Corporation is 64.07% (Previous Year 71.17%).

**Note 37:** The Corporation in association with the Ministry of Development of North Eastern Region (M-DoNER) has set up the first dedicated Venture Capital Fund for the NER, namely "North East Venture Fund (NEVF)". The fund is a unit scheme under North East Venture Trust (NEVT), an umbrella trust, wherein the Corporation is the settlor. The trust has been registered under the Indian Registration Act, 1908 on 13th October 2016. The corpus of the fund is Rs. 100 cr. NEVF has been registered with Securities and Exchange Board of India (SEBI). The first close of the fund has also been declared on 31st March, 2017. To operate and manage the fund, two wholly owned subsidiaries namely NEDFi Venture Capital Limited (NVCL) and NEDFi Trustee Limited (NTL) have been incorporated by the Corporation.

**Note 38:** NEDFi has invested in NRL Ideation Angel fund (NRL IAF) which has been registered as a Category I angle fund under SEBI(AIF) Regulations 2012. The fund size is Rs. 35 crore with contributions from Numaligarh Refinery Limited (Rs. 30 crore) and NEDFi (Rs. 5 crore), with additional green shoe option of Rs. 5 crore from other likeminded contributors. The fund manager for NRL-IAF is NEDFi Venture Capital Limited.

**Note 39:** The Corporation has put in place a Board approved scheme specially developed for supporting riots affected borrowers of NEDFi in Manipur which is in line with notification no. OTH-IF/2/3/2023-DIF-DIF, dated 21st June 2023 issued by Govt. of Manipur. The Corporation restructured 337 nos. of accounts with principal outstanding of Rs. 12262.37 lakhs as on 31st March 2024.

**Note 40: SEGMENT REPORTING**

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

₹ in lakhs

1.	Segment Revenue	2023-24	2022-23
	Lending and Financing Activities	21088.25	17348.82
	Management of Surplus Funds	692.83	1386.85
	Others	1233.29	1077.18
	Total	23014.37	19812.86

₹ in lakhs

<b>2.</b>	<b>Segments Results</b>		
	Lending and Financing Activities	10625.39	8398.13
	Management of Surplus Funds	692.83	1386.85
	Others	1011.28	869.75
	Total	12329.49	10654.73
	Unallocated Income	907.65	937.56
	Unallocated Expenses	-	-
<b>3.</b>	<b>Operating Profit</b>	<b>13237.14</b>	<b>11592.29</b>
	Income Tax	3216.85	3591.74
<b>4.</b>	<b>Net Profit</b>	<b>10020.29</b>	<b>8000.55</b>
<b>5.</b>	<b>Other Information</b>		
	<b>Segment Assets</b>		
	Lending and Financing Activities	182663.41	154838.29
	Management of Surplus Funds	41435.20	41553.88
	Others	2023.91	1455.21
	Total	226122.52	197847.38
	Unallocated Assets	7751.04	8395.76
	Total	233873.57	206243.14
	<b>Segment Liabilities</b>		
	Lending and Financing Activities	110903.91	92578.33
	Management of Surplus Funds	-	-
	Others	-	-
	Unallocated Liabilities	11625.08	10996.30
	Total	122528.99	103574.62
	<b>Net Capital Employed</b>	<b>111344.58</b>	<b>102668.51</b>

**Note 41:** 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 31/03/2024		As at 31/03/2023	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities side:				
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
	(a) Debentures : Secured	NIL	NIL	NIL	NIL
	: Unsecured	NIL	NIL	NIL	NIL
	(b) Deferred Credits	NIL	NIL	NIL	NIL
	(c) Term Loans	NIL	NIL	NIL	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL	NIL	NIL
	(e) Commercial Paper	47838.60	NIL	48614.98	NIL
	(f) Other Loans (specify nature) – GOI Loan*				
	(g) Loan from SIDBI	9913.80	NIL	500.00	NIL
	* taken at fair value				
	Assets side:			<b>Amount outstanding</b>	

₹ in lakhs

	Particulars	As at 31/03/2024		As at 31/03/2023	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(2)	Break-up to Loans and Advances including bills receivable other than those included in (3) below] :			As at 31/03/2024	As at 31/03/2023
	(a) Secured			177131.69	149794.68
	(b) Unsecured			8293.25	7827.43
(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 31/03/2024	As at 31/03/2023
	1. Quoted:				
	(i) Shares : (a) Equity			353.17	353.17
	(b) Preference			-	-
	(ii) Debentures and Bonds			-	-
	(iii) Units of mutual funds(Short Term)			1177.61	2334.79
	(iv) Government Securities			-	-
	(v) Others (please specify)			-	-
	2. Unquoted:				
	(i) Shares : (a) Equity			2298.31	2078.94
	(b) Preference			1101.60	1546.69
	(ii) Debentures and Bonds			1000.00	1000.00
	(iii) Units of mutual funds			-	-
	(iv) Government Securities			-	-
	(v) North East Venture Trust			6268.12	5055.62
	(vi) NRL Ideation Angel Fund			215.81	-
	Total			12414.62	12369.21

(5) Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	As at 31/03/2024			As at 31/03/2023		
	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	-	31.89	31.89	-	23.05	23.05
2. Other than related parties	177131.69	8261.36	185393.05	149794.68	7804.37	157599.06
<b>Total</b>	<b>177131.69</b>	<b>8293.25</b>	<b>185424.94</b>	<b>149794.68</b>	<b>7827.43</b>	<b>157622.11</b>

(6) Investor group-wise classification of all investments in shares and securities (both quoted and unquoted)

₹ in lakhs

Category	As at 31/03/2024		As at 31/03/2023	
	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		9.88	332.46	9.88
(b) Companies in the same group	NIL	NIL	NIL	NIL
(c) Other related parties (NEVF)	4935.54	6268.12	4017.11	5055.62
2. Other than related parties	6136.62	6136.62	7303.71	7303.71
<b>Total</b>	<b>11072.16</b>	<b>12414.62</b>	<b>11653.28</b>	<b>12369.21</b>

\*\*As per Indian Accounting Standard issued by MCA

(7) Other information

	Particulars	As at 31/03/2024	As at 31/03/2023
(i)	Gross Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	5680.39	5197.29
(ii)	Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	2240.82	1698.44
(iii)	Assets acquired in satisfaction of debt	-	-

**Note 42: 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	55.72%	61.28%
ii. CRAR – Tier I Capital	55.01%	60.31%
iii. CRAR – Tier II Capital	0.71%	0.97%
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	12414.62	12369.22
b. Outside India	-	-
ii. Provisions for Depreciation		
a. In India	-	-
b. Outside India	-	-
iii. Net value of Investments		
a. In India	12414.62	12369.22
b. Outside India	-	-



Particulars	Current Year (Rs. In Lakhs)	Previous Year (Rs. In Lakhs)
2. Movement of provisions held towards depreciation on investments		
i. Opening Balance	-	-
ii. Add: Provision made during year	-	-
iii. Less: Write off/ Write back	-	-
iv. Closing Balance	-	-

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

As at 31<sup>st</sup> March 2024

₹ 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*	1,994.67	1,930.34	2,558.04	1,951.20	7,157.72	15,705.57	67,333.44	47,518.59	37201.18	183350.75
Investments**	-	-	-	-	-	1177.61	-	1000.00	10237.01	12414.62
Borrowings**	-	8.62	8.62	172.32	516.96	6680.98	14452.80	13176.72	22735.39	57752.41
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-

\*at cost

\*\*at fair value

As at 31<sup>st</sup> March 2023

	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

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 31<sup>st</sup> March 2024, the amount of unsecured advances stood at Rs. 8293.25 lakhs (31<sup>st</sup> March 2023 : Rs. 7827.43 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 :**

Instruments	Credit Rating Agency	Current Year	Previous Year
Long term Borrowings (SIDBI Loan)	Care Ratings Ltd.	CARE A; Stable (Single A, Outlook : Stable)	-

**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 Material 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 (Excluding NEEF provisions)	(58.89)	(1845.60)
Provision made towards Income Tax	2925.10	2770.29
Other Provision and Contingencies		
Leave Encashment	492.21	264.74
Gratuity	10.26	55.22
LTC	(46.85)	(5.12)
Diminution in Fair Value of Restructured Advance	-	-
Provision for Standard Assets	(266.41)	793.90

**k. Concentration of Advances( at cost)**

	As at 31/03/2024	As at 31/03/2023
Total Advances to twenty largest borrowers	48460.41	44527.43
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	26.64%	28.64%

**l. Concentration of Exposures( at cost)**

	As at 31/03/2024	As at 31/03/2023
Total Exposures to twenty largest borrowers	48460.41	44527.43
Percentage of Exposures to twenty largest borrowers to Total Exposures of the NBFC	26.64%	28.64%

**m. Concentration of NPAs**

	As at 31/03/2024	As at 31/03/2023
Total Exposure to top four NPA accounts	2596.94	2302.20

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

₹ in lakhs

Sl. No.	Sector	As at 31/03/2024	As at 31/03/2023
1	Agriculture & allied activities	0.84%	2.56%
2	MSME	2.42%	3.75%
3	Corporate Borrowers	8.51%	2.53%
4	Services	3.34%	3.36%
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 (%)	1.25%	1.12%
ii. Movement of NPAs (gross)		
a. Opening balance	5197.29	7738.06
b. Additions during the year	2083.87	748.68
c. Reductions during the year	1600.77	3289.45
d. Closing balance	5680.39	5197.29
iii. Movement of net NPAs		
a. Opening balance	1698.44	2391.86
b. Additions during the year	1835.80	604.58
c. Reductions during the year	1293.42	1298.00
d. Closing balance	2240.82	1698.44
iv. Movement of provisions for NPAs		
a. Opening balance	3498.85	5346.25
b. Provisions made during the year	(58.89)	(1847.36)
c. Write off / Write backs	3.04	(0.04)
d. Closing balance	3436.92	3498.85

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

Particulars	31 March 2024	31 March 2023
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 43: 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	31/03/2024	31/03/2023
a) Direct Exposure		
(i) Residential Mortgages [all individual housing loans]	1345.17 13338.04	1401.73 10823.53
(ii) Commercial Real Estate		
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures:		
a) Residential	Nil	Nil
b) Commercial	Nil	Nil
b) Indirect Exposure	Nil	Nil
Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		
<b>Total Real Estate Exposure</b>	<b>14683.21</b>	<b>12225.26</b>

**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;	3651.48	3432.10
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(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	-	-

Particulars		Current Year	Previous Year
(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)	6483.93	5055.62
<b>Total Exposure to Capital Market</b>		<b>10135.41</b>	<b>8487.72</b>

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	1,670.24	14.05	0.84%	755.16	19.37	2.56%
2. Industry	49,317.39	1368.07	2.77%	47,420.64	1,482.63	3.13%
3. Services	115,191.74	3,853.59	3.35%	94,448.54	3,174.18	3.36%
4. Loan to staff	3184.91289	-	0.00%	3,006.40	-	0.00%
5. Microfinance Loans(Loans to MFIs, Business Correspondents)	17,171.38	444.67	2.59%	12,787.83	521.08	4.07%
<b>Total</b>	<b>186,535.67</b>	<b>5,680.38</b>		<b>158,418.58</b>	<b>5,197.29</b>	

4. Intra-group exposures

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 2024. (31st March 2023 : 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
3.	Number of complaints disposed during the year	-	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)	-	-

₹ in lakhs

## 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	NIL	NA	NIL	NIL
Total	NIL	NIL	NA	NIL	NIL
Previous Year					
Total	NA	1(one)	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:

- 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
- 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 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023 and hence the details as required in tabular form is not presented here.

**Note 44: 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**

- 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.

**Note 45: 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 31<sup>st</sup> March 2024

₹ 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
<b>Performing Assets</b>						
Standard	Stage 1	171,288.92	1,040.41	170,248.51	682.28	358.13
	Stage 2	6,381.44	394.32	5,987.12	1,904.33	-1,510.01
Subtotal for standard		177,670.36	1,434.73	176,235.63	2,586.61	-1,151.88
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	2,083.88	833.55	1,250.33	335.05	498.50
Doubtful- up to 1 year	Stage 3	205.73	82.29	123.44	205.73	-123.44
1 to 3 years	Stage 3	1,237.86	495.15	742.72	745.86	-250.72
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		1,443.59	577.44	866.15	951.59	-374.15
Loss	Stage 3	2,152.93	1,991.59	161.34	2,150.28	-158.69
Subtotal for NPA		5,680.39	2,569.02	3,111.37	3,436.92	-34.35
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	-	-	-	-	-

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
Subtotal		-	-	-	-	-
Total	Stage 1	171,288.92	1,040.41	170,248.51	682.28	358.13
	Stage 2	6,381.44	394.32	5,987.12	1,904.33	-1,510.01
	Stage 3	5,680.39	2,569.02	3,111.37	3,436.92	-867.90

As on 31<sup>st</sup> March 2024, the impairment allowance required under Ind AS 109 is lower than the provisions as per IRACP, the difference of Rs. 2019.78 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 to the reserve.

**As on 31<sup>st</sup> 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
<b>Performing Assets</b>						
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
<b>Non-Performing Assets (NPA)</b>						
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		-	-	-	-	-



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
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 31<sup>st</sup> 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 to the reserve.

#### Note 46: 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; Asset Liability Management (ALM) Policy to oversee the various market and liquidity of the Corporation and various IT related policies to oversee the various IT and associated system risks. 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, 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 upgraded the separate cell, Stress Asset Management Cell (SAMC) to a department headed by a General Manager, 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 a 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. 1699.99 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. Till FY24, the Corporation has received interest free loan amounting to Rs.964.11 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 seven instalments amounting to Rs.229.11 Cr. and the 8th 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 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 FY23, the Corporation was sanctioned a limit of Rs.100 Cr. by SIDBI, out of which Rs.5 Cr. disbursement was availed during FY23 and balance Rs.95 Cr. was availed during FY24. Further, the Corporation initiated various steps for mobilization of funds from various channels for fund requirement of growing business and long-term targets and an amount of Rs.200 Cr. term loan has already been sanctioned by SBI in May 2024, disbursement of which can be availed during FY25. Further, discussion with other institutions like SIDBI for further finance and NABARD for new line of credit is undergoing. Considering the above, the Corporation believes that its cash flow including loans will be sufficient to meet the financial liabilities within maturity period and other disbursement liabilities.

### **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 is being carried out, and results are being 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 47: Changes in liabilities arising from financing activities

As at 31st March 2024

₹ in lakhs

Particulars	As at March 31st, 2023	Cash flows(net)	New leases	Others	As at March 31st, 2024
Borrowings	49,114.99	8,637.42			57,752.41
Notional Interest	24,885.01	776.38			25,661.39
Lease Liability	270.98	(71.60)	79.80	13.10	292.28
Others	0.11	0.11		41.83	41.83
<b>Total</b>	<b>74,271.09</b>	<b>9,342.32</b>	<b>79.80</b>	<b>54.93</b>	<b>83,747.92</b>

As at 31st March 2023

Particulars	As at March 31st, 2022	Cash flows(net)	New leases	Others	As at March 31st, 2023
Borrowings	49,768.37	(653.38)			49,114.99
Notional Interest	24,731.63	153.38			24,885.01
Lease Liability	225.19	(77.89)	90.41	33.27	270.98
Others	0.00	-		0.11	0.11
<b>Total</b>	<b>74,725.19</b>	<b>(577.89)</b>	<b>90.41</b>	<b>33.38</b>	<b>74,271.09</b>

#### Note 48: Disclosure as per Para 53 of Ind AS 116 : Leases

Particulars	As at 31/03/2024	As at 31/03/2023
i. Depreciation charge for ROU assets for Leasehold premises (presented under Note 28 : "Depreciation , amortization and impairment")	54.43	54.54
ii. Interest expense on lease liabilities (presented under Note 25 Finance Cost)	24.25	33.06
iii. Expense relating to short-term leases(included in Note 30 Other Expenses)	6.40	0.30
iv. Payments for principal portion of lease liability	69.76	69.38
v. Additions to ROU assets during the year	79.80	90.41

₹ in lakhs

Particulars	As at 31/03/2024	As at 31/03/2023
vi. Carrying amount of ROU assets at the end of reporting period by class of underlying assets( Refer Note 9C)	262.43	248.00
vii. Lease liabilities ( Refer Note 13 )	292.28	270.98

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.

**Maturity Analysis of Lease Liabilities as per Ind AS : Leases**

Particulars	As at 31/03/2024	As at 31/03/2023
Less than 1 year	5.18	9.01
1 – 3 years	22.05	37.40
3 -5 years	-	7.55
More than 5 years	265.05	217.01
<b>Total lease liabilities</b>	<b>292.28</b>	<b>270.98</b>

**Note 49: 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 2024**

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	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(ii) For year ended 31 March 2024**

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

**(iii) 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	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(iv) For year ended 31 March 2023

₹ in lakhs

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

**Note 50: 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 31st March 2024

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 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

- (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 :

₹ in lakhs

Ratio	As at 31 <sup>st</sup> March 24	As at 31 <sup>st</sup> March 23
Tier -I Capital	111344.58	102668.51
Tier -II Capital	1434.73	1659.70
Total Capital	112779.31	104328.21
Aggregate of Risk Weighted Assets	202415.49	170245.72
Tier I CRAR	55.01%	60.31%
Tier II CRAR	0.71%	0.97%
CRAR	55.72%	60.31%

**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 31<sup>st</sup> March, 2024.

“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, development of rural and backward areas through promotion of entrepreneurship and promoting health care including preventive health care.

₹ in lakhs

Particulars	As at 31/03/2024	As at 31/03/2023
i) Amount required to be spent by the Company	201.00	160.77
ii) Amount of expenditure incurred	222.01	207.43
iii) Shortfall at the end of the year	NA	NA
iv) Total of previous year shortfall	-	18.97
v) Reason of shortfall	-	Ongoing Project
vi) Nature of CSR activities	To take up initiatives for promotion of employment enhancing vocational skills, livelihood enhancement projects or women empowerment. To promote the traditional arts and handicraft sector including handloom of the N. E. Region, by providing necessary support to the artisans, weavers and craftspeople engaged in the sector through skill-upgradation, 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. To undertake awareness program on Organ Donation, Health Camp, distribution of food items under Pradhan Mantri TB Mukh Bharat Abhiyaan (PMTBMBA) etc.	
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	122.76*	-
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 various capacity building programme on handloom and handicraft, marketing support as well as opening of showroom at Namchi, Sikkim.

(xvii) (a) **Gross amount required to be spent: Rs. 201.00 lakhs( P.Y. Rs. 160.77 lakhs). 2% of the average profit before tax of last three financial years i.e. 2% of ` Rs. 10045.33 lakhs( P.Y. Rs. 8038.33 lakhs)= Rs.200.91 lakhs( P.Y. Rs. 160.77 lakhs). The Corporation has spent Rs. 222.01 lakhs( P.Y. Rs. 207.43 lakhs) on CSR.**

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

₹ 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	222.01	207.43	-	-	222.01	207.43

(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.

(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 FINANCIAL STATEMENTS**

### OPINION

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We have audited the accompanying consolidated financial statements of North Eastern Development Finance Corporation Limited ("the holding company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31 March 2024 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity for the year ended on that date, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information. (hereinafter referred to as "the Consolidated 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 report of other auditor on separate financial statements of one of the subsidiary and on the other financial information of the subsidiary, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31<sup>st</sup> March 2024, and their consolidated profit and their consolidated total comprehensive income),

their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### BASIS FOR OPINION

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We conducted our audit of the consolidated financial statement 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 consolidated 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 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 ICAI's Code of Ethics. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated Financial Statements.

### KEY AUDIT MATTERS

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Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:



Sr. No.	Key Audit Matters	Auditor's Response
1	<p><b>Allowances for Expected Credit Losses ("ECL"):</b></p> <p>As at 31st March 2024, the carrying value of loan assets measured at amortised cost, aggregated ₹178659.65 Lakhs (net of allowance of expected credit loss ₹4003.75 lakhs) constituting approximately 76.26% of the Group's total assets. Significant judgment is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets measured at amortized cost is a critical estimate involving greater level of management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the consolidated Financial Statements. The elements of estimating ECL which involved increased level of audit focus are the following:</p> <ul style="list-style-type: none"> <li>• Qualitative and quantitative factors used in staging the loan assets measured at amortised cost;</li> <li>• Basis used for estimating Probabilities of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") at product level with past trends;</li> <li>• Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and</li> <li>• Adjustments to model driven ECL results to address emerging trends.</li> </ul> <p>These parameters are derived from the holding Company's internally developed statistical models with the help of management experts and other historical data. Considering the significance of the above matter to the consolidated financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit.</p>	<p>We have examined the policies approved by the Board of Directors of the holding Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ("ECL Model") that addresses policies approved by the holding company's Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost. Our audit procedures related to the allowance for ECL included the following, among others:</p> <p>A. Testing the design and operating effectiveness of the following:</p> <ul style="list-style-type: none"> <li>• completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the holding company's Board of Directors including the appropriateness of the qualitative factors to be applied;</li> <li>• completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and</li> <li>• accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro-economic adjustment basis forward looking information.</li> </ul> <p>B. Test of details on a sample in respect of the following:</p> <ul style="list-style-type: none"> <li>• accuracy and completeness of the input data such as period of default and other related information used in estimating the PD;</li> <li>• the mathematical accuracy of the ECL computation by using the same input data as used by the Group;</li> <li>• completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed;</li> <li>• assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in consolidated financial statements are appropriate and sufficient.</li> </ul>

Sr. No.	Key Audit Matters	Auditor's Response
2	<p><b>Information Technology and General Controls:</b></p> <p>The Group is dependent on its Information Technology ("IT") systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a Key Audit Matter.</p>	<p>We and the auditor of the subsidiary company have obtained an understanding of the Group's IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular:</p> <ul style="list-style-type: none"> <li>• We tested the design, implementation, and operating effectiveness of the Group's general IT controls over the IT systems relevant to financial reporting. This included evaluation of controls over segregation of duties and access rights being provisioned / modified based on duly approved requests and access for exit cases being revoked in a timely manner.</li> <li>• We also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materiality impact the consolidated Financial Statements.</li> </ul>

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the consolidated Financial Statements, standalone Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements/financial information of the subsidiaries,

to the extent it relates to these entities and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from their financial statements audited by the other auditors.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

## RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of

the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective board of directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act; for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to Consolidated financial statements 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 the 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 Group'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 Consolidated 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 financial statements, including the disclosures, and whether the Consolidated 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 within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of entities included in the Consolidated Financial Statements of which we are the independent auditors. For the entities included in the Consolidated 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 regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls 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 one subsidiary whose unaudited Financial Statements reflect total assets of Rs. 594.98 Lakhs as at 31<sup>st</sup> March, 2024, total revenues of Rs. 283.02 Lakhs and net increase in cash flows amounting to Rs. 509.06 lakhs for the year ended on that date, as considered in the consolidated Financial Statements. This Financial Statements are unaudited and have been furnished to us by the Management, and our report in terms of subsections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid entity, is based solely on such unaudited Financial Statements. In our opinion and according to the information and explanations given to us by the Management, these Ind AS Financial Statements are not material to the Group.

We did not audit the Financial Statements of one subsidiary, whose Financial Statements reflect total assets of Rs. 20.59 Lakhs as at 31<sup>st</sup> March 31, 2024, total revenues Rs. 5.62 lakhs and net increase in cash flows amounting to Rs. 3.62 lakhs for the year ended on that date, as considered in the consolidated Financial Statements. This Financial Statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary 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 subsidiary, is based solely on the reports of the other auditors.

Our opinion on the Consolidated 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.

## 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 and on the consideration of the reports of the other auditor on the separate financial statements of the subsidiary as referred to in the Other Matters section above, we report, to the extent applicable 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 financial statements.
  - b) In our opinion proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books except for not complying with the requirement of audit trail as stated in h (vi) below.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements except for IND-AS adjustment that is being calculated outside the IT system, as application for implementation of IND-AS is yet to be configured in the existing IT system.
  - d) In our opinion, the aforesaid Consolidated 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 and taken on record by the Board of Directors of the Holding Company and the reports of the management of its subsidiary companies and, none of the directors of the Group companies is disqualified as on 31st March, 2024 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 holding company and its subsidiary covered under the Act, and the operating effectiveness of such controls, refer to our separate report in **Annexure "B"** wherein we have expressed an unmodified opinion.
  - 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 group to their 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 Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group.
    - ii. have any long-term contracts including derivatives contracts for which there were any material foreseeable losses as at 31<sup>st</sup> March, 2024.
    - iii. There were no amounts which required to be transferred by the holding & subsidiary company to the Investor Education and Protection Fund during the year ended 31<sup>st</sup> March, 2024.
    - iv. (a) The respective managements of the holding 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 (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 or any of such subsidiaries 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, 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 holding 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 (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("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; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditor of the subsidiary whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the management representations under

sub-clauses (a) and (b) above contain any material misstatement.

- v. v. The final dividend paid by the holding Company during the year in respect of the same declared in the previous year, is in accordance with section 123 of the Act, to the extent it applies to payment of dividend.

No dividend is proposed for the financial year 2023-24 by the Board of Directors of the H Holding Company & subsidiary company till the date of our audit report

- vi. Based on our examination, which included test checks, the holding Company has used accounting software for maintaining its books of account for the financial year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of accounts. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was enabled and operating.

Based on the examination of the statutory auditor of one of the subsidiary companies namely NEDFi Trustee Limited, which included test checks, the subsidiary Company has not used accounting software for maintaining its books of account for the financial year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility and hence the audit trail facility has not operated throughout the year for all relevant transactions recorded in the software.

- 3. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies Auditor's Report Order, 2020 ("CARO"/

"the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable,

as provided to us by the Management of the Holding Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

**For Vikash Surana and Associates**  
Chartered accountants  
Firm's Registration No. 324128E



**(CA. Mayur Jain)**  
Partner

Membership No. 309233  
UDIN: 24309233BKCANF3864

Place: Guwahati  
Date: 26-07-2024


## ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in Para 1 under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of North Eastern Development Finance Corporation Ltd on the consolidated financial statements for the year ended 31st March, 2024)

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.	<p>The Company has a system in place to process all the accounting transactions through IT system. During FY 2023-24, 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.</p> <p>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.</p>
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.	There is no such case and the group is regular in servicing its debts and borrowing obligations.
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.	Yes, the funds (grants/subsidy etc.) received for specific schemes from Central / State agencies were properly accounted for / utilized as per its term and conditions.

**For Vikash Surana and Associates**  
Chartered accountants  
Firm's Registration No. 324128E

  
**(CA. Mayur Jain)**  
Partner

Membership No. 309233  
UDIN: 24309233BKCANF3864

Place: Guwahati  
Date: 26-07-2024



## ANNEXURE-B TO INDEPENDENT AUDITORS' REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in para 2(f) 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 financial statements for the year ended 31st March, 2024)

### **Independent Auditor's Report on the internal financial with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as at and for the year ended 31st March, 2024, we have audited the internal financial controls with reference to consolidated financial statements of North Eastern Development Finance Corporation Limited (hereinafter referred to as "Holding") and its subsidiary companies, which are companies incorporated in India, as of that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The respective Board of Directors of the holding and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on criteria established by the respective Companies 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 internal financial controls with reference to

consolidated financial statements of the Holding and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, 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 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 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 exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements.

## **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS**

A company's internal financial control 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 Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control 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 Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisation of management of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

## **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS**

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 Consolidated 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 and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the holding and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31<sup>st</sup> March, 2024, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note.

## **OTHER MATTERS**

Our aforesaid reports under sub-section 3 (i) of Section 143 of the Act, on the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to one out of two subsidiary companies based on the corresponding reports of the auditors of such company incorporated in India and in respect of other subsidiary company namely NEDFi Venture Capital Limited, we have relied on the explanation provided by the management of holding company in absence of report on Internal Financial Controls of such entities. In our opinion, the same is not considered material for the Consolidated Financial Statement of the Group.

**For Vikash Surana and Associates**  
Chartered accountants  
Firm's Registration No. 324128E



**(CA. Mayur Jain)**  
Partner

Membership No. 309233  
UDIN: 24309233BKCANF3864

Place: Guwahati  
Date: 26-07-2024

## CAG COMMENTS

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED, GUWAHATI FOR THE YEAR ENDED 31 MARCH 2024.**

The preparation of consolidated financial statements of North Eastern Development Finance Corporation Limited, Guwahati for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the 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) read with section 129(4) of the Act 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 26.07.2024.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the Consolidated financial statements of North Eastern Development Finance Corporation, Guwahati for the year ended 31 March 2024 under section 143(6)(A) read with section 129(4) of the Act.

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

**Date: 19.09.2024**

**Place: New Delhi**

A handwritten signature in black ink, appearing to read "Rajiv Kumar Pandey".

(Rajiv Kumar Pandey)  
Director General of Audit  
(Central Expenditure)

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

₹ in lakhs

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash & Cash Equivalents	2	29,036.35	18,325.46
(b) Bank Balance other than (a) above	3	3,970.13	12,056.56
(c) Receivables			
- Trade receivables	4	2,033.92	1,421.46
(d) Loans	5	1,81,421.19	1,53,883.50
(e) Investments	6	12,404.74	12,359.34
(f) Other Financial Assets	7	1,970.12	5,457.15
		<b>2,30,836.45</b>	<b>2,03,503.46</b>
<b>(2) Non Financial Assets</b>			
(a) Current Tax Assets (Net)	8	-	-
(b) Property Plant & Equipment	9	2,686.39	2,797.48
(c) Capital Work-in-progress	9	0.87	0.87
(d) Intangible Assets	9	-	34.20
(e) Other Non Financial Assets	10	746.33	222.58
		<b>3,433.59</b>	<b>3,055.13</b>
		<b>2,34,270.03</b>	<b>2,06,558.59</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>(1) Financial Liabilities</b>			
(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		49.75	54.27
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	57,752.41	49,114.99
(c) Other Financial Liabilities	13	51,097.57	41,030.55
		<b>1,08,899.72</b>	<b>90,199.82</b>
<b>(2) Non Financial Liabilities</b>			
(a) Current Tax Liabilities (Net)	14	24.02	70.69
(b) Provisions	15	2,007.22	2,379.39

CONSOLIDATED BALANCE SHEET (Contd.)

Particulars		Notes	As at 31st March, 2024	As at 31st March, 2023
(c)	Deferred Tax Liabilities (Net)	16	2,227.12	1,490.71
			<b>4,258.36</b>	<b>3,940.78</b>
<b>(3) Equities</b>				
(a)	Equity Share Capital	17	10,000.00	10,000.00
(b)	Other Equity	18	1,11,107.66	1,02,413.88
	<b>Non Controlling Interest</b>		<b>4.29</b>	<b>4.11</b>
			<b>1,21,111.95</b>	<b>1,12,417.99</b>
	<b>Total Liabilities and Equity</b>		<b>2,34,270.03</b>	<b>2,06,558.59</b>
The accompanying notes form an integral part of the financial statements		1-49		

As per our Report of even date.

**For Vikash Surana and Associates**

Chartered accountants

Firm's Registration No. 324128E

**(CA. Mayur Jain)**

Partner

Membership No. 309233

UDIN: 24309233BKCANF3864

Place: Guwahati

Dated: 26-07-2024

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 PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

₹ in lakhs

Particulars		Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Revenue from operations</b>				
(i)	Interest Income	19	17,259.57	14,222.78
(ii)	Dividend Income	20	57.00	57.00
(iii)	Fees and Commission Income	21	1,286.12	1,123.91
(iv)	Net gain/(loss) on Fair value changes	22	56.52	387.48
(v)	Other Operating Income	23	3,324.10	3,328.19
<b>I</b>	<b>Total Revenue from Operations</b>		<b>21,983.31</b>	<b>19,119.36</b>
<b>II</b>	<b>Other Income</b>	24	2,227.33	1,848.71
<b>III</b>	<b>Total Income (I + II)</b>		<b>24,210.63</b>	<b>20,968.07</b>
<b>EXPENSES</b>				
(i)	Finance Costs	25	3,319.07	3,333.41
(ii)	Impairment on financial instruments	26	(16.40)	(894.13)
(iii)	Employee Benefit Expenses	27	4,750.82	4,337.17
(iv)	Depreciation, amortisation and impairment	28	240.29	276.67
(v)	CSR Expenses	29	222.01	207.43
(v)	Other Expenses	30	2,368.84	2,106.94
<b>IV</b>	<b>Total Expenses</b>		<b>10,884.63</b>	<b>9,367.49</b>
<b>V</b>	<b>Profit / (Loss) before exceptional items and tax (III-IV)</b>		13,326.00	11,600.58
<b>VI</b>	<b>Exceptional Items</b>		-	-
<b>VII</b>	<b>Profit / (Loss) before Tax (V+VI)</b>		<b>13,326.00</b>	<b>11,600.58</b>
<b>VIII Tax Expense</b>				
	Current Tax		2,930.14	2,772.37
	Deferred Tax		553.67	593.05
	Tax adjustment of earlier years		(261.92)	228.40
			3,221.89	3,593.83
<b>IX</b>	<b>Profit / (Loss) for the period (VII-VIII)</b>		<b>10,104.11</b>	<b>8,006.75</b>
<b>X Other Comprehensive Income</b>				
(A)	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement gain/(loss) on defined benefits plans		(121.57)	39.67
	- Net gain/(loss) on equity instruments through OCI		219.38	474.94
	(ii) Tax impact thereon		(24.62)	(129.52)
	<b>Subtotal (A)</b>		73.19	385.09
(B)	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Tax impact thereon		-	-

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (Contd.)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		73.19	385.09
Non Controlling Interest Profit/Loss		0.18	0.07
XI Total Comprehensive Income for the period		10,177.31	8,391.85
Profit for the year attributable to :			
- Owners of the Company		10,103.93	8,006.68
- Non-Controlling Interest		0.18	0.07
		10,104.11	8,006.75
Other Comprehensive Income for the year			
- Owners of the Company		73.19	385.09
- Non-Controlling Interest		-	-
		73.19	385.09
Total Other Comprehensive Income for the year			
- Owners of the Company		10,177.13	8,391.77
- Non-Controlling Interest		0.18	0.07
		10,177.31	8,391.85
Earning per equity share of face value of ₹ 10 each	31		
Basic (Rs.)		10.18	8.39
Diluted (Rs.)		10.18	8.39
The accompanying notes form an integral part of the financial statements	1-49		

As per our Report of even date.

**For Vikash Surana and Associates**  
Chartered accountants  
Firm's Registration No. 324128E



**(CA. Mayur Jain)**

Partner

Membership No. 309233

UDIN: 24309233BKCANF3864

Place: Guwahati

Dated: 26-07-2024

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, 2024

₹ in lakhs

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, 2022	-	-
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	-	-
<b>As at March 31, 2023</b>	<b>1,000.00</b>	<b>10,000.00</b>
As at April 01, 2023	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	-	-
<b>As at March 31, 2024</b>	<b>1,000.00</b>	<b>10,000.00</b>

## 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) (viii) 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	Actuarial gain/(losses) on post retirement benefits	Non Controlling Interest		
<b>As at April 01, 2023</b>	<b>615.26</b>	<b>18,410.00</b>	<b>14,566.90</b>	<b>1,328.21</b>	<b>41,940.42</b>	<b>117.46</b>	<b>4,039.98</b>	<b>3,315.75</b>	<b>17,837.07</b>	<b>371.91</b>	<b>(129.09)</b>	<b>4.11</b>	<b>1,02,417.99</b>	
Changes in accounting policies/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	
Restated balance as at April 01, 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)	4.11	1,02,417.99	
Addition/Deletion during the year	2.65	-	-	24.69	(617.42)	(9.72)	(83.56)	-	-	-	-	-	(683.35)	
Profit/(Loss) for the year	-	-	-	-	-	-	-	-	10,103.93	164.16	(90.97)	0.18	10,177.31	
Total Other Comprehensive Income/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividend	-	-	-	-	-	-	-	-	(800.00)	-	-	-	(800.00)	





## Consolidated Cash Flow Statement For The Year Ended March 31, 2024

₹ (in lakhs)

	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>Cash flows from Operating activities</b>		
Net profit before income tax	13,326.00	11,600.58
Adjustment for:		
Depreciation charge for the year	240.29	276.67
Loans Provisions & Write offs	(16.40)	(894.13)
Fixed Assets written off/Loss on sale	-	-
Profit / Loss on sale of Investments	(56.52)	(387.48)
Dividend received	(57.00)	(57.00)
Provision for Gratuity, Leave Encashment and LTC / LTA	492.21	264.74
Operating profit before working capital changes	13,928.59	10,803.38
Adjustments for:		
(Increase) / Decrease in Advances (Financial Assets)	(27,521.30)	(34,104.80)
(Increase) / Decrease in Other Financial Assets	10,961.00	7,837.29
(Increase) / Decrease in Non Financial Assets	(3,191.97)	(2,829.49)
Increase / (Decrease) in Other Financial Liabilities	11,052.29	2,864.47
Cash Flow from operations	5,228.61	(15,429.16)
Direct Taxes paid (net of refund received)	(2,991.17)	(2,829.49)
<b>Net cash flow / (used in) from operating activities</b>	<b>2,237.44</b>	<b>(18,258.65)</b>
<b>Cash flows from Investing activities</b>		
(Increase) / Decrease in Investment in Equity Instruments	(1,202.59)	(2,245.63)
(Increase) / Decrease in Investment in Mutual Funds	1,157.18	20,374.31
(Increase)/Decrease in Capital Work in Progress	-	-
Purchase of fixed assets (net of sales)	(104.71)	(249.05)
Dividend Received	57.00	57.00
Profit / Loss on sale of Investments	56.52	387.48
<b>Net cash flow / (used in) from Investing activities</b>	<b>(36.60)</b>	<b>18,324.10</b>
<b>Cash flows from Financing activities</b>		
Dividend and Dividend Tax paid	-	-
Increase / (Decrease) in Borrowings (Financial Liabilities)	8,637.42	(653.38)
Increase / (Decrease) in Capital Reserves / Other Equity Funds	(80.91)	58.41
Increase / (Decrease) in Non-Financial Liabilities	(46.66)	(205.07)
<b>Net cash flow / (used in) from financing activities</b>	<b>8,509.85</b>	<b>(800.05)</b>
<b>Net increase in cash and cash equivalents from Operating, Investing and Financing Activities</b>	<b>10,710.68</b>	<b>(734.60)</b>
<b>Cash and cash equivalents at beginning of period</b>		
- Own funds	17,959.17	18,460.03
- Nodal Agency and Implementing Agency funds	366.29	600.03
<b>Cash and cash equivalents at end of period</b>		
- Own funds	28,955.20	17,959.17
- Nodal Agency and Implementing Agency funds	81.15	366.29

### Note 1

Cash and cash equivalents consist of cash in hand and balances with banks.

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

### Cash and bank balances


Cash in hand	0.50	1.06
Balance at Bank		
-With Scheduled Bank		
(i) In Current Account	28,954.69	17,958.11
(ii) In Fixed Deposits		
Balance (TEDF)		
(a) With Scheduled Bank		
(i) In Current Account	81.15	366.29
(ii) In Fixed Deposits	-	-
<b>Grand Total</b>	<b>29,036.35</b>	<b>18,325.46</b>

As per our Report of even date.

For Vikash Surana and Associates

Chartered accountants

Firm's Registration No. 324128E

  
(CA. Mayur Jain)  
Partner

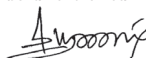
Membership No. 309233

UDIN: 24309233BKCANF3864


Place: Guwahati


Dated: 26-07-2024

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

## MATERIAL ACCOUNTING POLICIES RELATING TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

### NOTE 1: MATERIAL ACCOUNTING POLICIES RELATING TO CONSOLIDATED FINANCIAL STATEMENTS

#### COMPANY INFORMATION

North Eastern Development Finance Corporation Limited ("NEDFi" of the "Company"), CIN no. U65923AS1995GOI004529 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 Scale Based Regulations ("SBR") were notified by the Reserve Bank of India ("RBI") vide its circular dated 22nd October 2021 pursuant to which the company is classified as NBFC in the Middle Layer(ML).

#### THE CONSOLIDATED FINANCIAL STATEMENTS REPRESENTS CONSOLIDATION OF ACCOUNTS OF THE COMPANY AND ITS SUBSIDIARIES DETAILED BELOW

SI No.	Name of Company	Country of incorporation	Proportion of Ownership interest as on		Status of Audit as on 31.03.2024
			31.03.2024	31.03.2023	
	NEDFi Venture Capital Limited	India	98.8%	98.8%	Audited
	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 Indian Accounting Standards

(IND AS) 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).

### 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
Building other than above	30 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

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

#### AMORTISATION

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 amortised 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

- a) The contract involves the use of an identified asset.

- b) The corporation has substantially all of the economic benefits from use of the asset through the period of the lease and
- c) 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

- 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 accumulated 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 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 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. 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.

**X. 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.

**Y. New amendments to existing standards :**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable

from April 1, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements:**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Corporation does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes:**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The Corporation does not expect this amendment to have any change in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The Corporation does not expect this amendment to have any significant impact in its financial statements.

The Company adopted these amendments from annual periods beginning on or after April 1, 2023.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

₹ in lakhs

NOTE 2 : CASH AND CASH EQUIVALENTS	As at 31st March, 2024	As at 31st March, 2023
Cash in hand	0.50	1.06
Cheque in hands	17.16	2.21
Balances with banks in current accounts	28,937.54	17,955.90
Balances with banks in current accounts(TEDF)	81.15	366.29
	<b>29036.35</b>	<b>18325.46</b>

NOTE 3 : BANK BALANCE OTHER THAN (2) ABOVE	As at 31st March, 2024	As at 31st March, 2023
Term deposits with maturity less than 12 months		
- Free	564.29	10,242.87
- Under lien	5.84	13.69
- Free (TEDF)	3,400.00	1,800.00
	<b>3,970.13</b>	<b>12,056.56</b>

NOTE 4 : RECEIVABLES	As at 31st March, 2024	As at 31st March, 2023
<b>Trade Receivables( Unsecured, Considered good)</b>		
- Consultancy & Advisory Charges Receivable	1,995.25	1,424.55
- Rent and Hall Charges Receivable	34.00	33.25
	-	-
<b>Trade Receivables( Unsecured, Which have significant increase in credit risk)</b>	-	-
- Consultancy & Advisory Charges Receivable	28.66	30.66
- Rent and Hall Charges Receivable	-	-
	2,057.92	1,488.46
Less : Impairment Loss Allowance	(24.00)	(67.00)
	<b>2,033.92</b>	<b>1,421.46</b>

### Trade Receivables aging schedule:

As at 31<sup>st</sup> March 2024 :

Particulars	Outstanding for following periods from due date of payment				More than 3 years	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years		
(i) Undisputed Trade receivables - considered good	930.88	232.89	629.18	230.16	6.15	2029.26
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	0.80	3.28	0.00	6.15	18.42	28.66
(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 31<sup>st</sup> March 2023:

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment				More than 3 years	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 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	-	-	-	-	-	-

NOTE 5 : LOANS	As at 31st March, 2024	As at 31st March, 2023
<b>A. Loans :</b>		
(i) Term Loans (at amortised cost)	1,82,663.41	1,54,838.29
Less : Impairment Loss Allowance	4,003.75	3,738.62
<b>Sub total Net (i)</b>	<b>1,78,659.65</b>	<b>1,51,099.67</b>
(ii) Term Loans to staff (at FVTPL)		
Related Party	31.89	23.05
Others	2,729.65	2,760.77
Less : Impairment Loss Allowance	-	-
<b>Sub total Net (ii)</b>	<b>2,761.54</b>	<b>2,783.82</b>
<b>Total (Net)- A (i+ii)</b>	<b>1,81,421.19</b>	<b>1,53,883.50</b>
<b>B.</b>		
(i) Secured by tangible assets	1,77,131.69	1,49,794.68
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank/Government guarantees	-	-
(iv) Unsecured	8,293.25	7,827.43
<b>Total (Gross)</b>	<b>1,85,424.94</b>	<b>1,57,622.11</b>
Less : Impairment Loss Allowance	4,003.75	3,738.62
<b>Total (Net)- B</b>	<b>1,81,421.19</b>	<b>1,53,883.50</b>
<b>C.</b>		
(i) Loans in India		
a) Public Sector	-	-
b) Others	1,85,424.94	1,57,622.11
<b>Total (Gross)</b>	<b>1,85,424.94</b>	<b>1,57,622.11</b>
Less : Impairment Loss Allowance	4,003.75	3,738.62
<b>Total (Net) - C (i)</b>	<b>1,81,421.19</b>	<b>1,53,883.50</b>
(ii) loans outside India	-	-
Less : Impairment loss allowance	-	-
<b>Total (Net) - C (ii)</b>	<b>-</b>	<b>-</b>
<b>Total (Net) - C (i+ ii)</b>	<b>1,81,421.19</b>	<b>1,53,883.50</b>

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

₹ in lakhs

NOTE 6 : INVESTMENTS	As at 31 <sup>st</sup> March 2024				As at 31 <sup>st</sup> March 2023				
	Amortised Cost	Fair Value			Amortised Cost	Fair Value			
		Through OCI	Through P & L	Sub-Total		Through OCI	Through P & L	Sub-Total	
Units of mutual funds	-	1,177.61	1,177.61	-	-	2,334.79	2,334.79	-	2,334.79
Investment in Equity Instruments									
<b>Quoted</b>									
Premier Cryogenics Limited (Not traded - 2023-24) (200000 shares of Rs 10/- each)	-	353.17	-	353.17	-	353.17	-	353.17	-
<b>Unquoted</b>									
Gauhati Neurological Research Centre Limited (Unquoted 250,000 shares @ 10/- per share)	-	347.15	-	347.15	-	412.42	-	412.42	-
Konoklota Mahila Urban Co-Op Bank Ltd. (Unquoted 5,000 shares @ 100/- per share)	-	30.58	-	30.58	-	28.05	-	28.05	-
RGVN (North East) Microfinance Ltd. (Unquoted 3,000,000 Equity Shares @ 10/- per share)	-	1,312.80	-	1,312.80	-	1,313.51	-	1,313.51	-
Nightingale Finvest Pvt. Ltd. (Unquoted 665,000 Equity Shares of 10/- per share)	-	154.61	-	154.61	-	141.83	-	141.83	-
YVU Financial Services Pvt. Ltd. (Unquoted 50,000 Equity Shares of 100/- per share)	-	92.51	-	92.51	-	86.84	-	86.84	-
Grameen Development & Finance Pvt. Ltd. (Unquoted 500,000 Equity Shares of 10/- per share)	-	59.17	-	59.17	-	60.07	-	60.07	-
North East Small Finance Bank Limited (Unquoted 97,96,383 Equity Shares of 10/- per share)(P.Y. Unquoted 2,96,384 Equity Shares of 10/- per share)	-	291.61	-	291.61	-	26.33	-	26.33	-
<b>Investment in Preference Shares</b>									
Agar Finance Private Limited (500000 optionally convertible preference shares of Rs.10/- each)	-	51.85	51.85	-	-	49.78	49.78	-	49.78
Grameen Development & Finance Pvt. Ltd. (2000000 optionally convertible preference shares of Rs.10/- each)	-	260.35	260.35	-	-	264.33	264.33	-	264.33
Nightingale Finvest Pvt. Ltd. (2000000 optionally convertible preference shares of Rs.10/- each)	-	511.49	511.49	-	-	469.22	469.22	-	469.22
YVU Financial Services Private Limited (1000000 optionally convertible preference shares of Rs.10/- each)	-	203.53	203.53	-	-	191.04	191.04	-	191.04
SATRA Development Pvt Ltd (500000 optionally convertible preference shares of Rs. 100/- each)	-	74.38	74.38	-	-	72.09	72.09	-	72.09
North East Small Finance Bank Limited (PY 5631298 Compulsorily Convertible Preference Shares of 10/- each)	-	-	-	-	-	500.23	500.23	-	500.23
<b>Investment in Bonds</b>									
North East Small Finance Bank Limited (10 Units of Unsecured Redeemable Non-Convertible Subordinated Tier II bonds of 100 lakh each)	1,000.00	-	-	-	1,000.00	-	-	-	1,000.00

NOTE 6 : INVESTMENTS (Contd.)

₹ in lakhs

NOTE 6 : INVESTMENTS	As at 31 <sup>st</sup> March 2024				As at 31 <sup>st</sup> March 2023				
	Amortised Cost	Fair Value			Amortised Cost	Fair Value			
		Through OCI	Through P & L	Sub-Total		Through OCI	Through P & L	Sub-Total	
				Others (At cost)	Total			Others (At cost)	Total
Investment in NRI Ideation Angel Fund {Value as on 31.03.2024 Rs. 200.74/- lakhs(P.Y. NIL)}	-	-	-	215.81	215.81	-	-	-	-
<b>Investment in Associates</b>									
North East Venture Fund {Value as on 31.03.2024 Rs. 4935.54/- lakhs(P.Y. Rs. 4017.11/- lakhs)}	-	-	-	6,268.12	6,268.12	-	-	5,055.62	5,055.62
<b>Total - Gross (A)</b>	<b>1,000.00</b>	<b>2,641.60</b>	<b>2,279.21</b>	<b>4,920.81</b>	<b>12,404.74</b>	<b>1,000.00</b>	<b>2,422.22</b>	<b>3,881.49</b>	<b>12,359.34</b>
i) Investments outside India	-	-	-	-	-	-	-	-	-
ii) Investments in India	1,000.00	2,641.60	2,279.21	4,920.81	12,404.74	1,000.00	2,422.22	3,881.49	12,359.34
<b>Total- Gross (B)</b>	<b>1,000.00</b>	<b>2,641.60</b>	<b>2,279.21</b>	<b>4,920.81</b>	<b>12,404.74</b>	<b>1,000.00</b>	<b>2,422.22</b>	<b>3,881.49</b>	<b>12,359.34</b>
Less : Allowance for Impairment Loss (C)	-	-	-	-	-	-	-	-	-
<b>Total - Net D (A - C)</b>	<b>1,000.00</b>	<b>2,641.60</b>	<b>2,279.21</b>	<b>4,920.81</b>	<b>12,404.74</b>	<b>1,000.00</b>	<b>2,422.22</b>	<b>3,881.49</b>	<b>12,359.34</b>

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.

₹ in lakhs

<b>NOTE 7 : OTHER FINANCIAL ASSETS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
Interest Receivable on Loans & Advances	876.66	689.78
Interest Receivable on Fixed Deposits	50.73	389.69
Interest Receivable on Fixed Deposits (TEDF)	225.37	152.32
Interest Receivable on Staff Housing Loan	474.98	423.12
Interest Receivable on Bond	10.67	-
Advances to Others	85.12	236.65
Advances to Staff	23.92	52.53
Earnest Money Deposit	38.76	36.45
Security Deposits (Unsecured, Considered good)	35.45	35.35
Term deposits with banks (maturity more than 12 months)		
- Free	0.45	1,000.00
- Under Lien	34.91	90.29
- Free (TEDF)	-	2,100.00
Other receivables	113.09	250.96
	<b>1,970.12</b>	<b>5,457.15</b>

<b>NOTE 8 : CURRENT TAX ASSETS(NET)</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
Advance Payment of Income tax & TDS	-	-
Less: Provision for Income Tax	-	-
	-	-



₹ in lakhs

**NOTE: 9A - PROPERTY PLANT AND EQUIPMENT**

Sl. No.	Particulars	Gross Block			Depreciation/ Amortisation			Net Block			
		As on 01.04.2023	Addition/ Adjustment during the period	Deduction/ Adjustment during the period	As on 31.03.2024	Upto 01.04.2023	During the period	Adjustment during the period	Upto 31.03.2024	As on 31.03.2024	As on 31.03.2023
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	957.04	52.80	-	1,009.84	917.93	970.72
	Office at Agartala	143.67	-	-	143.67	42.78	4.91	-	47.69	95.98	100.89
3	<u>Plant &amp; Equipment</u>										
	Air Conditioning System	447.06	-	-	447.06	398.96	9.12	-	408.08	38.98	48.10
	Electrical Installation	264.13	-	-	264.13	250.92	-	-	250.92	13.21	13.21
	Fire Alarm System	36.73	-	-	36.73	33.69	0.59	-	34.28	2.45	3.04
	Lift	79.56	-	-	79.56	72.98	1.28	-	74.26	5.31	6.59
	Machineries	105.79	3.72	1.84	107.67	82.63	4.43	1.75	85.31	22.36	23.17
	UPS System	14.90	-	-	14.90	14.16	-	-	14.16	0.75	0.75
	Water Installation System	15.88	-	-	15.88	14.57	0.26	-	14.82	1.06	1.31
	Solar Panels	31.19	-	-	31.19	23.78	1.31	-	25.09	6.10	7.41
	Computers	348.72	8.75	1.43	356.04	286.74	33.18	1.36	318.56	37.48	61.99
4	<u>Furniture &amp; Fixtures</u>										
	Furniture & Fixtures (HO)	145.53	13.15	-	158.69	123.47	6.89	-	130.36	28.33	22.07
	Interior Furnishings & Fittings	1,240.56	10.45	-	1,251.01	1,078.30	35.52	-	1,113.82	137.19	162.26
5	<u>Vehicle</u>	39.84	-	-	39.84	20.13	5.95	-	26.08	13.77	19.72
6	<u>Office Equipments</u>	119.34	0.59	12.56	107.37	104.78	5.14	11.93	98.00	9.38	14.56
	<b>Total - A</b>	<b>6,054.38</b>	<b>36.65</b>	<b>15.82</b>	<b>6,075.22</b>	<b>3,504.90</b>	<b>161.38</b>	<b>15.03</b>	<b>3,651.26</b>	<b>2,423.96</b>	<b>2,549.48</b>

₹ in lakhs

**NOTE: 9B --PROPERTY PLANT AND EQUIPMENT- INTANGIBLE ASSETS**

Sl. No.	Particulars	Gross Block			Depreciation/ Amortisation			Net Block			
		As on 01.04.2023	Addition/ Adjustment during the period	Deduction/ Adjustment during the period	As on 31.03.2024	Upto 01.04.2023	During the period	Adjustment during the period	Upto 31.03.2024	As on 31.03.2024	As on 31.03.2023
1	Computer Software	342.02	-	-	342.02	307.82	34.20	-	342.02	-	34.20
	<b>Total Intangible Assets (B)</b>	<b>342.02</b>	<b>-</b>	<b>-</b>	<b>342.02</b>	<b>307.82</b>	<b>34.20</b>	<b>-</b>	<b>342.02</b>	<b>-</b>	<b>34.20</b>

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

Sl. No.	Particulars	Gross Block			Depreciation/ Amortisation			Net Block			
		As on 01.04.2023	Addition/ Adjustment during the period	Deduction/ Adjustment during the period	As on 31.03.2024	Upto 01.04.2023	During the period	Adjustment during the period	Upto 31.03.2024	As on 31.03.2024	As on 31.03.2023
1	Rights-Of-Use Assets (Leasehold premises)	369.36	79.80	35.71	413.45	121.35	54.43	24.76	151.02	262.43	248.00
	<b>Total ROU Assets (C)</b>	<b>369.36</b>	<b>79.80</b>	<b>35.71</b>	<b>413.45</b>	<b>121.35</b>	<b>54.43</b>	<b>24.76</b>	<b>151.02</b>	<b>262.43</b>	<b>248.00</b>
	<b>Total Assets (A+B+C)</b>	<b>6,765.76</b>	<b>116.45</b>	<b>51.53</b>	<b>6,830.69</b>	<b>3,934.07</b>	<b>250.01</b>	<b>39.79</b>	<b>4,144.30</b>	<b>2,686.39</b>	<b>2,832.00</b>
	<b>Capital Work In Progress</b>									<b>0.87</b>	<b>0.87</b>

**9D** \* Building includes Rs 199.51/- lakhs (previous year Rs 199.51/- lakhs) 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 113.59/- lakhs, whereas by taking useful life as 60 years the total depreciation has amounted to Rs. 78.98/- lakhs. Thus depreciation to the extent of Rs 34.62/- lakh has remained unabsorbed. This amount will be amortised over the remaining useful life of the asset.

₹ in lakhs

As at 31st March 2023

NOTE: 9A - PROPERTY PLANT AND EQUIPMENT

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 &amp; 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	-	106	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 &amp; 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
	<b>Total - A</b>	<b>5,896.58</b>	<b>158.68</b>	<b>0.88</b>	<b>6,054.38</b>	<b>3,341.02</b>	<b>164.72</b>	<b>0.83</b>	<b>3,504.90</b>	<b>2,549.48</b>	<b>2,555.55</b>

₹ in lakhs

**Note: 9B - PROPERTY PLANT AND EQUIPMENT- INTANGIBLE 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	Computer Software	342.02	-	-	342.02	239.42	68.40	-	307.82	34.20	102.61
	<b>Total Intangible Assets (B)</b>	<b>342.02</b>	<b>-</b>	<b>-</b>	<b>342.02</b>	<b>239.42</b>	<b>68.40</b>	<b>-</b>	<b>307.82</b>	<b>34.20</b>	<b>102.61</b>

**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	Rights-Of-Use Assets (Leasehold premises)	278.94	90.41	-	369.36	66.81	54.54	-	121.35	248.00	212.13
	<b>Total ROU Assets (C)</b>	<b>278.94</b>	<b>90.41</b>	<b>-</b>	<b>369.36</b>	<b>66.81</b>	<b>54.54</b>	<b>-</b>	<b>121.35</b>	<b>248.00</b>	<b>212.13</b>
	<b>Total Assets (A+B+C)</b>	<b>6,517.54</b>	<b>249.10</b>	<b>0.88</b>	<b>6,765.76</b>	<b>3,647.25</b>	<b>287.66</b>	<b>0.83</b>	<b>3,934.07</b>	<b>2,831.68</b>	<b>2,870.29</b>
	<b>Capital Work In Progress</b>									<b>0.87</b>	<b>0.87</b>

**9D** \* Building includes Rs 199.51/- lakhs (previous year Rs 199.51/- lakhs) 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 113.59/- lakhs, whereas by taking useful life as 60 years the total depreciation has amounted to Rs. 78.98/- lakhs. Thus depreciation to the extent of Rs 34.62/- lakh has remained unabsorbed. This amount will be amortised over the remaining useful life of the asset.

₹ in lakhs

NOTE 10 : OTHER NON FINANCIAL ASSETS	As at 31st March, 2024	As at 31st March, 2023
Income Tax Refundable	322.95	-
Prepaid Employee Benefit Expenses	423.38	222.58
	<b>746.33</b>	<b>222.58</b>

NOTE 11 : PAYABLES	As at 31st March, 2024	As at 31st March, 2023
(I) Trade Payables		
(i) -total outstanding dues of micro & small enterprises	-	-
(ii)- total outstanding dues of creditors other than micro & small enterprises	49.75	54.27
(II) Other Payables	-	-
	<b>49.75</b>	<b>54.27</b>

**Trade Payable Aging Schedule :**

**As at 31<sup>st</sup> March 2024:**

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	41.42	0.00	0.00	8.27	49.69
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-

**As at 31<sup>st</sup> 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	-	-	-	-	-

Note 12 : BORROWINGS	As at 31st March, 2024	As at 31st March, 2023
<b>Term Loan (Unsecured) from Others, amortised at cost (within India)</b>		
Interest free loan from Government of India	45,067.96	46,007.32
Interest free loan from Government for Venture	<b>2,770.65</b>	<b>2,607.67</b>
<b>Term Loan (Secured) from Others, amortised at cost (within India)</b>		
Loan from SIDBI	9,913.80	500.00
	<b>57,752.41</b>	<b>49,114.99</b>

**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, 7.34% for FY 22-23 & 7.05% for FY 23-24..

\* The Corporation has been sanctioned Rs. 100 lakh term loan by SIDBI @ 8% p.a. interest rate during FY 22-

23 by way of term loan/resource support for already created portfolio of qualifying assets of micro and small enterprises. The loan is secured by first charge by way of hypothecation of book debts and loan receivables from MSE beneficiaries. No discounting has been done to arrive at the carrying value of the term loan at reporting date.

- \* The Company has used the borrowings from Govt and financial institutions for the specific purpose for which these were availed.
- \* In respect of all the borrowings, there is no default in payment of either principal or interest.
- \* Disclosure of information related to borrowings from financial institutions on the basis of security of current assets: The monthly/quarterly returns or statements filed by the company with SIDBI 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.

₹ in lakhs

NOTE 13 : OTHER FINANCIAL LIABILITIES	As at 31st March, 2024	As at 31st March, 2023
GST, PF and other statutory liabilities	39.55	45.22
Notional Interest	25,661.39	24,885.01
Undisbursed Central Subsidies	21,056.55	10,022.81
Lease liability	292.28	270.98
Security Deposit	70.64	96.56
Other Liabilities	3,935.32	5,709.60
Fees for services	-	0.26
Interest payable on loans	41.83	0.11
	<b>51,097.57</b>	<b>41,030.55</b>
NOTE 14 : CURRENT TAX LIABILITIES(NET)	As at 31st March, 2024	As at 31st March, 2023
Provision of Income Tax	2,930.14	2,930.50
Less: Advance Payment of Income tax & TDS	(2,906.12)	(2,859.81)
	<b>24.02</b>	<b>70.69</b>
NOTE 15 : PROVISIONS	As at 31st March, 2024	As at 31st March, 2023
<b>Provisions for employee benefits</b>		
- Leave Encashment	448.75	1,199.28
- Leave Travel Concession / Allowance	28.92	75.77
- Salaries	1,316.20	891.00
<b>Others</b>		
<b>Floating Provision against Advances</b>	<b>200.00</b>	<b>200.00</b>
Provision for Diminution in Fair Value of Restructured Advance	13.35	13.35
	<b>2,007.22</b>	<b>2,379.39</b>

**NOTE 16 : DEFERRED TAX LIABILITIES (net) and Tax expense**

i. ₹ in lakhs

Tax effect of items constituting (DTL)	As at 1st April 2022	(Charge)/ credit to P & L	(Charge)/ credit to OCI	Balance as at 31st March 2023	(Charge)/ credit to P & L	(Charge)/ credit to OCI	Balance as at 31st March 2024
Related to Property, plant and equipment	2.68	(12.78)	-	(10.10)	(6.27)	-	(16.37)
Related to Right to Use Assets	(3,340.19)	(326.01)	-	(3,666.20)	(331.63)	-	(3,997.83)
Related to Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	(53.39)	(9.03)	-	(62.42)	(3.63)	-	(66.05)
Others	-	-	-	-	-	(55.21)	(213.34)
	(3,390.90)	(347.82)	-	(3,738.72)	(341.53)	(55.21)	(4,293.59)
Tax effect of items constituting DTA	As at 1st April 2022	(Charge)/ credit to P & L	(Charge)/ credit to OCI	Balance as at 31st March 2023	(Charge)/ credit to P & L	(Charge)/ credit to OCI	Balance as at 31st March 2024
Related to Provisions	2260.04	(224.20)	-	2035.84	(246.87)	-	1788.96
Related to Lease liability	56.68	11.52	-	68.20	5.36	-	73.56
Related to Effective Interest Rate	176.53	(32.56)	-	143.97	29.38	-	173.35
Others	-	-	-	-	-	30.60	30.60
	2493.24	(245.23)	-	2248.01	(212.14)	30.60	2066.47
<b>Net DTA/(DTL)</b>	<b>(897.66)</b>	<b>(593.05)</b>	-	<b>(1,490.71)</b>	<b>(553.67)</b>	<b>(24.62)</b>	<b>(2,227.12)</b>

Others include deferred tax on account of employee benefits & fair valuation. Adjustments of Rs. 158.12 lakhs pertaining to prior periods has been done with current tax liabilities.

(ii)

Income tax recognised in Statement of profit and loss		As at 31st March, 2024	As at 31st March, 2023
<b>(a) Current tax :</b>			
In respect of current year	2930.14	2772.37	
In respect of prior years	(261.92)	228.40	
	2668.22	3000.78	
<b>(b) Deferred tax :</b>			
In respect of current year origination and reversal of temporary differences	553.67	593.05	
	553.67	593.05	
	<b>3221.89</b>	<b>3593.83</b>	

**NOTE 16 : DEFERRED TAX LIABILITIES (Contd.)**

₹ in lakhs

(iii)

Income tax recognised in Other Comprehensive Income	As at 31st March, 2024	As at 31st March, 2023
<b>Tax related to items recognised in OCI during the year</b>		
Remeasurement of defined employee benefits	(30.60)	9.98
Net gain/(loss) on equity instruments through OCI	55.21	119.53
	<b>24.62</b>	<b>129.52</b>

(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, 2024	As at 31st March, 2023
Profit before tax	13,326.00	11,600.58
Applicable income tax rate	25.168%	25.168%
Expected income tax expense	3,353.89	2,919.63
Adjustment in respect of current income tax of prior years	(261.92)	228.40
<b>Non-deductible expenses</b>		
Corporate social responsibility expenditure not deductible	222.01	207.43
Effect of other expenses/provisions not deductible	(187.88)	466.76
Adjustment in respect of prior years	261.92	228.40
<b>Reported income tax expense</b>	<b>3,221.89</b>	<b>3,593.83</b>

NOTE17 : SHARE CAPITAL	As at 31st March, 2024	As at 31st March, 2023
<b>AUTHORISED</b>		
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
	<b>50,000.00</b>	<b>50,000.00</b>
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
	<b>10,000.00</b>	<b>10,000.00</b>
<b>PAID UP</b>		
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
	<b>10,000.00</b>	<b>10,000.00</b>

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

Equity Shares	As at 31st March, 2024	As at 31st March, 2023
At the beginning of the year (No. of Shares)	<b>1,000.00</b>	<b>1,000.00</b>
Issued during the year	-	-
<b>Outstanding at the end of the year</b>	<b>1,000.00</b>	<b>1,000.00</b>



**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 31/03/2024 No. of Shares % of holding	As at 31/03/2023 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.

**d) Dividend distributions made and proposed**

- i. Dividend on equity shares and paid during the year

₹ in lakhs

	As at 31st March, 2024	As at 31st March, 2023
Dividend paid	800.00	-
Profit for the relevant year	8,000.55	7,673.88
Dividend as a percentage of profit for the relevant year	10.00%	-

₹ in lakhs

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

	As at 31st March, 2024	As at 31st March, 2023
Face value per share(Rupees)	10.00	10.00
Dividend percentage	<b>8.00%</b>	<b>8.00%</b>
Dividend per share(Rupees)	0.80	0.80
Total Dividend on Equity Shares(a)	800.00	800.00
Profit after tax for the relevant year(b)	10,020.29	8,000.55
Dividend proposed as a percentage of profit after tax(a/b)	<b>10.00%</b>	<b>10.00%</b>

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, 2024	As at 31st March, 2023
<b>I. Other Reserves</b>		
<b>(a) North East Equity Fund</b>		
Fund Balance	615.26	614.87
Less: Provision against Soft Loans under NEEDS	(2.65)	(0.39)
	<b>617.91</b>	<b>615.26</b>
<b>(b) Statutory Reserve under RBI Act, 1934</b>		
Opening Balance	18,410.00	16,809.89
Add: Transferred from Retained Earnings	2,004.06	1,600.11
	<b>20,414.06</b>	<b>18,410.00</b>
<b>(c) Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961</b>		
Opening Balance	14,566.90	13,271.56
Add: Transferred from P/L Account	1,317.67	1,295.34
	<b>15,884.57</b>	<b>14,566.90</b>
<b>(d) Venture Capital Fund:</b>		
Fund Balance	1,328.21	1,305.58
Add: Transferred from General Reserve	24.69	22.64
	<b>1,352.91</b>	<b>1,328.21</b>
<b>(e) General Reserve</b>		
Opening balance	41,940.42	42,093.19
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for:		
Others : Transferred to Venture Capital Fund	(24.69)	(22.64)
Impairment Loss not transferred to Impairment Reserve	(592.72)	(130.14)
	<b>41,323.00</b>	<b>41,940.42</b>
<b>(f) India Exposition Mart Stalls</b>		

**NOTE 18 : OTHER EQUITY (Contd.)**

₹ in lakhs

NOTE 18 : OTHER EQUITY	As at 31st March, 2024	As at 31st March, 2023
Opening balance	117.46	128.45
Add: Additions / transfers during the year		
Less: Utilisations / transfers during the year	(9.72)	(10.99)
	<b>107.74</b>	<b>117.46</b>
<b>(g) Techno Economic Development Fund</b>		
Opening balance	4,039.98	3,981.96
Add: Additions / transfers during the year	302.50	273.83
Less: Utilisations / transfers during the year	(386.06)	(215.81)
	<b>3,956.42</b>	<b>4,039.98</b>
<b>(h) Impairment Reserve*</b>		
Opening balance	3,315.75	3,315.75
Add : Additions during the year	-	-
	<b>3,315.75</b>	<b>3,315.75</b>
<b>Retained Earnings</b>		
Balance as per last Balance Sheet	18,079.89	12,583.56
Profit for the Period	10,103.93	8,006.68
Other comprehensive income	73.19	385.09
<b>Less: Appropriations</b>		
Transferred to General Reserve	-	-
Dividend Paid	(800.00)	-
Transferred to Statutory Reserve under RBI Act, 1934	(2,004.06)	(1,600.11)
Transferred to Special Reserve	(1,317.67)	(1,295.34)
	<b>24,135.29</b>	<b>18,079.89</b>
<b>TOTAL OTHER EQUITY</b>	<b>1,11,107.66</b>	<b>1,02,413.88</b>

**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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

₹ in lakhs

NOTE 19 : INTEREST INCOME	As at the end of 31st March, 2024	As at the end of 31st March, 2023
<b>On financial instruments measured at Amortised cost</b>		
Interest on loans	16,593.07	13,215.58
Interest on Fixed Deposits and Bonds	666.50	1,007.19
	<b>17259.57</b>	<b>14222.78</b>

\*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, 2024	As at the end of 31st March, 2023
From equity investments	12.00	3.00
From preference share investments	45.00	54.00
	<b>57.00</b>	<b>57.00</b>

NOTE 21 : FEE AND COMMISSION INCOME	As at the end of 31st March, 2024	As at the end of 31st March, 2023
Consultancy Fees	1,233.29	1,077.18
Prepayment Charges	52.84	46.73
	<b>1286.12</b>	<b>1123.91</b>

\*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 22 : NET GAIN/LOSS ON FAIR VALUE CHANGES	As at the end of 31st March, 2024	As at the end of 31st March, 2023
<b>Net gain/(loss) on financial instruments at FVTPL</b>		
Realised gain/(loss) from sale of Mutual Fund units	453.99	778.58
Unrealised fair value gain/(loss) on Mutual Fund units	9.66	2.25
Unrealised fair value gain/(loss) on debt instruments	37.96	19.46
Unrealised fair value gain/(loss) on debt instruments	(445.10)	(412.81)
	<b>56.52</b>	<b>387.48</b>

NOTE 23 : OTHER OPERATING INCOME	As at the end of 31st March, 2024	As at the end of 31st March, 2023
Management Fees	243.39	191.00
Trusteeship Fees	5.00	3.00
Fund Setup Fees(MSVF)	7.50	7.50
Fund Setup Fees(NRL IAF)	2.57	8.33
Deferred Interest	3,065.64	3,118.36
	<b>3324.10</b>	<b>3328.19</b>

₹ in lakhs

NOTE 24 : OTHER INCOME	As at the end of 31st March, 2024	As at the end of 31st March, 2023
Rent Received	339.91	339.76
Maintenance Charges	141.48	141.41
Hall Charges	46.49	34.66
Interest on loan to staff*	287.76	273.44
Miscellaneous Receipts	33.92	52.08
Bad Loans & Advances Recovered	1,376.70	968.15
Interest on I.T. Refund	-	39.21
Contribution to gratuity fund	-	-
Gain on disposal of assets(net)	-	-
	<b>2,227.33</b>	<b>1,848.71</b>

\* 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 25 : FINANCE COSTS	As at the end of 31st March, 2024	As at the end of 31st March, 2023
Interest on Borrowngs		
- SIDBI	76.66	0.11
Notional Interest on Government Loan	3,065.64	3,118.36
Prepaid Employee Benefit expenses amortised during the year	152.51	181.87
Interest Expense on lease liabilities	24.26	33.06
	<b>3,319.07</b>	<b>3,333.41</b>

NOTE 26 : IMPAIRMENT ON FINANCIAL INSTRUMENTS	As at the end of 31st March, 2024	As at the end of 31st March, 2023
<b>On financial instruments measured at Amortised cost</b>		
Bad debts and write offs	351.93	157.57
Loans	(325.33)	(1,051.70)
Trade receivables	(43.00)	-
	<b>(16.40)</b>	<b>(894.13)</b>

NOTE 27 : EMPLOYEE BENEFIT EXPENSES	As at the end of 31st March, 2024	As at the end of 31st March, 2023
<u>Salaries &amp; Wages</u>		
- Salaries (Director)	65.69	63.27
- Salaries (Others)	3,464.07	3,115.41
- Leave Travel Concession / Allowance	160.69	238.38
- Leave Encashment	492.21	264.74
<u>Contribution to Provident and other Funds</u>		
- Employer's Provident Fund	246.81	218.48
- Gratuity	10.27	55.22
<u>Staff Welfare Expenses</u>		

**NOTE 27 : EMPLOYEE BENEFIT EXPENSES (Contd.)**

₹ in lakhs

NOTE 27 : EMPLOYEE BENEFIT EXPENSES	As at the end of 31st March, 2024	As at the end of 31st March, 2023
- Medical Reimbursement	83.86	57.49
- House Rent	23.21	10.19
- Staff Welfare	204.01	313.99
	<b>4,750.82</b>	<b>4,337.17</b>

**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(₹)
<b>i. Change in the present value of the defined benefit obligation</b>				
Opening benefit obligation	710.51	667.95	1,199.27	1,043.30
Current Interest Cost	52.94	47.55	89.35	74.28
Current Service Cost	24.27	26.33	82.67	57.13
Benefit Paid	-	(27.82)	(91.34)	(33.24)
Actuarial (Gain)/ Loss	120.60	(3.50)	351.19	57.80
Closing benefit obligation	908.32	710.51	1,631.14	1,199.27
<b>ii. Change in Plan Assets</b>				
Opening Fair Value of Plan Assets	917.98	791.09	-	-
Actual Return on Plan Assets	67.42	54.84	-	-
Contribution	0.00	99.87	1,242.01	33.24
Benefit paid	-	(27.82)	(91.34)	(33.24)
Closing Fair Value of Plan Assets	985.40	917.98	-	-
<b>iii. Reconciliation of Expense in Profit &amp; loss Statement</b>				
Closing present value of obligation	908.32	710.52	1,631.14	1,199.27
Opening present value of obligation	(710.52)	(667.95)	(1,199.27)	(1,043.30)
Benefit Paid	0.00	27.82	33.24	33.24
Actual Return on Assets	(67.42)	(54.83)	91.34	0.00
OCI	(121.56)	2.01	(31.72)	-
Expense recognised in Profit & Loss Account	8.82	17.57	491.49	189.21
<b>iv. Net Cost recognized in Profit &amp; loss Account</b>				
Current Service cost	24.27	26.33	82.67	57.13
Net Interest Cost (Income)	(15.46)	(8.76)	57.62	74.28
Net actuar ial (gain)/ Loss	-	-	351.19	57.80
Expenses recognized in Profit & Loss Account	8.81	17.57	491.48	189.21

₹ in lakhs

Particulars	Gratuity		Leave Encashment	
	Current Year(₹)	Previous Year(₹)	Current Year(₹)	Previous Year(₹)
<b>v. Reconciliation of opening and closing net /liability recognized in Balance Sheet</b>				
Opening Net Liability	(207.45)	(123.15)	1,199.28	1,043.31
Expense charged to Profit & Loss Account	8.81	17.57	140.30	131.41
Benefit paid by Corporation	-	-	-	-
Contribution paid	-	(99.86)	351.19	(33.25)
OCI	121.56	(2.01)	(1,242.02)	57.81
Closing Net Liability/(Asset)	(77.08)	(207.45)	448.75	1,199.28

<b>vi. Maturity Profile of Defined Benefit Obligation</b>				
Year 1	67.07	37.22	224.21	137.08
Year 2	46.86	37.09	191.83	157.24
Year 3	81.93	54.75	215.45	139.11
Year 4	86.10	68.81	181.64	159.49
Year 5	75.88	72.43	145.82	131.43
After 5th Year	1,484.33	1,241.23	1,782.39	1,339.53
<b>Total</b>	<b>1842.17</b>	<b>1511.53</b>	<b>2 741.34</b>	<b>2 063.88</b>

<b>vii. Sensitivity Analysis for Gratuity</b>			
Item	As at 31/03/2024	Impact (Absolute)	Impact%
Base Liability	908.32		
Increase Discount Rate by 0.5%	872.85	(35.47)	-3.91%
Decrease Discount Rate by 0.5%	946.26	37.94	4.18%
Increase Salary Inflation by 1.00%	932.34	24.02	2.64%
Decrease Salary inflation by 1.00%	880.12	(28.19)	-3.10%
Increase Withdrawal Rate by 1.00%	949.65	41.32	4.55%
Decrease Withdrawal Rate by 1.00%	865.79	(42.52)	-4.68%

<b>viii. Sensitivity Analysis for Leave Encashment</b>			
Item	As at 31/03/2024	Impact (Absolute)	Impact%
Base Liability	1,631.15		
Increase Discount Rate by 0.5%	1,584.05	(47.09)	-2.89%
Decrease Discount Rate by 0.5%	1,680.91	49.76	3.05%
Increase Salary Inflation by 1.00%	1,734.22	103.08	6.32%
Decrease Salary Inflation by 1.00%	1,537.30	(93.84)	-5.75%
Increase Withdrawal Rate by 1.00%	1,642.61	11.46	0.70%
Decrease Withdrawal Rate by 1.00%	1,619.66	(11.49)	-0.70%

Note : 1. The base liability is calculated at discount rate of 7.18% 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, 2024 are as under:**
*₹ in lakhs*

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

**x. Principal Actuarial Assumptions**

Particulars	Gratuity		Leave Encashment	
	Current Year(₹)	Previous Year(₹)	Current Year(₹)	Previous Year(₹)
Discount Rate	7.18%	7.45%	7.18%	7.45%
Rate of increase in compensation levels	3.00%	3.00%	3.00%	3.00%
Rate of return on Plan Assets	7.45%	7.12%	Actual return	-

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.

NOTE 28 : DEPRECIATION, AMORTIZATION & IMPAIRMENT	As at the end of 31st March, 2024	As at the end of 31st March, 2023
Depreciation on Property, Plant and Equipment	161.38	164.72
Less : Transfer to IEM Stall Fund	(9.72)	(10.99)
	<b>151.67</b>	<b>153.72</b>
Depreciation on Intangible Asset	34.20	68.40
Depreciation on ROU Asset	54.43	54.54
	<b>240.29</b>	<b>276.67</b>

NOTE 29 : CSR EXPENSES	As at the end of 31st March, 2024	As at the end of 31st March, 2023
CSR Expenses	222.01	207.43
	<b>222.01</b>	<b>207.43</b>

NOTE 30 : OTHER EXPENSES	As at the end of 31st March, 2024	As at the end of 31st March, 2023
Rent, Taxes and Energy Cost		
Electricity Charges & Electrical Expenses	79.94	63.98
Rent on short term leases	6.40	0.30
GST Expenses	33.73	27.77
Licence & Registration Fees	25.92	10.03



**NOTE 30 : OTHER EXPENSES (Contd.)**

₹ in lakhs

NOTE 30 : OTHER EXPENSES	As at the end of 31st March, 2024	As at the end of 31st March, 2023
<u>Repairs &amp; Maintenance</u>		
Repairs & Maintenance (Machine)	65.56	41.82
Manpower Cost ( Security Services, Housekeeping Services etc)	463.71	392.94
Repair & Maintenance(Others)	111.32	140.63
Software Maintenance Expenses	51.37	93.92
<u>Communication Costs</u>		
Telephone Charges & Postage	28.91	28.28
<u>Printing &amp; Stationery</u>	31.38	27.52
<u>Advertisement &amp; Publicity</u>		
Advertisement Expenses	39.75	20.11
Business Promotion	50.99	52.42
Business Facilitation Centre Expenses	15.29	9.05
<u>Director's Fees, allowances and Expenses</u>		
BOD Meeting Expenses	64.20	76.65
<u>Auditors' Fees and Expenses</u>		
Tax Audit Fees	0.50	0.50
Statutory Audit Fees	2.84	3.80
Concurrent Audit Fees	3.00	2.40
Other services	0.20	0.20
Reimbursement of expenses	0.35	0.48
<u>Legal &amp; Professional Fees and Expenses</u>	64.15	137.43
<u>Insurance charges</u>	12.05	11.64
<u>Other Expenses</u>		
Other Audit Expenses	4.10	5.46
<u>Bank charges</u>	1.04	1.05
Books & Periodicals	2.91	2.63
Car hire Expenses	52.03	46.97
Consultancy Expenses	373.78	308.55
Commission to Business Correspondent	363.90	87.62
Conveyance	9.86	3.59
Honararium	1.92	1.11
India Exposition Mart Expenses	6.40	6.72
Miscellaneous Expenses	22.11	40.06
Mission Organic Expenses	1.29	2.00
Research & Developmental Expenses	135.95	197.22
Seminar & Conference Expenses	31.89	30.54

**NOTE 30 : OTHER EXPENSES (Contd.)**

₹ in lakhs

NOTE 30 : OTHER EXPENSES	As at the end of 31st March, 2024	As at the end of 31st March, 2023
Training Expenses	9.56	6.93
Travelling Expenses (Others)	62.70	78.05
Recruitment / Relocation Expenses	6.38	76.56
Annual Custody Fees	0.30	0.30
Loss on sale / disposal of assets (net)	0.05	0.01
FTSU Expenses	118.76	58.36
Fund Setup Fees (MSVF)	9.75	3.00
Fund Setup Fees (NRL IAF)	2.57	8.33
	2,368.84	2,106.94

Note 31 : EARNINGS PER SHARE	As at the end of 31st March, 2024	As at the end of 31st March, 2023
The following table reconciles the numerators and denominators used to calculate Basic and Diluted Earning per Share for the year ended 31st March 2024.		
<b>Particulars</b>		
(a) Profit/(Loss) Attributable to Equity Shareholders (Rs. in Lacs)	10,177.31	8,391.85
(b) The weighted average number of Equity Share of Basic EPS	1,000.00	1,000.00
(c) The weighted average number of Equity Share of Diluted EPS	1,000.00	1,000.00
(d) Nominal value per Ordinary Share (Rs.)	10.00	10.00
(e) Earnings Per Share - Basic (Rs.)	10.18	8.39
(f) Earnings Per Share - Diluted (Rs.)	10.18	8.39

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

### 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:

<b>Key Management Personnel</b>	Mr. PVSLN Murty	Chairman & Managing Director
	Mr. S. K. Baruah	Executive Director & CFO
	Mr. V. K. Agarwal	DGM & Company Secretary
	Dr. K. V. Pratap (Up to 21/09/2023)	Nominee Director (DoNER)
	Mr. D. Khound (w.e.f 21/09/2023)	Nominee Director (DoNER)
	Mr. A. K. Singh (Up to 04/01/2023)	Nominee Director (SBI)
	Mr. V. M. Devassy (w.e.f 05/01/2023)	Nominee Director (SBI)
	Mr. A. Kumar (Up to 03/10/2023)	Nominee Director (LIC)
	Mr. B. Acharya (w.e.f 11/10/2023)	Nominee Director (LIC)
	Mr. Ugen Tashi	Nominee Director (IDBI)
	Mr. Bhaskar Jyoti Sarma (Up to 29/04/2023)	Independent Director
	Mr. Kaushik Sinha (w.e.f 29/04/2023)	Independent Director
	Mr. Sanjay Kumar Pai (Up to 25/07/2023)	Independent Director
	Dr. Natalie West Kharkongor (Up to 02/09/2023)	Independent Director
	Smt. Nandita Hazarika (w.e.f 12/10/2023)	Independent Director
	Mr. A. Kumar(w.e.f 03/10/2023)	Independent Director
	Sri J. Alam (Up to 29/09/2023)	Additional Director
Dr. R. Sharma (Up to 29/09/2023)	Additional Director	
<b>Subsidiaries</b>	NEDFi Trustee Limited	
	NEDFi Venture Capital Limited	
<b>Associates</b>	North East Venture Fund	
<b>Trusts / Funds under control of the Company</b>	North East Society for Handicraft Incubation and Livelihood Promotion (NE SHILP)	

**B. Transaction with Related Parties during the year:**
*₹ in lakhs*

Particulars	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
<b>Key managerial personnel</b>		
Short Term Employee Benefits		
- Mr. PVSLN Murty	70.86	68.72
- Mr. S. K. Baruah	68.79	77.53
- Mr. V. K. Agarwal	59.64	51.71
Repayment/ Recovery of loans and advances		
- Mr. S. K. Baruah	4.03	4.49
- Mr. V. K. Agarwal	2.81	2.41
Disbursal of loans and advances		
- Mr. V. K. Agarwal	11.00	18.00
Director's Sitting Fees	41.70	50.90
<b>Subsidiaries</b>		
NEDFi Venture Capital Limited		
- Receivable towards salary payments	184.80	194.23
<b>Associates/JV</b>		
- Investment in North East Venture Fund	1216.25	1183.50
<b>Trusts / Funds under control of the Company</b>		
NE SHILP		
- Payment towards purchase of craft products	11.66	10.79
- Payment towards reimbursement of expenses	2.99	3.99
- Payment towards advances	120.81	88.30
- Adjustments of advances	107.45	86.35

**C. Outstanding Balance with Related Parties:**

Particulars	31 <sup>st</sup> March, 2024		31 <sup>st</sup> March, 2023	
	Loan O/s	% to total loan & Advances	Loan O/s	% to total loan & Advances
<b>Key managerial personnel</b>				
Loans & Advances				
- Mr. S. K. Baruah	2.01	0.00%	6.04	0.00%
- Mr. V. K. Agarwal	25.74	0.00%	17.55	0.00%
Subsidiaries (Receivable)				
- NEDFi Venture Capital Limited		184.80		194.23
Subsidiaries (Closing)				
- NEDFi Venture Capital Ltd.		4.94		4.94
- NEDFi Trustee Ltd.		4.94		4.94
Associates (Closing)				
- North East Venture fund		6268.1		5055.62
<b>Trusts / Funds under control of the Company</b>				
- Advance to NE SHILP		15.31		1.95

- There were no guarantees given on behalf of related parties during the year.
- The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial year ended March 31, 2024 and March 31, 2023.

**NOTE 33 : CONTINGENT LIABILITIES AND COMMITMENTS**

₹ in lakhs

Particulars	2023-24	2022-23
<b>i) Contingent liabilities</b>		
In respect of demand raised by Department for Promotion of Industry & Internal Trade(DPIIT)	1342.00	1342.00
In respect of service tax demand where the Corporation has filed appeal before to CESTAT.	21.60	21.60
In respect to income tax demands where the Corporation has filed appeal before CIT(Appeal) for A.Y. 2018-19	262.47	-
In respect to income tax demands where the Corporation has filed appeal before CIT(Appeal) for A.Y. 2019-20	598.30	-
<b>ii) Commitments</b>		
Other commitments (loan sanctioned but not disbursed)	46914.00	36371.61

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/authorities. It is not practicable for the Company to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

- 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. 46914.00 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.
- e. The Income Tax Department has raised demands for the AY 2018-19 and AY 2019-20 to the tune of Rs. 262.47 Lakhs and Rs. 598.30 Lakhs respectively. The amount pertains to disallowance of provisions for bad and doubtful debts. Only certain portion of provisions for bad and doubtful debts was allowed under section 36(1)(vii a) applicable for Banks and Non Banking Financial Companies. The same is not tenable, since the provisions in excess of that availed amount u/s 36(1)(vii a) is disallowed and income tax is paid on the same. In the later years, when the provisions are written back it is not offered for taxation as tax has already been paid and it will tantamount to double taxation. Accordingly, the Corporation has filed an appeal before the Commissioner of Income Tax (Appeal), Faceless against the demand and hearing of the same is yet to start. Based on the facts and decided

cases, the Corporation is confident that the Hon'ble CIT (Appeal) will dispose off the case in favour of the Corporation. Hence, no provision has been made in the books of accounts.

- 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:** The Provisioning Coverage Ratio of the Corporation is 64.07% (Previous Year 71.17%).
- Note 37:** The Corporation in association with the Ministry of Development of North Eastern Region (M-DoNER) has set up the first dedicated Venture Capital Fund for the NER, namely "North East Venture Fund (NEVF)". The fund is a unit scheme under North East Venture Trust (NEVT), an umbrella trust, wherein the Corporation is the settlor. The trust has been registered under the Indian Registration Act, 1908 on 13th October 2016. The corpus of the fund is Rs. 100 cr. NEVF has been registered with Securities and Exchange Board of India (SEBI). The first close of the fund has also been declared on 31st March, 2017. To operate and manage the fund, two wholly owned subsidiaries namely NEDFi Venture Capital Limited (NVCL) and NEDFi Trustee Limited (NTL) have been incorporated by the Corporation.
- Note 38:** NEDFi has invested in NRL Ideation Angel fund (NRL IAF) which has been registered as a Category I angle fund under SEBI(AIF) Regulations 2012. The fund size is Rs. 35 crore with contributions from Numaligarh Refinery Limited (Rs. 30 crore) and NEDFi (Rs. 5 crore), with additional green shoe option of Rs. 5 crore from other likeminded contributors. The fund manager for NRL-IAF is NEDFi Venture Capital Limited.
- Note 39:** The Corporation has put in place a Board

approved scheme specially developed for supporting riots affected borrowers of NEDFi in Manipur which is in line with notification no. OTH-IF/2/3/2023-DIF-DIF, dated 21st June 2023 issued by Govt. of Manipur. The Corporation restructured 337 nos. of accounts with principal outstanding of Rs. 12262.37 lakhs as on 31st March 2024.

**Note 40: SEGMENT REPORTING**

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

₹ in lakhs

1.	Segment Revenue	2023-24	2022-23
	Lending and Financing Activities	21088.25	17348.82
	Management of Surplus Funds	723.02	1394.68
	Others	1491.74	1287.01
	Total	23303.00	20030.51
2.	<b>Segments Results</b>		
	Lending and Financing Activities	10425.63	8188.76
	Management of Surplus Funds	723.02	1394.68
	Others	1269.71	1079.58
	Total	12418.36	10663.02
	Unallocated Income	907.65	937.56
	Unallocated Expenses	-	-
3.	<b>Operating Profit</b>	13326.00	11600.58
	Income Tax	3,221.89	3593.83
4.	<b>Net Profit</b>	10104.11	8006.75
5.	<b>Other Information</b>		
	<b>Segment Assets</b>		
	Lending and Financing Activities	182663.41	154838.29
	Management of Surplus Funds	42016.16	42055.03
	Others	2023.91	1455.21
	Total	226703.48	198348.53
	Unallocated Assets	7566.56	8210.06
	Total	234270.03	206558.59
	<b>Segment Liabilities</b>		
	Lending and Financing Activities	110903.91	92579.21
	Management of Surplus Funds	-	-
	Others	-	-
	Unallocated Liabilities	11609.20	10982.17
	Total	122513.11	103561.38
	<b>Net Capital Employed</b>	111756.92	102997.21





₹ in lakhs

Break-up of Investments:		As at 31/03/2024	As at 31/03/2023
1. Quoted:			
(i) Shares : (a) Equity		353.17	353.17
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds(Short Term)		1177.61	2334.79
(iv) Government Securities		-	-
(v) Others (please specify)		-	-
(4) 2. Unquoted:			
(i) Shares : (a) Equity		2298.31	2078.94
(b) Preference		1101.60	1546.69
(ii) Debentures and Bonds		1000.00	1000.00
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) North East Venture Trust		6268.12	5055.62
(vi) NRL Ideation Angel Fund		215.81	-
<b>Total</b>		<b>12414.62</b>	<b>12369.21</b>

(5) Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	As at 31/03/2024			As at 31/03/2023		
	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	-	31.89	31.89	-	23.05	23.05
2. Other than related parties	177131.69	8261.36	185393.05	149794.68	7804.37	157599.06
<b>Total</b>	<b>177131.69</b>	<b>8293.25</b>	<b>185424.94</b>	<b>149794.68</b>	<b>7827.43</b>	<b>157622.11</b>

(6) Investor group-wise classification of all investments in shares and securities (both quoted and unquoted)

Category	As at 31/03/2024		As at 31/03/2023	
	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		9.88	332.46	9.88
(b) Companies in the same group	NIL	NIL	NIL	NIL
(c) Other related parties (NEVF)	4935.54	6268.12	4017.11	5055.62
2. Other than related parties	6136.62	6136.62	7303.71	7303.71
<b>Total</b>	<b>11072.16</b>	<b>12414.62</b>	<b>11653.28</b>	<b>12369.21</b>

\*\*As per Indian Accounting Standard issued by MCA

(7) Other information

₹ in lakhs

	Particulars	As at 31/03/2024	As at 31/03/2023
(i)	Gross Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	5680.39	5197.29
(ii)	Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	2240.82	1698.44
(iii)	Assets acquired in satisfaction of debt	-	-

**Note 42: 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	55.97%	61.54%
ii. CRAR – Tier I Capital	55.26%	60.57%
iii. CRAR – Tier II Capital	0.71%	0.98%
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	12414.62	12369.22
b. Outside India	-	-
ii. Provisions for Depreciation		
a. In India	-	-
b. Outside India	-	-
iii. Net value of Investments		
a. In India	12414.62	12369.22
b. Outside India	-	-
2. Movement of provisions held towards depreciation on investments		
I. Opening Balance	-	-
ii. Add: Provision made during year	-	-
iii. Less: Write off/ Write back	-	-
iv. Closing Balance	-	-

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

As at 31<sup>st</sup> March 2024

₹ 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*	1,994.67	1,930.34	2,558.04	1,951.20	7,157.72	15,705.57	67,333.44	47,518.59	37201.18	183350.75
Investments**	-	-	-	-	-	1177.61	-	1000.00	10237.01	12414.62
Borrowings**	-	8.62	8.62	172.32	516.96	6680.98	14452.80	13176.72	22735.39	57752.41
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-

\*at cost

\*\*at fair value

As at 31<sup>st</sup> March 2023

	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

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 31<sup>st</sup> March 2024, the amount of unsecured advances stood at Rs. 8293.25 lakhs (31<sup>st</sup> March 2023: Rs. 7827.43 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 :**

Instruments	Credit Rating Agency	Current Year	Previous Year
Long term Borrowings (SIDBI Loan)	Care Ratings Ltd.	CARE A; Stable (Single A, Outlook : Stable)	-

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 Material 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 (Excluding NEEF provisions)	(58.89)	(1845.60)
Provision made towards Income Tax	2925.10	2770.29
Other Provision and Contingencies		
Leave Encashment	492.21	264.74
Gratuity	10.26	55.22
LTC	(46.85)	(5.12)
Diminution in Fair Value of Restructured Advance	-	-
Provision for Standard Assets	(266.41)	793.90

k. Concentration of Advances( at cost)

	As at 31/03/2024	As at 31/03/2023
Total Advances to twenty largest borrowers	48460.41	44527.43
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	26.64%	28.64%

l. Concentration of Exposures( at cost)

	As at 31/03/2024	As at 31/03/2023
Total Exposures to twenty largest borrowers	48460.41	44527.43
Percentage of Exposures to twenty largest borrowers to Total Exposures of the NBFC	26.64%	28.64%

m. Concentration of NPAs

	As at 31/03/2024	As at 31/03/2023
Total Exposure to top four NPA accounts	2596.94	2302.20

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

₹ in lakhs

Sl. No.	Sector	As at 31/03/2024	As at 31/03/2023
1	Agriculture & allied activities	0.84%	2.56%
2	MSME	2.42%	3.75%
3	Corporate Borrowers	8.51%	2.53%
4	Services	3.34%	3.36%
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 (%)	1.25%	1.12%
ii. Movement of NPAs (gross)		
a. Opening balance	5197.29	7738.06
b. Additions during the year	2083.87	748.68
c. Reductions during the year	1600.77	3289.45
d. Closing balance	5680.39	5197.29
iii. Movement of net NPAs		
a. Opening balance	1698.44	2391.86
b. Additions during the year	1835.80	604.58
c. Reductions during the year	1293.42	1298.00
d. Closing balance	2240.82	1698.44
iv. Movement of provisions for NPAs		
a. Opening balance	3498.85	5346.25
b. Provisions made during the year	(58.89)	(1847.36)
c. Write off / Write backs	3.04	(0.04)
d. Closing balance	3436.92	3498.85

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

Particulars	31 March 2024	31 March 2023
a) Dues remaining unpaid to any supplier		
-Principal	-	-
-Interest on the above	-	-
b) Interest paid in terms of Section 16 of the MSME 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 43: 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	31/03/2024	31/03/2023
a) Direct Exposure		
(i) Residential Mortgages [all individual housing loans]	1345.17	1401.73
(ii) Commercial Real Estate	13338.04	10823.53
(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
<b>Total Real Estate Exposure</b>	<b>14683.21</b>	<b>12225.26</b>

**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;	3651.48	3432.10
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(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	-	-

₹ in lakhs

Particulars		Current Year	Previous Year
(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)	6483.93	5055.62
Total Exposure to Capital Market		10135.41	8487.72

### 3. Sectoral exposure ( At cost)

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	1,670.24	14.05	0.84%	755.16	19.37	2.56%
2. Industry	49,317.39	1368.07	2.77%	47,420.64	1,482.63	3.13%
3. Services	115,191.74	3,853.59	3.35%	94,448.54	3,174.18	3.36%
4. Loan to staff	3184.91289	-	0.00%	3,006.40	-	0.00%
5. Microfinance Loans(Loans to MFIs, Business Correspondents)	17,171.38	444.67	2.59%	12,787.83	521.08	4.07%
Total	186,535.67	5,680.38		158,418.58	5,197.29	

### 4. Intra-group exposures

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 31<sup>st</sup> March 2024. (31<sup>st</sup> March 2023 : 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
3.	Number of complaints disposed during the year	-	01
3.1	Of which, number of complaints rejected by the NBFC	-	-
4.	Number of complaints pending at the end of the year	-	-

₹ in lakhs

Complaints received by the NBFC from its customers		Current Year	Previous 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)	-	-

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	NIL	NA	NIL	NIL
Total	NIL	NIL	NA	NIL	NIL
Previous Year					
Total	NA	1(one)	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:

- 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
- 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 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023 and hence the details as required in tabular form is not presented here.

**Note 44: 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.

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.

**Note 45: 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 31<sup>st</sup> March 2024

₹ 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
<b>Performing Assets</b>						
Standard	Stage 1	171,288.92	1,040.41	170,248.51	682.28	358.13
	Stage 2	6,381.44	394.32	5,987.12	1,904.33	-1,510.01
Subtotal for standard		177,670.36	1,434.73	176,235.63	2,586.61	-1,151.88
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	2,083.88	833.55	1,250.33	335.05	498.50
Doubtful- up to 1 year	Stage 3	205.73	82.29	123.44	205.73	-123.44
1 to 3 years	Stage 3	1,237.86	495.15	742.72	745.86	-250.72
More than 3 years	Stage 3	-	-	-	-	-

₹ 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
Subtotal for doubtful		1,443.59	577.44	866.15	951.59	-374.15
Loss	Stage 3	2,152.93	1,991.59	161.34	2,150.28	-158.69
Subtotal for NPA		5,680.39	2,569.02	3,111.37	3,436.92	-34.35
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	171,288.92	1,040.41	170,248.51	682.28	358.13
	Stage 2	6,381.44	394.32	5,987.12	1,904.33	-1,510.01
	Stage 3	5,680.39	2,569.02	3,111.37	3,436.92	-867.90

As on 31<sup>st</sup> March 2024, the impairment allowance required under Ind AS 109 is lower than the provisions as per IRACP, the difference of Rs. 2019.78 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 to the reserve.

**As on 31<sup>st</sup> March 2023**

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

₹ 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
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 31<sup>st</sup> 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 to the reserve.

#### Note 46: 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; Asset Liability Management (ALM) Policy to oversee the various market and liquidity of the Corporation and various IT related policies to oversee the various IT and associated system risks. 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, 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 upgraded the separate cell, Stress Asset Management Cell (SAMC) to a department headed by a General Manager, 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 a 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. 1699.99 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. Till FY24, the Corporation has received interest free loan amounting to Rs.964.11 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 seven instalments amounting to Rs.229.11 Cr. and the 8th 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 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 FY23, the Corporation was sanctioned a limit of Rs.100 Cr. by SIDBI, out of which Rs.5 Cr. disbursement was availed during FY23 and balance Rs.95 Cr. was availed during FY24. Further, the Corporation initiated various steps for mobilization of funds from various channels for fund requirement of growing business and long-term targets and an amount of Rs.200 Cr. term loan has already been sanctioned by SBI in May 2024, disbursement of which can be availed during FY25. Further, discussion with other institutions like

SIDBI for further finance and NABARD for new line of credit is undergoing. Considering the above, the Corporation believes that its cash flow including loans will be sufficient to meet the financial liabilities within maturity period and other disbursement liabilities.

### 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 is being carried out, and results are being 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 47: Changes in liabilities arising from financing activities

As at 31st March 2024

₹ in lakhs

Particulars	As at March 31st, 2023	Cash flows(net)	New leases	Others	As at March 31st, 2024
Borrowings	49,114.99	8,637.42			57,752.41
Notional Interest	24,885.01	776.38			25,661.39
Lease Liability	270.98	(71.60)	79.80	13.10	292.28
Others	0.11	0.11		41.83	41.83
<b>Total</b>	<b>74,271.09</b>	<b>9,342.32</b>	<b>79.80</b>	<b>54.93</b>	<b>83,747.92</b>

As at 31st March 2023

Particulars	As at March 31st, 2022	Cash flows(net)	New leases	Others	As at March 31st, 2023
Borrowings	49,768.37	(653.38)			49,114.99
Notional Interest	24,731.63	153.38			24,885.01
Lease Liability	225.19	(77.89)	90.41	33.27	270.98
Others	0.00	-		0.11	0.11
<b>Total</b>	<b>74,725.19</b>	<b>(577.89)</b>	<b>90.41</b>	<b>33.38</b>	<b>74,271.09</b>

**Note 48: Disclosure as per Para 53 of Ind AS 116 : Leases**

₹ in lakhs

Particulars	As at 31/03/2024	As at 31/03/2023
i) Depreciation charge for ROU assets for Leasehold premises (presented under Note 28 : " Depreciation , amortization and impairment"	54.43	54.54
ii) Interest expense on lease liabilities (presented under Note 25 Finance Cost)	24.25	33.06
iii) Expense relating to short-term leases (included in Note 30 Other Expenses)	6.40	0.30
iv) Payments for principal portion of lease liability	69.76	69.38
v) Additions to ROU assets during the year	79.80	90.41
vi) Carrying amount of ROU assets at the end of reporting period by class of underlying assets( Refer Note 9C)	262.43	248.00
vii) Lease liabilities ( Refer Note 13 )	292.28	270.98

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.

**Maturity Analysis of Lease Liabilities as per Ind AS : Leases**

Particulars	As at 31/03/2024	As at 31/03/2023
Less than 1 year	5.18	9.01
1 – 3 years	22.05	37.40
3 -5 years	-	7.55
More than 5 years	265.05	217.01
Total lease liabilities	292.28	270.98

**Note 49: 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 2024**

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 2024

₹ in lakhs

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

(iii) 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	-	-	-	-	-

(iv) For year ended 31 March 2023

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

**Note 50: 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 2024

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 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

- (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 :

₹ in lakhs

Ratio	As at 31 <sup>st</sup> March 24	As at 31 <sup>st</sup> March 23
Tier -I Capital	111756.92	102997.21
Tier -II Capital	1434.73	1659.70
Total Capital	113191.65	104656.91
Aggregate of Risk Weighted Assets	202221.11	170050.14
Tier I CRAR	55.26%	60.57%
Tier II CRAR	0.71%	0.98%
CRAR	55.97%	61.54%

**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 31<sup>st</sup> March, 2024.

"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, development of rural and backward areas through promotion of entrepreneurship and promoting health care including preventive health care

₹ in lakhs

Particulars	As at 31/03/2024	As at 31/03/2023
i) Amount required to be spent by the Company	201.00	160.77
ii) Amount of expenditure incurred	222.01	207.43
iii) Shortfall at the end of the year	NA	NA
iv) Total of previous year shortfall	-	18.97
v) Reason of shortfall	-	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>To undertake awareness program on Organ Donation, Health Camp, distribution of food items under Pradhan Mantri TB Mukta Bharat Abhiyaan (PMTBMBA) etc.</p>	

₹ in lakhs

Particulars	As at 31/03/2024	As at 31/03/2023
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	122.76*	-
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 various capacity building programme on handloom and handicraft, marketing support as well as opening of showroom at Namchi, Sikkim.

(xvii) (a) Gross amount required to be spent: Rs. 201.00 lakhs( P.Y. Rs. 160.77 lakhs). 2% of the average profit before tax of last three financial years i.e. 2% of ` Rs. 10045.33 lakhs( P.Y. Rs. 8038.33 lakhs)= Rs.200.91 lakhs( P.Y. Rs. 160.77 lakhs). The Corporation has spent Rs. 222.01 lakhs( P.Y. Rs. 207.43 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	222.01	207.43	-	-	222.01	207.43

(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.

(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 31.03.2024

₹ in lakhs

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	99.7045%	1,20,685.44	99.8517%	10,093.49
Subsidiaries				
Indian				
NEDFi Trustee Ltd.	0.02%	18.94	0.04%	3.56
NEDFi Venture Capital Ltd.	0.28%	334.45	0.11%	11.25
Foreign	-	-	-	-
Non Controlling Interest in all subsidiaries/ associates (Investment as per equity method)				
Indian				
NEDFi Trustee Ltd.	0.00019%	0.23	0.0004%	0.04
NEDFi Venture Capital Ltd.	0.00336%	4.06	0.0014%	0.14
Foreign	-	-	-	-
Joint Ventures (as per proportionate consolidation / investment as per equity method)				
Indian	-	-	-	-
Foreign	-	-	-	-
<b>Total</b>		<b>1,21,043.12</b>		<b>10,108.48</b>

### Disclosure of interests in Subsidiaries and Joint Ventures

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

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

## SECTION 129

**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	14.17	333.51
6	Total Assets	20.59	594.98
7	Total Liabilities(Less : Equity & Reserves)	1.42	256.47
8	Investments	-	-
9	Turnover	5.62	283.02
10	Profit before Taxation / (Loss)	4.81	15.22
11	Provision for Taxation	1.21	3.83
12	Profit after Taxation / (Loss)	3.60	11.39
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.

Subject to reliance on the conversion of financial statements to IND AS and our internal report of even date, we hereby certify that Balance Sheet as at 31.03.2024, Statement of Profit & Loss and Cash Flow Statement for the period ending 31.03.2024 alongwith notes thereon are in agreement with the books of accounts.

### NEDFi Branch Offices:

<p><b>GUWAHATI</b> Ground Floor, BSNL CTO Building, Hem Baruah Road, Panbazar, Guwahati - 781001, Assam Ph: 0361 2734929</p>	<p><b>TINSUKIA</b> Dohutia Complex, 1st Floor, Rangagora Road, Borguri, Tinsukia- 786126, Assam Ph: 0374 2330225</p>	<p><b>SILCHAR</b> Cachar Market, 3rd floor, Netaji Subhas Avenue P. S. Rangirkhari, Silchar- 788005, Assam Telefax : +91 3842 220157</p>	<p><b>TEZPUR</b> 'Jonak', Shankar Mandir Road Kamargaon, Tezpur - 784001, Sonitpur, Assam Ph: +91 7086029260</p>
<p><b>JORHAT</b> New Medical Stores Building Third Floor, A. T. Road, Jorhat - 785001, Assam Mobile: +91 9864067784</p>	<p><b>BARPETA</b> 1st Floor, Vishal Complex (Subham Hotel Building), GLC College Road, Barpeta Road, Barpeta, Assam, Pin - 781315 Ph: 03666 291590</p>	<p><b>ITANAGAR</b> NH-415 Road, E-Sector Itanagar-791113, Arunachal Pradesh, Ph: +91 360 2217694</p>	<p><b>PASIGHAT</b> 1st Floor, M.M. Complex, Upper Banskota, N.H. 52, Pasighat -791102, Arunachal Pradesh, Ph: 0368 2222280</p>
<p><b>IMPHAL</b> Babupara, Opp. Telephone Bhawan, Imphal-795001, Manipur, Ph : 0385 2443385 Telefax:+91 385 2445927/ 2443385</p>	<p><b>CHURACHANDPUR</b> 3rd Floor, Radiant Complex, Bijang Family Lane, Tiddim Road, Churachandpur- 795128 Manipur Mobile: +91 9856088747</p>	<p><b>SHILLONG</b> Crescens Buildings, 1st Floor, Opp. Main Secretariat, M. G. Road, Shillong-793001, Meghalaya Ph : +91 364 2504814 Telefax: 2504815</p>	<p><b>AIZAWL</b> 2nd Floor, A-50, Zarkawt, Above Bank of Baroda, Aizawl-796001, Mizoram, Ph : +91 389 2347782 Fax : +91 389 2347783</p>
<p><b>LUNGLEI</b> C-1/236, First Floor, Chanmari, Lunglei-796701 Mizoram Ph : +91 372 2324274</p>	<p><b>CHAMPHAI</b> 1st Floor, Vengthlang Opp. Wesleyan Methodist Church Champhai, Mizoram-796321 Mobile:+91 7099092552</p>	<p><b>DIMPUR</b> 2nd Floor, Kuknalim Building, Circular Road, Dimapur-797112 Nagaland Telefax : +91 3862 2489306</p>	<p><b>KOHIMA</b> 4th Floor, Mato Complex, P.R. Hill, Opp. Police H.Q. Kohima-797001, Nagaland Telefax +91 370 2243046</p>
<p><b>GANGTOK</b> Ground Floor, Yangthang House, Sonam Tshering Marg, Kazi Road, Gangtok East Sikkim - 737101 Telefax:- +91 3592 2082869</p>	<p><b>NAMCHI</b> Central Park, Above AXIS Bank, P.O. &amp; P.S. Namchi, District: Namchi, South Sikkim-737126, Ph: 03595 263494</p>	<p><b>AGARTALA</b> 4th floor, Aitorma Sentrum, Shakuntala Road, Agartala, Pin: 799001, Tripura (West) Ph: 0381 2380848</p>	<p><b>DHARMANAGAR</b> V.K Road, Nayapara, Near Kiran Enterprise, Dharmanagar, North Tripura-799250 Mobile: +91 9856034495</p>
<p><b>UDAIPUR</b> 1st Floor, M/s Furnico, Vidyasagar Road, Ramesh Chowmuhani Udaipur, Gomati-799120, Tripura Mobile :+91 9612155421</p>			

**Representative Offices:**

<p><b>KOKRAJHAR</b> Discovery Club, Above BSNL Office, RNB Road, Ward No. 8, Kokrajhar- 783370, Assam Mobile: +91 9085747011, +91 8724990969</p>	<p><b>AGIA</b> Ajar Social Circle Vill / P.O. - Agia, Goalpara- 783120, Assam Ph. : +91 3663 285078 Mobile : +91 9707609170</p>	<p><b>SIVASAGAR</b> Will-force Group Near K.P.M Hall, A.T. Road, Sivasagar- 785640, Assam Mobile: +91 9954342380</p>	<p><b>LAKHIMPUR</b> Shri Rajesh Lohia M/s Rajesh Lohia, Thakurbari Road, Near Sitaram Mandir, North Lakhimpur-787001, Assam Mobile: +91 9560360469</p>
<p><b>BONGAIGAON</b> C/O Seven Sisters Development Assistance, Ward No. 3, Near Doordarshan Relay Center, Bageswaripara, Bongaigaon-783380 Phone: (03664) 230031 Mobile: +91 7002190367</p>	<p><b>TEZPUR</b> Shri Surendra Dugar Divyakiran Education Foundation Dugar Enclave, Barholia Tezpur, Assam-784001 Mobile: +91 9435084209</p>	<p><b>NAGAON</b> I-Cards Manivilla, A.D.P Road, Nagaon, Assam-782001 Mobile: +91 6003341436 +91 7086186958</p>	<p><b>BOMDILA</b> Chairman, Green Saviour, Upper Sera Village Road, Opp. SIB Colony, Bomdila- 790001, Arunachal Pradesh Mobile: +91 9436837827 +91 7085318742 +91 8729889866 +91 9402295938</p>
<p><b>ZIRO</b> Shri Hage Hyipa, Chairman, Tani Sankor Society, Second floor, Near Central Bank of India Hapoli, Ziro - 791 120, Lower Subansiri District, Arunachal Pradesh Mobile: +91 8794174202 +91 8732801586</p>	<p><b>UKHRUL</b> Volunteers for Village Development, Khaivaren Tang, Hungbung, Ukhrul District Manipur- 795142 Mobile: +91 8732044334</p>	<p><b>SENAPATI</b> VVD-MF Senapati Branch 3rd Floor, Above Black Rich Garments, Oppsite. Senapati District HQ Ground, Senapati District, Manipur- 795106 Mobile: +91 7085157614</p>	<p><b>TAMENGLONG</b> VVD-MF Tamenglong Branch, Near Lower Ground Tamenglong W/No- 1, Tamenglong District Manipur- 795141 Mobile: +91 9402270355</p>
<p><b>CHAMPHAI</b> Champhai Town Multipurpose Co-operative Society Ltd.(CTM) C/o F. Lalthantluanga Building Near Aizawl Sumo Counter, Vengthlang, Champhai- 796321, Mizoram Mobile: +91 8974770485</p>			





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